



October 2009 Investment Review

The Hereford/DSM Large Cap Fund declined (3.8%) for the month of October compared to a (1.4%) decline for the Russell 1000 Growth index and a (1.9%) decline 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.

In our opinion, the investment environment over the past twelve months has been one of the most unique in investment history. During the fourth quarter of 2008 a financial panic occurred, and assets of all qualities and types were sold by investors globally as rapidly as possible. Cash was king and indiscriminate selling was rampant. During that time, the possibility of a depression was acknowledged by many economists. In response, central banks around the world created a wall of liquidity, called "quantitative easing", that reduced and then eliminated fears of a depression during the first quarter of 2010. All of the "quantitative easing" had to go somewhere, and since the real economy did not need to invest in capital equipment and inventory, the liquidity has flooded investment markets. As a result we have the unusual situation where bonds, stocks, gold and many other commodities are all rising simultaneously. Clearly, these are not asset classes that normally are correlated to one another. In addition, very low borrowing rates from central banks have created a global "carry trade" that exacerbates these trends, as investors borrow cheap short term money, to invest in higher risk, sometimes longer term assets. In short, investors have moved from a focus of liquidity and minimal risk at all costs last winter, to a mindset of aggressive risk taking in virtually any asset class more recently. All of this is driven by the wall of money printed by central banks.

At DSM, our focus has always been and remains on, high quality companies with solid historical and projected revenue and earnings growth. Given global investor preference for "riskier asset classes" we have underperformed this year. Clearly, this approach has been especially out of favor over the past six months. nevertheless it remains a core belief of ours that a growing stream of earnings will eventually drive stock prices upward. In fact, nearly a similar relative and absolute underperformance, as compared to the Russell 1000 Growth Index, occurred during the last nine months of 2003. After 2003 we entered a long period of out-performance. We will not change our "stripes" as a result of the past six months and we fully expect a return to solid out-performance.

During October we initiated a new position in NetApp (NTAP). NTAP provides data storage and data management technologies. The technology enables customers to store, access and manage data in a cost effective and secure fashion. There were no sales during the month.

Key information

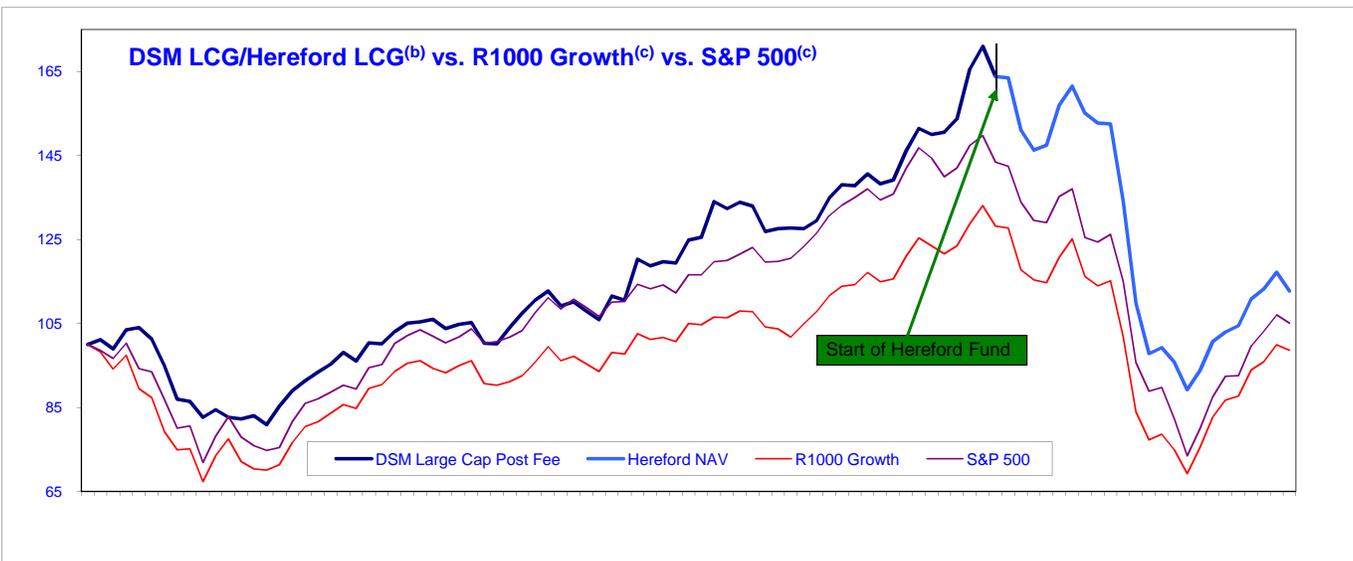
NAV A Shares (30/09/09): US\$ 68.81
 Total Fund Size: US \$45.6 mil
 Strategy Assets: US\$1,948.3 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.5)	(6.8)	5.1	7.3	2.2	1.5	6.1	2.1	3.5	(3.8)			13.6
Russell 1000 ^(c)	(4.8)	(7.5)	8.9	9.6	5.0	1.1	7.1	2.1	4.3	(1.4)			25.4
S&P 500 ^(c)	(8.4)	(10.7)	8.8	9.6	5.6	0.2	7.6	3.6	3.7	(1.9)			17.0

Period Performance (%)

	YTD	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	Annualised
									Cumulative	
DSM LCG/Hereford LCG Returns ^(b)	13.6	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	12.7	1.5
Russell 1000 ^(c)	25.4	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	(1.4)	(0.2)
S&P 500 ^(c)	17.0	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	5.0	0.6





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

Health Care 36.7%
 Information Technology 25.9%
 Consumer Staples 10.9%
 Services 10.4%
 Financials 10.1%
 Materials 4.5%

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	15.9
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	1.2	

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. Fund follows same strategy. 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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