



Investment Review

The Hereford/DSM Large Cap Fund appreciated 4.3% for the month of March compared to a 3.3% appreciation for the Russell 1000 Growth Index and a 3.3% appreciation for the S&P 500 including dividends. At the end of March, the Fund was invested primarily in the business services, technology, health care and consumer discretionary sectors, with smaller weights in the energy and financials sectors.

During the month the Fund exceeded its benchmark by approximately 100 bps. This was primarily the result of the outperformance of our stock selections in the consumer discretionary and technology sectors. Our stock selections in the energy and health care sectors detracted from performance. In March, the best performing positions in the portfolio were Apple, Priceline.com, Cognizant Technology Solutions, Dollar General and Celgene. The worst performers for the month were Baker Hughes, Schlumberger, Shire, American Express and Walt Disney. During the month, we initiated positions in American Express and The Walt Disney Company. While Disney is best known for its animation, non-animated films and destination resorts, these businesses now account for less than 30% of operating profits. Disney's biggest and arguably best assets are ESPN and the Disney Channel, which together account for nearly 70% of operating profits. American Express owns a proprietary "closed loop" settlement network, has good operating expense leverage, and maintains strong capital levels evidenced by its just announced \$5 billion share repurchase program and dividend increase. We expect American Express to deliver high single digit revenue growth, continue to limit losses from lending, and generate earnings growth in the 13% range. To fund these purchases we sold Baker Hughes, Expeditors International and Nike. Expeditors was sold because the projected growth in global trade was faltering, and we were concerned that earnings would eventually be negatively impacted. Nike was sold due to price appreciation. Baker Hughes was sold due to a pre-announcement of disappointing earnings by management.

At DSM we continue to maintain our "muddle through" global economic scenario. We expect global GDP growth in the 3% to 4% range. In the United States, recent economic statistics have been supportive of 2012 global economic growth approximating 2.5%. Admittedly, the most recent economic statistics imply less robust GDP growth than some observers hoped for after the first six or eight weeks of the year. Nevertheless, our 2.5% expectation for this year appears reasonable, given slow but steady growth in almost all areas of the economy except housing (a very large sector). In Europe, hope for an economic bounce has dwindled as the peripheral countries continue to struggle. These countries, in our opinion, will most likely draw all of Europe into a shallow recession. Offsetting the problems in Europe is the solid growth in China and India. Both countries are likely to grow in the 6% to 8% range. Japan is growing as well, albeit at a 1% or 2% rate this year.

The changes we have made to the portfolio follow on our strategy to invest in businesses that generate the majority of their revenue in North America and emerging markets. At this time, emerging markets account for approximately 25% and North America approximates 50% of weighted revenue. 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 continues to be very attractive in the current economic environment and relative to the market.

Key Information

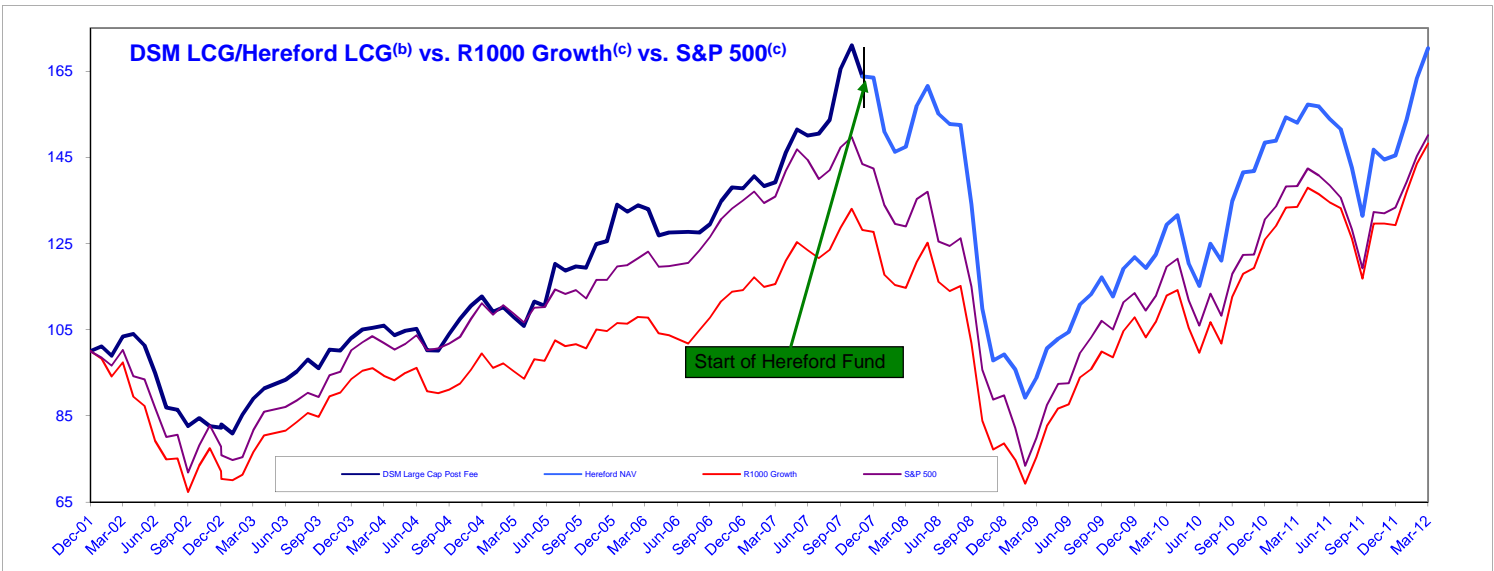
NAV A Shares (31/03/12)	US\$ 103.99
Total Fund Size	US\$ 111.8 mil
Strategy Assets	US\$ 2,789.9 mil(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.7	6.2	4.3										17.1
Russell 1000 Growth ^(c)	6.0	4.8	3.3										14.7
S&P 500 ^(c)	4.5	4.3	3.3										12.6

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)	17.1	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	70.4	5.3
Russell 1000 Growth ^(c)	14.7	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	48.2	3.9
S&P 500 ^(c)	12.6	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	50.1	4.0



**Top Ten Holdings**

Allergan
 Apple Computer
 Celgene
 Cognizant Technology Solutions
 Dollar General
 General Electric
 Philip Morris International
 Priceline.com
 Shire PLC
 Visa

Sectoral Breakdown

Services	22.1%
Information Technology	17.3%
Health Care	17.1%
Consumer Discretionary	16.9%
Materials	7.6%
Consumer Staples	4.8%
Industrials	4.8%
Energy	3.7%
Financials	3.6%

% of Assets**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	15.4	16.2
ISIN	LU0327604228	Sharpe Ratio	n/a	0.2	0.1
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.3	
	3504726	Beta	n/a	0.9	
WKN	AOM58T	Alpha	n/a	1.7	

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.

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