Signatory of: PRI Principles for Responsible Investment

SFDR status as of March 2021: Article 8

HF Hereford Funds

DSM US Large Cap Growth Sub-Fund
Class A - September 2022

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated 8.97% for the month of September compared to a (9.72)% return for the Russell 1000 Growth Index and a (9.21)% return for the S&P 500 both including dividends. At the end of September, the Sub-Fund was invested in the technology, health care, financials, communication services, consumer discretionary, consumer staples and materials sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 75bps. This was primarily the result of the Manager's selections and overweight in financials versus the benchmark. The Manager's selections in the consumer staples sector also benefited performance. In September, the positions that contributed the most to the portfolio's return were Charles Schwab, Neurocrine Biosciences, O'Reilly Automotive, United Parcel Service and Autodesk. The positions that contributed the least in the month were Alphabet, Microsoft, Adobe, Amazon.com and EPAM Systems.

Manager's Commentary

The global economic outlook has weakened while the risk of a global recession has increased as central banks raise interest rates to ensure price stability over the longer term. In a complete change of direction from one year ago, the Federal Reserve, European Central Bank and other major central banks are now willing to continually raise interest rates, and potentially create a recession, in order to curb inflation. The ten-year US Treasury yield is about to move above 4% for the first time since 2008, and thirty-year mortgage rates are at twenty-year highs. A hard landing, perhaps with higher unemployment rates as collateral damage, is certainly possible. With the Fed Funds rate headed to 4.5%, and a relatively superior outlook for the US economy versus the rest of the world, the US dollar is hitting a twenty-year high versus the Euro; a nearly twenty five-year high versus the Yen; and a fifty-year high versus Sterling. Even against China's Renminbi the dollar is close to making decade plus highs.

Europe faces similar inflationary headwinds as the US. Rates have been raised by the ECB, Bank of England and others. An ECB rate of 3% or more is possible by the summer of 2023. As in the US, the approach seems to be higher-rates-for-longer in order to tame inflation although it is worth noting that wage inflation in Europe is better contained than in the US. However, the ECB's response is made much more complicated by the war in Ukraine. Limited supplies of Russian oil and gas, especially as winter approaches, creates a significant economic hurdle.

After the Great Financial Crisis in 2008/9 the Federal Reserve and other central banks reduced interest rates to zero or even negative levels in order to encourage investors holding cash to invest in the global economy and hasten the economic recovery. While logical at the time, the policy arguably continued for too long, even after unemployment reached levels that are considered quite low on an historical basis. In addition, once the pandemic hit, very large sums of "free money" were distributed by governments to consumers and businesses. This one-two punch of low rates and government largess led to a surge in money supply which led to the inflation we are currently experiencing. However, the Manager believes there is light at the end of the tunnel as the year-over-year growth rate of M2 (money supply) has fallen below its historic sixty-year average level. Since history indicates that M2 leads inflation, lower money supply growth should lead to a lower inflation rate over the not-too-distant future. In 1982, despite a recession and high interest rates, investors became convinced that Paul Volker's Federal Reserve would bring inflation under control. As a result, over the period from June of 1982 through June of 1983 the S&P 500 appreciated by over 40%. While impossible to predict, DSM believes that just as in 1982, the first step in the process of equity market recovery is slower money supply growth, which is occurring. Going forward, inflation will need to be monitored. Just as happened in 1982 and 1983, lower inflation will enhance investor confidence and may well result in a rebound in the stock market.

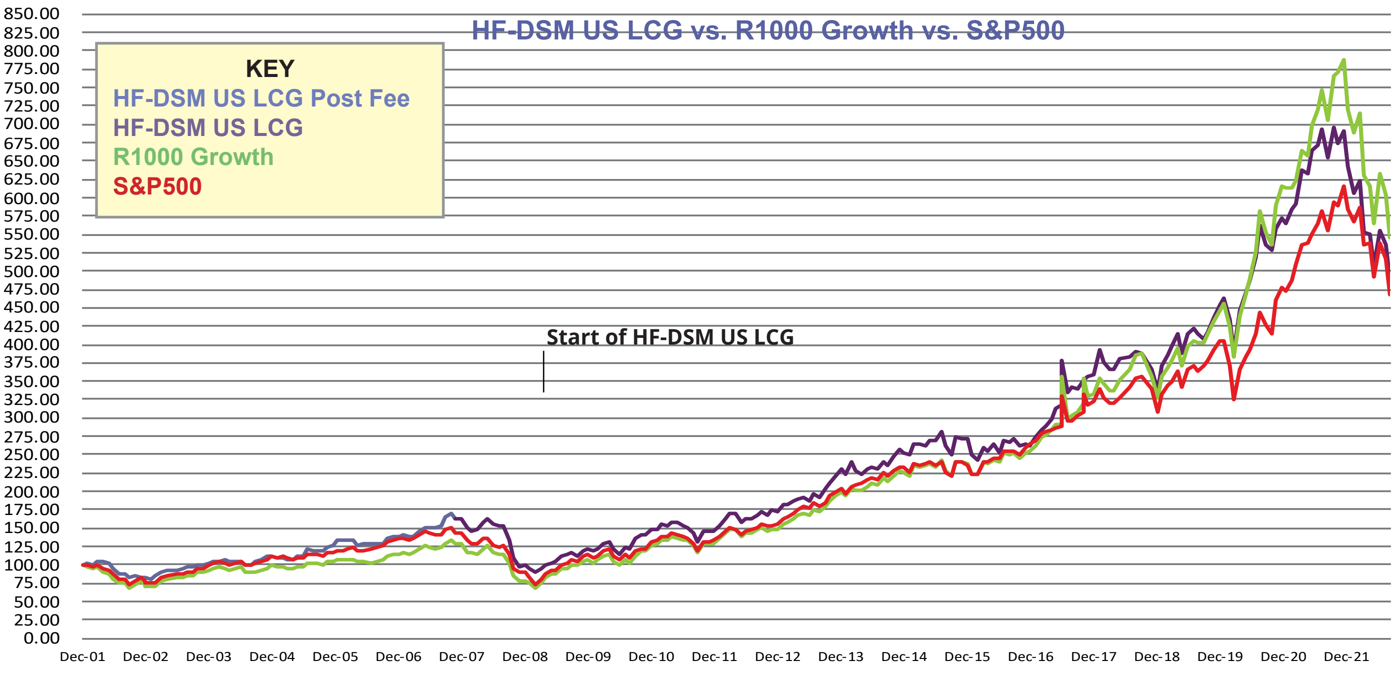
Key Information

NAV A Shares (30/09/22)	US$ 326.87	Strategy Assets	US$ 5,693.3[(a)]
Total Fund Size (all share classes)	US$ 65.37m	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	(6.9)	(5.9)	3.0	(11.4)	(0.6)	(7.6)	9.2	(3.4)	(9.0)				(29.4)
Russell 1000 Growth[(c)]	(8.6)	(4.3)	2.9	(12.4)	(2.2)	(7.9)	12.0	(4.7)	(9.7)				(30.7)
S&P 500[(c)]	(5.2)	(3.0)	2.7	(8.7)	0.2	(8.3)	9.2	(4.1)	(9.2)				(23.9)

Period Performance (%)	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns[(b)]	20.5	26.4	35.0	(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	387.4	7.93%
Russell 1000 Growth[(c)]	27.5	38.5	36.4	(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	368.8	8.52%
S&P 500[(c)]	28.6	18.4	31.3	(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	445.6	7.73%



Hereford Funds

Top Ten Holdings	
Alphabet (Cl. A)	Neurocrine Biosciences
Amazon.com	PayPal Holdings
Boston Scientific	Charles Schwab
EPAM Systems	UnitedHealth Group
Microsoft	Visa

Sectoral Breakdown	% of Assets
Information Technology	46.3%
Health Care	13.5%
Financials	11.5%
Communication Services	10.3%
Consumer Discretionary	8.8%
Consumer Staples	5.9%
Materials	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	15.7	16.0
Sharpe Ratio	n/a	0.4	0.5
Information Ratio	n/a	-0.1	
Tracking Error	n/a	6.3	
Beta	n/a	0.9	
Alpha	n/a	0.2	

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

(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.
(d) 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.
(e) Share Class U has been granted Reporting Status by HMRC as of October 1, 2010.
(f) 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%

Minimum Investment	
Share Class A & U[e]	$100,000 initial / $10,000 subsequent
Share Class D	$10,000 initial / $1,000 subsequent

France - Centralizing Correspondent as defined by French Regulation:
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