

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund Share Class A appreciated 3.18% for the month of October compared to a 3.87% return for the Russell 1000 Growth Index and a 2.33% return for the S&P 500 both including dividends. At the end of October, the Sub-Fund was invested primarily in the technology, consumer discretionary and health care sectors, with smaller weights in the financials, consumer staples and industrials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 69 bps. This was primarily the result of the Manager's selections in the health care sector as well as the overweight in health care versus the benchmark. The Manager's selections in consumer staples benefitted performance. In October, the positions that contributed the most to the portfolio's return were Adobe Systems, Alibaba Group, Microsoft, Facebook and Alphabet. The positions that contributed the least in the month were Regeneron Pharmaceuticals, Alexion Pharmaceuticals, Kansas City Southern, Allergan and Wynn Resorts.

Manager's Commentary

The Manager believes the Sub-Fund's portfolio is performing well this year and rebounding from 2016's weaker performance, because weighted revenue and earnings grew in excess of 20% during 2016, and at over 30% during the first half of 2017. This very strong period of earnings followed 2015, a year in which the portfolio generated a high-teens earnings growth rate. Earnings have grown as expected, or perhaps better than expected by the Manager over the past few years. Even with the solid portfolio appreciation this year, the Manager believes the Sub-Fund has not been paid in full for the economic value that has been created by the substantial earnings growth delivered recently. The simple fact is that businesses appreciate in value as earnings grow. For that reason, the Manager is focused on predictable earnings growth, with each business purchased at a reasonable valuation.

The Manager continues to believe that the current global economic growth cycle may last longer than the consensus has expected. The Manager feels its expectation of roughly 3% global growth, supported by growth in the world's three major economies, remains realistic. With 2% growth in the US, roughly 6% growth in China and growth of 1% or 2% in Europe and Japan, the global growth outlook remains on its long duration - steady low growth pathway. Though controversies over Brexit, the North American Free Trade Agreement negotiations, separatist parties in Spain and the situation in North Korea create concerns among investors, the Manager believes the markets will continue their upward climbs. With global growth remaining solid, inflation low and valuations reasonable, the Manager sees global equity markets generating average historic long term total returns that are more or less consistent with underlying earnings growth plus dividends, likely in the 4%-9% range.

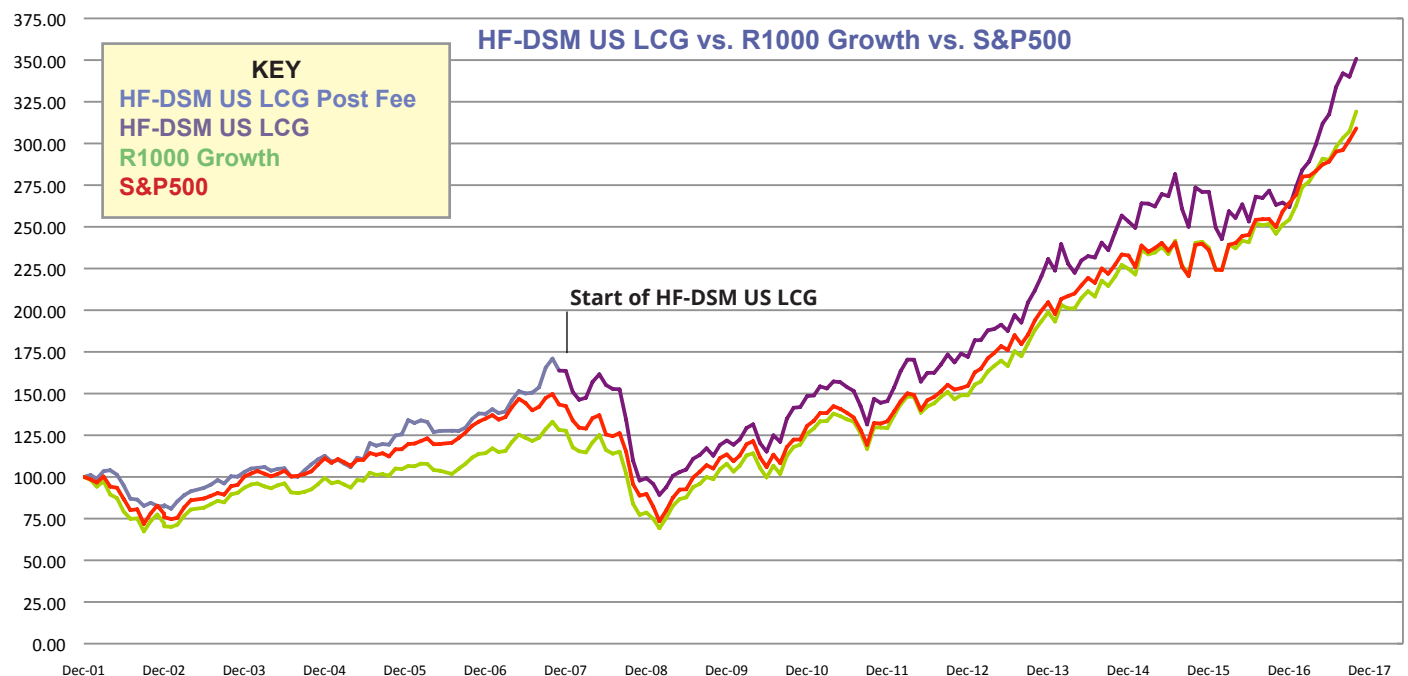
In the Manager's opinion, the current portfolio is among the highest quality group of growth businesses that it has ever assembled. The Sub-Fund portfolio is characterized by solid financial characteristics, 20% earnings growth in 2016 and possibly in excess of 20% in 2017 and projected high-teens growth for a few years thereafter. In addition, the portfolio is valued very reasonably at 22.8x calendar year 2018 earnings, which is hardly more than one times the current growth rate.

Key Information

NAV A Shares (31/10/17)	US\$ 214.2	Strategy Assets	US\$ 5,304.1m ^(a)
Total Fund Size (all share classes)	US\$ 97.2m	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	4.7	3.7	1.8	3.5	4.2	1.8	5.1	2.5	(0.6)	3.2			34.0
Russell 1000 Growth^(c)	3.4	4.2	1.2	2.3	2.6	-0.3	2.7	1.8	1.3	3.9			25.5
S&P 500^(c)	1.9	4.0	0.1	1.0	1.4	0.6	2.1	0.3	2.1	2.3			16.9

Period Performance (%)	YTD	2016	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	Cumulative	Annualised
HF-DSM US LCG Returns^(b)	34.0	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	250.8	8.16%
Russell 1000 Growth^(c)	25.5	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	209.1	7.31%
S&P 500^(c)	16.9	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	219.2	7.52%



HF Hereford Funds

Top Ten Holdings	
Adobe Systems	Regeneron Pharmaceuticals
Alibaba Group	Royal Caribbean Cruises
Alphabet (Cl. A)	Tencent Holdings
Facebook	Visa
Priceline Group	Zoetis

Sectoral Breakdown	% of Assets
Information Technology	50.1%
Consumer Discretionary	18.3%
Health Care	17.9%
Financials	5.9%
Consumer Staples	4.3%
Industrials	2.1%

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	14.4
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.4
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	1.3	

Fund Details	
Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC 116 Radio Circle Drive, Suite 200, Mount Kisco, NY 10549, USA
Management Company	EFG Fund Management S.A. 56, Grand-Rue, L-2013 Luxembourg
Custodian	EFG Bank (Luxembourg) S.A. 56, Grand-Rue, L-2013 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

Original Applications To:

European Fund Administration
Attn.: TA Operations and Shareholder
Services
2 rue d'Alsace
L-1122 Luxembourg

Subsequent Applications Only Via Facsimile:

European Fund Administration
Attn.: TA Operations & Shareholder
Services Fax: +352 4865 61 8002
Tel.: +352 48 48 9002
E-mail: register.ta.ops@efa.eu

- 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.

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

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

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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