

DSM US Large Cap Growth Sub-Fund Class B - February 2023

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated 3.25% for the month of February compared to a (1.19)% return for the Russell 1000 Growth Index and a (2.44)% return for the S&P 500 both including dividends. At the end of February, the Sub-Fund was invested in the technology, health care, consumer discretionary, financials, communication services, consumer staples and materials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 206bps. This was primarily the result of the Manager's selections in information technology. The Manager's selections in consumer discretionary also detracted from performance. The Manager's selections in materials benefited performance. In February, the positions that contributed the most to the portfolio's return were NVIDIA, Fiserv, Linde, Microsoft and Fleetcor Technologies. The positions that contributed the least in the month Alphabet, Adobe, Amazon.com, PayPal Holdings and EPAM Systems.

Manager's Commentary

In the Manager's view, falling money supply growth as measured by the year-over-year growth rate of money supply (M2), will lead to lower inflation over the course of 2023. This development would likely bring the Federal Reserve's rate hikes to an end and support the market's valuation and upward climb. Unfortunately it is difficult to predict when inflation will break decisively lower towards the Fed's 2% inflation target. Furthermore, it is important to understand that inflation will not decline in a smooth or predictable line. The most recent inflation statistics have been somewhat disappointing leading to a pullback in the equity markets.

Although in the near-term a tight money supply in the US and EU may contribute to a recessionary environment, it should eventually lead to lower inflation and an improving economic outlook that would have been impossible to achieve with continued high rates of inflation. The challenge in both the US and Europe may well come later in 2023, as the effects of restrictive monetary policies begin to infiltrate their economies. At present, the slow growth global economic outlook is also due to the resilient US economy, which has been sustained by ongoing low unemployment. Although the most recent US inflation statistics, particularly PPI, have been a bit higher than expected, DSM continues to believe that inflation in the US is moving downward and that the Fed will continue to support a restrictive monetary policy until they see that inflation has truly been defeated. In the US, recent CPI and PPI readings seemingly confirm that inflation may have peaked, thus beginning its decline from four-decade highs. As inflation continues to fall, the Federal Reserve will eventually stop raising rates, perhaps later in the first half of this year.

While the possibility of recession and lower earnings certainly exists, equities are priced on forward looking earnings. Especially in a recession, investors will look past a near-term earnings decline and value equities based on the potential for an economic recovery in 2023 or 2024. In the Manager's opinion, by the summer of 2023 equities will increasingly be priced on 2024 earnings. The bear case for the stock market is founded on higher inflation leading to higher interest rates leading to a significant recession and a significant decline in earnings. At this point in time, inflation is moderating and the dire S&P 500 consensus earnings forecasts of \$200 appear unlikely to materialize.

DSM remains focused on building a portfolio of quality/predictable growth companies with reasonable valuations, as they strive to avoid the risk of overvalued equities whose popularity amongst investors, for whatever reason, is undeserved based on their valuation methodology. Importantly, the Manager believes the valuation of the Sub-Fund portfolio entering this period of higher interest rates is quite reasonable and provides the opportunity to generate attractive rates of return over the next few years.

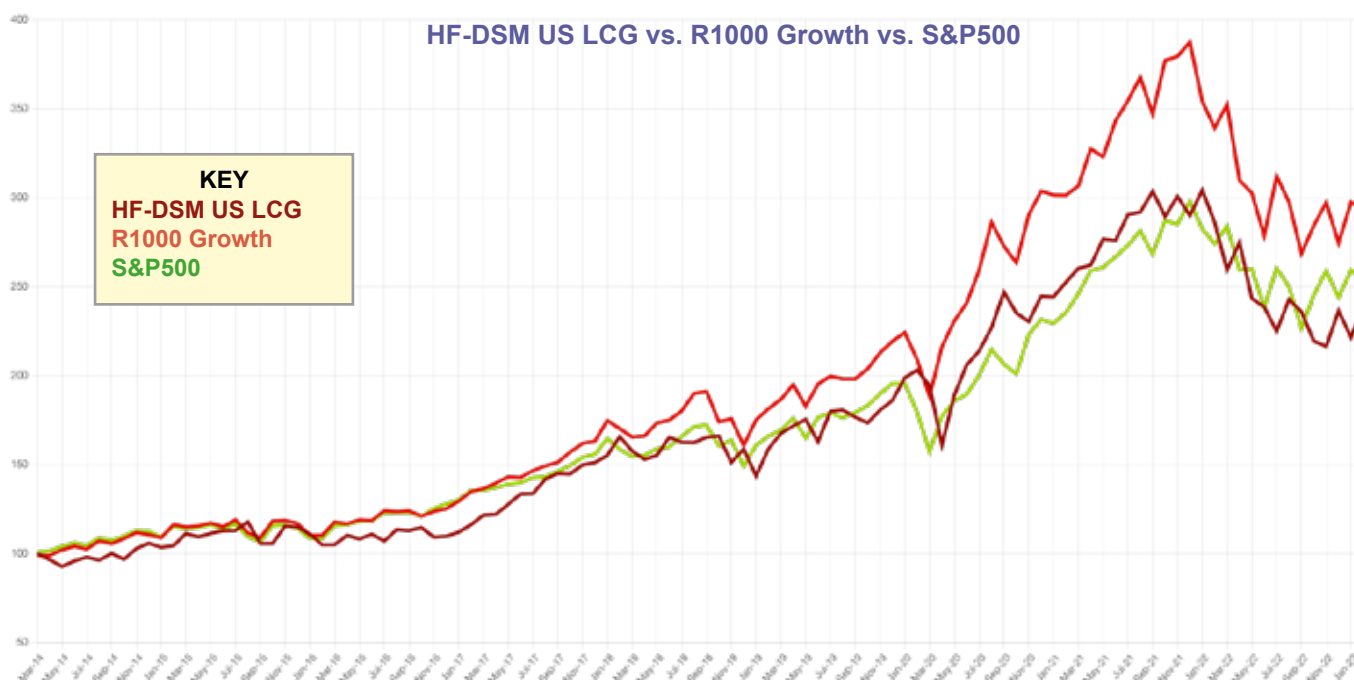
Key Information

NAV B Shares (28/2/23) US\$ 239.74
Total Fund Size (all share classes) US\$ 61.05m

Strategy Assets US\$ 5,407.5^(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	6.3	(3.3)											2.9
Russell 1000 Growth ^(c)	8.3	(1.2)											7.0
S&P 500 ^(c)	6.3	(2.4)											3.7

Period Perf (%)	2022	2021	2020	2019	2018	2017	2016	2015	2014	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	(26.8)	21.3	27.2	35.9	(5.6)	37.8	(2.6)	7.8	11.5	127.6	9.57%
Russell 1000 Growth ^(c)	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	193.8	12.72%
S&P 500 ^(c)	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	152.9	10.86%



Top Ten Holdings

Accenture	Intuit
Alphabet (Cl. A)	Microsoft
Amazon.com	PayPal Holdings
Boston Scientific	Charles Schwab
EPAM Systems	Visa

Sectoral Breakdown	% of Assets
Information Technology	62.3%
Health Care	11.0%
Consumer Discretionary	8.1%
Financials	6.2%
Communication Services	5.7%
Consumer Staples	3.1%
Materials	2.7%

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 Depositary Receipts and American Depositary 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	15.7
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5
Reuters	LP65102015	Information Ratio	n/a	-0.1
Sedol	B28TLX2	Tracking Error	n/a	6.3
	3504726	Beta	n/a	0.9
WKN	A0M58T	Alpha	n/a	0.1

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

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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.
- 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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Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
FundPartner Solutions (Suisse) SA (route des Acacias 60, 1211 Geneva 73, Switzerland) as Swiss representative and Banque Pictet & Cie SA (route des Acacias 60, 1211 Geneva 73, Switzerland) as Swiss paying agent.

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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