

**Investment Review**

The Hereford/DSM Large Cap Fund NAV appreciated 5.6% for the month of March compared to a 5.8% appreciation for the Russell 1000 Growth index and a 6.0% appreciation for the S&P500. At the end of March, the Fund was invested primarily in the health care, technology, consumer, business services, and financial services sectors, with a smaller weight in the industrials/materials sectors.

During the month, the Fund slightly exceeded its benchmark, on a gross-of-expense basis. This resulted primarily from positive stock selections in technology and a positive underweight in staples, offset by negative stock selections in industrials and materials. In March, the best performing positions in the portfolio were SEI Investments, Apple, Varian Medical, Google and Dolby. The only significant poor performer in March was Genzyme, though Expeditors Int'l, Altera Corp, Invesco and Intuitive Surgical were essentially flat. During the month, the Fund exited its position in Nestle, the Swiss food conglomerate, as stock appreciation brought down the most likely remaining return. The Fund initiated a position in Schlumberger, the largest of the oilfield services providers, which DSM has owned before. Invesco Ltd., a growing complex of mutual funds, was also brought back into the portfolio as funds flows and stock market activity appeared quite positive.

On a global basis, corporate profits have been quite durable throughout the "great recession", particularly as a result of cost cutting. More recently, corporations began to increase inventories, boosting fourth quarter GDP results. Thus, the global economic recovery is one built on a foundation of solid corporate balance sheets, cash flow and profitability. At the same time, emerging market economies are producing solid economic growth, which is increasing global trade. But in recent decades economic growth has been led by the consumer and particularly housing. That is unlikely to be the case anytime soon, as the consumer continues to pay down debt. In US, economic growth will be hindered not just by consumers de-leveraging, but also by planned and potential tax increases which may compromise growth and jobs. Despite these factors, it appears to us that consumer spending is past the bottom and on the upswing.

Consensus S&P 500 earnings estimates and revisions continue to move up. CY10 earnings estimates are \$78 - \$80. CY11 estimates are \$90 - \$95. In periods of low inflation, the S&P has historically been valued at 15x - 20x earnings. A 15x multiple on CY11 estimated earnings of \$90 - \$95 would put the market 15% - 20% higher than today by year-end 2010. The two problems with this outlook are inflation and sovereign debt risk. Many economists, and some central bankers, believe that last year's liquidity actions were excessive and may well cause substantial inflation in the future. Sovereign debt risk is gaining increasing attention. The trajectory of public sector debt problems in Spain, Portugal, Italy and Ireland are now mirrored by potential problems in the United Kingdom and the United States. Even the credit rating agencies are publicly commenting on a potential debt downgrade of American and British government debt. Both inflation and sovereign debt downgrades create similar economic problems: rising interest rates and slower economic growth.

Key information

NAV A Shares (31/03/10): US\$ 78.96

Total Fund Size: US \$66.0 mil

Strategy Assets: US\$2,236.9 mil^(a)

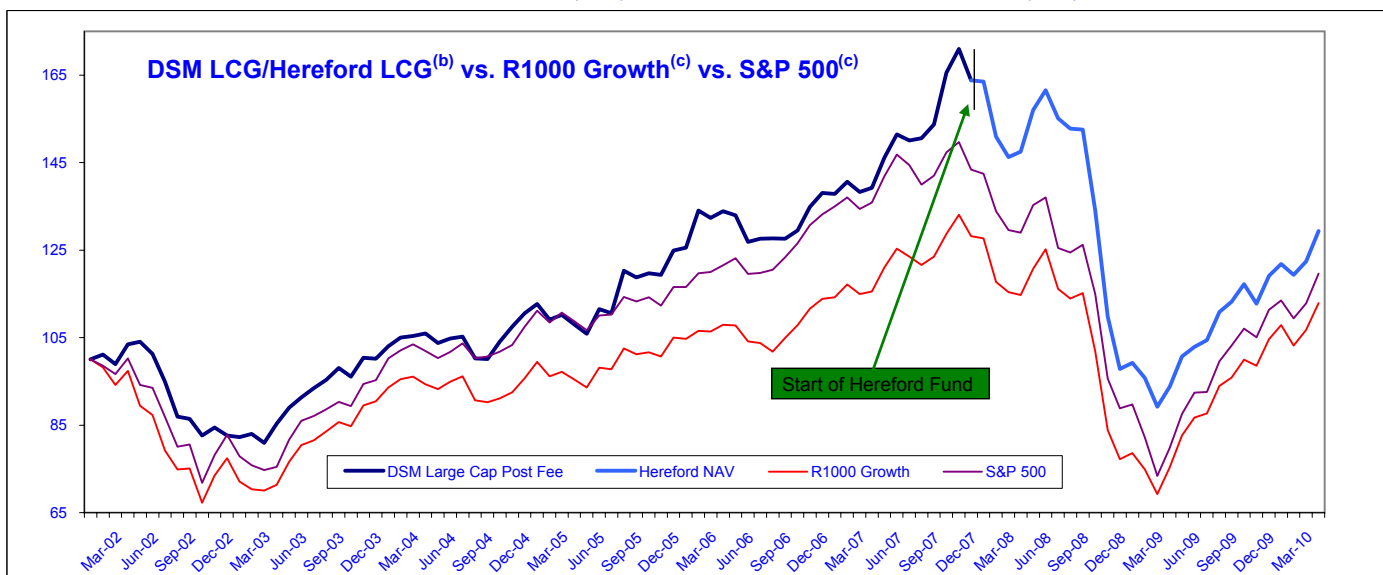
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(2.1)	2.6	5.6										6.2
Russell 1000 ^(c)	(4.4)	3.4	5.8										4.6
S&P 500 ^(c)	(3.6)	3.1	6.0										5.4

Period Performance (%)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	6.2	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	29.4	3.2
Russell 1000 ^(c)	4.6	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	12.9	1.5
S&P 500 ^(c)	5.4	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	19.6	2.2



**Top Ten Holdings**

Apple Computer
 Celgene
 Cisco Systems
 Cognizant Technology Solutions
 Dolby Laboratories
 Google
 Monsanto
 Novo Nordisk A/S
 Stryker
 Varian Medical Systems

Sectoral Breakdown**% of Assets**

Health Care	34.9%
Information Technology	26.8%
Services	14.0%
Financials	7.3%
Consumer Discretionary	7.1%
Materials	4.0%
Consumer Staples	3.2%
Energy	1.3%

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	14.6	15.9
ISIN	LU0327604228	Sharpe Ratio	n/a	0.1	0.0
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.9	
Valoren	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.5	

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	VPB 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	VPB 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 ^(f)	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C ^(e)	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.
 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 C is German tax registered from 4/1/08.
 (f) Share Class U has UK Distributor Status as approved by HMRC

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