

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated 1.87% for the month of October compared to a (1.42)% return for the Russell 1000 Growth Index and a (2.10)% return for the S&P 500 both including dividends. At the end of October, the Sub-Fund was invested in the technology, financials, consumer discretionary, communication services, health care, industrials, materials and consumer staples sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 45bps. This was primarily the result of the Manager's selections in technology. The Manager's selections in consumer discretionary benefited performance. In October, the positions that contributed the most to the portfolio's return were Microsoft, Arista Networks, Amazon.com, Adobe and Chipotle Mexican Grill. The positions that detracted the most in the month were EPAM Systems, NVIDIA, Alphabet, Automatic Data Processing and PayPal Holdings.

Manager's Commentary

The ongoing war in Ukraine, the conflict in Israel, the possibility that inflation does not continue to decline and other unpredictable economic and geopolitical risks have led to a challenging market. Nevertheless, the Manager believes there is an ever brighter light at the end of the tunnel because in their view, the negatives of the inflation and interest rate cycle appear to be nearing an end, while the positive impact of the emerging new AI technology cycle is just beginning.

Interest rates have risen, but on an historical basis remain low. In fact, interest rates have been abnormally low since the 2008 financial crisis. DSM believes the past 15 years of central bank policies of zero interest rates and free money have drawn to an end. In their opinion, interest rates are simply moving back to normal historic levels. In both the US and Europe how high rates will go and for how long is a function of inflation. The faster inflation falls, the sooner the rate hike cycle will come to an end and in time, the central banks can begin an easing cycle. While it is certainly possible that the Federal Reserve and European Central Bank might each hike rates one more time, or not depending on the economic statistics between now and their next meetings, the Manager believes if they do raise rates it will be the final hike of this cycle.

Importantly, in the Manager's opinion, interest rates at current levels, or even a bit higher, should enable normal historic equity appreciation especially if purchased at reasonable valuations. On the other hand, as interest rates normalize, speculation in high P/E stocks and overvalued "yield" or "defensive" stocks likely becomes ever riskier. DSM remains focused on companies that can compound earnings over the near and long term, and whose valuations are reasonable even if interest rates on the 10-year US Treasury bond move into the 5% to 6% range, and they prefer ample portfolio exposure to technology with incremental AI revenue and earnings potential. That said, they continue to carefully monitor potential opportunities in non-technology companies as well.

Technology evolution has always created change, but at certain times there are notable inflection points. Whether it was the steam engine, the telephone, radio, aircraft, television or the semi-conductor, the evolution of technology drives change. As was the case in the 1990's the Manager views the AI revolution as representing another important inflection point, and they have positioned the portfolio to benefit from it. DSM believes the portfolio has a normal valuation at present in a world of normalizing interest rates and in their opinion it is quite attractively valued. In addition, they believe the valuations of the tech stocks in the portfolio largely reflect only the ongoing growth these companies might generate not any AI revenue lift the companies might receive.

The Manager remains optimistic that the market will trend higher, despite well-publicized macro and geopolitical risks, driven by continued news of falling inflation and the probability that the rate hike cycle from the Federal Reserve and the European Central Bank are very near the end, and continue to believe the odds are in favor of the buyer.

Key Information

NAV B Shares (31/10/23) US\$ 250.3
Total Fund Size (all share classes) US\$ 64.2m

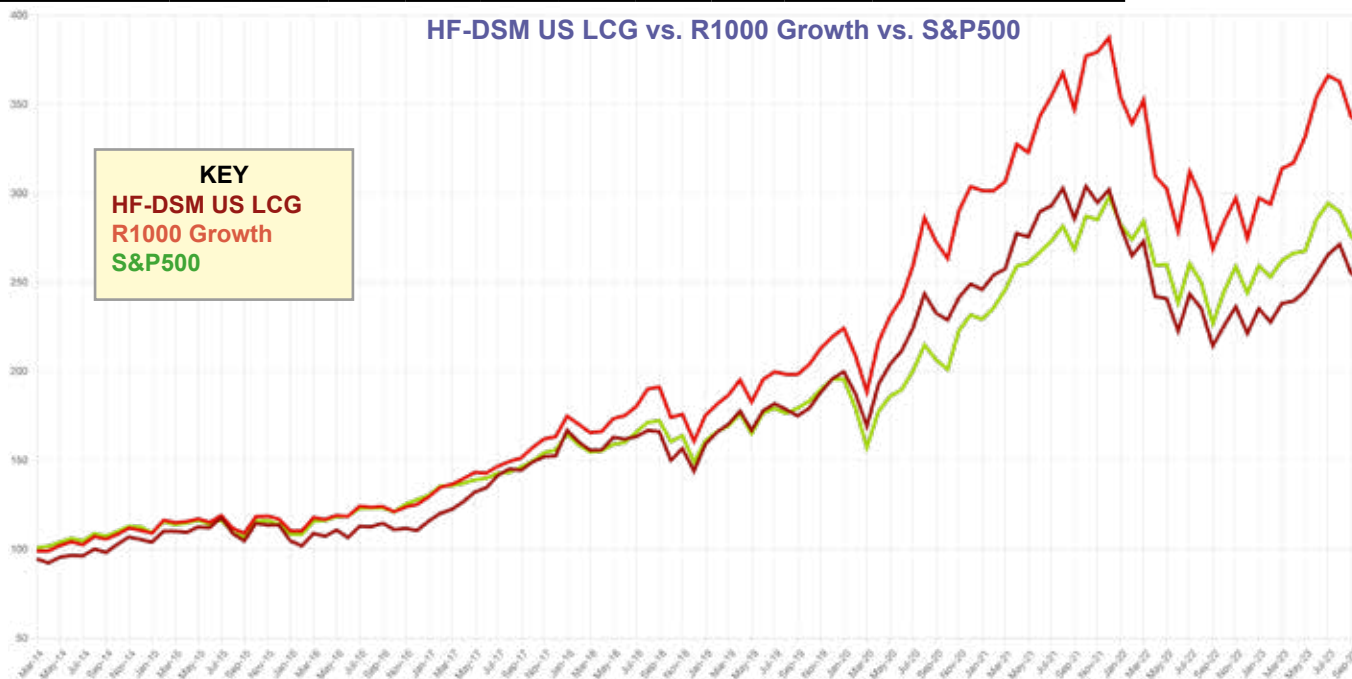
Strategy Assets
Fund Launch Date

US\$ 5,215.6 ^(a)
26/01/2015

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	2.1	(5.9)	(1.9)			13.2
Russell 1000 Growth^(c)	8.3	(1.2)	6.8	1.0	4.6	6.8	3.4	(0.9)	(5.4)	(1.4)			23.2
S&P 500^(c)	6.3	(2.4)	3.7	1.6	0.4	6.6	3.2	(1.6)	(4.8)	(2.1)			10.7

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	150.3	10.0%
Russell 1000 Growth ^(c)	(29.1)	27.5	38.5	36.4	(1.5)	30.3	7.1	5.6	11.8	238.1	13.4%
S&P 500 ^(c)	(18.1)	28.6	18.3	31.3	(4.4)	21.8	12.0	1.4	11.7	170.0	10.8%



Top Ten Holdings

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

Sectoral Breakdown	% of Assets
Information Technology	47.3%
Financials	14.6%
Consumer Discretionary	11.3%
Communication Services	9.1%
Health Care	8.0%
Industrials	4.0%
Materials	2.6%
Consumer Staples	2.2%

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	Volatility	n/a	15.6	16.1
ISIN	Sharpe Ratio	n/a	0.5	0.5
Telekurs	Information Ratio	n/a	-0.1	
Sedol	Tracking Error	n/a	6.3	
	Beta	n/a	0.9	
	Alpha	n/a	-0.0	

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

FundPartner Solutions (Europe) S.A.
15, avenue J. F. Kennedy
L-1855 Luxembourg

Via Fax +352 46 71 71 7667
or SWIFT PICTLULXTAS

- (a) This refers to the total assets invested in the reference strategy managed by the Investment Manager.
- (b) 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.
- (c) Total return including dividends.

Registration

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

Annual Management Charge

Share Class B	0.70%
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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.

Minimum Investment

Share Class B	\$10m initial subscription
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