



Investment Review

The Hereford/DSM Large Cap Fund NAV appreciated 2.8% for the month of April compared to a 3.4% appreciation for the Russell 1000 Growth index and a 3.0% appreciation for the S&P 500. At the end of April, 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 trailed its benchmark, on a gross-of-expense basis, by approximately 60 bps. This was primarily the result of negative stock selections in the technology and financials sectors. Stock selections in the consumer discretionary and industrials sectors benefitted performance. In April, the best performing positions in the portfolio were Tencent Holdings, Discovery Communications, NetApp, Priceline.com and Allergan. Google, Juniper Networks, Schlumberger, Rovi and Invesco were the worst performers. During the month, the Fund exited its positions in Altera and McDonald's and initiated positions in Dollar General and Nike. Altera performed extremely well for the Fund, but was sold as we felt current valuation and growth expectations would make it difficult for this performance to continue. With food and commodity costs rising and McDonald's facing increasingly tough year-over-year sales comparisons, the position was sold. Dollar General is the largest domestic operator of discount retail stores with roughly 9,300 stores in 35 states primarily in the east, south and mid-west. Steadily improving operating margins and solid square footage growth over the next several years led us to purchase the position. Nike is the global leader in athletic footwear and has a strong presence in the emerging markets. The company is also innovative and is expanding its apparel business and retail operations in all markets.

We continue to see 3% real global economic growth, which is a continuation of our middle through economic scenario. The intermediate term risk to our middle through view is that of rising inflation due to very loose monetary policies in the developed world. The more immediate risk is from sovereign debt problems in Europe. We do not think the budget and debt limit discussions in the United States, which will be ongoing all year, will have a lasting impact on the markets. That said, it is worth noting that these issues, combined with higher oil prices, the Japanese nuclear situation, western world budget austerity and monetary tightening may well serve to slow economic growth.

It is important to note that S&P 500 profits will reach all time record levels this year, at approximately \$93 per share, eclipsing the prior peak in 2006 of \$88. For 2012, consensus estimates are now in excess of \$100. In a normal low inflation world, a P/E of 15x to 18x would put the S&P at 1500 to 1800, 14% to 38% above its current level of 1314. Of course with inflation, sovereign debt, Middle Eastern oil concerns, North Korea and housing worries, it is no surprise that the market's valuation remains compressed.

The portfolio is globally focused and has substantial exposure to emerging markets, where economic growth should be more rapid. Global focus and emerging exposure will remain two important themes at DSM. We believe the portfolio is attractively priced and, given our expanding research efforts, we are finding an ever increasing number of investment candidates. As always, our on-going research and investment focus is on unique businesses that face few competitors, and also serve growing end markets. We are cautiously optimistic about the coming year. While we are aware of the risks, we believe some of the risk is factored into the market.

Key information

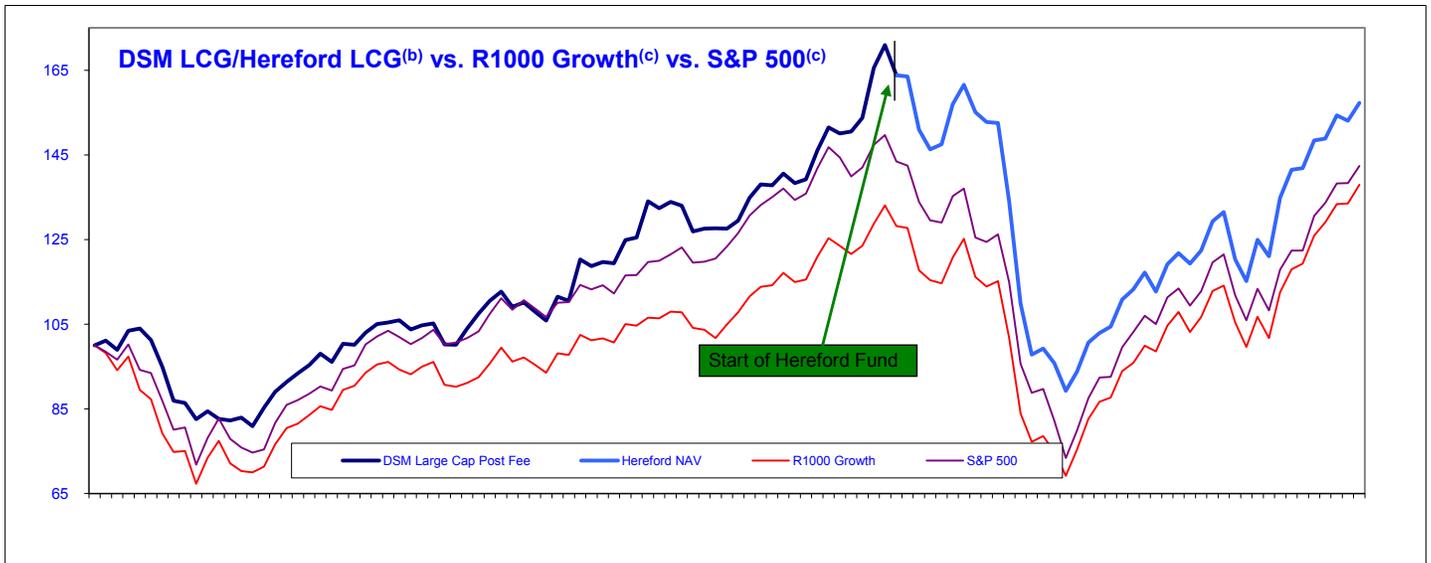
NAV A Shares (29/04/11): US\$ 95.99
 Total Fund Size: US\$ 129.6 mil
 Strategy Assets: US\$ 2,779.3 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-----------------------------|-----|-----|-------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Hereford Funds NAV | 0.3 | 3.7 | (0.8) | 2.8 | | | | | | | | | 5.9 |
| Russell 1000 ^(c) | 2.5 | 3.3 | 0.1 | 3.4 | | | | | | | | | 9.6 |
| S&P 500 ^(c) | 2.4 | 3.4 | 0.0 | 3.0 | | | | | | | | | 9.1 |

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) | 5.9 | 21.9 | 22.8 | (39.3) | 18.7 | 9.8 | 11.4 | 9.4 | 25.2 | (17.7) | 57.3 | 5.0 |
| Russell 1000 ^(c) | 9.6 | 16.7 | 37.2 | (38.4) | 11.8 | 9.1 | 5.3 | 6.3 | 29.7 | (27.9) | 38.0 | 3.5 |
| S&P 500 ^(c) | 9.1 | 15.1 | 26.5 | (37.0) | 5.5 | 15.8 | 4.9 | 10.9 | 28.7 | (22.1) | 42.4 | 3.9 |



**Top Ten Holdings**

Apple Computer
 Schlumberger
 Celgene
 Google
 Baker Hughes
 General Electric
 Discovery Communications
 NetApp Inc
 Shire PLC
 3M Company

Sectoral Breakdown**% of Assets**

| | |
|------------------------|-------|
| Services | 24.3% |
| Information Technology | 20.9% |
| Health Care | 16.5% |
| Consumer Discretionary | 11.7% |
| Energy | 9.4% |
| Industrials | 8.0% |
| Financials | 4.9% |
| Materials | 1.6% |
| Consumer Staples | 1.5% |

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)

| Fund Codes (Share Class A) | | Since Inception Risk Profile | Hereford DSM US LCG | DSM LCG Composite | R1000 Growth |
|----------------------------|--------------|------------------------------|---------------------|-------------------|--------------|
| Bloomberg | DSMUSLA LX | Volatility | n/a | 15.0 | 16.1 |
| ISIN | LU0327604228 | Sharpe Ratio | n/a | 0.2 | 0.1 |
| Reuters | LP65102015 | Information Ratio | n/a | 0.2 | |
| Sedol | B28TLX2 | Tracking Error | n/a | 7.5 | |
| | 3504726 | Beta | n/a | 0.8 | |
| WKN | A0M58T | Alpha | n/a | 1.7 | |

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 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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