

**DSM US Large Cap Growth Sub-Fund**
**Class B - January 2024**
**Investment Review**

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.65% for the month of January compared to a 2.49% return for the Russell 1000 Growth Index and a 1.68% return for the S&P 500 both including dividends. At the end of January, the Sub-Fund was invested in the technology, financials, consumer discretionary, communication services, health care, industrials and consumer staples sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 3751bps. This was primarily the result of the Manager's overweight and selections in the technology sector, as well as their selections in the consumer discretionary sector. The Manager's selections in communication services detracted from performance. In January, the positions that contributed the most to the portfolio's return were NVIDIA, Microsoft, Arista Networks, Boston Scientific and Fortinet. The positions that detracted the most in the month were Charles Schwab, EPAM Systems, Monster Beverage, Advanced Micro Devices and Entegris.

**Manager's Commentary**

A year ago, most investors were concerned about a recession. Now, with inflation having decelerated meaningfully, the US Federal Reserve on hold, and interest rates having stabilized, many companies are seeing a more normalized macroeconomic environment. As such, businesses are reassessing their defensive posture of a year ago and are starting to invest again, or are at least contemplating doing so. At recent industry conferences and in company updates, many businesses have reported on the resiliency of their consumers which the Manager sees as a big change from a year ago when uncertainty and pessimism reigned.

The Manager is cognizant that monetary and fiscal policy acts with a significant lag. With prominent economists pointing out that it often takes 12 to 18 months for the impacts of policy changes to be fully felt, there still may be incremental pressure on consumers and businesses through this spring. Europe and China are certainly soft and could hold down any nascent recovery, though India and much of Southeast Asia are experiencing good economic growth and could offset this softness. The US appears to be muddling through, with a soft landing a very real and possible scenario. DSM continues to monitor several geopolitical events that could spill over to wider conflicts which along with a cantankerous US election could hamper confidence in the global economy. One noteworthy observation by market participants expecting a recession is that reckless government deficit spending is propping up the economy more so than before, and thus keeping the recessionary forces at bay.

In an environment of more normal interest rates, the Manager believes there should logically be less speculation in the markets and a greater focus on quality and valuation. DSM has always constructed a portfolio with a strong valuation discipline. Since last summer, the Manager feels their valuation and quality focused approach has been much more appreciated by the markets. Given the ever-increasing role technology is playing in the day-to-day operations of companies, governments and society as a whole, for some time the Manager has overweighted technology in the portfolio versus the benchmarks. DSM strongly believes that Artificial Intelligence (AI), and more recently generative AI, is arguably the next big technology cycle with a structural tailwind that could last a decade or more similar to past cycles driven by the PC, cellular, the internet, and the smartphone or further back in history to mini-computers and mainframes. In DSM's view, the negatives of inflation and a rising interest rate cycle are almost at an end, while the positive impact of lower inflation and a growing economy enhanced by the emerging new AI technology cycle is just beginning.

**Key Information**

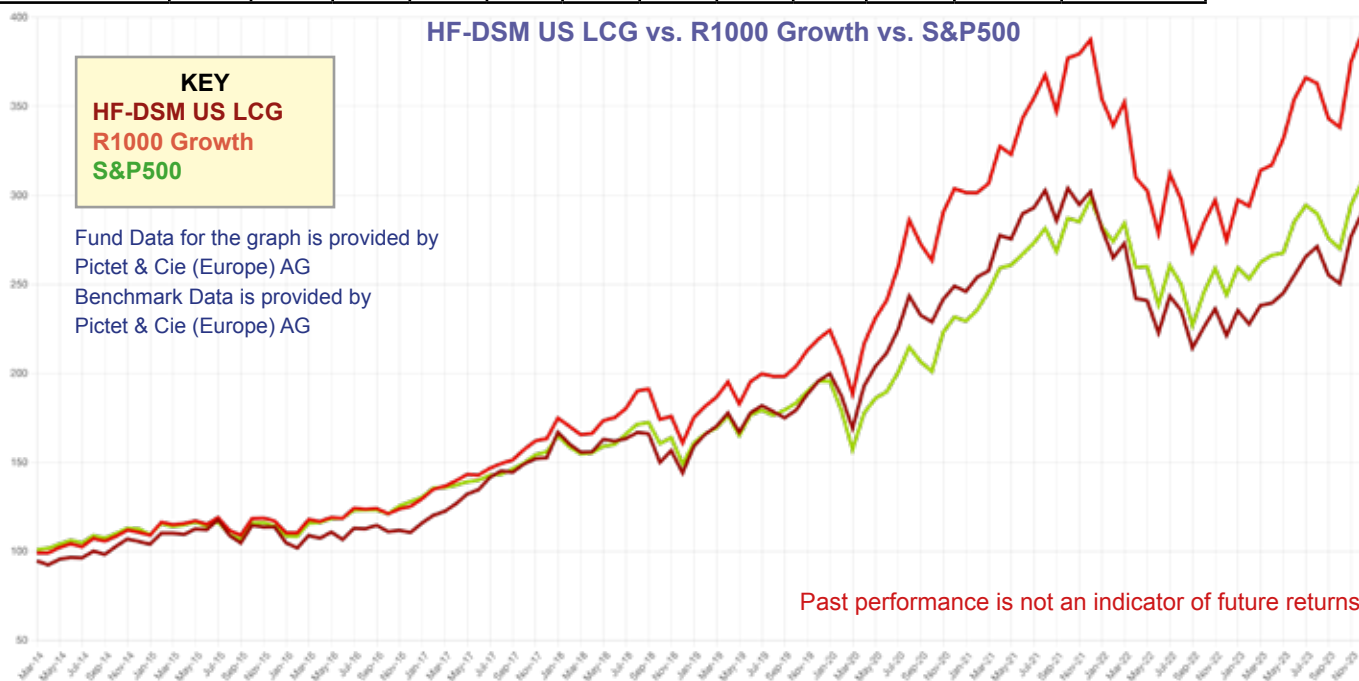
 NAV B Shares (31/01/24) US\$ 304.1  
 Total Fund Size (all share classes) US\$ 75.3m

 Strategy Assets US\$ 6098.0 <sup>(a)</sup>  
 Fund Launch Date 26/01/2015

**Monthly Performance (%)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>HF-DSM US LCG</b>	4.7												4.7
<b>Russell 1000 Growth<sup>(c)</sup></b>	2.5												2.5
<b>S&amp;P 500<sup>(c)</sup></b>	1.7												1.7

Period Perf (%)	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	Cumulative	Annualised
HF-DSM US LCG Returns <sup>(b)</sup>	31.4	(26.8)	21.3	27.2	35.9	(5.6)	37.8	(2.6)	7.8	11.5	204.1	11.9%
Russell 1000 Growth <sup>(c)</sup>	42.7	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	301.3	15.0%
S&P 500 <sup>(c)</sup>	26.2	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	213.1	12.2%



## Top Ten Holdings

Adobe	Intuit
Alphabet (Cl. A)	Mastercard
Amazon.com	Microsoft
Arista Networks	NVIDIA
Autodesk	Visa

## 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

The Sub-Fund is actively managed. The benchmark indices of the Sub-Fund are the S&P 500 and the Russell 1000 Growth. They are used for performance comparison purposes. The Investment Manager is not in any way constrained by the benchmark indices in its portfolio positioning. This means the Investment Manager is taking investment decisions without reference to a benchmark index. The Sub-Fund can deviate significantly from the benchmark indices

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLB LX	Volatility	n/a	15.7	16.1
ISIN	LU0327604574	Sharpe Ratio	n/a	0.5	0.5
Telekurs	003504729	Information Ratio	n/a	-0.1	
Sedol	B28TLY3	Tracking Error	n/a	6.2	
		Beta	n/a	0.9	
		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) AG, Succursale de Luxembourg. 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

All Data in this factsheet is provided by Pictet & Cie (Europe) AG, FundPartner Solutions (Europe) S.A. and DSM Capital Partners LLC

## Minimum Investment

Share Class B	\$10m initial subscription
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Share Class	Mgmt Fees	ISIN	TER	Entry Fee	Exit Fee
B	0.7%	LU0327604574	0.97%*	0%	0%

This document should be read as a marketing communication.

Risk Disclaimer - This current risk profile is based on historical data and may not be a reliable indication of the future risk profile of the Sub-Fund. - The risk category shown is not guaranteed and may shift over time. - The lowest category, which corresponds to Number 1, cannot be regarded as being risk-free. - The Sub-Fund does not provide any capital guarantee or asset protection measures. Why is this Sub-Fund in this category? The investment objective of the Sub-Fund is to generate long-term capital growth and income by investing in equities and equity-linked securities of US Companies. Hence, the risk/reward profile of the SubFund should correspond to a high risk category on the risk/reward scale. The contents of this document are communicated by, and the property of, Hereford Funds. This document is for information purposes and internal use only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined individually for each investor, and the financial instruments described above may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Please consult your own professional advisers in order to evaluate and judge the matters referred to herein. An investment should be made only on the basis of the prospectus, the Key Information Document (KID) the annual and any subsequent semi-annual reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained in English from the Fund, from FundPartner Solutions (Europe) SA, 15 avenue J. F. Kennedy, L-1855 Luxembourg, and any distributor or intermediary appointed by the Fund. **You can obtain a summary of investors rights to the following link:**  
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Sectoral Breakdown	% of Assets
Information Technology	51.0%
Financials	13.8%
Consumer Discretionary	11.0%
Communication Services	10.8%
Health Care	7.0%
Industrials	4.0%
Consumer Staples	1.9%

## Order Transmission Information

FundPartner Solutions (Europe) S.A.  
15, avenue J. F. Kennedy  
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](http://www.dsmcapital.com).
- Total return including dividends.

## Registration

For our latest registration information, please see  
<https://herefordfunds.com/library/country-registrations>

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:  
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.

The figures shown do not include all the costs of the product itself. For further information on the costs, please refer to the prospectus and other fund documents.