

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 2.2% for the month of July compared to a 2.26% return for the Russell 1000 Growth Index and a 1.44% return for the S&P 500 both including dividends. At the end of July, the Sub-Fund was primarily invested in the technology, communication services, consumer discretionary and health care sectors, with smaller weights in the consumer staples and financials sectors.

For the month, the Sub-Fund trailed the benchmark slightly. This was primarily the result of the Manager's selections in Information Technology. The Manager's selections and overweight of the communication services sector benefitted performance. In July, the positions that contributed the most to the portfolio's return were Alphabet, Palo Alto Networks, Sirius XM Holdings, EPAM Systems and Intuit. The positions that contributed the least in the month were PayPal Holdings, Thermo Fisher Scientific, Royal Caribbean Cruises, MSCI and Elanco Animal Health.

Manager's Commentary

Over the past 91 years, the market has appreciated more than 10% per annum almost 60% of the time, and declined over 10% just 14% of the time. With those odds, the Manager believes investors should be focused on how to participate in the market's upside, rather than being overly concerned with losses which occur comparatively much less frequently. Additionally, in DSM's opinion, quality growth companies churning out increasing earnings are a very effective approach to generate capital gains over intermediate and longer periods of time.

DSM has projected for many years that the current global economic expansion would prove to be a longer growth cycle than the majority of previous economic growth periods. In fact, the US economic growth expansion is the longest on record and in some respects has improved in recent years. The Manager continues to believe that a global economic recession is not likely to occur until 2021 or later. Throughout the world inflation remains surprisingly low, given the immense amount of quantitative easing provided by the world's major central banks. DSM sees the current global economic cycle being driven by moderate 1% - 2% inflation, which supports a low interest rate environment on an ongoing basis. In fact, the US 10-year Treasury note has nearly returned to historic low yields and European and Japanese yields have turned negative.

The portfolio's performance in 2019 is off to a strong start, bolstered by earnings growth of approximately 19%. The Manager continues to project a high-teens earnings growth rate going forward, and believes it is possible that earnings growth will remain higher than that target over the near-term. To DSM, a growing global economy, moderate inflation and low interest rates suggests that global equity markets may continue to provide a normal long-term total rate of return of 5% to 9%. Fears of trade wars, of normalizing interest rates and of weak economic growth have shaken investor confidence, but the Manager believes these are concerns that are now understood by investors and are largely incorporated into expectations. Accordingly, the S&P 500 recently reached an all-time record high of 3000. Negative surprises can and will occur for many reasons, but investing has always required an understanding that uncertainty is an inevitable and permanent feature of the investment landscape. As DSM has said for many years, "bull markets climb a wall of worry," which will likely be the case over the next few years as well.

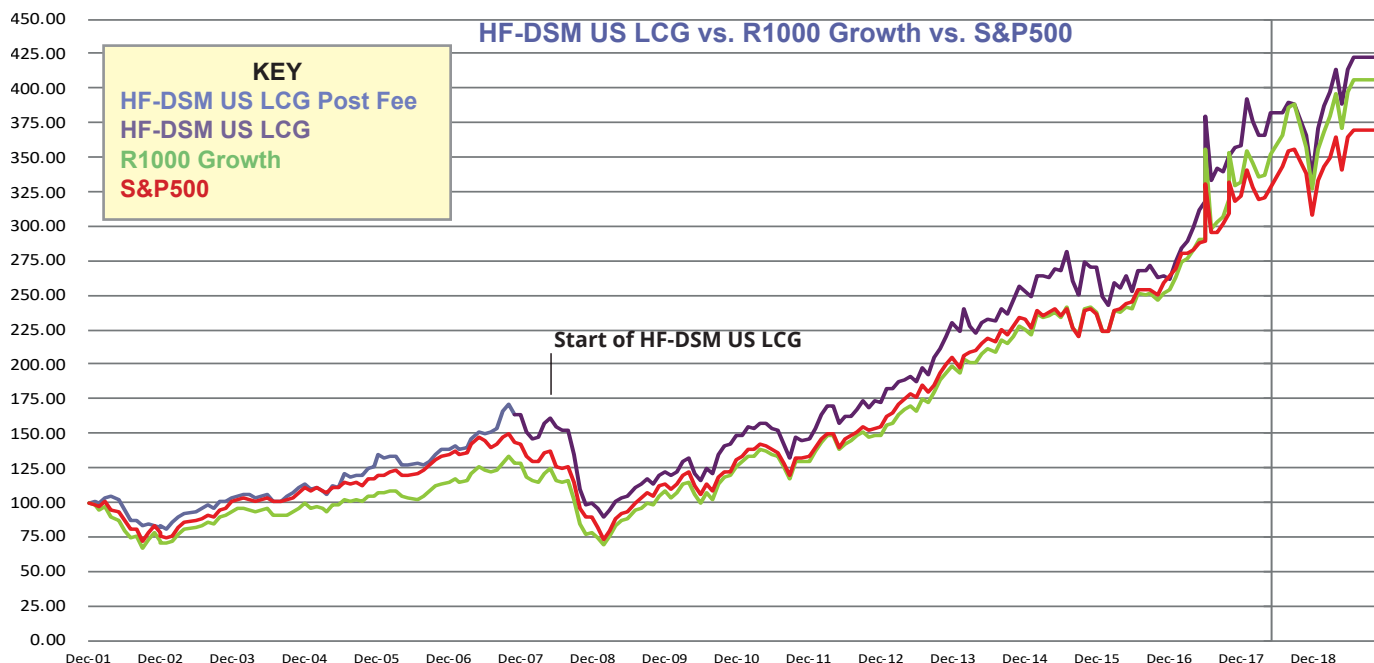
Key Information

NAV A Shares (31/7/19) US\$ 258.13
Total Fund Size (all share classes) US\$ 75.03m

Strategy Assets US\$ 5,665.8m^(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	10.5	4.1	2.6	4.3	-6.2	6.5	2.2						25.8
Russell 1000 Growth ^(c)	9.0	3.6	2.9	4.5	-6.3	6.9	2.3						24.2
S&P 500 ^(c)	8.0	3.2	1.9	4.0	-6.4	7.1	1.4						20.2

Period Performance (%)	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Cumulative	Annualised
HF-DSM US LCG Returns ^(b)	(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	322.8	8.34%
Russell 1000 Growth ^(c)	(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	270.3	8.09%
S&P 500 ^(c)	(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	305.7	7.54%



Top Ten Holdings	
Adobe	Facebook
Alibaba Group	Microsoft
Alphabet (Cl. A)	PayPal Holdings
Amazon.com	Tencent Holdings
Automatic Data Processing	Visa

Sectoral Breakdown	% of Assets
Information Technology	38.6%
Communication Services	20.2%
Consumer Discretionary	17.6%
Health Care	16.8%
Consumer Staples	4.5%
Financials	1.9%

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	14.8	14.6
ISIN	LU0327604228	Sharpe Ratio	n/a	0.5	0.5
Reuters	LP65102015	Information Ratio	n/a	0.0	
Sedol	B28TLX2	Tracking Error	n/a	6.4	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.0	

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

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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

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