

Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.2% for the month of May compared to a 2.60% return for the Russell 1000 Growth Index and a 1.41% return for the S&P 500 including dividends. At the end of May, the Sub-Fund was invested primarily in the technology, consumer discretionary and health care sectors, with smaller weights in the industrials, consumer staples and financials sectors.

For the month, the Sub-Fund exceeded the benchmark by approximately 164 bps. This was primarily the result of the Manager's selections in the technology sector, as well as the overweight in technology versus the benchmark. The Manager's selections in the consumer discretionary and health care sectors also benefitted performance. In May, the positions that contributed the most to the portfolio's return were Regeneron Pharmaceuticals, Electronic Arts, Zoetis, Tencent Holdings and Alphabet. The positions that contributed the least in the month were Alexion Pharmaceuticals, Allergan, Affiliated Managers Group, Automatic Data Processing and Celgene.

Manager's Commentary

Through the first five months of 2017, the Manager has experienced solid relative and absolute performance. Earnings results continue to be excellent and the Manager is optimistic that the firm's focus and patience is now being rewarded. With an investment team fixated on companies with predictable, growing earnings the Manager continues to believe that earnings are the primary factor that will increase the value of a business over time. Last year, the Sub-Fund's portfolio earnings grew over 20%, but the prices of the portfolio holdings did not respond accordingly. During the first quarter of 2017, earnings grew approximately 30%, which was the sixth consecutive quarter of 20%+ growth. As earnings continue to advance during 2017, the Manager believes the portfolio has the potential to be driven higher by two years' worth of economic earnings value: 2016 and 2017.

The Manager continues to expect an extended, slow-growth global economic cycle driven by low inflation and low interest rates with a multi-year outlook of stable 3% global growth. The Manager has not altered its long-standing opinion that global equity markets will work their way higher because developed world economies are producing modest growth, interest rates are low and valuations are reasonable (given a low inflation world). In the Manager's view, if President Trump moves forward with pro-growth income tax cuts, corporate tax reform, eased regulatory restrictions, repatriation of capital trapped abroad and pragmatic energy policies, US economic growth may improve, interest rates may begin to move towards more normal historical levels, and the stock market may continue to move higher.

The Sub-Fund portfolio remains focused on unique businesses that have been identified, and are continuously subject to analysis by the Manager's investment team. The portfolio holdings remain characterized by strong balance sheets and significant free cash flow, and the Manager continues to project a mid-to-high "teens" earnings growth rate through 2020. It is worth noting that the portfolio's estimated P/E of 22.6x on forward twelve month earnings through June of 2018 is roughly equivalent to the long-term average P/E of the S&P 500, during low inflation periods.

Key Information

NAV A Shares (31/05/17)

US\$ 190.5

Strategy Assets

US\$ 4,940.2m^(a)

Total Fund Size (all share classes)

US\$ 105.9m

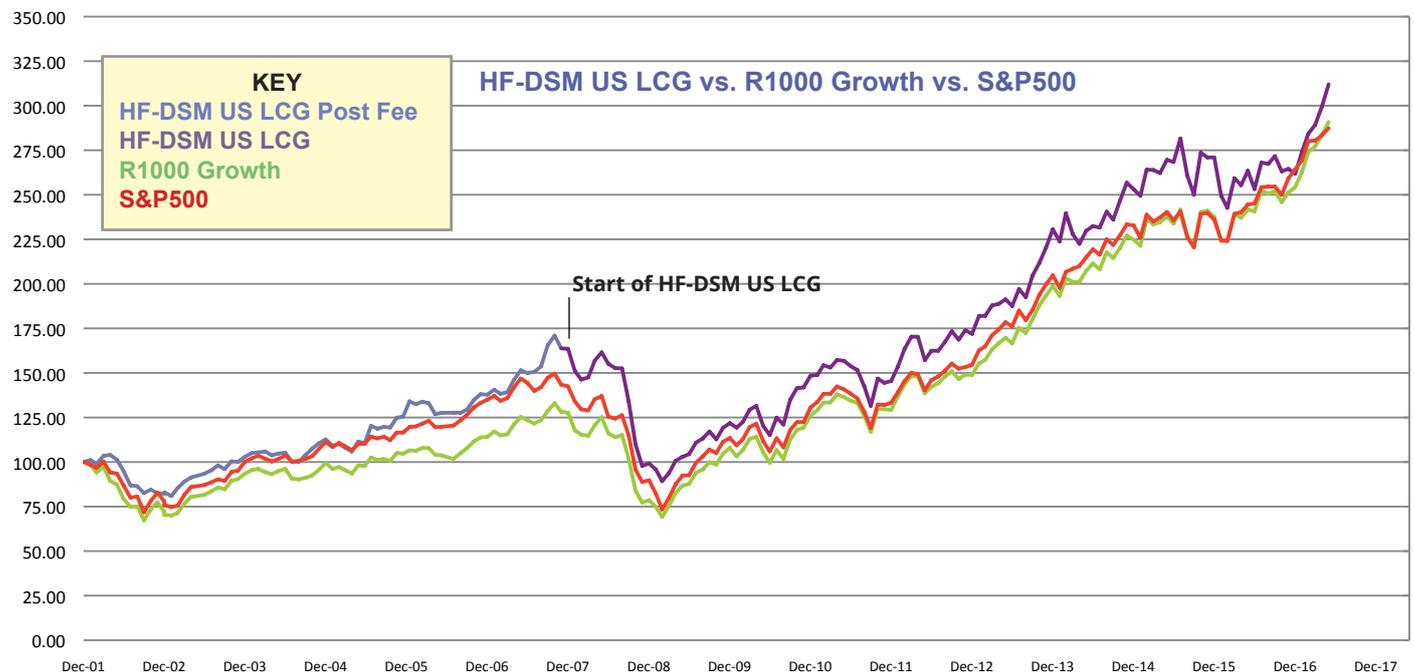
Fund Launch Date

29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
HF-DSM US LCG	4.7	3.7	1.8	3.5	4.2								19.1
Russell 1000 Growth^(c)	3.4	4.2	1.2	2.3	2.6								14.4
S&P 500^(c)	1.9	4.0	0.1	1.0	1.4								8.7

Period Performance (%)	YTD	2016	2015	2014	2013	2012	2011	2009	2009	2008	2007	2006	2005	Cumulative	Annualised
HF-DSM US LCG Returns^(b)	19.1	(3.3)	7.0	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	212.0	7.37%
Russell 1000 Growth^(c)	14.4	7.1	5.7	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	187.4	6.82%
S&P 500^(c)	8.7	12.0	1.4	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	190.9	6.90%



HF Hereford Funds

Top Ten Holdings

Adobe Systems	Regeneron Pharmaceuticals
Alibaba Group	Royal Caribbean Cruises
Alphabet (Cl. A & C)	Tencent Holdings
Facebook	Visa
Priceline Group	Zoetis

Sectoral Breakdown	% of Assets
Information Technology	47.0%
Consumer Discretionary	20.9%
Health Care	17.8%
Industrials	5.6%
Consumer Staples	4.0%
Financials	4.0%

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		Since inception	HF-DSM US LCG	HF-DSM US LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	14.7	14.6
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.4
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.5	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.1	

Fund Details

Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC 116 Radio Circle Drive, Suite 200, Mount Kisco, NY 10549, USA
Management Company	BSI Fund Management S.A. 44F, rue de la Vallée, L-2661 Luxembourg
Custodian	BSI Europe S.A. 122, Rue Adolphe Fischer L-1521 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

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

Order Transmission Information

Original Applications To:

European Fund Administration
Attn.: TA Operations and Shareholder
Services
2 rue d'Alsace
L-1122 Luxembourg

Subsequent Applications Only Via Facsimile:

European Fund Administration
Attn.: TA Operations & Shareholder
Services Fax: +352 4865 61 8002
Tel.: +352 48 48 9002
E-mail: register.ta.ops@efa.eu

- 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.

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