

Investment Review

The Hereford/DSM Large Cap Fund NAV appreciated 3.7% for the month of February compared to a 3.3% appreciation for the Russell 1000 Growth index and a 3.4% appreciation for the S&P 500. At the end of February, the Fund was invested primarily in the technology, health care, consumer discretionary and business services sectors, with smaller weights in the materials and consumer staples sectors.

During the month the Fund exceeded its benchmark, on a gross-of-expense basis, by approximately 40 bps. This was primarily the result of positive stock selections in the consumer discretionary, technology and materials sectors. Stock selections in the industrials and energy sectors detracted from performance. In February, the best performing positions in the portfolio were Juniper Networks, Omnicom Group, Discovery Communications, Apple and Schlumberger. Dolby Laboratories, NetApp, C.H. Robinson Worldwide, Rovi and Expeditors were the worst performers. During the month, the Fund exited its positions in Pepsico and State Street and initiated positions in Franklin Resources and WPP PLC. State Street was sold due to appreciation and also because a number of worrisome lawsuits in their foreign exchange business have cropped up. Franklin Resources is one of the largest investment firms, managing assets for clients around the world. It is a well run company, with solid business prospects and asset gathering capabilities. The Fund has owned Franklin Resources in the past. WPP Group is the largest advertising agency in the world. Its business is global, with roughly 37% of revenue from the USA, 37% from Europe and 26% from emerging markets. WPP also generates 27% of its revenue from internet related activities.

Global economic growth continues to make progress, particularly in the US where 2011 GDP forecasts have increased to 3.5% or perhaps a touch more. In the US, economic growth has been pushed forward by impressive industrial production growth, while housing starts remain weak. With unemployment remaining high in the US, housing prices are generally flat to down. We continue to believe that weak housing values will be a problem for the foreseeable future. Both Congress and President Obama seem to understand that America, with the world's highest corporate tax rates (other than Japan) must be lowered if investment in new industrial facilities is to occur. Lastly, President Obama's budget makes no effort to deal with Medicare, Medicaid and Social Security spending. These three programs almost certainly will cause significant deficits and perhaps economic problems some years down the road. In contrast to the US, European growth looks a bit weaker than expected, perhaps nearer to 2%, despite good numbers from Germany. The peripheral countries in Europe are able to finance their deficits, and "austerity", as opposed to "pro-growth" policies, appears to be the consensus economic approach. That said, the banking system in Europe should remain fragile, so long as the sovereign fiscal situation remains under duress. Because many of the banks own much of the problematic sovereign debt, the health of the banking system is intertwined with the fiscal stability of the various governments. Emerging market economies continue to grow at an impressive pace, albeit with increasing inflation as a concern. Rising prices of commodities, especially food, has a very significant inflation impact in these geographies. Central banks, including those of China, Indonesia and India are raising interest rates in response. Although these nations are having a bout of inflation, their leaders are aware of the issue and are responding to it. Moreover, in many cases, these nations find their fiscal situation to be stable or improving, unlike the United States and Europe.

Key information

NAV A Shares (28/02/11): US\$ 94.19

Total Fund Size: US \$127.8 mil

Strategy Assets: US\$2,752.8 mil^(a)

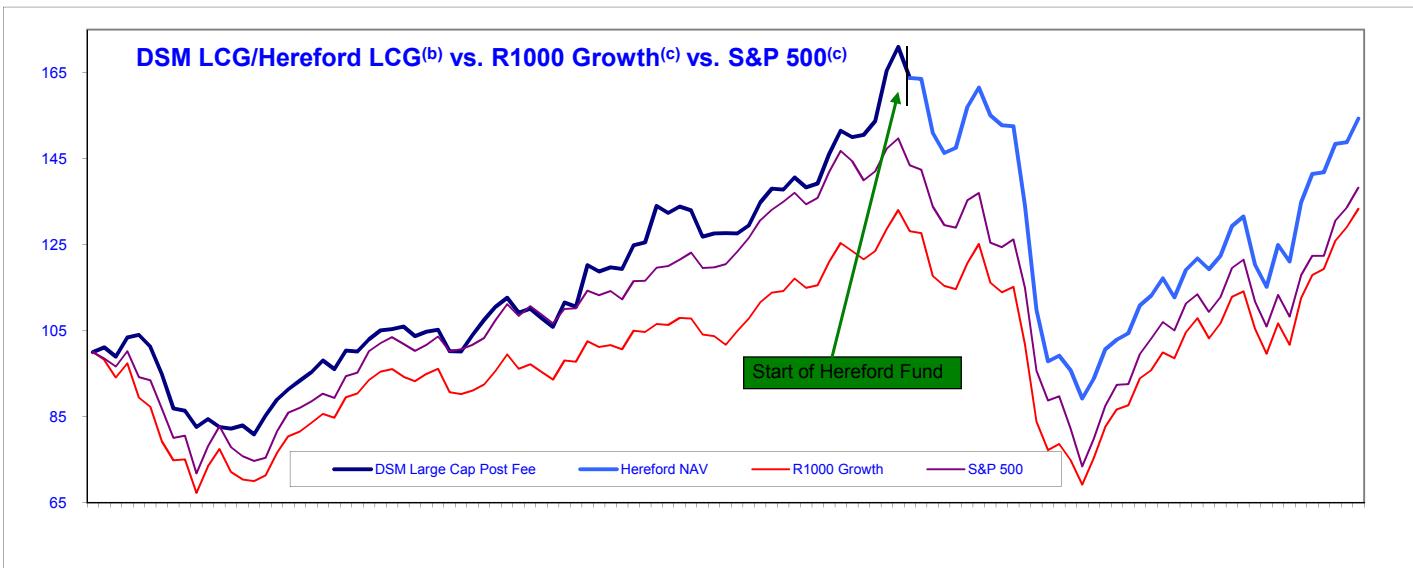
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	0.3	3.7											4.0
Russell 1000 ^(c)	2.5	3.3											5.9
S&P 500 ^(c)	2.4	3.4											5.9

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)	4.0	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	54.3	4.8	
Russell 1000 ^(c)	5.9	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	33.3	3.2	
S&P 500 ^(c)	5.9	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	38.3	3.6	





Top Ten Holdings

Apple Computer
Celgene
Cognizant Technology Solutions
Google
Intuitive Surgical
Juniper Networks
NetApp
Priceline.com
Schlumberger
Shire PLC

Sectoral Breakdown % of Assets

Information Technology	31.9%
Health Care	16.3%
Services	15.7%
Consumer Discretionary	10.7%
Energy	8.8%
Industrials	6.2%
Financials	5.3%
Materials	3.1%
Consumer Staples	1.4%

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)	DSMUSLA LX	Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth
Bloomberg	LU0327604228	Volatility	n/a	15.2	16.3
ISIN	LP65102015	Sharpe Ratio	n/a	0.2	0.1
Reuters	B28TLX2	Information Ratio	n/a	0.2	
Sedol	3504726	Tracking Error	n/a	7.6	
WKN	A0M58T	Beta	n/a	0.8	
		Alpha	n/a	1.8	

Fund Details

Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC, 320 East Main Street, 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.dsmpartners.com.
- (c) Total return including dividends.
- (d) The fund is registered with the AFM for public distribution in the Netherlands.
- (e) Share Class U has UK Distributor Status as approved by HMRC and has applied for UK Reporting Fund Status for the year to September 2011.
- (f) Share Class D is German tax registered from October 1, 2010.

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. 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.