

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund Share Class A depreciated 0.65% for the month of June compared to a 0.96% return for the Russell 1000 Growth Index and a 0.62% return for the S&P 500 both including dividends. At the end of June, the Sub-Fund was invested primarily in the technology sector, with smaller weights in the health care, consumer discretionary, financials, consumer staples and industrials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 160 bps. This was primarily the result of the Manager's selections in consumer discretionary. The portfolio's underweight in industrials versus the benchmark benefitted performance. In June, the positions that contributed the most to the portfolio's return were Monster Beverage, Becton Dickinson, Regeneron Pharmaceuticals, Alphabet and Electronic Arts. The positions that contributed the least in the month were Alibaba Group, Charles Schwab, Norwegian Cruise Line Holdings, BlackRock and Booking Holdings.

Manager's Commentary

In recent weeks the equity markets have been negatively impacted by fears of trade wars brought on by the actions of President Trump, as he attempts to achieve free and fair trade with America's trading partners. These fears followed on concerns during the first quarter that strong global growth would usher in a period of rising inflation causing the US Federal Reserve to rapidly hike interest rates, with the European Central Bank doing the same shortly thereafter. Macro issues such as the EU debt default scare of 2011, the deflation fears of 2016, and the inflation and trade fears of 2018, tend to generate selling across the markets without regard to the over or undervaluation of the assets being sold. Moreover, investors often take profits in those stocks that are up the most to "protect" their gains. Certainly, after many years of appreciation, concerns such as these can lead to a market correction.

The Manager believes today's uncertainties will be of little concern over time. As fears regarding the economic impact of tariffs dissipate, the Manager anticipates that global equity markets will resume their march higher. Just as sovereign debt fears and concerns over Facebook have subsided, DSM believes today's worries over rising interest rates in the United States and Europe, as well as the specter of trade wars, will gradually subside too. The positive scenario of ongoing and perhaps improving global economic growth, moderate global inflation, low albeit rising interest rates, healthy global corporate earnings, normal global market valuations given a low-inflation world and an improving and increasingly stable global financial system, continues to form the foundation of an upwardly driven global equity market.

DSM remains focused on earnings believing that earnings are the primary factor that will "grow" the value of a business over time. Importantly, strong and growing earnings, when combined with reasonable valuations, drive stock prices higher over time. The portfolio remains focused on unique businesses that have been identified and continuously subject to analysis by DSM's investment team, while the portfolio holdings remain characterized by strong balance sheets and significant free cash flow. The Manager continues to project a mid-to-high "teens" portfolio earnings growth rate through 2022, and believes, given the superior predictable-quality-growth of the portfolio, its valuation is quite attractive.

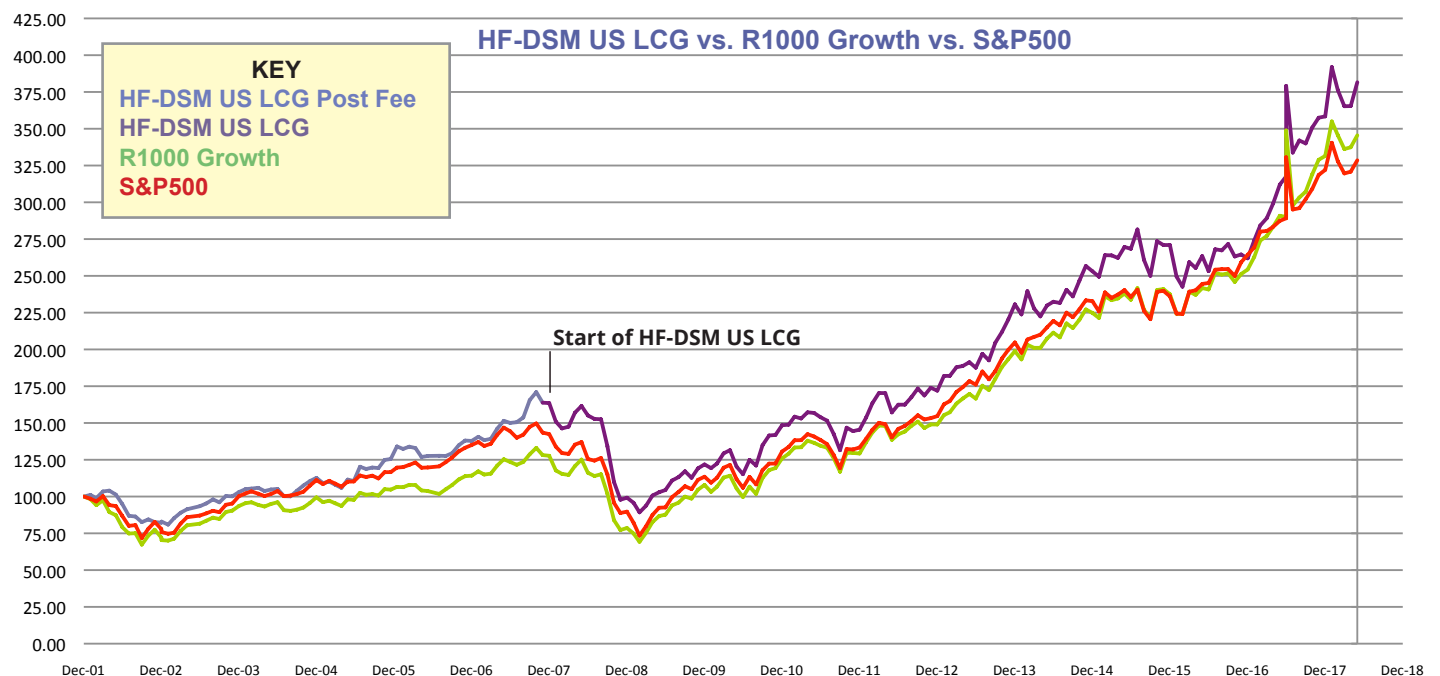
Key Information

NAV A Shares (30/06/18) US\$ 231.45
Total Fund Size (all share classes) US\$ 94.4m

Strategy Assets US\$ 5,393.2m^(a)
Fund Launch Date 29-Nov-07

Monthly Performance (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
HF-DSM US LCG	9.4	-3.97	-2.9	0.03	4.43	-0.6							5.8
Russell 1000 Growth ^(c)	7.1	-2.62	-2.7	0.35	4.38	1.0							5.2
S&P 500 ^(c)	5.7	-3.69	-2.5	0.38	2.41	0.6							2.7

Period Performance (%)	2018	2017	2016	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	5.8	36.8	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	279.1	8.16%
Russell 1000 Growth ^(c)	5.2	30.2	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	230.6	7.29%
S&P 500 ^(c)	2.7	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	248.8	7.75%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Facebook
Alibaba Group	Microsoft
Alphabet (Cl. A)	Tencent Holdings
BlackRock	Visa
Booking Holdings	Zoetis

Sectoral Breakdown	% of Assets
Information Technology	53.8%
Health Care	17.6%
Consumer Discretionary	11.9%
Financials	10.9%
Consumer Staples	4.0%
Industrials	0.9%

Investment Objective

The investment objective of the HF-DSM US LCG is to provide capital appreciation principally through investments in US-based growing corporations with market capitalizations generally above US\$ 5 billion. These companies are chosen for their growth prospects, attractive returns, solid business fundamentals and intelligent management. The sub fund may, on an ancillary basis, invest in US-based companies with lower market capitalizations as well as in non-US based companies. The Compartment may invest in American Depository Receipts and American Depository Shares. The reference benchmark for this strategy is the Russell 1000 Growth Index.

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	14.5	14.3
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.5	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.1	

Fund Details	
Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC 7111 Fairway Drive, Suite 350, Palm Beach Gardens, FL 33418
Management Company	FundPartner Solutions (Europe) S.A. 15, Avenue John F Kennedy, L-1855 Luxembourg
Custodian	Pictet & Cie (Europe) S.A. 15A, Avenue John F Kennedy, L-1855 Luxembourg
Legal Advisers	Elvinger, Hoss & Prussen 2 Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte Audit S.à.r.l. 560 Rue de Neudorf, L-2220 Luxembourg

Order Transmission Information

FundPartner Solutions (Europe) S.A.
15, avenue J. F. Kennedy
L-1855 Luxembourg

Via Fax +352 46 71 71 7667
or SWIFT PICTLULXTAS

- This refers to the total assets invested in the reference strategy managed by the Investment Manager.
- Data and graph depict DSM Composite through November 2007 and Hereford Funds DSM US Large Cap Growth Fund Class A thereafter. Historical gross performance of DSM Large Cap Composite returns (the Reference Strategy) is net of modeled fee and expense typical of Hereford Funds DSM US Large Cap Growth Fund Class A (1.25% fee + 0.25% expense). Fund follows same strategy. Performance presentation incomplete without accompanying footnotes as shown at www.dsmcapital.com.
- Total return including dividends.
- The fund is registered with the BaFin for public distribution in Germany from 17/10/12, registered with the AFM for public distribution in the Netherlands and registered with the AMF for public distribution in France.
- Share Class U has been granted Reporting Status by HMRC as of October 1, 2010.
- Share Class D is German tax registered from October 1, 2010.

Annual Management Charge	
Share Class A & U ^(e)	1.25%
Share Class D ^(f)	1.75%

France - Centralizing Correspondent as defined by French Regulation:
Société Générale - Order Desk, 32, avenue du Champ de Tir, BP 81236, F-44312 Nantes Cedex 3
Phone: +33/2.51.85.66.40, Fax: +33/2.51.85.58.71

Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
Société Générale, Zurich Branch, Talacker, 50, P.O. Box 1928, CH-8021 Zurich
Phone: +41/58.272.34.18 Fax: +41/58.272.35.49

Minimum Investment	
Share Class A & U ^(e)	\$100,000 initial / \$10,000 subsequent
Share Class D	\$10,000 initial / \$1,000 subsequent

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