



Investment Review

The Hereford/DSM Large Cap Fund appreciated 5.7% for the month of January compared to a 6.0% appreciation for the Russell 1000 Growth Index and a 4.5% appreciation for the S&P 500 including dividends. At the end of January, the Fund was invested primarily in the business services, health care, consumer discretionary and technology sectors, with smaller weights in the industrials and financials sectors.

During the month the Fund trailed its benchmark by approximately 30 bps. This was primarily the result of the underperformance of our stock selections in the health care and industrials sectors. Our stock selections in the energy sector and underweight in consumer staples benefitted performance. In January, the best performing positions in the portfolio were Apple, Monsanto, Celgene, Cognizant Technology and Tencent. The worst performers for the month were Google, Philip Morris International, Shire, Tiffany and Visa. During the month, we initiated positions in Baidu, EMC Corp. and Family Dollar Stores. Baidu is the leading Chinese language search engine in China with nearly 80% market share. Baidu should benefit exponentially as China's online advertising spending grows. As the market leader in storage systems, EMC is well positioned to continue taking share especially in the fast-growing mid-range storage segment. Family Dollar is a national discount store chain and represents a play on continued pressure on low-to-mid income US consumers facing a challenging job market. To fund these purchases, Nestle and Rovi were sold. Nestle was sold on concerns over slowing organic growth due to the company's European exposure. With several electronics manufacturers reporting slower sales of TVs, Rovi was eliminated from the portfolio. We also sold Tiffany in the month as earnings expectations were cut on weaker than expected holiday sales in the US and Europe.

Our "muddle through" global economic scenario continues to appear reasonable. In the US, the most recent economic statistics, including employment, wages, the Purchasing Manager's Index and retail sales, continue to support a slow growth economic outlook. In Europe, the sovereign debt problems put Europe's economic growth at risk, and it is now very likely that the region will experience a recession in 2012. We continue to believe that the European debt problem is a major risk variable likely to inhibit world economic growth. However, because the problem is known, and authorities in Europe are dealing with it, we believe this problem is unlikely to result in overall financial destabilization. Our view of prospects for the Chinese economy has not changed. We feel a "soft landing" with growth in the 6% to 8% range remains likely. We believe that, over the course of 2012, global equity markets may begin to recognize the easing of monetary policy in Europe and China, increased Chinese domestic consumption, and a possible change of government in the United States.

Looking forward, earnings growth should be high-teens if the global economy "muddles" through and, in a recession, earnings growth should be low to mid-teens. Importantly, portfolio revenue from emerging markets is approaching mid-20 percent, and we believe this enhances the growth of the businesses. In our experience, dating to the early 1980's, the portfolio we have assembled for clients is underpriced, at approximately 16x 2012 earnings. The catalyst that is needed to spark appreciation is, in our view, simply less pessimism on the part of investors. We are not suggesting that investors need to become optimistic, it is simply that they need to be less pessimistic. If and when that occurs, the upside of the portfolio could be substantial given the modest valuation, substantial growth prospects and very good quality of the businesses.

Key Information

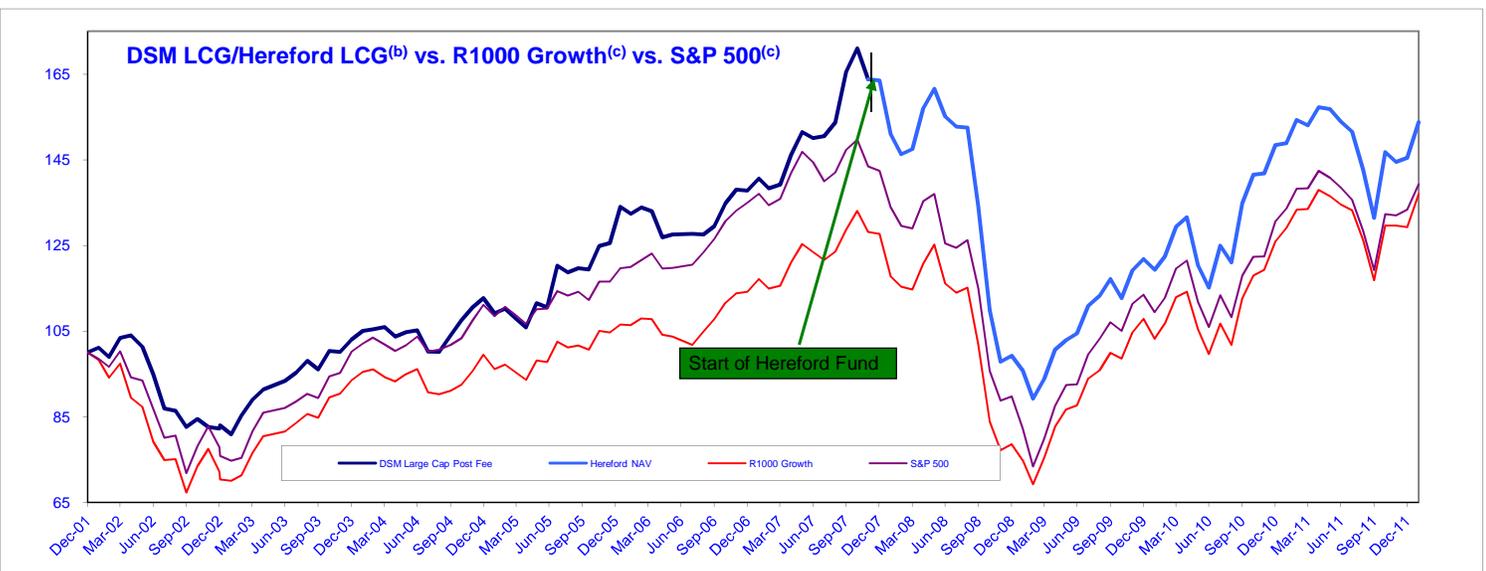
NAV A Shares (31/01/12)	US\$ 93.86
Total Fund Size	US\$ 90.4 mil
Strategy Assets	US\$ 2,546.8 mil(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.7												5.7
Russell 1000 ^(c)	6.0												6.0
S&P 500 ^(c)	4.5												4.5

Period Performance (%)

	YTD	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	5.7	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	53.8	4.4
Russell 1000 ^(c)	6.0	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	37.0	3.2
S&P 500 ^(c)	4.5	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	39.3	3.3



**Top Ten Holdings**

Allergan
 Apple Computer
 Celgene
 Cognizant Technology Solutions
 Dollar General
 General Electric
 Philip Morris International
 Schlumberger
 Shire PLC
 Visa

Sectoral Breakdown

Services	23.6%
Health Care	17.0%
Consumer Discretionary	16.6%
Information Technology	15.3%
Energy	7.7%
Consumer Staples	6.2%
Materials	5.6%
Industrials	5.5%
Financials	2.1%

% of Assets**Investment Objective**

The investment objective of the LCG sub fund is to provide capital appreciation principally through investments in US-based growing corporations with market capitalizations generally above US\$ 2 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 (Share Class A)		Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.4	16.3
ISIN	LU0327604228	Sharpe Ratio	n/a	0.2	0.1
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.3	
	3504726	Beta	n/a	0.8	
WKN	AOM58T	Alpha	n/a	1.4	

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
Promoter	VP Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Management Company	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 ^(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:**

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 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 AFM for public distribution in the Netherlands, authorised for public distribution in Switzerland by Finma, and registered with the AMF for public distribution in France.
 (e) Share Class U has been granted Reporting Status by HMRC as of October 1st, 2010
 (f) Share Class D is German tax registered from October 1, 2010.

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