



Investment Review

The Hereford/DSM Large Cap Fund appreciated 1.4% for the month of May compared to a 1.9% appreciation for the Russell 1000 Growth Index and a 2.3% appreciation for the S&P 500 including dividends. At the end of May, the Fund was invested primarily in the consumer discretionary, technology, health care and industrials sectors, with smaller weights in the energy, consumer staples and financials sectors.

During the month the Fund trailed its benchmark by approximately 50 bps. This was primarily the result of the underperformance of our stock selections in the health care, consumer discretionary and materials sectors. Our stock selections in industrials and technology, as well as our underweight in consumer staples benefitted performance. In May, the best performing positions in the portfolio were Tencent Holdings, Precision Castparts, Celgene, Visa and Google. The worst performers for the month were Allergan, Monsanto, SAP, SABMiller and Kinder Morgan. During the month, we sold Cognizant Technology Solutions due to the uncertainties created by the potential visa reform legislation that is part of the larger immigration reform bill working its way through the US Congress. This legislation could severely limit Indian firms' ability to bring over large numbers of Indian employees on visas to have them work at client sites in the US. With the timing and final provisions of the legislation uncertain, and the potential financial impact to Cognizant difficult to predict, we decided to sell the position. With the proceeds of this sale we added Wynn Resorts to the portfolio. Wynn Resorts is the parent company/majority owner of the Wynn Macau resort, the most profitable and "aspirational" gaming brand in the largest gaming market in the world. Wynn has also begun construction on a new project in Cotai which should open in 2016. We believe the Cotai resort will likely more than double Wynn Macau's earnings potential in the market. Wynn generates strong free cash flow and has an outstanding record of returning cash to shareholders via dividends.

Our multi-year perspective of a global "muddle through" economic outlook remains intact. We continue to expect North America to grow about 2% this year; Europe to remain in recession; and the emerging markets, led by China, to continue to grow at a comparatively rapid pace, thereby generating global GDP growth in the 3% range in 2013. Thus far, on-going economic growth in North America and Asia has been sufficient to offset recession in Europe, enabling the muddle-through scenario to continue. Optimism that the US economy will continue to expand has driven bond yields slightly higher, and that has triggered talk of a moderation or even reversal of Federal Reserve quantitative easing policies. Recession in Euroland continues with austerity severely effecting the economies of Italy, Spain and France. With China's economic growth having been driven by exports for the past twenty years, and Europe its largest trading partner, the Chinese government is working to encourage domestic consumption throughout the economy in order to sustain this growth. To enable the Chinese investor increased participation in the financial markets, the government is slowly opening the global market for Renminbi to trading, which will also enable foreign investors to make increased investments in real and financial assets in China.

As we have described before, the Large Cap Growth portfolio has been constructed based on our view of slow growth in the US, faster growth in the emerging markets, and a modest recession in Europe. Our strategy continues to focus on investments in businesses that generate the majority of their revenue in North America and emerging markets. At this time, emerging markets account for approximately 22% of weighted portfolio revenue, with North America at approximately 58%. We estimate that other developed markets account for 5% of revenue, and therefore the portfolio's revenue exposure to Europe approximates 15%. We believe that the valuation of the portfolio, at 19.1x next-four-quarter earnings through June of 2014, continues to be attractive in the current slow growth economic environment and relative to the market, and continue to project a mid-to-high "teens" earnings growth rate through 2016.

Key Information

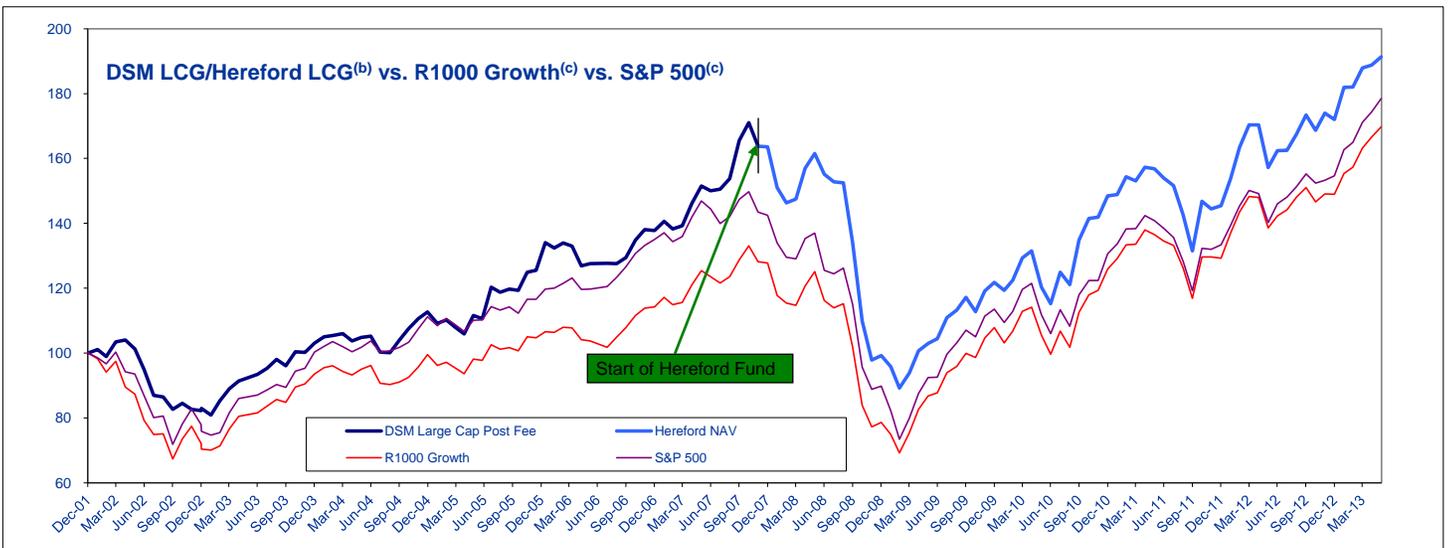
NAV A Shares (31/05/13)	US\$ 116.77
Total Fund Size	US\$ 149.5 mil
Strategy Assets	US\$ 4,301.6 mil ^(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.8	0.0	3.2	0.5	1.4								11.2
Russell 1000 Growth ^(c)	4.3	1.2	3.8	2.1	1.9								13.9
S&P 500 ^(c)	5.2	1.4	3.8	1.9	2.3								15.4

Period Performance (%)

	YTD	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	Annualised
													Cumulative	
DSM LCG/Hereford LCG Returns ^(b)	11.2	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	91.3	5.8
Russell 1000 Growth ^(c)	13.9	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	69.7	4.7
S&P 500 ^(c)	15.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	78.5	5.2





Top Ten Holdings

Celgene	Las Vegas Sands
Dollar General	Monsanto
eBay	Precision Castparts
Google	Tencent Holdings
Intuitive Surgical	Visa

Sectoral Breakdown

Consumer Discretionary	30.4%
Information Technology	18.7%
Health Care	17.6%
Industrials	10.4%
Materials	9.4%
Energy	4.9%
Consumer Staples	4.6%
Financials	3.3%

% 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\$ 5 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	15.0	15.7
ISIN	LU0327604228	Sharpe Ratio	n/a	0.3	0.2
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.0	
	3504726	Beta	n/a	0.9	
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, 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.
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- (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 BaFin for public distribution in Germany from 17/10/12, registered with the AFM for public distribution in the Netherlands and registered with the AMF for public distribution in France.
 (e) Share Class U has been granted Reporting Status by HMRC as of October 1, 2010.
 (f) Share Class D is German tax registered from October 1, 2010.

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