

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.11% for the month of July compared to a 3.37% return for the Russell 1000 Growth Index and a 3.21% return for the S&P 500 both including dividends. At the end of July, the Sub-Fund was invested in the technology, financials, communication services, consumer discretionary, health care, industrials, materials and consumer staples sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 74bps. This was primarily the result of the Manager's selections in technology. The Manager's selections in industrials also benefited performance. The Manager's underweight of the communications services sector detracted slightly from performance. In July, the positions that contributed the most to the portfolio's return were Alphabet, NVIDIA, Adobe, Intuit and PayPal Holdings. The positions that contributed the least in the month were SolarEdge Technologies, Arista Networks, Microsoft, Boston Scientific and Aon.

Manager's Commentary

With significantly tightened money supply as a tailwind, the Manager believes that both the US Federal Reserve and European Central Bank will have continued success in lowering inflation, and lower inflation will drive the market higher through expanding P/Es. In addition, lower inflation has quite possibly reduced the likelihood of an economic "hard landing", thereby supporting the earnings outlook for the market as well. Going forward, as confidence in a lower inflation outcome increases, DSM believes valuations may further expand and the market may well continue its trend higher.

Many observers are concerned that recession is a likely outcome due to higher rates, inverted yield curves and more rigorous bank lending standards. However, at this point modest economic growth is continuing, with a stable consumer backdrop, healthy jobs and higher wages. Forecasts for US GDP growth in 2023 have been rising and real wages in the US have finally turned positive, a welcome relief to consumers who had seen inflation erode their real spending power. The Manager believes if a recession should occur, it will likely be modest. While DSM cannot be certain how rapidly inflation will decline to, or near to, the 2% target of both central banks, they do believe it is trending lower. Nevertheless, in the Manager's view, expectations for a Fed pivot to rate cuts is very unlikely until December of this year at the earliest.

Looking forward DSM believes interest rates at current levels will not reward speculation, as did central bank policies of zero interest rates and free money over the decade or more after the financial crisis of 2008 and 2009. With higher interest rates, their view remains that durable earnings growth through an economic cycle will be highly sought after by investors. From that perspective the Manager believes the recent stock price gains of the very dominant large cap technology companies is consistent with their view that durable long-term earnings growth will be rewarded. Furthermore, in a hopeful sign, they believe that over the past month or two market gains have begun to broaden across a wider spectrum of securities. Accordingly, DSM will continue to avoid the valuation risk of many overpriced and speculative equities and remain focused on opportunistic investments in quality/predictable growth companies with appropriate business fundamentals and valuations.

In the Manager's opinion, the projected high-teens growth of the Sub-Fund portfolio should well outstrip that of the Russell 1000 Growth Index and the S&P 500, both with long term earnings growth rates of 5% to 10%. Moreover, given its reasonable valuation along with its continued strong earnings, and the tailwind of AI, it is DSM's view that this is an opportune moment to invest in this portfolio of premier quality growth businesses. As the economy continues to grow, albeit slowly, and inflation continues to fall, the probability of a significant recession declines. A "muddle through" scenario has become more possible, but is certainly not assured. At this juncture the Manager continues to expect that global markets will trend higher despite well-publicized macro and geopolitical risks.

Key Information

NAV B Shares (31/7/23) US\$ 265.5
Total Fund Size (all share classes) US\$ 69.4m

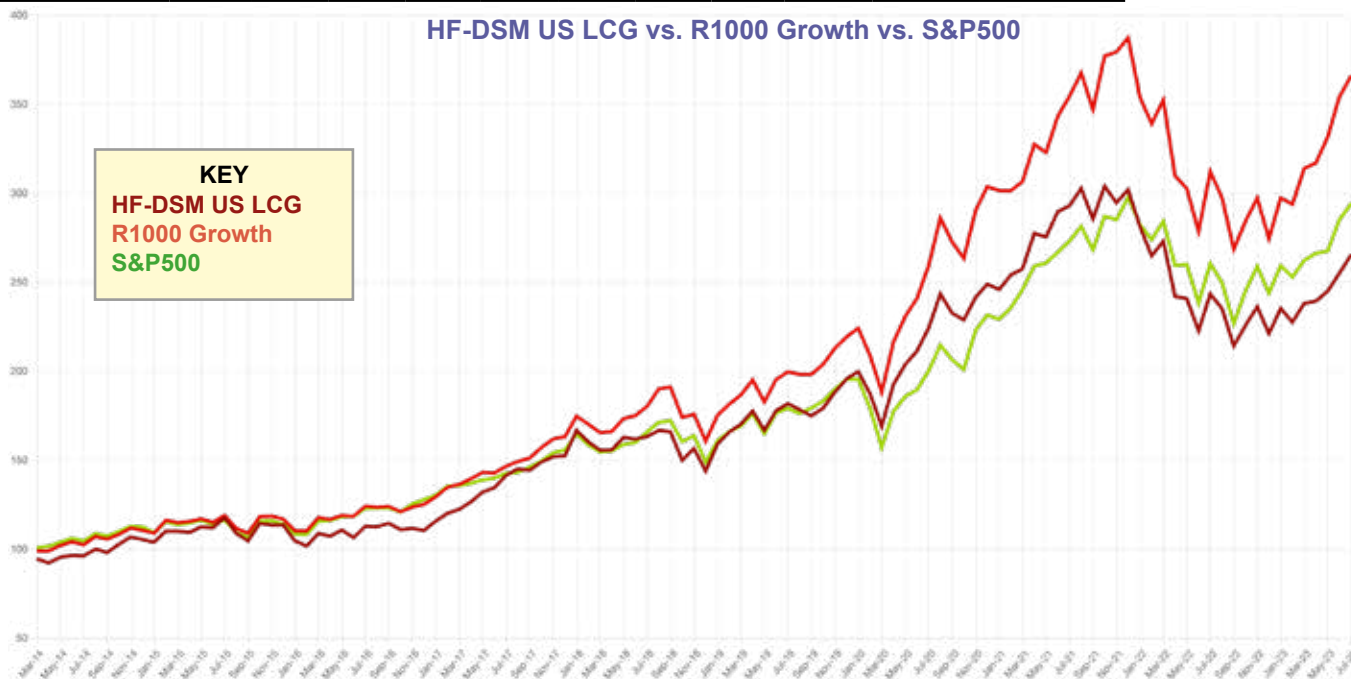
Strategy Assets US\$ 5,826.3 ^(a)
Fund Launch Date 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
HF-DSM US LCG	6.3	(3.3)	4.6	0.5	2.3	4.1	4.1						20.5
Russell 1000 Growth^(c)	8.3	(1.2)	6.8	1.0	4.6	6.8	3.4						33.4
S&P 500^(c)	6.3	(2.4)	3.7	1.6	0.4	6.6	3.2						20.6

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	165.5	10.93%
Russell 1000 Growth ^(c)	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	266.0	14.77%
S&P 500 ^(c)	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	194.3	12.14%

HF-DSM US LCG vs. R1000 Growth vs. S&P500



Top Ten Holdings

Accenture	Intuit
Adobe	Microsoft
Alphabet (Cl. A)	NVIDIA
Amazon.com	PayPal Holdings
Autodesk	Visa

Sectoral Breakdown	% of Assets
Information Technology	46.7%
Financials	21.6%
Communication Services	9.3%
Consumer Discretionary	8.5%
Health Care	6.3%
Industrials	3.3%
Materials	2.2%
Consumer Staples	1.8%

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	15.6	16.1
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	-0.2	
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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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.
- 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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Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
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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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