

DSM US Large Cap Growth Sub-Fund Class A - August 2021

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 3.3% for the month of August compared to a 3.74% return for the Russell 1000 Growth Index and a 3.04% return for the S&P 500 both including dividends. At the end of August, the Sub-Fund was primarily invested in the technology and communication services sectors, with smaller weights in the health care, consumer discretionary, financials, industrials, consumer staples and materials sectors.

For the month, the Sub-Fund trailed the benchmark by approximately 42bps. This was primarily the result of the Manager's selections in the technology and health care sectors. The Manager's overweight of the communication services sector versus the benchmark benefited performance. In August, the positions that contributed the most to the portfolio's return were Alphabet, Microsoft, NVIDIA, Facebook and Netflix. The positions that contributed the least in the month were Mastercard, Global Payments, Visa, Alibaba Group and Tencent Holdings.

Manager's Commentary

Over the past ten years, China's government has enacted a wide range of regulations. In 2021 alone, China's government introduced new supervisory frameworks across a broad swath of the economy, which may well represent an acceleration of the regulatory process that has occurred over the past decade. China's intent, seemingly, is to create higher "quality" growth over the long term by formalizing regulations across many industries. The government has focused on several key areas such as national security, bio-security and the digital economy – the last being an important area in which DSM has historically invested. Clearly the current regulatory cycle has created significant concerns for the market. The Chinese government has far more authority to quickly implement new policies than those of other nations, as evidenced by the historically unprecedented actions taken towards the After School Tutoring industry, as well as the "voluntary" investments the government is "encouraging" certain companies to make. As a result, the Manager has reduced the portfolio's exposure to Chinese equities and continues to monitor the regulatory developments in China.

Despite setbacks from the Delta variant causing lockdowns throughout the world, the global economy is recovering. DSM expects that global growth will remain healthy over the coming quarters. The quantitative easing policies of central banks, particularly the Federal Reserve and European Central Bank, have been quite substantial. In the US and EU, unemployment has declined to 5% to 7%, which is a relatively normal level during an economic recovery. However, some economists believe that at this time central bank bond purchases are simply pushing up the prices of all assets rather than creating additional jobs or improving incomes. Accordingly, the Federal Reserve is considering tapering/ reducing their bond purchases perhaps as early as the fourth quarter, while the ECB expects tapering to begin further in the future, although the timing could change, even after a formal policy is revealed, as new economic data is reported.

Corporate earnings during the first and second quarters were extremely strong globally. While it is possible that rising interest rates may negatively impact global equity valuations, much stronger than expected earnings could be an offset. If interest rates rise and/or the economy slows over the coming eighteen months, the Manager believes the portfolio is well positioned given its reasonable valuation and the largely predictable and economically stable revenue and earnings growth of the businesses it holds.

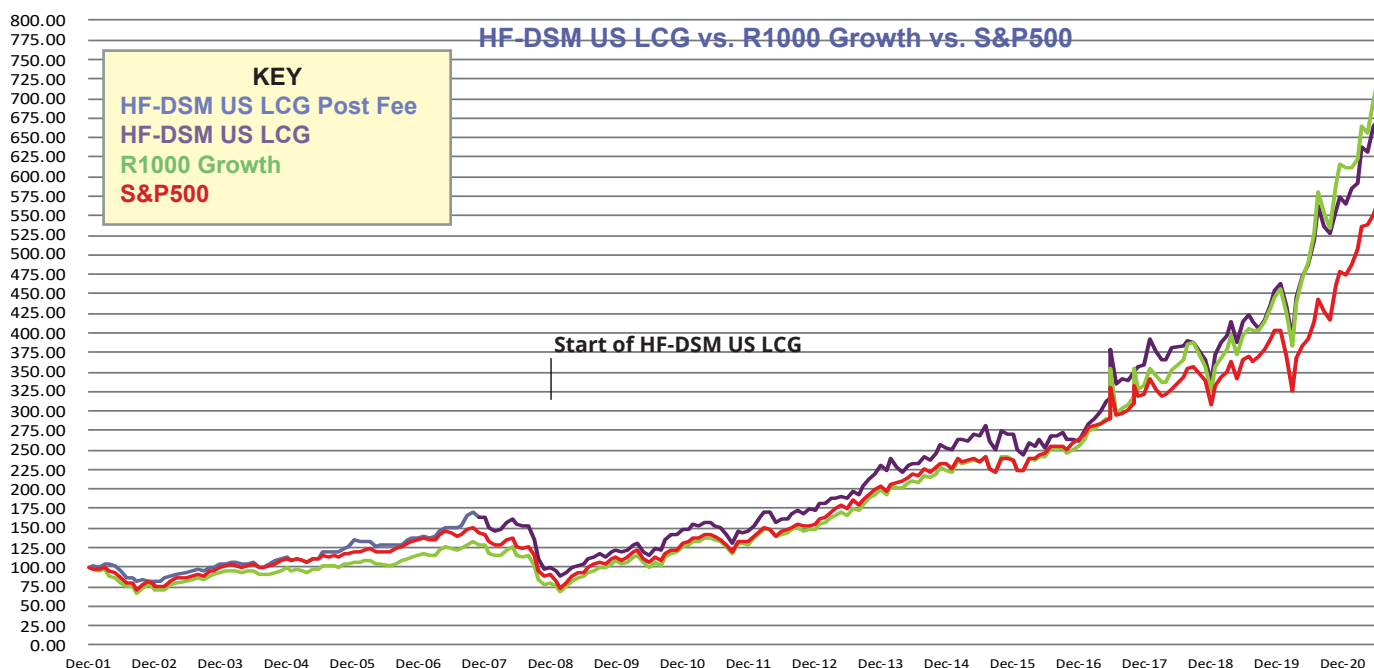
Key Information

NAV A Shares (31/8/21) US\$ 423.65
Total Fund Size (all share classes) US\$ 103.8m

Strategy Assets US\$ 8,673.4m^(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	(1.3)	3.3	1.3	7.7	(0.8)	5.1	1.1	3.3					21.0	
Russell 1000 Growth ^(c)	(0.7)	(0.02)	1.7	6.8	(1.4)	6.3	3.3	3.7					21.1	
S&P 500 ^(c)	(1.0)	2.8	4.4	5.3	0.7	2.3	2.4	3.0					21.5	

Period Performance (%)	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	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	594.0	10.17%
Russell 1000 Growth ^(c)	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	481.6	10.57%
S&P 500 ^(c)	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	646.6	9.20%



Top Ten Holdings

Adobe	Microsoft
Alphabet (Cl. A)	Netflix
Amazon.com	NVIDIA
Facebook	PayPal Holdings
Intuit	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.

Fund Codes		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.1	15.2
ISIN	LU0327604228	Sharpe Ratio	n/a	0.6	0.6
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	0.6	

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:
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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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