



Investment Review

The Hereford/DSM Large Cap Fund appreciated 3.5% for the month of October compared to a 4.4% appreciation for the Russell 1000 Growth Index and a 4.6% appreciation for the S&P 500 including dividends. At the end of October, the Fund was invested primarily in the consumer discretionary, technology, health care, industrials and materials sectors, with smaller weights in the consumer staples, financials and energy sectors.

During the month the Fund trailed its benchmark by approximately 90 bps. This was primarily the result of the underperformance of our stock selections in the healthcare and consumer discretionary sectors. Our selections in the financials sector benefitted performance. In October, the best performing positions in the portfolio were Google, Precision Castparts, BlackRock, EADS and Las Vegas Sands. The worst performers for the month were Celgene, eBay, Yum! Brands, Union Pacific and Intuitive Surgical. During the month, Starbucks was sold due to appreciation. We also trimmed several positions including Ecolab, Kinder Morgan, SAP and Union Pacific. The proceeds of these sales were used to initiate a position in Priceline.com, a company we last held in the portfolio in 2012. With the recent launch of the Booking.com brand in the US and the acquisition of Kayak.com, a leading meta-search engine in the travel industry, we expect Priceline to surpass Expedia in total travel bookings in 2014 to become the #1 ranked global online travel agency. Priceline's share of the US market should grow as well. The company's strong operating margins and free cash flow further supported this purchase. In October we also added to existing positions in Alexion Pharmaceuticals, Cognizant Technology Solutions, EADS and Monsanto.

Our long standing expectation that the global economy would "muddle through" with 3% GDP growth continues to be the most likely economic outcome; despite the fact that many analysts doubted such growth would be possible several years ago. US economic data has been solid, but growth has been slow. This slow growth, combined with a reduction in government activity as a result of the partial shutdown last month, is sending bond prices higher (yields lower) and gold prices lower. The debt limit discussion was postponed until February as Congress voted to extend the US Government's ability to borrow until then. By some estimates, this fiscal stalemate may have an effect on fourth quarter GDP. Nevertheless, in our view, there is limited economic risk from reduced government activity, just as there has been little economic fallout from the recently implemented spending sequester, which significantly reduced federal government non-entitlement spending. Importantly, the world today is in a very different place than several years ago when the markets last faced the debt limit situation. In Europe, the unemployment rate remains high at 12%, down a fraction from a year ago. With unemployment high and economic growth struggling to reach zero, it is no surprise that recent retail sales numbers out of Europe were weak as well. Of course, high unemployment and weak consumption are keeping inflation quite low, providing room for the ECB to remain flexible on monetary policy. In Japan, the central bank's QE program may have boosted inflation measures, but economic growth, while better, remains slow. China's recent economic statistics continue to show approximately 7% or better GDP growth, which is good, albeit not dramatic. Lack of export growth, especially to Europe, limits Chinese economic growth. And, as in the Western World, financial leverage and industrial overcapacity limit growth as well. That said, the Chinese government is also taking steps to restructure the economy, and that process can serve to temporarily slow growth. Slow global growth in the 3% range remains both the most likely and most bullish outcome investors can logically expect. With that backdrop, we believe that the global equity markets can continue to "melt upward."

Our ten-person investment team continues to identify, research and model investments that we believe are unique, high quality, growing and predictable businesses. The portfolio has a solid weighting in the global internet business through investment in four companies: eBay, Google, Priceline.com and Tencent. Two other growing global services companies, MasterCard and Visa, are also part of the portfolio. We believe that the valuation of the portfolio, at 20.6x next-four-quarter earnings through September 2014, and 19.8x calendar 2014 earnings continues to be attractive in the current slow growth economic environment and relative to the market.

Key Information

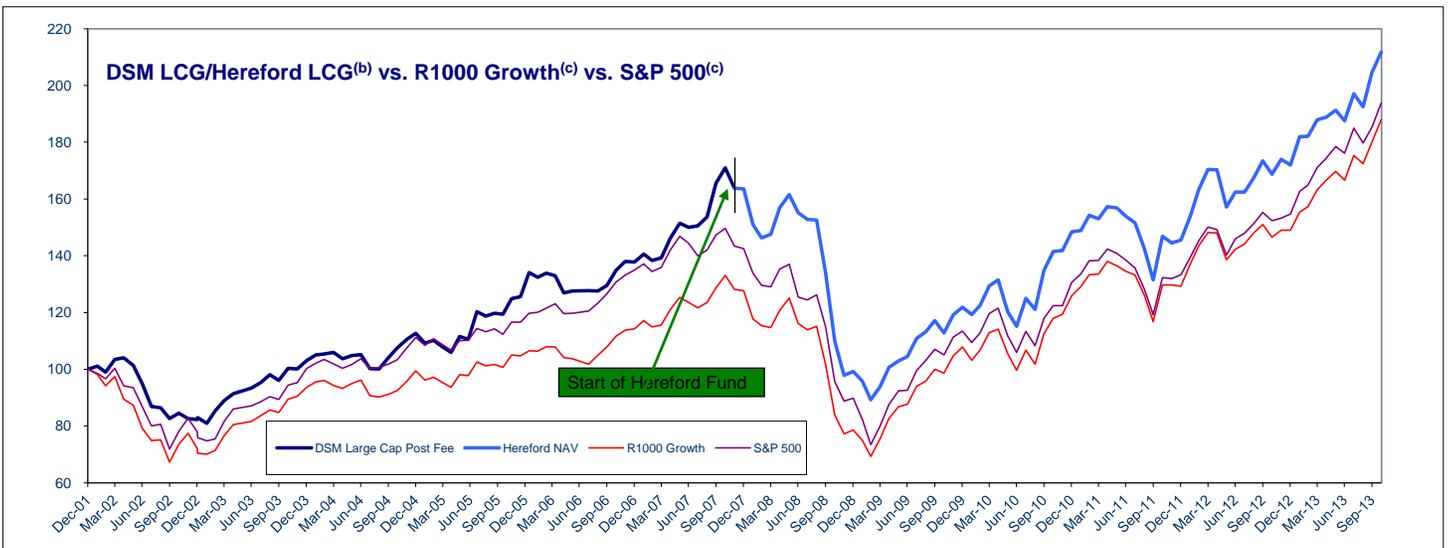
NAV A Shares (31/10/13)	US\$ 129.28
Total Fund Size	US\$ 145.1 mil
Strategy Assets	US\$ 4,355.9 mil ^(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.8	0.0	3.2	0.5	1.4	(2.0)	5.1	(2.3)	6.3	3.5			23.2
Russell 1000 Growth ^(c)	4.3	1.2	3.8	2.1	1.9	(1.9)	5.3	(1.7)	4.5	4.4			26.2
S&P 500 ^(c)	5.2	1.4	3.8	1.9	2.3	(1.3)	5.1	(2.9)	3.1	4.6			25.3

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)	23.2	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	111.8	6.5
Russell 1000 Growth ^(c)	26.2	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	88.0	5.5
S&P 500 ^(c)	25.3	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	93.8	5.8





Top Ten Holdings

Celgene	Las Vegas Sands
Dollar General	Monsanto
eBay	Precision Castparts
EADS	Time Warner
Google	Visa

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Consumer Discretionary	30.2%
Information Technology	22.9%
Health Care	13.5%
Industrials	11.7%
Materials	9.5%
Consumer Staples	5.2%
Financials	3.9%
Energy	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 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	15.6
ISIN	LU0327604228	Sharpe Ratio	n/a	0.3	0.3
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	6.9	
	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 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.

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

Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

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

This document is for information purposes only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined for each investor, and this fund may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Investors should consult professional advisers to evaluate this information. An investment should be made only on the basis of the Prospectus, the annual and any subsequent semi-annual reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained from [the Fund, 26, avenue de la Liberté, L-1930 Luxembourg or from VPB Finance S.A., 26, avenue de la Liberté, L-1930 Luxembourg and any distributor or intermediary appointed by the Fund]. No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Earnings projections are not guarantees of future results and there is no representation that the securities discussed were or will be profitable. Investors should be aware that the value of investments can fall as well as rise and that they may not recover the full amount invested. Past performance is no guide to future performance. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the Prospectus of the Fund. While great care is taken to ensure that this information is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document. Full details of the investment policy and objectives are stated in the Prospectus.