

### Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 5.5% for the month of November compared to a 10.24% return for the Russell 1000 Growth Index and a 10.95% return for the S&P 500 both including dividends. At the end of November, the Sub-Fund was primarily invested in the technology, communication services and consumer discretionary sectors, with smaller weights in the health care, financials and consumer staples sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 474bps. This was primarily the result of the Manager's selections in consumer discretionary and health care. The Sub-Fund's underweight of the real estate sector versus the benchmark benefitted performance. In November, the positions that contributed the most to the portfolio's return were PayPal Holdings, Visa, Alphabet, Microsoft and Intuit. The positions that contributed the least in the month were Alibaba Group, Tencent Holdings, Boston Scientific, Neurocrine Biosciences and Thermo Fisher Scientific.

### Manager's Commentary

Positive news regarding coronavirus vaccines from Pfizer, Moderna and AstraZeneca helped rally the markets this month as investors looked ahead to the economy's reopening. With a bit of luck, their vaccines, and perhaps others, will be approved and distributed over the next several quarters creating optimism that a global economic rebound can occur within 12 to 24 months. Anticipating this recovery, economically-sensitive "coronavirus rebound" stocks have come into vogue as evidenced by the recent outperformance of Value stocks over generally less economically-sensitive Growth stocks. While this rationale is understandable, the Manager doubts Value will outperform Growth over the intermediate or long term.

As COVID-19 slowly transitions into society's rearview mirror, DSM believes the economic and market outlook for investors will appear quite similar to the economic outlook after the 2008-2009 Global Financial Crisis. Beginning in 2010 and extending until the COVID-19 crisis occurred in 2020, the economy was characterized by slow growth, low inflation and low interest rates. With an equivalent economic outlook post-virus very possible, it is the Manager's view that despite a near-term bounce, economically sensitive businesses (generally Value) that underperformed the market for a decade leading up to the first quarter of 2020, are likely to underperform again.

The US elections have concluded and despite losing the Presidency, the Republicans have maintained 50 seats in the Senate, with Georgia's two Senate seats to be decided in a runoff election in early January. In DSM's view, the untold story of the election is in the House of Representatives. While a few seats remain undecided, Republicans will likely have gained at least 9 seats and perhaps as many as 12, bringing them within a half a dozen seats of control of the House. With the balance of power so narrow, the Manager thinks it is unlikely that higher, anti-growth tax rates will be passed. If Republicans win one of the two Senate seats in Georgia and maintain the majority, then no significant tax legislation of any sort will be possible. DSM believes this will be a modestly positive catalyst for the equity markets. Additionally, given low inflation, historically low interest rates, a slow economic recovery, strong earnings and reasonable valuations, DSM sees this as an attractive time to be a holder of premier quality growth businesses.

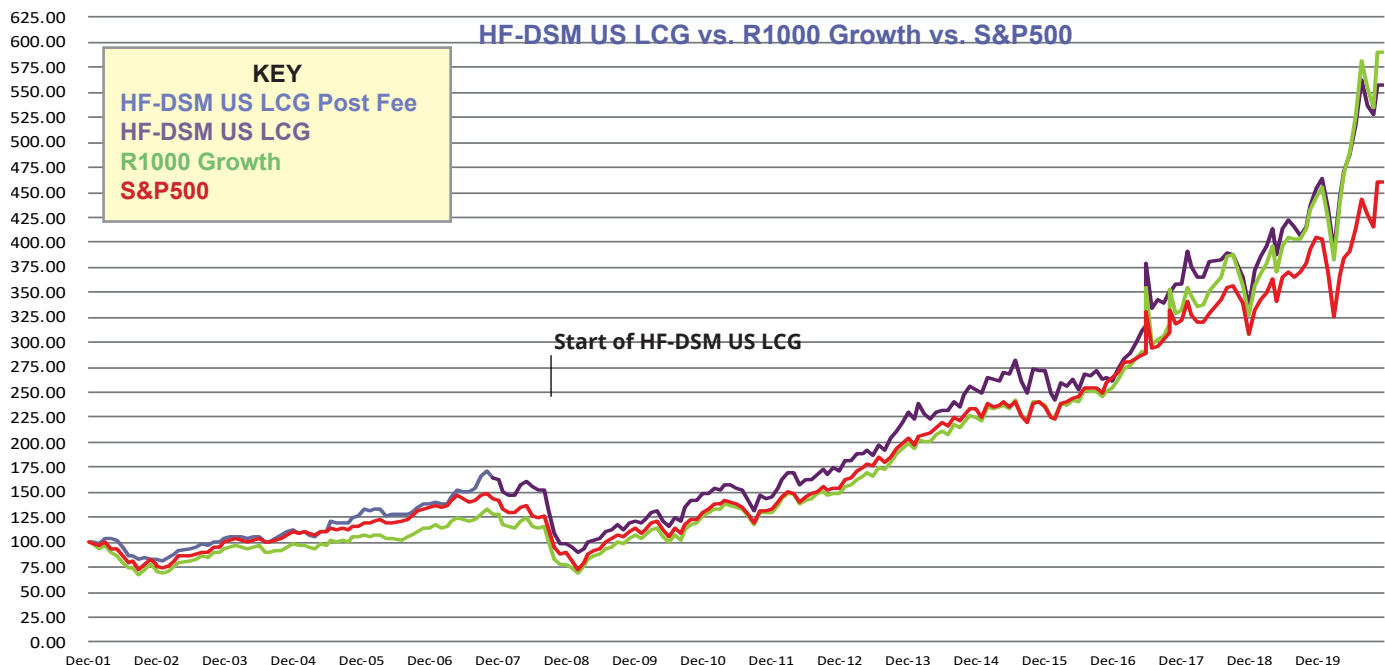
### Key Information

NAV A Shares (30/11/20) US\$ 339.8  
 Total Fund Size (all share classes) US\$ 86.5m

Strategy Assets US\$ 7,505m<sup>(a)</sup>  
 Fund Launch Date 29-Nov-07

Monthly Performance (%)													
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>HF-DSM US LCG</b>	2.1	(6.3)	(9.8)	13.8	5.8	3.6	6.1	8.5	(4.4)	(1.7)	5.5		22.7
<b>Russell 1000 Growth<sup>(c)</sup></b>	2.2	(6.8)	(9.8)	14.8	6.7	4.4	7.7	10.3	(4.7)	(3.4)	10.2		32.4
<b>S&amp;P 500<sup>(c)</sup></b>	(0.0)	(8.2)	(12.4)	12.8	4.8	2.0	5.6	7.2	(3.8)	(2.7)	10.6		14.0

Period Performance (%)	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
<b>HF-DSM US LCG Returns<sup>(b)</sup></b>	35.0	(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	456.5	9.46%
<b>Russell 1000 Growth<sup>(c)</sup></b>	36.4	(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	361.0	9.79%
<b>S&amp;P 500<sup>(c)</sup></b>	31.3	(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	489.7	8.38%



# HF Hereford Funds

Top Ten Holdings	
Adobe	Intuit
Alibaba Group	Microsoft
Alphabet (Cl. A)	PayPal Holdings
Amazon.com	Tencent Holdings
Facebook	Visa

Sectoral Breakdown	% of Assets
Information Technology	44.0%
Communication Services	21.4%
Consumer Discretionary	19.9%
Health Care	9.4%
Financials	2.8%
Consumer Staples	1.9%

## 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	15.3	15.4
ISIN	LU0327604228	Sharpe Ratio	n/a	0.6	0.6
Reuters	LP65102015	Information Ratio	n/a	-0.0	
Sedol	B28TLX2	Tracking Error	n/a	6.3	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	0.6	

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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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](http://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 <sup>(e)</sup>	1.25%
Share Class D <sup>(f)</sup>	1.75%

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

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