



Investment Review

The Hereford/DSM Large Cap Fund appreciated 3.5% for the month of September compared to a 2.0% appreciation for the Russell 1000 Growth Index and a 2.6% appreciation for the S&P 500 including dividends. At the end of September, the Fund was invested primarily in the consumer discretionary, business services, health care and technology sectors, with smaller weights in the consumer staples and energy sectors.

During the month the Fund exceeded its benchmark by approximately 150 bps. This was primarily the result of the outperformance of our stock selections in the technology, consumer discretionary and industrials sectors. In September, the best performing positions in the portfolio were General Electric, Celgene, Google, Las Vegas Sands and Discovery Communications. The worst performers for the month were Union Pacific, Shire, F5 Networks, Praxair and SABMiller. During the month, we sold F5 Networks on the possibility of weakness in their software sales in Europe. However, we continue to believe F5 Networks is a well run company with solid long term business prospects, and we may well own this stock again in the future. We also trimmed Shire in this period on concerns that sales of two of the company's sizable drugs might soon be subject to competition from generics. With the proceeds of these sales, we added to the Fund's existing positions in Union Pacific, Yum! Brands, Ecolab and Las Vegas Sands.

In response to weak US economic statistics, the Federal Reserve has implemented a third round of "Quantitative Easing". The European Central Bank has embarked on a similar program aimed at shoring up the European financial system. The combination of these two monetary programs provided the markets with liquidity, and thereby created the fuel for a solid period of equity market appreciation. It is possible that these central bank monetary programs may avert significant financial system difficulties in the Western world, at least for the time being. In our view, central banks are doing what they can to offset the negative impact of anti-growth fiscal policies on both sides of the Atlantic. However, central bank liquidity has been provided on a massive scale in recent years, and has not created sustainable economic growth, job creation or tax revenues in the United States or Europe. Until fiscal policy is altered to promote private sector investment and demand, we believe that a slow growth economic outlook is the best that can be expected.

The portfolio has been configured for a slow global economic growth environment. We have maintained the investment focus on industrial and technology positions, which we believe are significantly undervalued. We also have a large weighting in consumer discretionary stocks, although we believe that many of these holdings are quite defensive. We have also built positions in companies involved in the internet through search, on-line shopping, payment processing and social media. We continue to emphasize emerging market exposure, while further reducing European exposure and maintaining exposure to North America. Weighted portfolio revenue from emerging markets now approximates 25%, while North American revenue accounts for another 50%. The European weight is now under 20%, with the remaining 5% coming from other developed markets. While the emerging markets revenue exposure may have hurt performance earlier in the year, we believe it has contributed to our recent outperformance.

We estimate that the weighted earnings growth of the portfolio can reach the "upper-teens" if the global economy muddles through and, in a recession, could be in the low-double-digits. Our focus on companies whose primary markets are North American, as well as our emphasis on emerging markets, should enhance the predictability and stability of earnings growth in the portfolio. We have confidence that the portfolio remains attractively priced, with a forward price earnings ratio for the twelve months ending September 2013 of 16.2x earnings. However, the recent weakening in US and global economic statistics certainly has added risk to the earnings and investment outlook.

Key Information

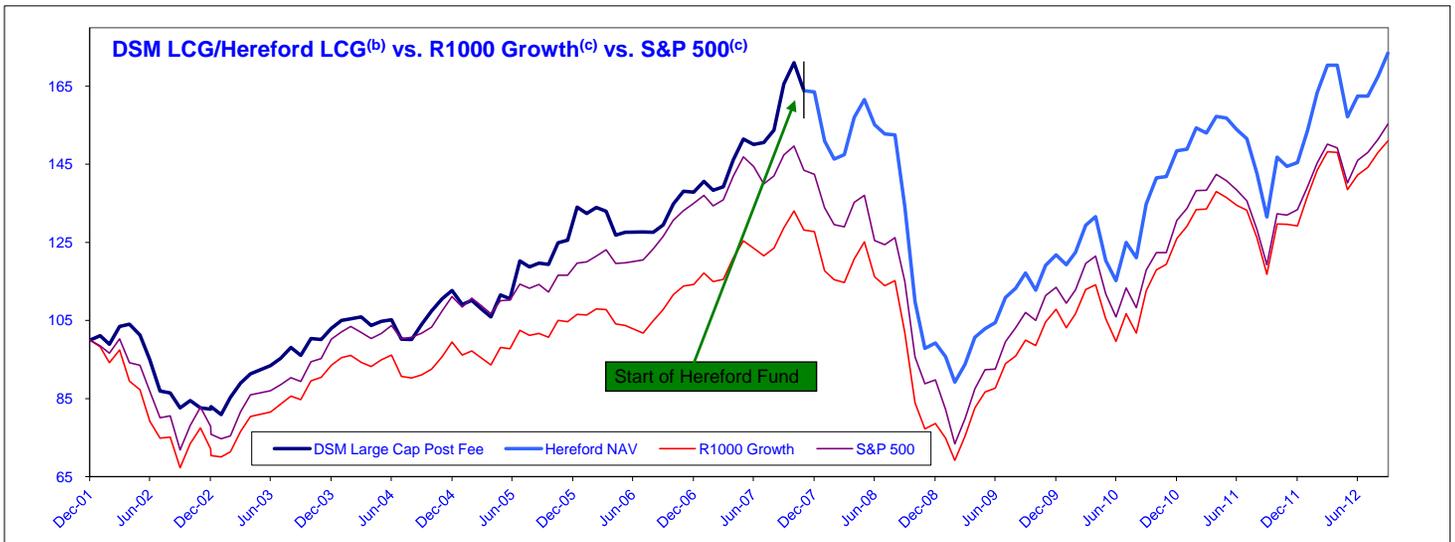
NAV A Shares (30/09/12)	US\$ 105.86
Total Fund Size	US\$ 113.5 mil
Strategy Assets	US\$ 2,662.5 mil(a)
Fund Launch Date	29-Nov-07

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	0.0	3.1	3.5				19.2
Russell 1000 Growth ^(c)	6.0	4.8	3.3	(0.2)	(6.4)	2.7	1.3	2.7	2.0				16.8
S&P 500 ^(c)	4.5	4.3	3.3	(0.6)	(6.0)	4.1	1.4	2.3	2.6				16.4

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)	19.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	73.4	5.3
Russell 1000 Growth ^(c)	16.8	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	51.0	3.9
S&P 500 ^(c)	16.4	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	55.3	4.2





Top Ten Holdings

Allergan
 Apple
 Celgene
 Dollar General
 eBay
 General Electric
 Las Vegas Sands
 Monsanto
 Philip Morris International
 Schlumberger

Sectoral Breakdown

	% of Assets
Consumer Discretionary	24.5%
Services	16.7%
Health Care	15.0%
Information Technology	11.9%
Industrials	10.6%
Materials	9.6%
Consumer Staples	6.9%
Energy	3.8%

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	15.3	16.0
ISIN	LU0327604228	Sharpe Ratio	n/a	0.2	0.1
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.1	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.6	

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.

France - Centralizing Correspondent as defined by French Regulation:
 Société Générale - Order Desk, 32, avenue du Champ de Tir, BP 81236, F-44312 Nantes Cedex 3
 Phone: +33/2.51.85.66.40 Fax: +33/2.51.85.58.71

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
 Société Générale, Zurich Branch, Talacker, 50, P.O. Box 1928, CH-8021 Zurich
 Phone: +41/58.272.34.18 Fax: +41/58.272.35.49



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