



September 2009 Investment Review

The Hereford/DSM Large Cap Fund appreciated 3.5% for the month of September compared to a 4.3% appreciation for the Russell 1000 Growth index and a 3.7% appreciation for the S&P500. The majority of your portfolio continues to be invested in the health care, technology, consumer, business services and financial services sectors. As of this writing, the weighted portfolio is valued at approximately 17.6x next-four-quarters earnings through September 2010 and 16.7x calendar 2010 earnings.

At this point in 2009, there seem to be two schools of thought regarding the economic outlook, one claiming the glass is half full, the other seeing it half empty. The optimists for 2010 point to declining unemployment claims, a recent surge in corporate profits, some improvement in consumer spending, continuing slight moves up in housing prices, and a vast number of government stimulus programs around the world. The pessimists can explain the above by noting that unemployment is creeping along to 10%, that surging corporate profits result from massive job cuts, that "cash for clunkers" is a one-time boost, and that it will take more than rising housing prices and stimulus programs to make a debt-burdened consumer spend again. Recent statistics for Q2-09 show that total household debt is declining by 1% to 2% per month. Nonetheless, the ratio of household debt to disposable income, which peaked at 131% in Q1-08, was still 126% at the end of Q2-09. The consumer is only beginning to work on debt reduction.

We continue to believe the more conservative scenario. We are wary of using simple relationships between statistics developed during past economic declines. We are more impressed by the common sense that the US consumer has been so sobered by the last six quarters of firings, foreclosures and credit contractions, that it will take at least another year to repair confidence and loosen purse-strings.

In our opinion, the Hereford Large Cap portfolio should perform well if we are more right, but should not decline if the optimists are more right. We believe the earnings of the health care companies should perform well in either scenario, as should the staple goods companies. And the valuations of health care stocks are so beaten down at this point that they should show some resilience even in a stronger economy. Our selections in technology, business services, financial services and certain other companies are primarily businesses that are taking share rapidly. These companies should continue to grow, we believe, in a weak economy yet fully participate in a stronger economy.

During September, we sold our position in Expeditors, a freight forwarder that typically experiences narrowing shipping rate "spreads" when unit volumes are strong and widening spreads when shipping volumes decline, thus generating steady earnings growth. We sold the stock because we believe the company may face an unusual situation: shipping rate increases while volumes stay soft, which in turn can squeeze profits. We did not initiate any new positions during September.

Key information

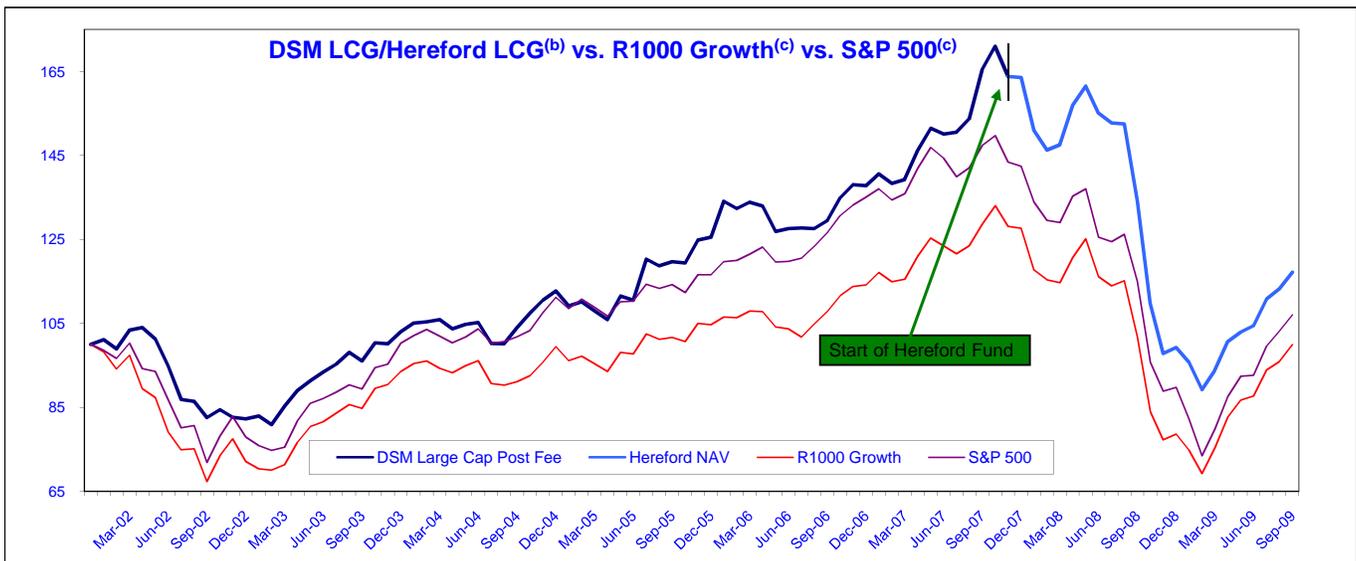
NAV A Shares (30/09/09): US\$ 71.53
 Total Fund Size: US \$46.5 mil
 Strategy Assets: US\$1,913.2 mil^(a)
 Fund Launch Date: 29-Nov-07

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 | 1.5 | 6.1 | 2.1 | 3.5 | | | | 18.1 |
| Russell 1000 ^(c) | (4.8) | (7.5) | 8.9 | 9.6 | 5.0 | 1.1 | 7.1 | 4.3 | 4.3 | | | | 27.1 |
| S&P 500 ^(c) | (8.4) | (10.7) | 8.8 | 9.6 | 5.6 | 0.2 | 7.6 | 3.7 | 3.7 | | | | 19.2 |

Period Performance (%)

| | YTD | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | Since Inception 01/01/02 | |
|---------------------------------------------|------|--------|------|------|------|------|------|--------|--------------------------|------------|
| | | | | | | | | | Cumulative | Annualised |
| DSM LCG/Hereford LCG Returns ^(b) | 18.1 | (39.3) | 18.7 | 9.8 | 11.4 | 9.4 | 25.2 | (17.7) | 17.2 | 2.1 |
| Russell 1000 ^(c) | 27.1 | (38.4) | 11.8 | 9.1 | 5.3 | 6.3 | 29.7 | (27.9) | (0.1) | (0.0) |
| S&P 500 ^(c) | 19.2 | (37.0) | 5.5 | 15.8 | 4.9 | 10.9 | 28.7 | (22.1) | 7.0 | 0.9 |





Top Ten Holdings

Apple Computer
 Celgene
 Cisco Systems
 Cognizant Technology Solutions
 Genzyme
 Google
 Monsanto
 Novo Nordisk A/S
 SEI Investments
 Western Union

Sectoral Breakdown

| Sectoral Breakdown | % of Assets |
|------------------------|-------------|
| Health Care | 36.7% |
| Information Technology | 22.6% |
| Financials | 12.6% |
| Services | 11.2% |
| Consumer Staples | 8.9% |
| Materials | 4.9% |

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 | 14.7 | 16.0 |
| ISIN | LU0327604228 | Sharpe Ratio | n/a | 0.0 | -0.1 |
| Reuters | LP65102015 | Information Ratio | n/a | 0.2 | |
| Sedol | B28TLX2 | Tracking Error | n/a | 8.0 | |
| Valoren | 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 | 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

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