

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 2.34% for the month of October compared to a 2.82% return for the Russell 1000 Growth Index and a 2.17% return for the S&P 500 both including dividends. At the end of October, the Sub-Fund was primarily 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 trailed the benchmark by approximately 48bps. This was primarily the result of the Manager's selections in the technology and health care sectors. The Manager's selections in consumer discretionary benefitted performance. In October, the positions that contributed the most to the portfolio's return were Facebook, Alibaba Group, Palo Alto Networks, Microsoft and Alphabet. The positions that contributed the least in the month were Tencent Holdings, Monster Beverage, Burlington Stores, Intuit and EPAM Systems.

Manager's Commentary

Strong appreciation has characterized portfolio performance in 2019. Bolstered by very good earnings reports, featuring high-teens profit growth, the Sub-Fund's portfolio is valued at approximately 23.5x next twelve months of earnings through December of 2020. The Manager continues to believe that the portfolio is attractively priced. DSM projects a high-teens earnings growth rate going forward, and believes it is possible that earnings growth will be higher than that target over the near-term. They remain optimistic that the portfolio can continue to appreciate, driven by strong and ongoing revenue and earnings growth. Over time, growing earnings typically drive equity prices upward. In other words, "Earnings Win."

In October, the US Federal Reserve lowered interest rates for a third time this year as an "insurance policy" to sustain economic growth in the United States going forward. The ECB, Bank of Japan and Bank of China are following a similar rate cut strategy. Trade talks with China appeared to have mostly stalled out, until the recent announcement of a potentially phased in deal comprised of several steps. Although the Manager does not believe a trade deal before the US presidential election in 2020 is likely, the market rallied on this news. To DSM, a growing global economy, moderate inflation, and low interest rates suggest that global equity markets may continue to provide an historically normal long-term total rate of return of 5% to 9%. While fears of trade wars, Brexit and weak economic growth have shaken investor confidence at times, the Manager believes these are concerns that are understood by investors and are largely incorporated into expectations.

Accordingly, the S&P 500 has reached an all-time record high of 3000. Negative surprises can and will occur for many, often unexpected, reasons, but investing has always required an understanding that uncertainty is an inevitable and permanent feature of the investment landscape. As DSM has said for many years, "bull markets climb a wall of worry" and they continue to expect that global equity markets will trend higher.

Key Information

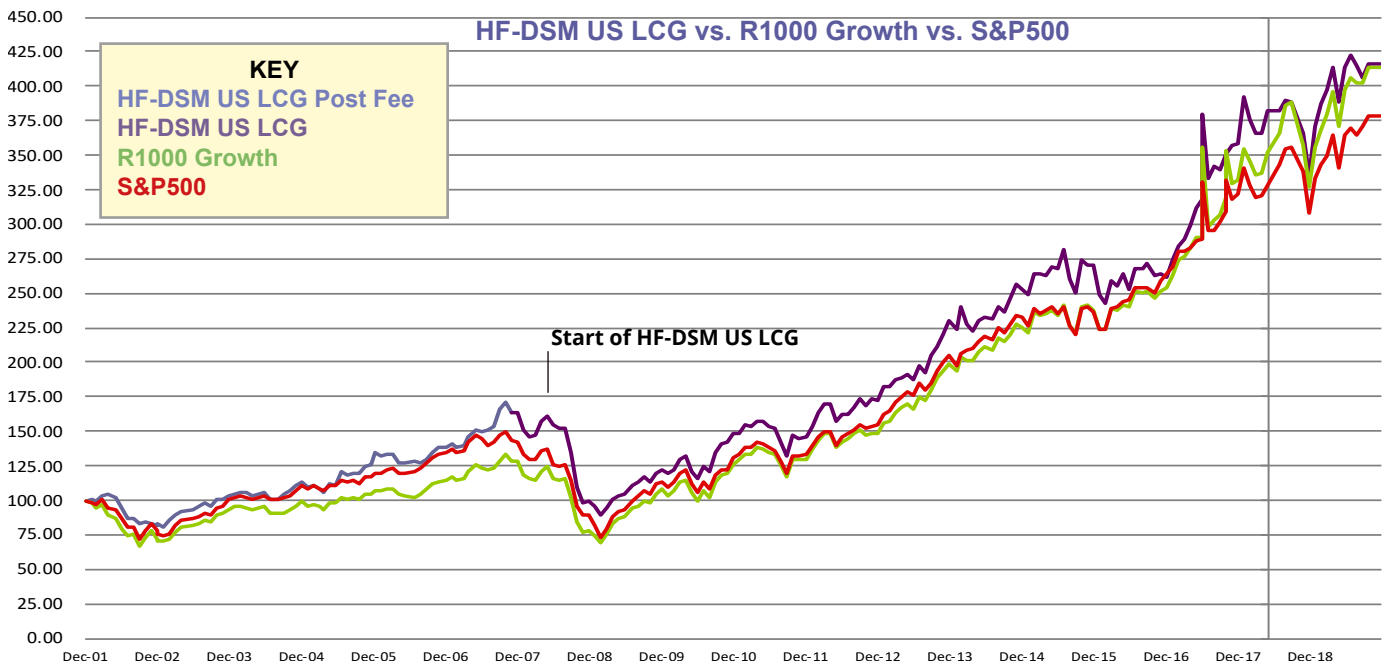
NAV A Shares (31/10/19) US\$ 253.9
Total Fund Size (all share classes) US\$ 73.1m

Strategy Assets
Fund Launch Date

US\$ 5,538.7m^(a)
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	6.5	2.2	-1.9	-2.0	2.3			23.8
Russell 1000 Growth ^(c)	9.0	3.6	2.9	4.5	-6.3	6.9	2.3	-0.8	0.0	2.8			26.8
S&P 500 ^(c)	8.0	3.2	1.9	4.0	-6.4	7.1	1.4	-1.6	1.7	2.2			23.0

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	306.5	8.24%
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	270.6	8.21%
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	302.6	7.68%



HF Hereford Funds

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

Sectoral Breakdown	% of Assets
Information Technology	39.1%
Communication Services	19.9%
Consumer Discretionary	18.2%
Health Care	17.1%
Consumer Staples	2.9%
Financials	2.0%

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	
Bloomberg	DSMUSLA LX
ISIN	LU0327604228
Reuters	LP65102015
Sedol	B28TLX2
	3504726
WKN	A0M58T

	Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Volatility	n/a		14.7	14.5
Sharpe Ratio	n/a		0.5	0.5
Information Ratio	n/a		0.0	
Tracking Error	n/a		6.4	
Beta	n/a		0.9	
Alpha	n/a		0.7	

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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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:
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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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