



**Investment Review**

The Hereford/DSM Large Cap Fund NAV appreciated 5.7% for the month of November compared to a 6.1% appreciation for the Russell 1000 Growth index and a 6.0% appreciation for the S&P500. The majority of the fund 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 18.2 x next-four-quarters earnings through December 2010.

During the month of November, the financial markets continued to rise in expectation of better economic times ahead, surging or contracting with each economic release, but trending higher. Economists still tend to split into bullish vs bearish camps, appearing to read the same economic news reports as either good news or bad news depending on their cumulative stance.

We continue to take a measured view of the economy and business in general for 2010. While we see that sequential quarterly results for Western World businesses are modestly improving (but year-over year revenue and earnings were still down for the quarter ending September), it is important to separate real end-demand for goods and services from inventory-building and positive earnings improvement due to cost savings. Perversely, corporate costs savings that are good for investors usually increase the unemployment rate.

Of course, at some point the economy will grow steadily again, and that could be in 2010. But the consumer is key to any reasonable economic recovery and the American consumer, at least, appears to be still licking wounds and trying to pay off debt or save. As our investment strategy focuses on companies whose earnings can be modeled and can show good growth (even in a modest-growth economy), the fund portfolio is comprised of steady growth companies (health care and staples) along with economically-sensitive names that are reliably taking market share and thereby growing well even if the world does not.

During November, most of the fund's holdings were positive, particularly in technology, health care and materials (Monsanto). The best performing stocks were Monsanto, Cognizant Technologies, Celgene, Google and Varian Medical. The worst performers, though not at a comparable level, were CVS/Caremark, State Street, Northern Trust and Pharmaceutical Product Development.

We did not initiate any new positions nor sold any existing positions during the month.

**Key information**

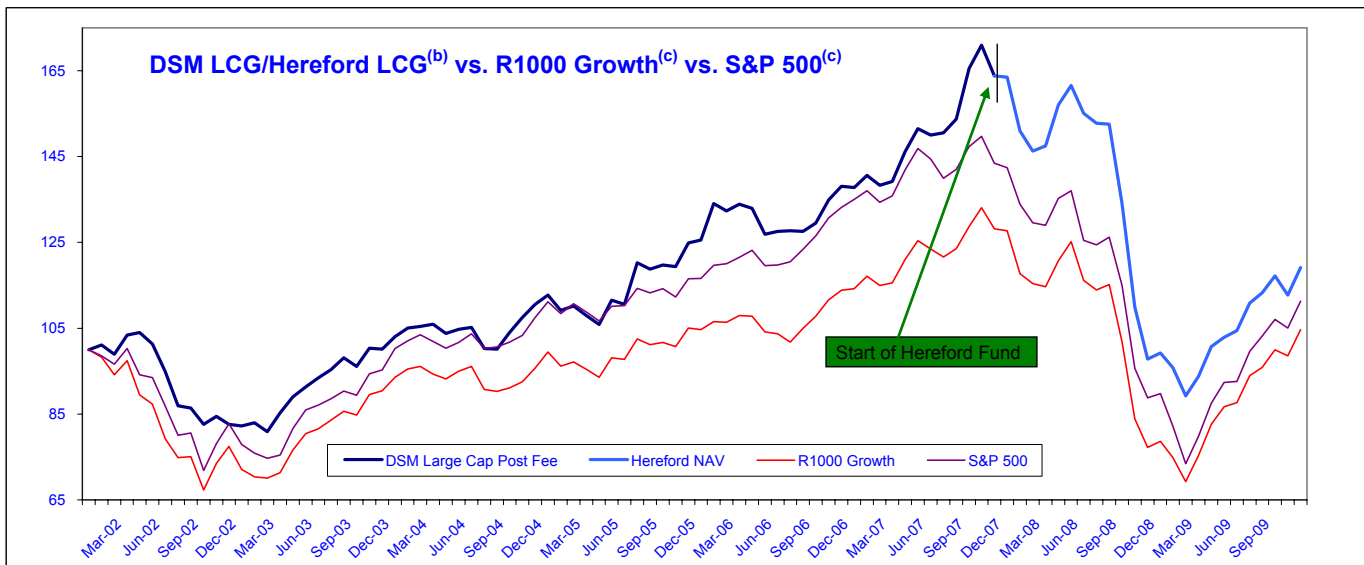
NAV A Shares (30/11/09): US\$ 72.73  
 Total Fund Size: US \$52.4 mil  
 Strategy Assets: US\$2,060.6 mil<sup>(a)</sup>  
 Fund Launch Date: 29-Nov-07

**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)	5.7		20.1
Russell 1000 <sup>(c)</sup>	(4.8)	(7.5)	8.9	9.6	5.0	1.1	7.1	2.1	4.3	(1.4)	6.1		33.1
S&P 500 <sup>(c)</sup>	(8.4)	(10.7)	8.8	9.6	5.6	0.2	7.6	3.6	3.7	(1.9)	6.0		24.1

**Period Performance (%)**

	YTD	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	
									Cumulative	Annualised
DSM LCG/Hereford LCG Returns <sup>(b)</sup>	20.1	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	19.2	2.2
Russell 1000 <sup>(c)</sup>	33.1	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	4.6	0.6
S&P 500 <sup>(c)</sup>	24.1	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	11.3	1.4





Apple Computer  
 Celgene  
 Cognizant Technology Solutions  
 Genzyme  
 Google  
 Monsanto  
 Nestle SA  
 Novo Nordisk A/S  
 Stryker  
 Varian Medical Systems

Health Care 35.7%  
 Information Technology 26.7%  
 Services 10.5%  
 Financials 9.7%  
 Consumer Staples 9.5%  
 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	0.1	0.0
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	8.0	
Valoren	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.3	

**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<sup>(f)</sup> 1.25%  
 Share Class B 0.25% + 20% performance fee on outperformance vs US T-Bill with HWM  
 Share Class C<sup>(e)</sup> 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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