



Investment Review

The Hereford/DSM Large Cap Fund NAV appreciated 11.7% for the month of October compared to a 11.0% appreciation for the Russell 1000 Growth index and a 10.9% appreciation for the S&P 500. At the end of October, the Fund was invested primarily in the business services, consumer discretionary, health care and technology sectors, with smaller weights in the materials and financials sectors.

During the month the Fund exceeded its benchmark, on a gross-of-expense basis, by approximately 70 bps. This was primarily the result of the outperformance of our stock selections in the technology, energy and consumer staples sectors as well as our underweight in staples. Our stock selections in the industrials sector and our selections and overweight in health care detracted from performance. In October, the best performing positions in the portfolio were F5 Networks, Schlumberger, Baker Hughes, Discovery Communications and Cognizant Technology. The worst performers for the month were Rovi, Dollar General, Nestle, Allergan and Shire. During the month, we trimmed the Fund's position in Nike on valuation and used the proceeds to purchase additional shares of Las Vegas Sands.

Our middle through global economic scenario is looking a bit less likely recently, due to the sovereign debt problems in Europe. We believe the sovereign debt issue is the major risk variable likely to inhibit world economic growth. We continue to believe that because the problem is known, and authorities in Europe are dealing with it, this problem is not likely to result in overall financial destabilization. Nevertheless the crisis will take a toll on the European economy, which will likely slow to around 1%. A deeper and prolonged recession in Europe, which is a very large market for both American and emerging market exports, would cause much slower growth in these regions, and thereby substantially slower global growth on an overall basis. Recent economic statistics in the United States continue to support a slow growth economic outlook, perhaps about 2%.

China, the world's second largest economy, has also slowed. Over the past year the Chinese government has tightened monetary policy and credit availability in order to combat both mid-single digit inflation and a property bubble. As a result of these policies, both property prices (especially residential prices) and inflation have moderated while Chinese exports, manufacturing and consumer spending continue to grow, albeit somewhat more slowly. With the tightening of the past year, China now has room to ease, and in our view is more likely to experience a "soft landing" than a more severe "hard landing".

We continue to follow a strategy of increasing the portfolio's emerging markets exposure and dividend yields. At this time emerging markets account for approximately 22% to 24% of weighted revenues, and approximately 20% of the portfolio is comprised of positions that yield over 2% per annum. The portfolio continues to be focused on *unique* global businesses. The stock selections are made with a modest global economic growth outlook in mind. We believe that the valuation of the portfolio, at 14.9x next four quarters earnings through September of 2012 and 14.2x calendar 2012 earnings continues to be attractive in the current economic environment and relative to the market. We continue to project a high-teens earnings growth rate through 2015.

Key Information

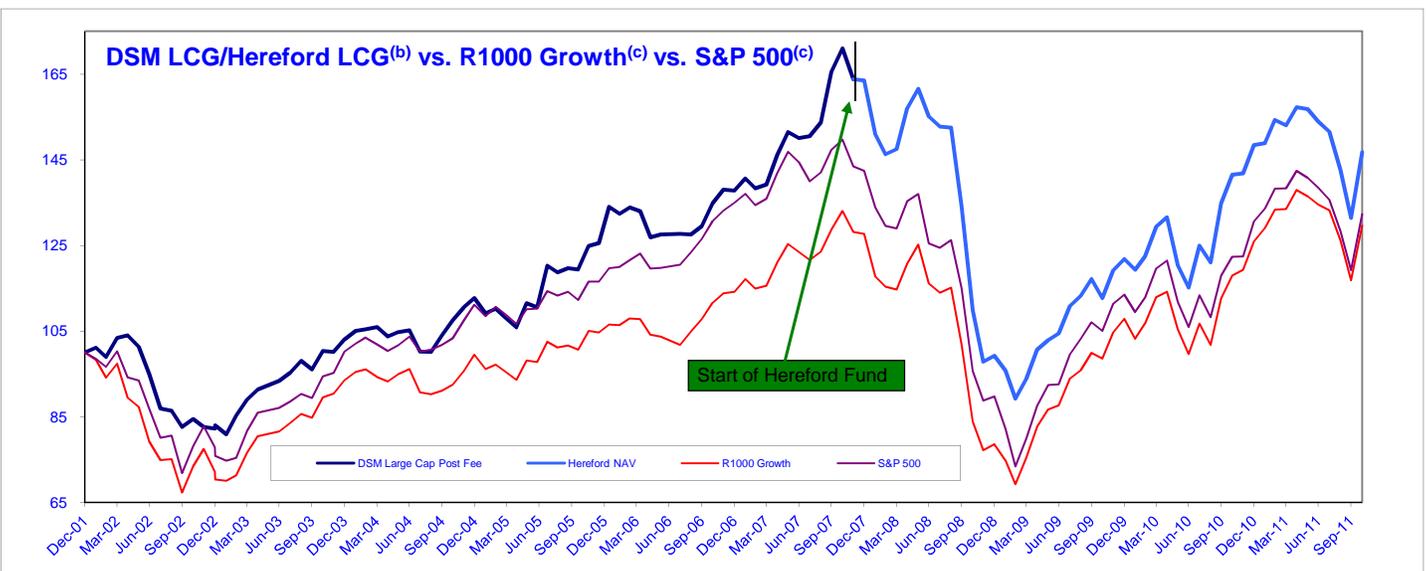
NAV A Shares (31/10/11): US\$ 89.62
 Total Fund Size: US\$ 118.8 mil
 Strategy Assets: US\$ 2,561.7 mil^(a)
 Fund Launch Date: 29-Nov-07

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	(0.3)	(1.8)	(1.5)	(5.9)	(7.8)	11.7			(1.1)
Russell 1000 ^(c)	2.5	3.3	0.1	3.4	(1.1)	(1.4)	(1.0)	(5.3)	(7.4)	11.0			3.0
S&P 500 ^(c)	2.4	3.4	0.0	3.0	(1.1)	(1.7)	(2.0)	(5.4)	(7.0)	10.9			1.3

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)	(1.1)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	46.8	4.0
Russell 1000 ^(c)	3.0	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	29.7	2.7
S&P 500 ^(c)	1.3	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	32.3	2.9



**Top Ten Holdings**

Allergan
 Apple Computer
 Celgene
 Cognizant Technology Solutions
 Discovery Communications
 Dollar General
 General Electric
 Schlumberger
 Shire PLC
 Visa

Sectoral Breakdown**% of Assets**

Services	21.3%
Consumer Discretionary	20.7%
Health Care	16.3%
Information Technology	15.1%
Energy	8.2%
Industrials	7.7%
Consumer Staples	5.6%
Materials	2.4%
Financials	1.9%

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)		Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.5	16.4
ISIN	LU0327604228	Sharpe Ratio	n/a	0.1	0.0
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.4	
	3504726	Beta	n/a	0.8	
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
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, 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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