



Hereford Funds **DSM US Large Cap Growth Fund** February 2008

February 2008 Investment Review

The Hereford/DSM Large Cap Fund declined (3.1%) for the month of February compared to a (2.0%) decline in the Russell 1000 Growth and a (3.3%) decline in the S&P500. The majority of our portfolio is presently invested in the health care, technology, financial services and energy services sectors. As was the case for the prior three quarters, the portfolio holdings in the fourth quarter continued to generate over twenty percent revenue and earnings growth. The weighted portfolio is presently valued at 19.7x 2008 earnings. We continue to believe that your portfolio remains very attractively valued in the current investment environment.

There are a number of cross-currents in the financial marketplace today. While the credit quality of financial institutions is a central issue, the financial stability of the municipal bond and mortgage reinsurance companies is also front-and-center. Additionally, the American economy has slowed and could enter a recession in the near future. The global economy has slowed as well, both in Europe and in Southeast Asia. In response, the Federal Reserve has reduced short-term rates to encourage economic growth and thereby avoid a recession. Finally, there have also been some recent economic reports that indicate an up-tick in inflation.

Since our last letter to you, we sold our positions in Boeing, C.R. Bard and Halliburton. Boeing was sold because of a further delay in the projected deliveries of the new 787 Dreamliner aircraft. We are monitoring this situation closely and will consider repurchasing Boeing when we believe that production is back on-track. We sold C.R. Bard due to price appreciation. Halliburton's business was intact, but we felt that FTI Technologies (discussed below), after its stock declined, represented better value.

We have recently purchased positions in ABB Ltd, Expeditors International, Hologic, FMC Technologies and Microsoft. ABB Ltd. is arguably the world's leading provider of electricity production and transmission equipment. Over one-third of its business is located in the developing markets, while demand from the developed world is very solid and in large part economically insensitive. Expeditors International provides air and ocean freight forwarding services, especially to and from Asia. Hologic provides diagnostic and medical imaging equipment, primarily to meet the needs of women for mammography and osteoporosis. FMC Technologies designs and manufactures equipment for sub-sea oil production. Microsoft, is a broad-based software company, well known for its dominant personal computer operating system, Windows, and various Windows applications.

Key information

NAV A Shares (2/02/08): \$89.29

Total Fund Size: \$17.5 Million

Strategy Assets: \$960.0m^(a)

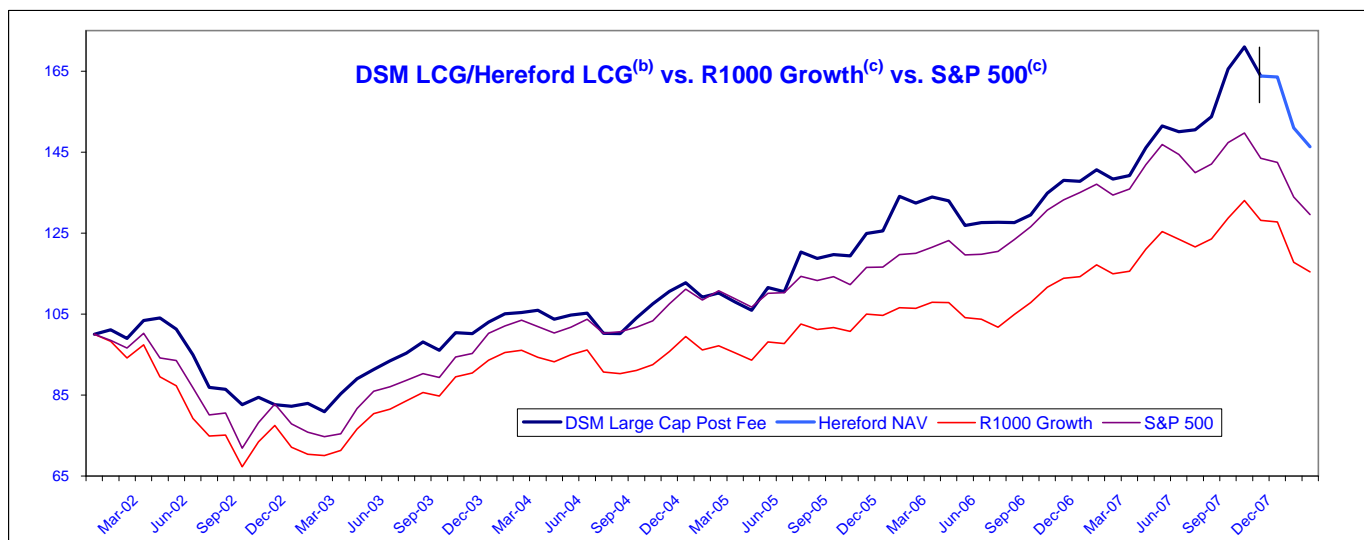
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(7.7)	(3.1)											(10.5)
Russell 1000 ^(c)	(7.8)	(2.0)											(9.6)
S&P 500 ^(c)	(6.0)	(3.3)											(9.1)

Period Performance (%)

	YTD	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	
								Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	(10.5)	18.7	9.8	11.4	9.4	25.2	(17.7)	46.3	6.4
Russell 1000 ^(c)	(9.6)	11.8	9.1	5.3	6.3	29.7	(27.9)	15.4	2.4
S&P 500 ^(c)	(9.1)	5.5	15.8	4.9	10.9	28.7	(22.1)	29.5	4.3



**Top Ten Holdings**

	% NAV
Celgene	8.1%
Schlumberger	6.7%
Genzyme	5.0%
State Street	4.2%
Weatherford	4.0%
Allergan	4.0%
Google	3.7%
Stryker	3.7%
Corning	3.5%
Sei Investments	3.5%

Sectoral Breakdown

	% of Assets
Health Care	31.7%
Information Technology	20.3%
Energy	14.6%
Financials	13.7%
Services	6.8%
Industrials	7.6%
Materials	2.2%

Investment Objective

The investment objective of the 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. Companies invested in will often have higher revenue and earnings growth rates and less "sell-side" research coverage than comparable larger capitalization corporations. 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	DSM US LCG	DSM LC	R1000 Growth
		Risk Profile			
Bloomberg	DSMUSLA LX	Volatility	n/a	11.26	12.87
ISIN	LU0327604228	Sharpe Ratio	n/a	0.30	-0.07
Reuters	LP65102015	Information Ratio	n/a	0.42	
Sedol	B28TLX2	Tracking Error	n/a	8.48	
Valoren	3504726	Beta	n/a	0.67	
WKN	A0M58T	Alpha	n/a	4.16	

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	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C(d)	1% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class D	1.75%

Minimum Investment

Share Class A&B	\$100,000 initial / \$10,000 subsequent
Share Class C&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.
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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) Total return including dividends.
(c) 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) minus 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 dsmcapital.com
(d) Share Class C is German tax registered from 4/1/08.

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