



Investment Review

The Hereford/DSM Large Cap Fund appreciated 3.4% for the month of June compared to a 2.7% appreciation for the Russell 1000 Growth Index and a 4.1% appreciation for the S&P 500 including dividends. At the end of June, the Fund was invested primarily in the business services, consumer discretionary, health care and technology sectors, with smaller weights in the financials and energy sectors.

During the month the Fund exceeded its benchmark by approximately 60 bps. This was primarily the result of the outperformance of our stock selections in the consumer discretionary, industrials and materials sectors. Our stock selections in the health care sector detracted from performance. In June, the best performing positions in the portfolio were Dollar General, General Electric, Visa, Monsanto and Discovery Communications. The worst performers for the month were Celgene, YUM! Brands, Las Vegas Sands, F5 Networks and Baidu. During the month, we sold Franklin Resources from the portfolio, as it has become difficult for the company to generate new asset flows due to the ongoing volatility of the financial markets. With the proceeds of this sale, we initiated positions in eBay and W.W. Grainger. eBay, the online auction and sales company, also operates PayPal, a leading secure, online payment service which is expanding into offline payments and is likely to play a vital role in the future of mobile commerce. W.W. Grainger is a distributor of maintenance, repair and operating supplies to commercial markets within North America. With about 600 stores across Canada and a powerful e-commerce platform, carrying nearly one million items from over 3000 suppliers, Grainger can function as an effective, one-stop-shop supplier for its customers.

Our "muddle through" global economic scenario remains the most likely outcome in our view. We had expected global GDP growth in the 3% to 4% range. However, recent economic results in the US and Europe indicate that global GDP growth may be closer to 3%. In the US, recent economic statistics, including a weak Purchasing Managers Index (PMI), imply less robust GDP growth than generally expected several months ago. Our 2.5% expectation for the US this year appears to be at the high end of what the country might achieve although lower gasoline prices, as well as the slowly improving housing market (measured both in prices and units sold), do provide reasons for optimism. Spain, Italy and France appear to be in recession, and even German growth may have stalled out. In addition, Portugal and Greece continue to struggle. Prospects for a European economic recovery have dimmed, as the slowdown in the "peripheral" countries spreads to the "core" nations. We continue to believe that "peripheral" countries will most likely draw all of Europe into a recession. On the other hand, China and other emerging economies continue to show solid economic growth, albeit at a slower pace than in prior years. Japan is growing slowly as well.

The changes we have made to the portfolio recently follow on our strategy to invest in businesses that generate the majority of their revenue in North America and emerging markets. At this time, emerging markets account for approximately 25% and North America approximates 50% of weighted revenue, while Europe is under 20% of portfolio revenues. The portfolio continues to be focused on unique global businesses. We believe that the valuation of the portfolio, at 16.9x calendar 2012 earnings and 15.4x forward twelve months earnings ended June of 2013, continues to be very attractive in the current economic environment and relative to the market. We also project a high-teens earnings growth rate through 2015, which we believe in a slow growth world will prove to be an attractive portfolio to investors.

Key Information

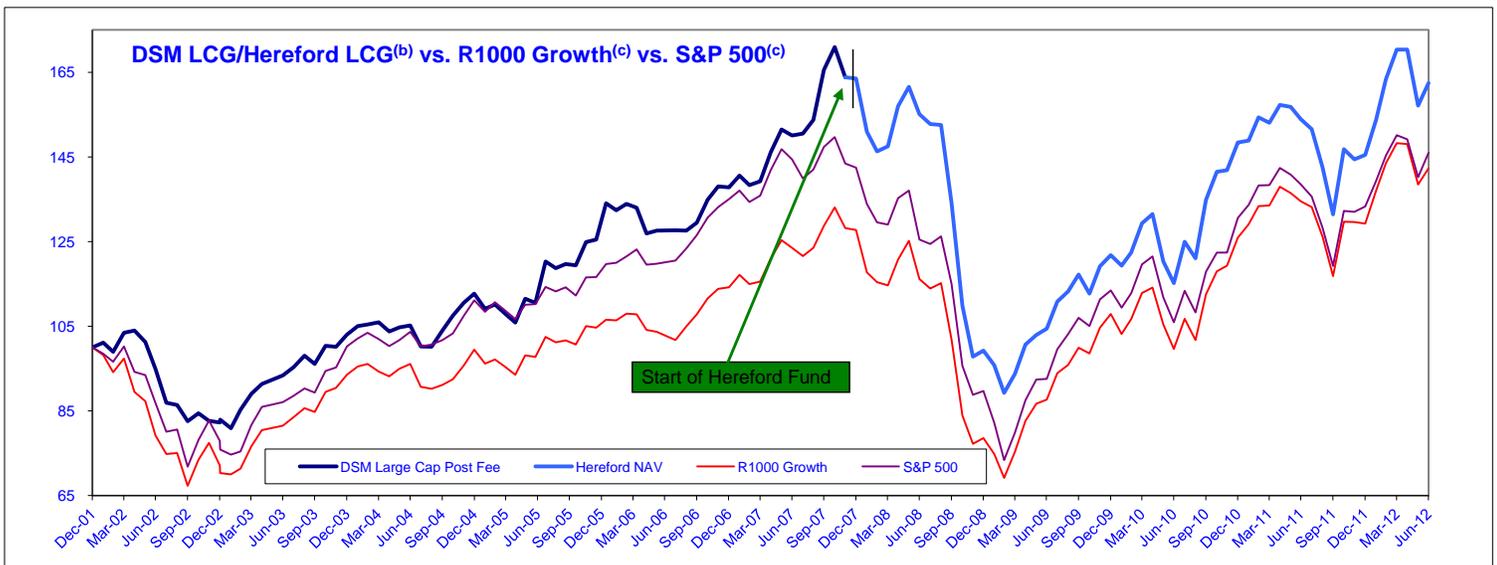
NAV A Shares (30/06/12)	US\$ 99.15
Total Fund Size	US\$ 99.5 mil
Strategy Assets	US\$ 2,470.9 mil(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.7	6.2	4.3	(0.0)	(7.7)	3.4							11.7
Russell 1000 Growth ^(c)	6.0	4.8	3.3	(0.2)	(6.4)	2.7							10.1
S&P 500 ^(c)	4.5	4.3	3.3	(0.6)	(6.0)	4.1							9.5

Period Performance (%)

	YTD	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	11.7	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	62.4	4.7
Russell 1000 Growth ^(c)	10.1	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	42.3	3.4
S&P 500 ^(c)	9.5	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	46.0	3.7





Top Ten Holdings

Allergan
 American Express
 Apple
 Celgene
 Cognizant Technology Solutions
 Dollar General
 General Electric
 Monsanto
 Philip Morris International
 Visa

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Services	21.0%
Consumer Discretionary	19.6%
Health Care	16.0%
Information Technology	13.6%
Materials	9.5%
Industrials	6.5%
Consumer Staples	5.2%
Financials	3.7%
Energy	3.5%

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 US\$ 2 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	15.5	16.2
ISIN	LU0327604228	Sharpe Ratio	n/a	0.2	0.1
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.2	
	3504726	Beta	n/a	0.9	
WKN	AOM58T	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.
 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, authorised for public distribution in Switzerland by Finma, and registered with the AMF for public distribution in France.
 (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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