



Hereford Funds DGHM US All-Cap Value Fund March 2010

March 2010 Investment Review

The Hereford Funds DGHM Allcap Value Fund returned 5.1% for the month of March compared to a 6.7% return for the Russell 3000 Value Index. The underperformance was generally the result of poor stock selection in eleven of the sixteen sectors we track. There were no material detractors from performance. Technology had the greatest impact at negative 47 basis points. Typically, when our poor stock selection is broad based, there are stylistic issues negatively impacting our performance. In the case of March, riskier assets performed particularly well and we simply did not keep up. This period is similar to that of the summer of 2009 when riskier assets performed particularly well. High quality stocks will reassert their leadership position at some point. Cash averaged approximately 1% for the month.

We were active during the month as we added four new names. Pioneer Natural Resources replaced the underperforming Suncor. Pioneer is primarily an oil producer. Safeway, a supermarket operator, replaced Kellogg. Kellogg performed well for us in the downturn, but Safeway offers more growth as we come out of the recession. Pharmaceutical Development replaces Carefusion in the healthcare sector. Carefusion is no longer attractively valued. Finally, we sold our two electric utilities, Exelon and Public Service Enterprise Group. Both of these utilities underperformed due to their exposure to unregulated power generation which is experiencing weak pricing. We purchased Vectren. This is a traditional regulated utility based in Indiana.

There were no material changes in sector weightings as purchases more or less offset sales. Our utility weighting did decrease by approximately 100 basis points.

Key Information

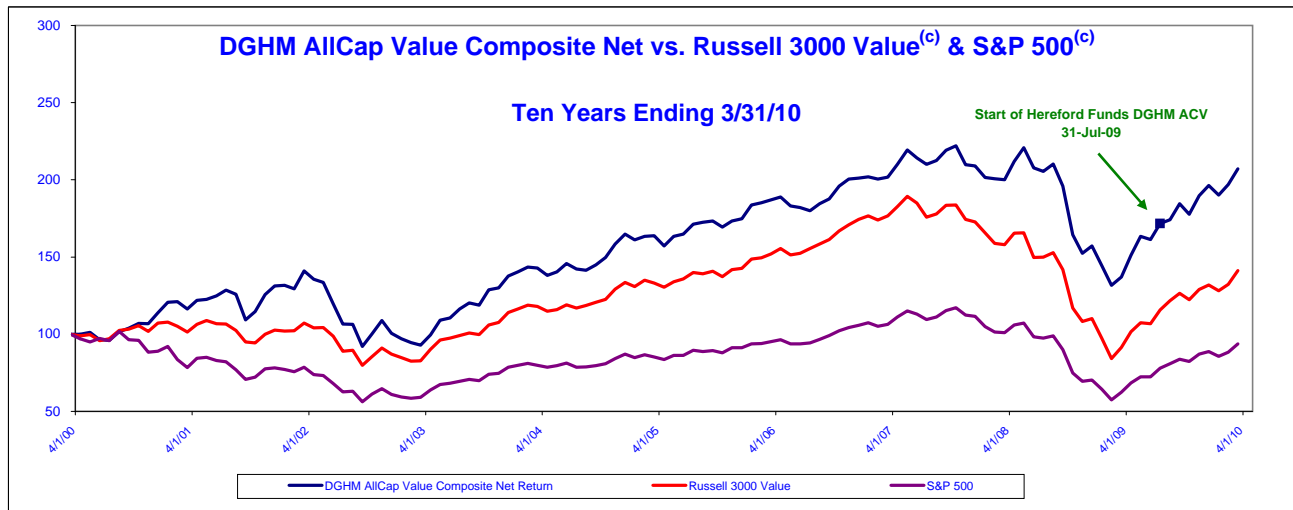
NAV A Shares (31/3/10): \$120.55
 Total Fund Size: \$3.1 mil
 Strategy Assets: \$306.9 mil
 Fund Launch Date: 31-Jul-09

Monthly Performance (%)

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan-10	Feb-10	Mar-10	YTD
DGHM ACV / Hereford Funds DGHM ACV ^(b)	10.4	8.1	-1.3	6.5	1.4	5.9	-3.6	6.8	3.5	-3.2	3.7	5.1	5.4
Russell 3000 Value Index ^(c)	11.1	5.9	-0.7	8.4	5.2	4.0	-3.4	5.4	2.2	-2.8	3.3	6.7	7.1
S&P 500 Index ^(c)	9.6	5.6	0.2	7.6	3.6	3.7	-1.9	6.0	1.9	-3.6	3.1	6.0	5.4

Period Performance (%)

	YTD	Since Inception 01/01/83							
		1 yr	2 yr	3yr	4 yr	5 yr	10 yr	Cumulative	Annualised
DGHM ACV / Hereford Funds DGHM ACV ^(b)	5.4	51.1	1.7	0.9	2.6	4.8	7.6	1970.7	11.8
Russell 3000 Value Index ^(c)	7.1	54.4	-5.5	-7.2	-1.8	1.2	3.5	1898.6	11.6
S&P 500 Index ^(c)	5.4	49.8	-3.7	-4.2	-0.4	1.9	-0.7	1582.9	10.9



Top Ten Holdings

NII HLDGS INC CL B NEW	4.10
WHITING PETE CORP NEW COM	3.55
REGIONS FINANCIAL CORP COM	3.32
VIACOM INC CL B NEW	3.25
GENERAL DYNAMICS CORP COM	3.22
SUNTRUST BKS INC COM	3.18
PIONEER NAT RES CO COM	3.17
PHARMACEUTICAL PROD COM	3.16
DIRECTV GROUP INC COM	3.07
FRANKLIN RES INC COM	2.98

% NAV

Sectoral Breakdown

% of assets

Industrial Cyclical	35.8
Financial	24.1
Non Cyclical	15.8
Consumer Cyclical	10.6
Utilities	7.1
Technology	4.8
Cash	1.9
	100.1



Investment Objective

The investment objective of the ACV sub fund is to provide capital appreciation over a multi-year investment horizon by investing primarily in a diversified portfolio of publicly traded equity securities of US based companies, which the Investment Manager believes to be undervalued. The companies will generally have a market capitalizations of more than USD 750 million.

The sub fund may, on an ancillary basis, invest in US-based companies with higher or lower capitalizations as well as in non US-based companies. The Compartment may invest in American Depository Receipts and American Depository Shares.

The indicative benchmarks are the Russell 3000 Value and the S&P 500 Indices.

Fund Codes		Risk Profile ^(d)	Since Inception (01/01/83) - 3/31/10	Reference Strategy	R3000 Value	S&P 500
Bloomberg	HERACVALX	Volatility		16.78	15.92	16.41
ISIN	LU0435791347	Sharpe Ratio		0.52	0.42	0.37
Reuters	N/A	Information Ratio		(listed below benchmark)	0.26	0.30
Sedol	B5MDN13	Tracking Error		(listed below benchmark)	7.22	8.66
Valoren	10269479	Beta		(listed below benchmark)	0.95	0.88
WKN	A0RPYP	Alpha		(listed below benchmark)	2.47	3.87

Fund Details

Dealing day	Daily
Dividends	None: income accumulated within the fund
Investment Manager	Dalton, Greiner, Hartman, Maher & Co., LLC, 565 Fifth Avenue, Ste. 2101, NY, NY 10017, USA
Promoter	VP Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Authorized Corporate Director	VPB Finance S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Custodian	VP Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Legal Advisers	Elvinger, Hoss & Prussen, 2 Place Winston Churchill, L-1340 Luxembourg
Auditor	Deloitte, 560 Rue de Neudorf, L-2220 Luxembourg

Annual Management Charge

Share Class A & U	1.25%
Share Class D	1.75%

Minimum Investment

Share Class A	\$100,000 initial; \$10,000 subsequent
Share Class D	\$10,000 initial; \$1,000 subsequent

Order Transmission / Information

Original Applications To:

VPB Finance S.A.
attn. Fund Operations / TA-HFF
P.O. Box 923
L-2019 Luxembourg
or, for transmissions via courier service,
26, avenue de la Liberté, L-1930 Luxembourg

Subsequent Applications Only Via Facsimile:

VPB Finance S.A.
attn. Fund Operations / TA-HFF
Fax : (+352) 404 770 283
Tel: (+352) 404 770 260
e-mail: luxfunds.info@vpbank.com

(a) This refers to the total assets invested in the reference strategy managed by the Investment Manager.

(b) Data and graph depict DGHM composite through July 2009 and Hereford Funds DGHM US All-Cap Value Class A thereafter. Historical net performance of DGHM All-Cap Value Composite returns (the Reference Strategy) includes modelled fee and expense typical of Hereford Funds DGHM US All-Cap Value Fund Class A (1.25% fee + 0.25% expense). Fund follows same strategy. Performance presentation incomplete without accompanying footnotes as shown at www.dghm.com.

(c) Total return including dividends.

(d) Source: PSN database – All numbers are presented gross of fees and expenses.

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