



Investment Review

The Hereford/DSM Large Cap Fund NAV appreciated 3.7% for the month of February compared to a 3.3% appreciation for the Russell 1000 Growth index and a 3.4% appreciation for the S&P 500. At the end of February, the Fund was invested primarily in the technology, health care, consumer discretionary and business services sectors, with smaller weights in the materials and consumer staples sectors.

During the month the Fund exceeded its benchmark, on a gross-of-expense basis, by approximately 40 bps. This was primarily the result of positive stock selections in the consumer discretionary, technology and materials sectors. Stock selections in the industrials and energy sectors detracted from performance. In February, the best performing positions in the portfolio were Juniper Networks, Omnicom Group, Discovery Communications, Apple and Schlumberger. Dolby Laboratories, NetApp, C.H. Robinson Worldwide, Rovi and Expeditors were the worst performers. During the month, the Fund exited its positions in Pepsico and State Street and initiated positions in Franklin Resources and WPP PLC. State Street was sold due to appreciation and also because a number of worrisome lawsuits in their foreign exchange business have cropped up. Franklin Resources is one of the largest investment firms, managing assets for clients around the world. It is a well run company, with solid business prospects and asset gathering capabilities. The Fund has owned Franklin Resources in the past. WPP Group is the largest advertising agency in the world. Its business is global, with roughly 37% of revenue from the USA, 37% from Europe and 26% from emerging markets. WPP also generates 27% of its revenue from internet related activities.

Global economic growth continues to make progress, particularly in the US where 2011 GDP forecasts have increased to 3.5% or perhaps a touch more. In the US, economic growth has been pushed forward by impressive industrial production growth, while housing starts remain weak. With unemployment remaining high in the US, housing prices are generally flat to down. We continue to believe that weak housing values will be a problem for the foreseeable future. Both Congress and President Obama seem to understand that America, with the world's highest corporate tax rates (other than Japan) must be lowered if investment in new industrial facilities is to occur. Lastly, President Obama's budget makes no effort to deal with Medicare, Medicaid and Social Security spending. These three programs almost certainly will cause significant deficits and perhaps economic problems some years down the road. In contrast to the US, European growth looks a bit weaker than expected, perhaps nearer to 2%, despite good numbers from Germany. The peripheral countries in Europe are able to finance their deficits, and "austerity", as opposed to "pro-growth" policies, appears to be the consensus economic approach. That said, the banking system in Europe should remain fragile, so long as the sovereign fiscal situation remains under duress. Because many of the banks own much of the problematic sovereign debt, the health of the banking system is intertwined with the fiscal stability of the various governments. Emerging market economies continue to grow at an impressive pace, albeit with increasing inflation as a concern. Rising prices of commodities, especially food, has a very significant inflation impact in these geographies. Central banks, including those of China, Indonesia and India are raising interest rates in response. Although these nations are having a bout of inflation, their leaders are aware of the issue and are responding to it. Moreover, in many cases, these nations find their fiscal situation to be stable or improving, unlike the United States and Europe.

Key information

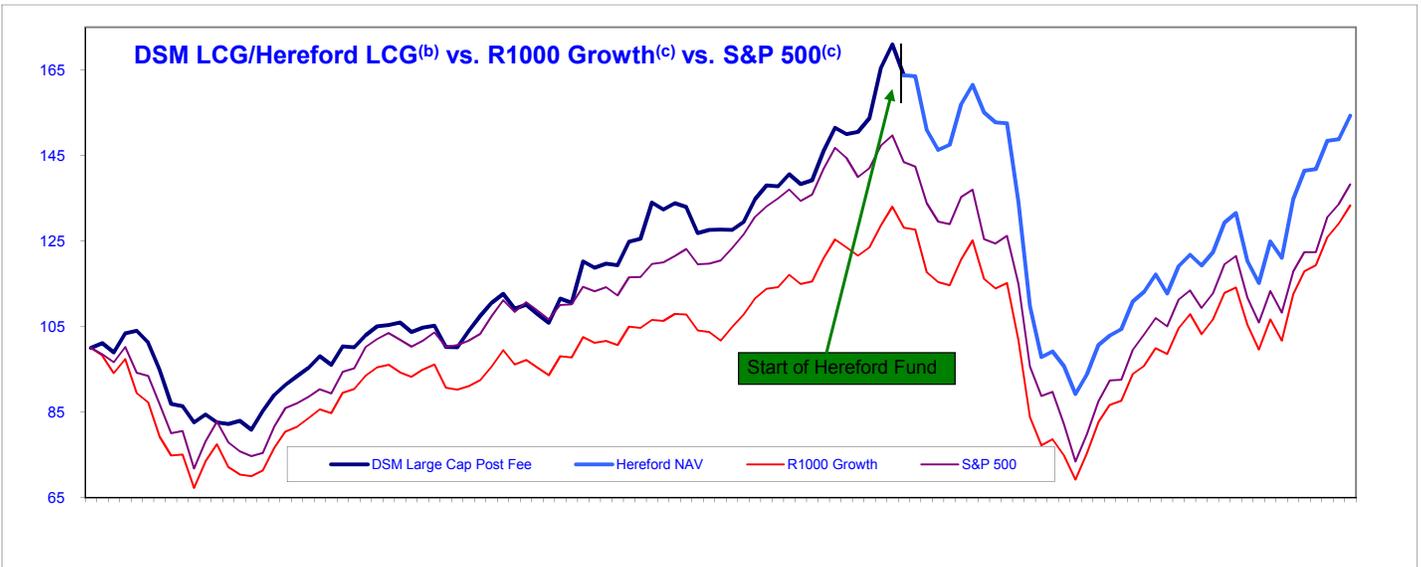
NAV A Shares (28/02/11): US\$ 94.19
 Total Fund Size: US \$127.8 mil
 Strategy Assets: US\$2,752.8 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	0.3	3.7											4.0
Russell 1000 ^(c)	2.5	3.3											5.9
S&P 500 ^(c)	2.4	3.4											5.9

Period Performance (%)

	YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	4.0	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	54.3	4.8
Russell 1000 ^(c)	5.9	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	33.3	3.2
S&P 500 ^(c)	5.9	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	38.3	3.6



**Top Ten Holdings**

Apple Computer
 Celgene
 Cognizant Technology Solutions
 Google
 Intuitive Surgical
 Juniper Networks
 NetApp
 Priceline.com
 Schlumberger
 Shire PLC

Sectoral Breakdown % of Assets

Information Technology	31.9%
Health Care	16.3%
Services	15.7%
Consumer Discretionary	10.7%
Energy	8.8%
Industrials	6.2%
Financials	5.3%
Materials	3.1%
Consumer Staples	1.4%

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 2 billion dollars. 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	15.2	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	7.6	
	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.8	

Fund Details

Dealing Day: Daily
 Dividends: None - income accumulated within the fund
 Investment Manager: DSM Capital Partners LLC, 320 East Main Street, Mount Kisco, NY 10549, 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^(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.
- (e) Share Class U has UK Distributor Status as approved by HMRC and has applied for UK Reporting Fund Status for the year to September 2011.
- (f) Share Class D is German tax registered from October 1, 2010.

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