



Investment Review

The Hereford/DSM Large Cap Fund appreciated 1.1% for the month of June compared to a 2.0% appreciation for the Russell 1000 Growth Index and a 2.1% appreciation for the S&P 500 including dividends. At the end of June, the Fund was invested primarily in the consumer discretionary, health care and technology sectors, with smaller weights in the industrials, financials, materials and consumer staples sectors.

During the month the Fund trailed its benchmark by approximately 80 bps. This was primarily the result of our underweight in energy versus the benchmark. Our selections and underweight in consumer staples benefitted performance. In June, the best performing positions in the portfolio were Celgene, Dollar General, Tencent Holdings, Starbucks and BlackRock. The worst performers for the month were Regeneron Pharmaceuticals, Alexion Pharmaceuticals, Priceline Group, Airbus Group and MasterCard. In June we sold the Fund's position in Ecolab as a result of appreciation. We also trimmed our positions in Dollar General and Swatch Group. Dollar General was trimmed primarily due to valuation, while Swatch was trimmed primarily due to the appreciating Swiss franc, which is having an unusually large potential impact on earnings. In addition, we are now a bit more concerned about the potential impact of "smart" watches. We used these proceeds to add to the Fund's existing position in Abbott Laboratories. We also initiated a position in Perrigo Company. Perrigo occupies a unique space within consumer healthcare. They are by far the dominant supplier of store-brand over-the-counter generic pharmaceuticals, controlling approximately 70-75% of the market. Generics continue to gain share from branded OTC pharmaceuticals, as consumers seek to reduce their health care costs. Perrigo benefits from consumption growth, share growth vs. other store-brand suppliers, share growth vs. branded OTC, and finally from new launches of prescription-to-OTC pharmaceuticals. They also have similar but less-dominant positions in infant formula, vitamins/minerals/supplements and animal health, as well as a growing international business (currently <20% of total revenue). Furthermore, Perrigo has a large, and nicely profitable, generic prescription pharmacy business focused exclusively on higher barrier to entry "extended topicals" including inhalers, ophthalmics and patches.

Our global economic outlook remains largely unchanged. We continue to expect global economic growth around 3.5% with the US over 2%; Europe in the 0% to 1% range; Japan over 1%; and China in the 7% range. Worries about the situation in the Ukraine are subsiding, but the rapidly changing military balance in Iraq is adding uncertainty that was not apparent earlier this year. The ISIS militia may create instability to oil supplies, or at least to investor confidence, as they continue to expand their control through parts of Iraq.

As we have described in recent reports, we have constructed the portfolio based on our view of slow growth in the US, faster growth in the emerging markets and fractional growth 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 53%. We estimate that the portfolio's revenue exposure to Europe approximates 21%, and therefore other developed markets account for roughly 4% of revenue. The portfolio continues to be focused on unique global businesses that have been identified, and are continuously subject to analysis, by our eleven-member investment team. We believe that the valuation of the portfolio, at 19.8x next-four-quarter earnings through June of 2015 based on our calculations, continues to be attractive in the current slow growth economic environment and relative to the market. We also continue to project a mid-to-high "teens" earnings growth rate through 2017. Additionally, the portfolio holdings remain characterized by very strong balance sheets and significant free cash flow.

Key Information

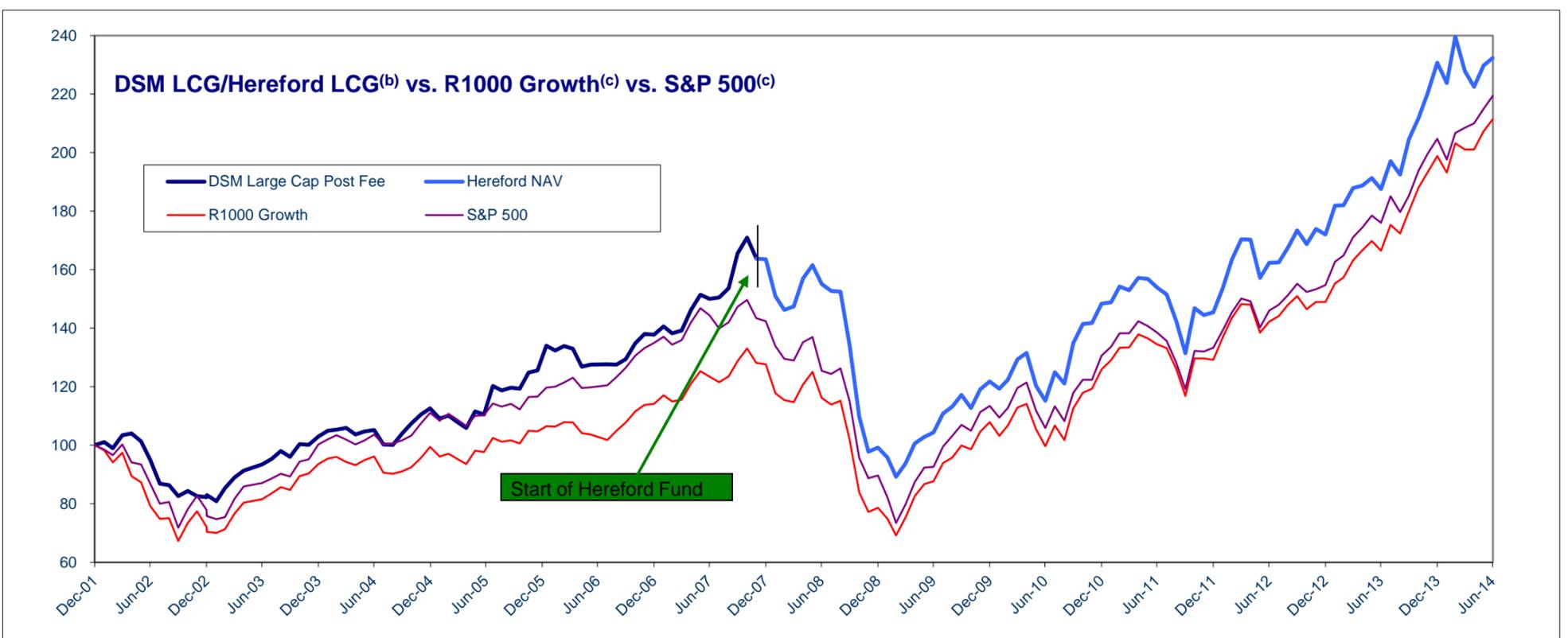
NAV A Shares (30/06/14)	US\$ 141.87
Total Fund Size	US\$ 139.7 mil
Strategy Assets	US\$ 4,158.2 mil <sup>(a)</sup>
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.0)	7.1	(4.9)	(2.4)	3.3	1.1							0.8
Russell 1000 Growth <sup>(c)</sup>	(2.9)	5.2	(1.0)	0.0	3.1	2.0							6.3
S&P 500 <sup>(c)</sup>	(3.5)	4.6	0.8	0.7	2.3	2.1							7.1

Period Performance (%)

	YTD	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Cumulative	Annualised
DSM LCG/Hereford LCG Returns <sup>(b)</sup>	0.8	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	132.4	7.0
Russell 1000 Growth <sup>(c)</sup>	6.3	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	111.4	6.2
S&P 500 <sup>(c)</sup>	7.1	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	119.4	6.5





### Top Ten Holdings

Alexion Pharmaceuticals	Monster Beverage
Celgene	Starbucks
Cognizant Tech Solutions	The Priceline Group
Google (Cl. A & C)	Time Warner
Monsanto	Yum! Brands

### Sectoral Breakdown

Sectoral Breakdown	% of Assets
Consumer Discretionary	33.4%
Health Care	22.8%
Information Technology	20.6%
Industrials	7.1%
Financials	6.7%
Materials	4.8%
Consumer Staples	4.0%

### 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	14.9	15.3
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.9	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.4	

### 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 <sup>(e)</sup>	1.25%
Share Class D <sup>(f)</sup>	1.75%

### Minimum Investment

Share Class A & U <sup>(e)</sup>	\$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 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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Switzerland - Representative and Paying Agent as defined by Swiss Regulation:  
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