



May 2009 Investment Review

The Hereford/DSM Large Cap Fund appreciated 2.2% for the month of May compared to a 5.0% appreciation for the Russell 1000 Growth index and a 5.6% appreciation for the S&P500. The majority of the fund is invested in the health care, information technology, and services sectors. The weighted average P/E of the portfolio is 14.8x, which we feel is attractive relative to our long-term estimated earnings growth of 19%.

Because recent economic statistics have been quite negative, future economic growth statistics can compare very positively. It is this comparison that is driving the equity market upward, as investors believe that the worst economic declines are behind them. Additionally, much of the recovery in the stock market can be attributed to massive increases in the money supply created by Central Banks around the world. This cash must go somewhere, and because the "real economy" can not absorb the cash, much of it is finding its way into the stock market, driving prices higher. Some investors feel "easy money" will cause inflation. They are buying oil and gold, as a hedge against both inflation and the declining dollar.

The economic recovery will take place from an unusually low level and therefore it is likely to take longer before the unemployment rate falls significantly. Retail sales have been weak in the US and weak in Europe as well. Housing is, of course, the bedrock of consumer confidence and consumer spending, and housing prices continue to be weak in the US and through much of Europe, with the possible exceptions of Germany and Switzerland. As a result, we have limited confidence in consumer-driven stocks, although we (as always) "never say never".

The emerging markets may well present a different dynamic. Generally these markets seem to be recovering more rapidly than the US, Europe and Japan. Perhaps their trade statistics will expand next, and help the developed world to grow again. It is not yet clear that emerging market import and export volumes are growing, but internally their industrial production and consumption seems to be expanding. Supporting the emerging markets story is the fact that when final sales pick up, businesses will need to rebuild their inventories, and that trend alone should create significant global economic growth.

During the month we sold our position in Automatic Data Processing and started positions in Cognizant Technologies and State Street Bank. We sold ADP because of concerns over earnings estimates as unemployment rises. We have owned both Cognizant and State Street Bank in the past. We bought State Street back after they raised additional capital to improve their tangible capital levels. We repurchased Cognizant, as the outsourcing business seems to be stabilizing and growing again.

Key information

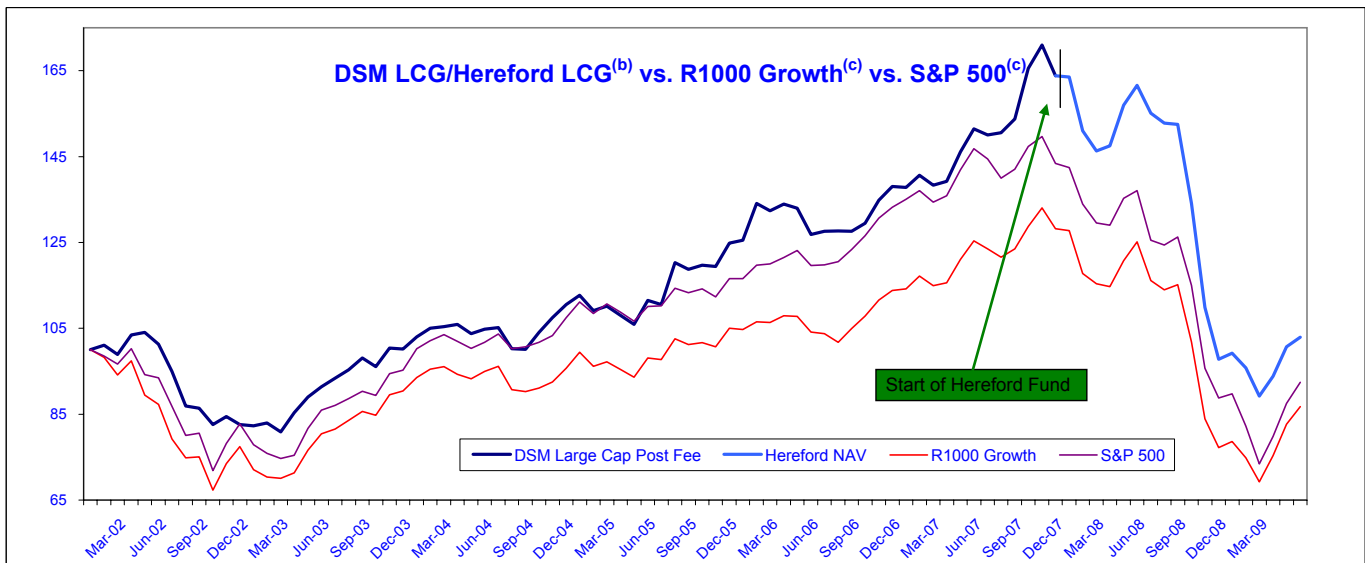
NAV A Shares (31/05/09): US\$62.82
 Total Fund Size: US \$43.5 mil
 Strategy Assets: US\$1,337.1 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.5)	(6.8)	5.1	7.3	2.2								3.7
Russell 1000 ^(c)	(4.8)	(7.5)	8.9	9.6	5.0								10.3
S&P 500 ^(c)	(8.4)	(10.7)	8.8	9.6	5.6								3.0

Period Performance (%)

	YTD	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	3.7	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	2.9	0.4
Russell 1000 ^(c)	10.3	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	(13.3)	(1.9)
S&P 500 ^(c)	3.0	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	(7.6)	(1.1)





Top Five Holdings

Celgene
 Genzyme
 Monsanto
 Google
 Research In Motion Limited

Sectoral Breakdown

Health Care	36.0%
Information Technology	22.6%
Financials	11.2%
Services	10.1%
Consumer Staples	8.6%
Materials	5.9%
Industrials	2.8%
Consumer Discretionary	1.4%

% 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 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	14.8	16.0
ISIN	LU0327604228	Sharpe Ratio	n/a	-0.1	-0.2
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	8.2	
Valoren	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, 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 ^(f)	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C ^(e)	1% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class D	1.75%

Minimum Investment

Share Class A&B	\$100,000 initial / \$10,000 subsequent
Share Class C&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
- (e) Share Class C is German tax registered from 4/1/08.
- (f) Share Class U has UK Distributor Status as approved by HMRC

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.