

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (6.17)% for the month of May compared to a (6.32)% return for the Russell 1000 Growth Index and a (6.35)% return for the S&P 500 both including dividends. At the end of May, the Sub-Fund was invested in the technology, communication services, consumer discretionary and health care sectors, with smaller weights in the consumer staples and financials sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 15bps. This was primarily the result of the Manager's selections in technology. In May, the positions that contributed the most to the portfolio's return were Neurocrine Biosciences, Monster Beverage, Global Payments, Royal Caribbean Cruises and Elanco Animal Health. The positions that contributed the least in the month were Alibaba Group, Tencent Holdings, Alphabet, Facebook and Palo Alto Networks.

Manager's Commentary

Despite May's disappointing results, thus far in 2019 the Sub-Fund has rebounded strongly from 2018's underperformance. The portfolio is ahead of the benchmark indices and the Manager believes it is driven by both continued strong earnings growth and the compressed valuations at the end of 2018. Based on DSM's longer-term projections of continued high teens earnings growth and a forward P/E of 21.7x earnings in fiscal year 2020, the Manager believes the portfolio remains very attractively valued. In addition, DSM's disciplined and consistent research process has led to a number of new investment ideas. The Manager's investment approach is built on the simple indisputable fact that over time "Earnings Win" because businesses appreciate in value as earnings grow. DSM continues to believe that the ongoing strength in earnings creates a favorable opportunity to add to this portfolio of premier quality growth businesses.

The portfolio's calendar year 2018 fourth quarter results were reported during January and February of this year, with revenues growing 16% and earnings growing 21% on a weighted average basis. With all twenty-six companies in the portfolio now having reported as of March 31st, that trend has continued with first quarter 2019 results of 16% revenue growth and 19% earnings growth based on the Manager's calculations. This result follows the strong results of 2016, 2017 and 2018 when revenue growth approximated 23% and earnings growth exceeded 28% on average over those three years.

While the President's recent increase in tariffs on Chinese-made goods and threats of tariffs on Mexican imports to the US may cause global economic growth to slow, DSM does not believe a recession will occur. At this point in time both the US and Chinese economies are demonstrating signs of stability and the potential for reaccelerating growth. Fears of trade wars and tariffs, of normalizing interest rates and of weak economic growth have shaken investor confidence of late. DSM views the markets' bumps and grinds as a normal process of investors reacting to, and then slowly digesting, both current events and policy change, particularly concerning trade. Investors don't like change. It is unsettling and often results in irrational trading, especially after several years of substantial appreciation. However, over time investors adjust and the market, driven by solid fundamentals, moves higher.

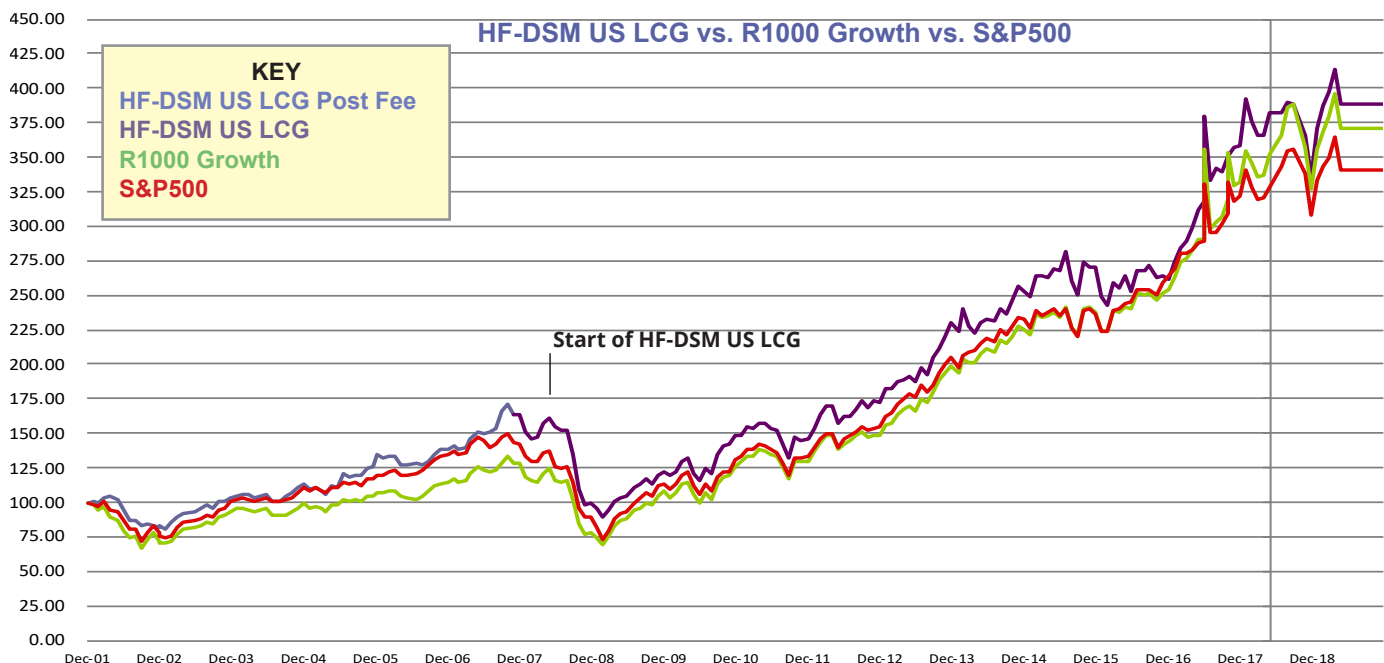
Key Information

NAV A Shares (31/5/19) US\$ 237.07
Total Fund Size (all share classes) US\$ 78.7m

Strategy Assets US\$ 5,358.5m^(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	10.5	4.1	2.6	4.3	-6.2								15.5
Russell 1000 Growth ^(c)	9.0	3.6	2.9	4.5	-6.3								13.7
S&P 500 ^(c)	8.0	3.2	1.9	4.0	-6.4								10.7

Period Performance (%)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	(6.2)	36.8	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	288.3	7.83%
Russell 1000 Growth ^(c)	(1.5)	30.2	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	241.0	7.56%
S&P 500 ^(c)	(4.4)	21.8	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	271.2	7.05%



HF Hereford Funds

Top Ten Holdings	
Adobe	Microsoft
Alibaba Group	Monster Beverage
Alphabet (Cl. A)	PayPal Holdings
Automatic Data Processing	Tencent Holdings
Facebook	Visa

Sectoral Breakdown	% of Assets
Information Technology	38.1%
Communication Services	19.2%
Consumer Discretionary	17.6%
Health Care	16.7%
Consumer Staples	4.8%
Financials	2.5%

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	14.8	14.6
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	0.0	
Sedol	B28TLX2	Tracking Error	n/a	6.4	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	0.9	

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

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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
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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

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

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
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