



Investment Review

The Hereford/DSM Large Cap Fund NAV depreciated (3.1)% for the month of August compared to a (4.7)% depreciation for the Russell 1000 Growth index and a (4.5)% depreciation for the S&P500. At the end of August, the Fund was invested primarily in the health care, technology, consumer, business services, and financial services sectors, with smaller weights in the energy and materials sectors.

During the month, the Fund exceeded its benchmark, on a gross-of-expense basis by approximately 150 bps. This was primarily the result of positive stock selection in the consumer discretionary and technology sectors. Stock selection in the health care sector detracted from performance. In August, the best performing positions in the portfolio were Priceline.com, Amazon.com, Cognizant, McDonalds and Nestle. Intuitive Surgical, Dolby and Cisco were the worst performers. During the month, the Fund exited its position in Dolby Laboratories. Dolby was sold as the stock had appreciated significantly and channel checks indicated slowing sales of consumer electronics. The Fund initiated a position in 3M Company, a leading global industrial company. Its unique products are typically based on proprietary science and are sold into a broad array of industries. Approximately one-third of 3M's revenues are generated in the emerging markets.

In recent weeks, economic statistics have indicated that the global economy may be slowing. It is disappointing to investors, business people, and the public at large, that economic growth appears to be so sluggish. But while it is disappointing, it should not be surprising. The big question is whether or not the global economy will enter a "double-dip" recession. At this point in time, we continue to expect the world to muddle through with a positive but slow growth outcome.

However, as 2011 approaches, the expiration of the Bush tax cuts draws nearer. If these tax cuts expire as planned, higher tax rates will likely further reduce US economic growth. We do not believe this effect will be large enough to cause a recession but, clearly, higher taxes are not a positive for growth. If, on the other hand, a double-dip recession were to occur, we would expect a bounce back to sluggish growth after a shallow "double-dip" and a not lengthy period of time. With either outcome, we feel that the portfolio is well positioned. The businesses are generally economically defensive and serve growing end-markets. No doubt, many of the businesses would grow faster if global economic growth was more rapid. However, most will still grow revenues and earnings even if a moderate double-dip recession occurs.

Key information

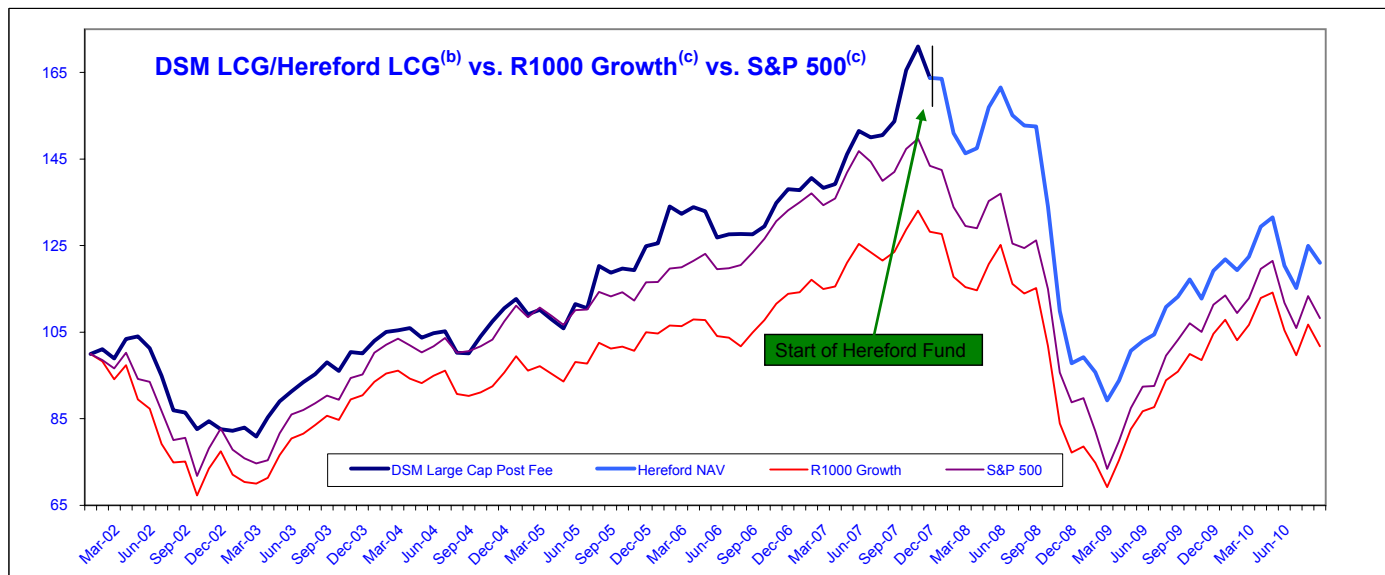
NAV A Shares (31/08/10): US\$ 73.89
 Total Fund Size: US \$61.7 mil
 Strategy Assets: US\$2,076.3 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(2.1)	2.6	5.6	1.7	(8.5)	(4.3)	8.5	(3.1)					(0.6)
Russell 1000 ^(c)	(4.4)	3.4	5.8	1.1	(7.6)	(5.5)	7.1	(4.7)					(5.7)
S&P 500 ^(c)	(3.6)	3.1	6.0	1.6	(8.0)	(5.2)	7.0	(4.5)					(4.6)

Period Performance (%)

	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	Annualised
DSM LCG/Hereford LCG Returns ^(b)	(0.6)	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	21.1	2.2
Russell 1000 ^(c)	(5.7)	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	1.8	0.2
S&P 500 ^(c)	(4.6)	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	8.3	0.9





Top Ten Holdings

Apple Computer
 C.H. Robinson Worldwide
 Celgene
 Cognizant Technology Solutions
 Expeditors International
 Google
 NetApp
 Priceline.com
 Target
 Varian Medical Systems

Sectoral Breakdown

Information Technology	24.9%
Health Care	22.4%
Services	12.7%
Consumer Discretionary	12.6%
Consumer Staples	9.7%
Financials	4.8%
Industrials	4.0%
Energy	3.4%
Materials	3.0%

% 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	14.9	16.1
ISIN	LU0327604228	Sharpe Ratio	n/a	0.0	-0.1
Reuters	LP65102015	Information Ratio	n/a	0.3	
Sedol	B28TLX2	Tracking Error	n/a	7.7	
Schwab and Northern Trust, two fine bus	3504726	Beta	n/a	0.8	
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, 320 East Main Street, Mount Kisco, NY 10549, USA
Promoter	VPB 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	VPB 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

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