



Investment Review

The Hereford/DSM US Large Cap Growth Sub-Fund depreciated (1.9)% for the month of September compared to a (1.5)% depreciation for the Russell 1000 Growth Index and a (1.4)% depreciation for the S&P 500 including dividends. At the end of September, the Fund was invested primarily in the health care, consumer discretionary and technology sectors, with smaller weights in the industrials, financials, consumer staples and materials sectors.

For the month, the Fund trailed its benchmark by approximately 40 bps. This was primarily the result of the Manager's selections in consumer discretionary and technology. The Fund's overweight in health care and underweight in energy versus the benchmark benefitted performance. In September, the best performing positions in the portfolio were Allergan, Monster Beverage, Regeneron Pharmaceuticals, Dollar Tree and Airbus Group. The worst performers for the month were Tencent Holdings, Priceline Group, Discovery Communications, Biogen Idec and Las Vegas Sands. In September, as a result of appreciation, the Fund's position in TJX Companies was sold. The Celgene and Monsanto positions were also trimmed. Celgene was trimmed due to appreciation and position size, while Monsanto was trimmed due to modest revenue and earnings reductions. The proceeds of these sales were used to initiate a position in Alibaba Group, which was purchased shortly after its public offering in September. Alibaba is the largest e-commerce company in China, and arguably the world. The company manages online marketplaces that sellers utilize to reach both consumer and business customers. This service should realize top-line growth exceeding 30%, however with the company's ongoing investments in infrastructure and the normalization of a favorable tax treatment, earnings growth will likely be in the mid-to-high twenties. Although the company's business is predominantly in China, many believe that Alibaba can succeed elsewhere in Asia as well. During the month the Manager also added to the Fund's existing position in Allergan.

Manager's Commentary

While our global economic outlook remains largely unchanged, the rate of growth has come into question. The recent declines in the prices of oil and gold, as well as continued low interest rates and, in some geographic areas, worries about deflation, are of concern. We continue to expect global economic growth around 3.5% with the US over 2%; Europe in the 0% to 1% range; Japan over 1%; and China in the 7% range. Certainly lower oil prices act like a tax cut to the global economy. On the other hand, recently the IMF reduced the 2015 global economic growth forecast to 3.8% from a prior estimate of 4% in July.

The US employment report last week pegged unemployment at 5.9%, although the labor participation rate declined again to 62.7%. Unfortunately average hourly earnings are up just 2% year-over-year, and wage inflation remains subdued. With US economic data coming in better than that out of Europe and Japan, the dollar has strengthened recently. This combination of factors puts the Federal Reserve in an awkward position. The inflation data, strong dollar and weak income gains likely do not indicate that the Federal Reserve should tighten. On the other hand, unemployment at 5.9% indicates tightening is required before increasing wages push inflation upward. Consensus is leaning towards a mid-2015 tightening, but as always, the timing of such a decision will be "data dependent".

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 19.7x next-four-quarter earnings through September 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 2017. Additionally, the portfolio holdings remain characterized by strong balance sheets, attractive returns on equity and assets and significant free cash flow.

Key Information

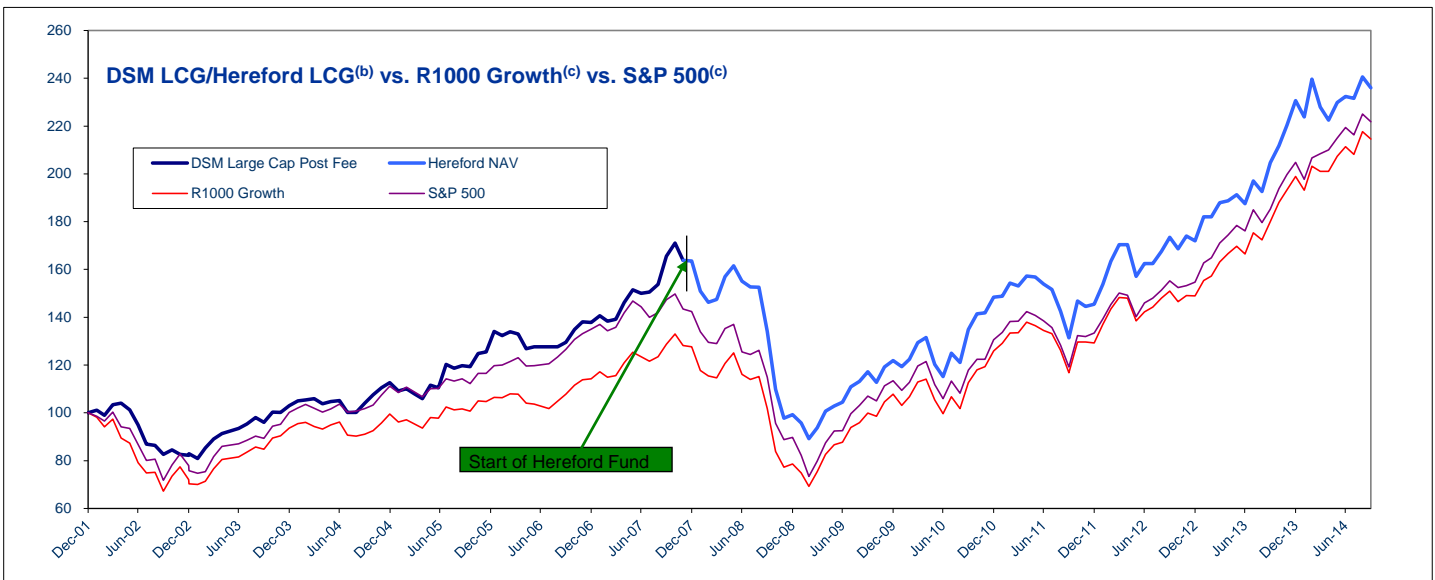
NAV A Shares (30/09/14)	US\$ 144.07
Total Fund Size	US\$ 129.9 mil
Strategy Assets	US\$ 4,156.8 mil ^(a)
Fund Launch Date	29-Nov-07

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)				2.3
Russell 1000 Growth ^(c)	(2.9)	5.2	(1.0)	0.0	3.1	2.0	(1.5)	4.6	(1.5)				7.9
S&P 500 ^(c)	(3.5)	4.6	0.8	0.7	2.3	2.1	(1.4)	4.0	(1.4)				8.3

Period Performance (%)

	YTD	Since Inception 01/01/02												Cumulative	Annualised
		2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002		
DSM LCG/Hereford LCG Returns ^(b)	2.3	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	136.0	7.0
Russell 1000 Growth ^(c)	7.9	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	114.6	6.2
S&P 500 ^(c)	8.3	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	121.9	6.4





Top Ten Holdings

Alexion Pharmaceuticals	Monster Beverage
Biogen Idec	Precision Castparts
Celgene	Priceline Group
Cognizant Technology Solutions	Regeneron Pharmaceuticals
Google (Cl. A & C)	Starbucks

Sectoral Breakdown

Sectoral Breakdown	% of Assets
Health Care	29.3%
Consumer Discretionary	26.6%
Information Technology	20.3%
Industrials	8.6%
Financials	6.8%
Consumer Staples	4.9%
Materials	3.2%

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	15.2
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	1.5	

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

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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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