



Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (1.5)% for the month of January compared to a (1.5)% depreciation for the Russell 1000 Growth Index and a (3.0)% depreciation for the S&P 500 including dividends. At the end of January, the Fund was invested primarily in the health care, consumer discretionary and technology sectors, with smaller weights in the financials, industrials, materials and consumer staples sectors.

For the month, the Fund was slightly ahead of the benchmark by approximately 5 bps. This was primarily the result of the Manager's selections in technology and health care, as well as the Fund's overweight in health care versus the benchmark. The Manager's selections in industrials, financials and consumer discretionary detracted from relative performance. In January, the best performing positions in the portfolio were Biogen Idec, Celgene, Tencent Holdings, Starbucks and Monster Beverage. The worst performers for the month were Precision Castparts, Priceline Group, Alibaba Group, Time Warner and Discovery Communications.

Manager's Commentary

Over the last several years, DSM has expected global economic growth in the 3% range, with the United States growing 2% or a bit better. For 2015, we continue to maintain the 3% global growth view, with growth in the US possibly reaching 3%. Unfortunately Europe's economic outlook has deteriorated. At this time we expect European GDP to approximate "zero", but the risk is clearly to the downside. In China, we continue to project growth in the 7% range, while Japanese growth looks to be modestly positive.

At the beginning of 2014, US first quarter growth was a negative (2)%. But more recently third quarter GDP growth was revised up to 5%, and the full year might reach 2.5%. With the price of oil more than cut in half from its high, and other commodity prices falling as well, it is possible that 2015 growth in the US could move to 3%. The falling price of energy acts like a big tax cut on the economy, helping to lift economic growth. Additional evidence to support this outlook includes modestly growing bank lending, lower unemployment, solid retail sales and on-going low interest rates. Unfortunately, investment spending remains a bit weak. In Europe, DSM's recent expectation of up to 1% GDP growth may be too optimistic. In our view, the Russia-Ukraine situation appears to have acted as a catalyst to dampen economic growth. The lower cost of oil will help Europe as well, but with taxes on gas so high in Europe, a fall in the price of oil has less impact at the pump. That said, inflation is very low, perhaps even negative, providing the ECB with plenty of room for quantitative easing, which the ECB will undertake beginning in March. China's GDP is expected to grow by 7% in 2015. The Chinese government has increased monetary easing and continues with some infrastructure spending projects to hopefully avoid economic weakness in 2015. China's stock market has exploded upward in recent months, as Chinese retail investors have increased their investments in equities. Many observers believe that in some cases property is being sold to finance these investments. The recent run-up may well be a bubble, but it is good to see the diversification into equities and away from real estate and the "shadow banking" system.

The portfolio continues to be focused on unique global businesses that have been identified, and are continuously subject to analysis, by our ten-member investment team. We believe that the valuation of the portfolio, at 20.8x next-four-quarter earnings through December of 2015 based on our calculations, continues to be attractive in the current slow growth economic environment and relative to the market. We also continue to project a mid-to-high "teens" earnings growth rate through 2018. Additionally, the portfolio holdings remain characterized by very strong balance sheets and significant free cash flow.

Key Information

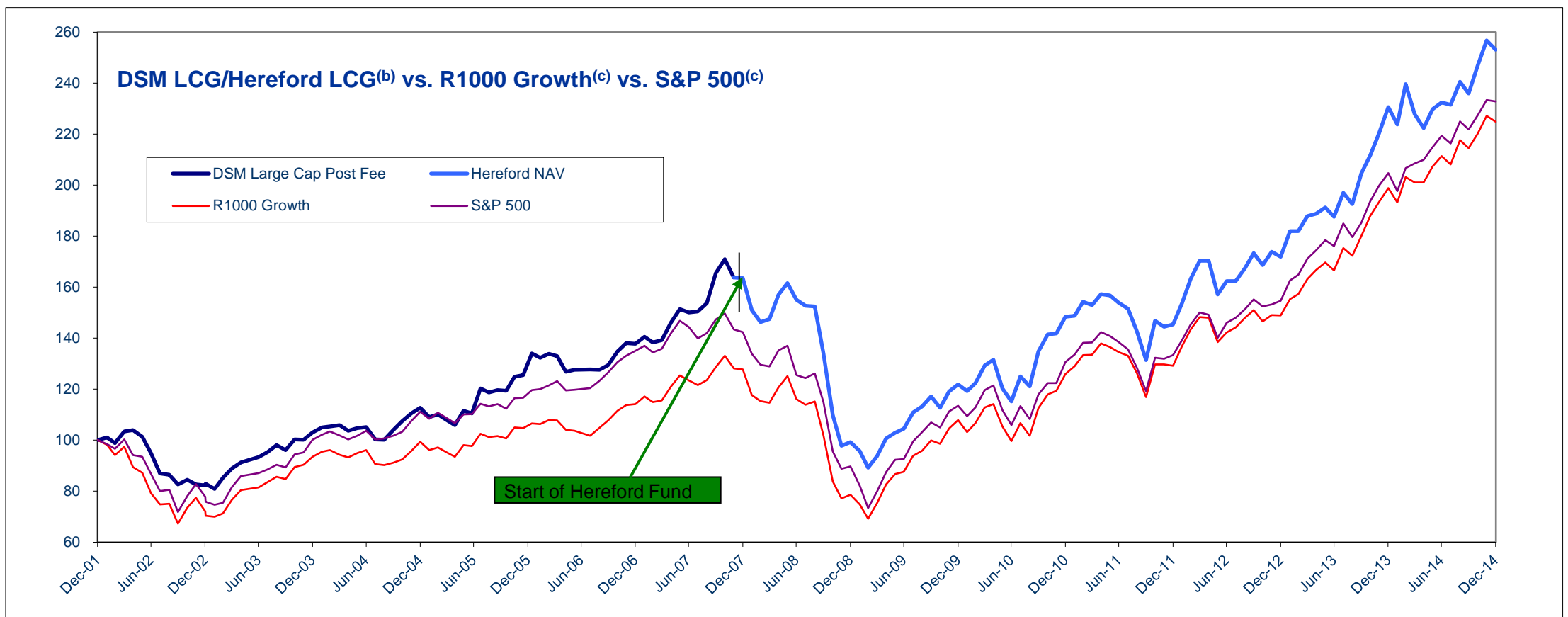
NAV A Shares (31/01/15)	US\$ 154.51
Total Fund Size	US\$ 133.9 mil
Strategy Assets	US\$ 4,557.7 mil ^(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(1.5)												(1.5)
Russell 1000 Growth ^(c)	(1.5)												(1.5)
S&P 500 ^(c)	(3.0)												(3.0)

Period Performance (%)

	YTD	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	
															Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	(1.5)	9.7	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	149.4	7.2
Russell 1000 Growth ^(c)	(1.5)	13.1	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	121.4	6.3
S&P 500 ^(c)	(3.0)	13.7	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	125.8	6.4





Top Ten Holdings

Biogen Idec	Regeneron Pharmaceuticals
Celgene	Starbucks
Cognizant Technology Solutions	Tencent Holdings
Google (Cl. A & C)	Time Warner
Priceline Group	Visa

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Health Care	31.7%
Consumer Discretionary	26.5%
Information Technology	25.6%
Financials	6.8%
Industrials	3.4%
Materials	3.2%
Consumer Staples	1.5%

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 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)		Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	14.7	15.1
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.1	
Sedol	B28TLX2	Tracking Error	n/a	6.8	
	3504726	Beta	n/a	0.9	
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, 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	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 ^(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
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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 1, 2010.
 (f) Share Class D is German tax registered from October 1, 2010.

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