



June 2008 Investment Review

The Hereford/DSM Large Cap Fund declined (4.0%) for the month of June compared to a decline of (7.2%) for the Russell 1000 Growth index and a decline of (8.4%) for the S&P500. Consistent with last month, the majority of the fund remains invested in the health care, technology, business services, and energy services sectors. The weighted average P/E of the portfolio is 20.1x which we believe is attractive relative to our estimated earnings growth of 20%.

The same themes that dominated our discussion last month, commodity prices, inflation and the weak dollar remain. We note Fed Chairman Bernanke's shift in focus from the weak economy to the risk of inflation last month. The Fed left rates unchanged at the last policy meeting but financial stocks are under pressure, due to concern that the bias is now towards tightening. The skittishness toward the financial sector has reverberated throughout the market, which we believe led to the recent decline.

With regard to oil, we would emphasize that near term elasticity of demand is relatively low. Moreover, the challenges in bringing on new supply are formidable as is evidenced by the continued anemic performance of the non-OPEC suppliers. High energy prices are creating political pressure on the government to remove some of the impediments to bringing new supply to market. However, increased supply from new wells drilled in previously restricted areas would likely not provide any meaningful non-opec supply for several years. We continue to expect the supply/demand equation to remain tight for the foreseeable future.

As the political season moves into full swing, it is possible that expectations for significant policy changes under a new administration will have an impact on the market. We will watch with great interest as the candidates provide more detail on their economic plans. We would hope for greater fiscal responsibility and lower tax rates which would strengthen the economy and make the U.S. more competitive in the global market for investment capital. We also look forward to the discussion on energy policy.

During the month of June, we made a few adjustments to the portfolio. We have exited our position in Corning (GLW) based on the belief that liquid crystal display (LCD) growth rates are peaking. We initiated a new position in Covance (CVD), a contract research organization serving the pharmaceutical and biotechnology industries. We have followed the company for some time and felt that valuation had reached an attractive level. We added to our position in Cameron Intl. (CAM) and trimmed Weatherford (WFT).

With the recent pullback, we believe our portfolio is as attractive as ever. We are also seeing more opportunities to buy good businesses at reasonable prices and will continue to take advantage of those opportunities as they come.

Key information

NAV A Shares (30/06/08): \$94.68

Total Fund Size: \$20.9 mil

Strategy Assets: \$1,398.9mil^(a)

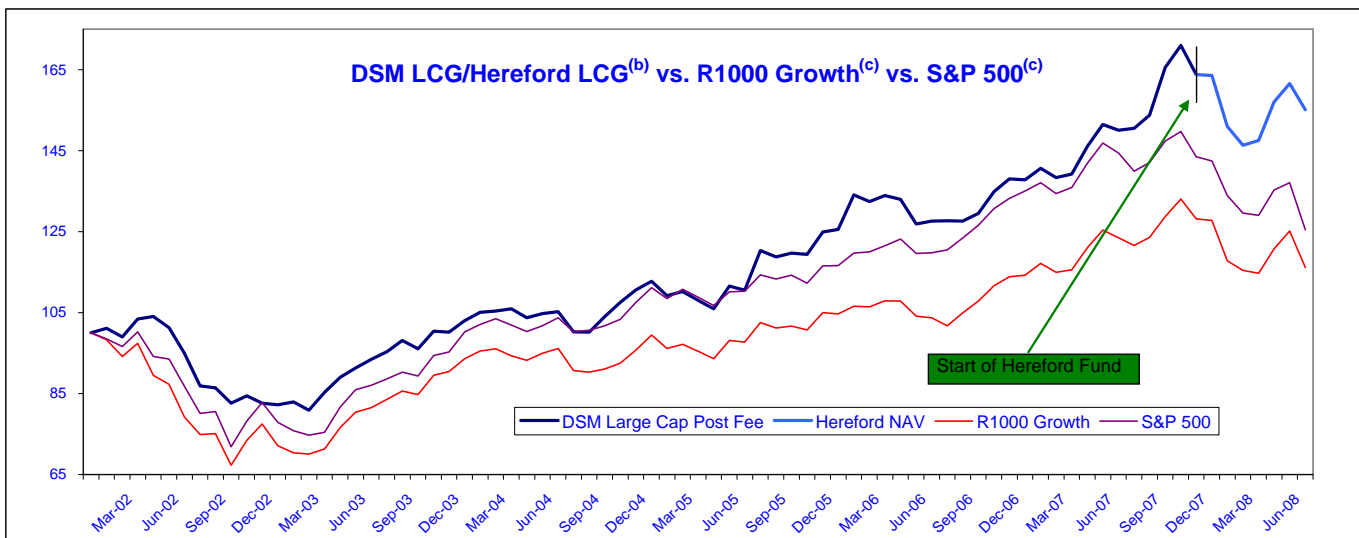
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(7.7)	(3.1)	0.8	6.5	2.9	(4.0)							(5.1)
Russell 1000 ^(c)	(7.8)	(2.0)	(0.6)	5.3	3.7	(7.2)							(9.1)
S&P 500 ^(c)	(6.0)	(3.3)	(0.4)	4.9	1.3	(8.4)							(11.9)

Period Performance (%)

	YTD	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	(5.1)	18.7	9.8	11.4	9.4	25.2	(17.7)	55.1	7.0
Russell 1000 ^(c)	(9.1)	11.8	9.1	5.3	6.3	29.7	(27.9)	16.2	2.3
S&P 500 ^(c)	(11.9)	5.5	15.8	4.9	10.9	28.7	(22.1)	25.5	3.6





Top Ten Holdings

Celgene Corp	9.6%
Schlumberger Ltd	8.4%
Genzyme Corp	5.2%
Google Inc-Cl A	5.2%
Monsanto Co	3.7%
Stryker Corp	3.6%
ABB	3.6%
Cameron International	3.6%
Varian Medical Systems	3.5%
Schering Plough	3.5%

% NAV

9.6%
8.4%
5.2%
5.2%
3.7%
3.6%
3.6%
3.6%
3.5%
3.5%

Sectoral Breakdown

Health Care
Information Technology
Energy
Industrials
Financials
Materials
Services
Consumer Staples
Consumer Discretionary

% of Assets

35.2%
21.2%
17.6%
7.1%
5.4%
3.8%
3.0%
2.9%
2.4%

Investment Objective

The investment objective of the 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 Depositary Receipts and American Depositary Shares. The reference benchmark for this strategy is the Russell 1000 Growth Index.

Fund Codes (Share Class A)

Bloomberg
ISIN
Reuters
Sedol
Valoren
WKN

DSMUSLA LX
LU0327604228
LP65102015
B28TLX2
3504726
A0M58T

Since Inception Risk Profile

Volatility
Sharpe Ratio
Information Ratio
Tracking Error
Beta
Alpha

DSM US LCG

n/a
n/a
n/a
n/a
n/a
n/a

DSM LC

11.40
0.26
0.48
8.33
0.68
4.43

R1000 Growth

13.05
-0.13

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 B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C(d)	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) minus 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 dsmcapital.com
- (c) Total return including dividends.
- (d) Share Class C is German tax registered from 4/1/08.
- (e) Share Class U: UK Distributor Status to the year ending 30th September 2008 - Pending

This document is for information purposes use 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.