



Investment Review

The Hereford/DSM Large Cap Fund appreciated 3.1% for the month of November compared to a 1.7% appreciation for the Russell 1000 Growth Index and a 0.6% appreciation for the S&P 500 including dividends. At the end of November, the Fund was invested primarily in the consumer discretionary, business services, health care, industrials and technology sectors, with a smaller weight in the energy sector.

During the month the Fund exceeded its benchmark by approximately 140 bps. This was primarily the result of the outperformance of our stock selections in the technology and health care sectors. Our stock selections in the industrials sector detracted from performance. In November, the best performing positions in the portfolio were Facebook, eBay, Celgene, Starbucks and Monsanto. The worst performers for the month were Tencent, Yum! Brands, Apple, WW Grainger and Intuitive Surgical. During the month, we sold our positions in Praxair and EMC Corporation. Both companies were sold because earnings estimates were deteriorating in light of slowing global economic growth. With the proceeds of these sales, we initiated positions in Estee Lauder and Facebook. Estee Lauder is a leading global skin care and make-up business best known for its Clinique and Estee Lauder brands. The company sources 42% of sales in the Americas, 37% of sales in Europe, Middle East and Africa and the remaining 21% in the Asia/Pacific region. Under new leadership since 2009, Estee Lauder has been dramatically improving margins and its product/market focus. Facebook, the leading global social networking company, enables family and friends to share information, photos, videos and other "social" information. Our purchase follows substantial research into Facebook's unique advertising proposition.

In November, the American elections were front and center for many investors in the developed world. President Obama won reelection with 50.6% of the vote while control of the Senate remained with the Democrats and control of the House of Representatives with the Republicans. As such, the balance of power is little changed in Washington after the election. We can only hope that both sides will come together to reach a compromise on both the "Fiscal Cliff" as well as the debt ceiling, which must be increased by February of next year. Some analysts believe that if Congress and the President do not resolve these issues, a recession in the US is possible next year with unemployment returning to the 9% level.

Our long held view of a "muddle-through" outcome for the global economy remains our most likely scenario. In Europe, industrial production and consumption continue to be weak. The risk of a deeper recession there remains. Austerity throughout Europe creates minimal opportunity for economic expansion. In China, October economic statistics indicated an improving outlook. Exports grew a solid 11%, retail sales increased nearly 15%, industrial production increased almost 10% and both property investment, as well as infrastructure investment, remained strong. In our view, China may well be on track to grow in the 6% to 8% range. Despite these indications of strength in China, global growth will likely be lower in 2013 than what we might have expected six months ago. We still believe the world will "muddle through", but we must also caution that a moderate global recession is possible, especially if the fiscal cliff is not dealt with in a pro-growth fashion. With no easy solution for the problems in Europe or the United States, this global economic malaise may very well persist for some years to come.

Our strategy continues to focus on investments in businesses that generate the majority of their revenue in North America and emerging markets. At this time, emerging markets account for approximately 25% of weighted portfolio revenue, with North America at approximately 55%. We estimate that other developed markets account for 5% of revenue, and therefore the portfolio's revenue exposure to Europe approximates 15%. The portfolio continues to be focused on unique global businesses that have been identified, and are subject to continuing analysis by our ten-member investment team. We believe that the valuation of the portfolio, at 15.8x next-four-quarter earnings, continues to be attractive in the current slow growth economic environment and relative to the market.

Key Information

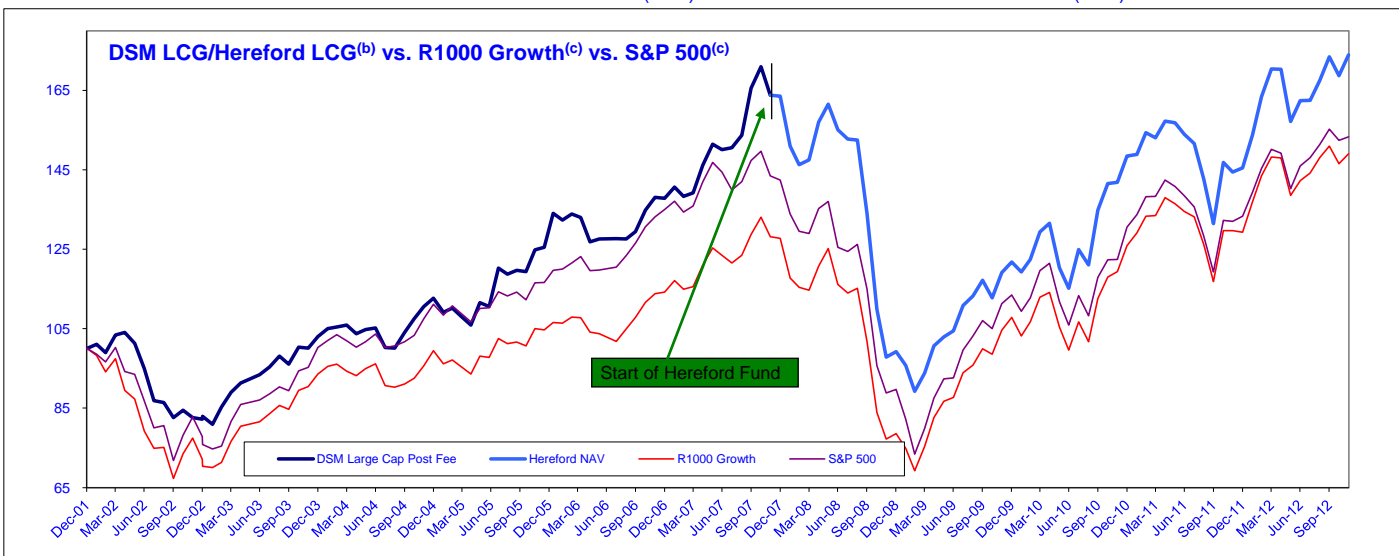
NAV A Shares (30/11/12)	US\$ 106.18
Total Fund Size	US\$ 118.0 mil
Strategy Assets	US\$ 2,652.0 mil(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	5.7	6.2	4.3	(0.0)	(7.7)	3.4	0.0	3.1	3.5	(2.7)	3.1		19.6
Russell 1000 Growth ^(c)	6.0	4.8	3.3	(0.2)	(6.4)	2.7	1.3	2.7	2.0	(2.9)	1.7		15.3
S&P 500 ^(c)	4.5	4.3	3.3	(0.6)	(6.0)	4.1	1.4	2.3	2.6	(1.8)	0.6		15.0

Period Performance (%)

	YTD	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02		
												Cumulative	Annualised	
DSM LCG/Hereford LCG Returns ^(b)	19.6	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)		74.0	5.2
Russell 1000 Growth ^(c)	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)		49.0	3.7
S&P 500 ^(c)	15.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)		53.3	4.0





Top Ten Holdings

Allergan	General Electric
Apple	Las Vegas Sands
Celgene	Monsanto
Dollar General	Precision Castparts
eBay	Visa

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Consumer Discretionary	26.1%
Services	16.1%
Health Care	14.6%
Industrials	13.1%
Information Technology	10.9%
Materials	8.3%
Consumer Staples	7.3%
Energy	2.4%

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 US\$ 5 billion. 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)

Bloomberg	DSMUSLA LX
ISIN	LU0327604228
Reuters	LP65102015
Sedol	B28TLX2
	3504726
WKN	A0M58T

Since Inception Risk Profile

Volatility	n/a
Sharpe Ratio	n/a
Information Ratio	n/a
Tracking Error	n/a
Beta	n/a
Alpha	n/a

Hereford DSM US LCG

n/a	15.3
n/a	0.2
n/a	0.2
n/a	7.1
n/a	0.9
n/a	1.7

DSM LCG Composite

15.3	15.9
0.2	0.1
0.2	
7.1	
0.9	
1.7	

R1000 Growth

15.9	
0.1	

Fund Details

Dealing Day	Daily
Dividends	None - income accumulated within the fund
Investment Manager	DSM Capital Partners LLC, 116 Radio Circle Drive, Suite 200, Mount Kisco, NY 10549, USA
Promoter	VPB Bank (Luxembourg) S.A., 26 Avenue de la Liberté, L-1930 Luxembourg
Management Company	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 D ^(f)	1.75%

Minimum Investment

Share Class A & U ^(e)	\$100,000 initial / \$10,000 subsequent
Share Class 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 BaFin for public distribution in Germany from 17/10/12, registered with the AFM for public distribution in the Netherlands and registered with the AMF for public distribution in France.
- (e) Share Class U has been granted Reporting Status by HMRC as of October 1st, 2010.
- (f) Share Class D is German tax registered from October 1, 2010.

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