



Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund appreciated 4.0% for the month of November compared to a 3.2% appreciation for the Russell 1000 Growth Index and a 2.7% appreciation for the S&P 500 including dividends. At the end of November, 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 exceeded its benchmark by approximately 80 bps. This was primarily the result of the Manager's selections in health care, as well as the Fund's underweight in energy versus the benchmark. In November, the best performing positions in the portfolio were Celgene, Allergan, Cognizant Tech Solutions, Alibaba Group and Time Warner. The worst performers for the month were Biogen Idec, Priceline Group, Google, Wynn Resorts and Discovery Communications.

Manager's Commentary

DSM's long-standing global economic outlook of slow 3% type growth remains unchanged, although we continue to worry that geopolitical factors, particularly in the Ukraine and the Middle East, remain the primary risks to that forecast. The US economy continues on pace to post a full year 2014 GDP result in the 2% plus range, albeit that includes recovery from a negative first quarter this year. Recent retail sales numbers have shown growth, while employment remains on a steadily improving trend line. On the other hand, industrial production has been sluggish, wages remain quite subdued, and with that, inflation remains quite low as well. Accordingly, Federal Reserve Governor Powell recently stated in an interview that, based on these trends, it might make sense for rates to begin to rise mid-year 2015. Remember too, that "Quantitative Easing" by the Federal Reserve has largely come to an end. Importantly, corporate earnings in the third quarter were quite strong, with S&P 500 earnings estimates increased to \$120 in CY 2014 and \$130 in CY 2015.

European economic growth remains fractionally positive at best, and even German economic growth has been disappointing. The prospect of very slow European growth has caused ECB President Draghi to propose use of unconventional monetary policies, including purchases of sovereign debt, more generally known as quantitative easing. There has also been discussion of a more broadly-based QE program that would include purchases of stocks, corporate bonds, gold and ETFs. Deflation in Europe remains a focus of discussion. With growth virtually nonexistent and significant fiscal policy changes very difficult to achieve, monetary policy is the only option to maintain low growth and prevent deflation. Unfortunately Europe's fiscal policy changes remain focused on government spending, rather than on the private sector. Recently a €300 billion infrastructure fund has been proposed. In addition, there is the possibility of Eastern European nations imposing sanctions against Russia. This action may also slow growth and raise tensions further in Europe.

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 20.7x 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

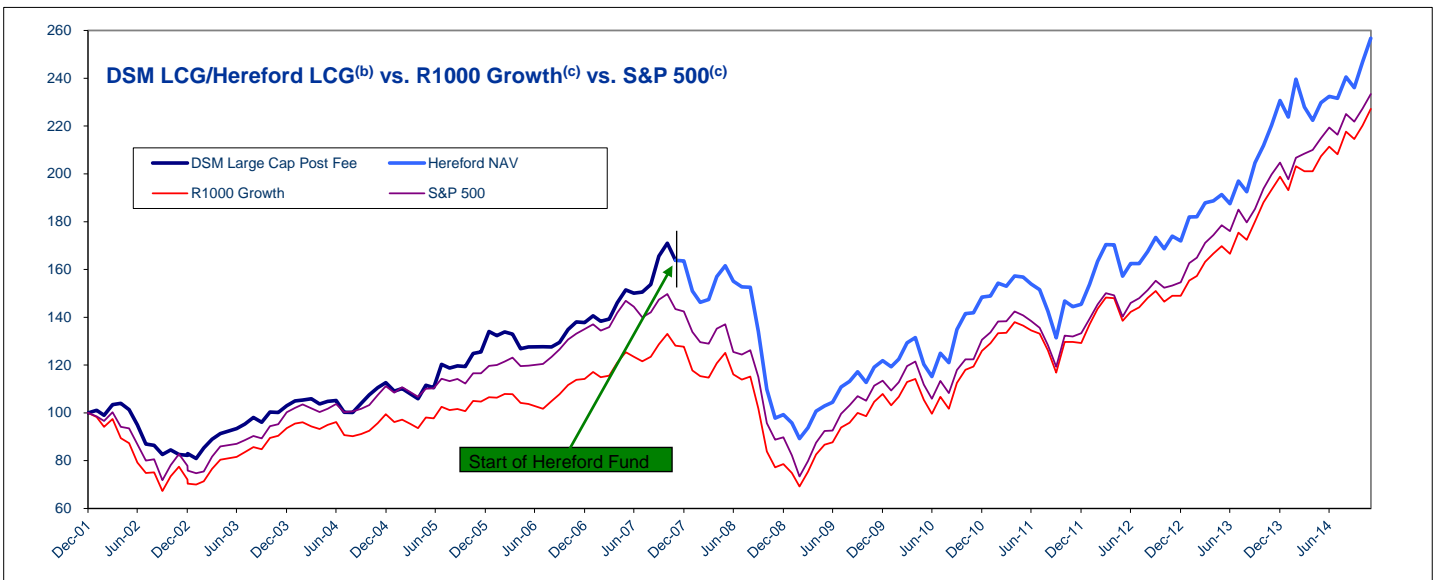
NAV A Shares (28/11/14)	US\$ 156.72
Total Fund Size	US\$ 139.0 mil
Strategy Assets	US\$ 4,451.9 mil ^(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.0)	7.1	(4.9)	(2.4)	3.3	1.1	(0.4)	3.9	(1.9)	4.6	4.0		11.3
Russell 1000 Growth ^(c)	(2.9)	5.2	(1.0)	0.0	3.1	2.0	(1.5)	4.6	(1.5)	2.6	3.2		14.2
S&P 500 ^(c)	(3.5)	4.6	0.8	0.7	2.3	2.1	(1.4)	4.0	(1.4)	2.4	2.7		14.0

Period Performance (%)

	YTD	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)	11.3	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	156.8	7.6
Russell 1000 Growth ^(c)	14.2	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	127.2	6.6
S&P 500 ^(c)	14.0	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	133.4	6.8





Top Ten Holdings

Alexion Pharmaceuticals	Priceline Group
Celgene	Regeneron Pharmaceuticals
Cognizant Technology Solutions	Starbucks
Google (Cl. A & C)	Time Warner
Precision Castparts	Visa

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Health Care	29.5%
Consumer Discretionary	28.9%
Information Technology	22.9%
Financials	6.0%
Industrials	6.0%
Materials	3.1%
Consumer Staples	2.8%

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	14.8	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	VP 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 1, 2010.
 (f) Share Class D is German tax registered from October 1, 2010.

France - Centralizing Correspondent as defined by French Regulation:
Société Générale - Order Desk, 32, avenue du Champ de Tir, BP 81236, F-44312 Nantes Cedex 3
Phone: +33/2.51.85.66.40, Fax: +33/2.51.85.58.71

Germany - Paying Agent as defined by German Regulation:
Marcard, Stein & Co - Ballindamm 36, 20095 Hamburg
Phone: +49/40.32.099.556, Fax: +49/40.32.099.206

Switzerland - Representative and Paying Agent as defined by Swiss Regulation:
Société Générale, Zurich Branch, Talacker, 50, P.O. Box 1928, CH-8021 Zurich
Phone: +41/58.272.34.18 Fax: +41/58.272.35.49

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