

**Investment Review**

The Hereford/DSM Large Cap Fund depreciated (3.0)% for the month of January compared to a (2.9)% depreciation for the Russell 1000 Growth Index and a (3.5)% depreciation for the S&P 500 including dividends. At the end of January, the Fund was invested primarily in the consumer discretionary, technology and health care sectors, with smaller weights in the materials, financials, industrials and consumer staples sectors.

During the month the Fund trailed its benchmark by approximately 10 bps. This was primarily the result of the underperformance of our stock selections in the industrials and financials sectors, as well as our overweight in consumer discretionary. Our technology selections and overweight in health care benefitted performance. In January, the best performing positions in the portfolio were Alexion Pharmaceuticals, Wynn Resorts, Biogen Idec, Tencent Holdings and Google. The worst performers for the month were Celgene, Discovery Communications, Time Warner, Monsanto and Yum! Brands. During the month, appreciation led us to trim the Fund's positions in Alexion Pharmaceuticals, Las Vegas Sands and Wynn Resorts. We also trimmed Praxair as the company lowered earnings expectations for 2014 on negative currency translation. The proceeds of these sales were used to initiate a position in Starbucks, the global coffee chain, on improved valuation. We have owned Starbucks in the past and continue to believe that its global presence in coffee, teas and foods both on-line and in stores represent a solid growth opportunity. In the period, we also added to existing positions in Cognizant Technology Solutions, Invesco and Regeneron Pharmaceuticals.

The market had a big run last year, especially in the fourth quarter. Then in January the possibility of slower growth in the US and China, combined with political/economic issues in Ukraine, Turkey, Argentina and Thailand created an avalanche of reasons to take profits. In our view, the EM economies that are having problems are too small to impact the global economy in a meaningful fashion. In addition, recent US economic statistics including ISM, housing, jobs, autos and durable goods, have indicated a slowdown in growth, rather than the break out to the upside many have been anticipating. Given this recent weakness, we continue to feel quite comfortable with our slow growth US economic forecast of 2%+ GDP growth in 2013. Outside of the US, 6% to 8% growth in China and slight growth in Europe remain likely. Supporting our slow growth outlook, interest rates and commodity prices remain low, central banks are accommodative and global economic statistics continue their slow march upward.

We believe stocks globally are reasonably valued or perhaps even a touch cheap in a global slow-growth world with low interest rates and low inflation. Thus far, according to JPMorgan, earnings results for the S&P 500 are coming in a bit better than expected. JPMorgan's earnings expectations at the beginning of the year were \$28.08 for the S&P 500, and are now \$28.62. However, stocks are not cheap. The wild card remains the possibility of severe banking problems in Italy or Spain, or perhaps China, but at this point that appears unlikely. We feel the global economy is more likely to become stronger, rather than weaker in coming years. Bull markets normally come to an end due to high valuations, recession, inflation, deflation or some other economic shock that takes investors by surprise. In our view, this is a normal investment environment populated by investors who tend to overreact to normal events.

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 21.1x next-four-quarter earnings through March 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 2016. Additionally, the portfolio holdings remain characterized by very strong balance sheets and significant free cash flow.

Key Information

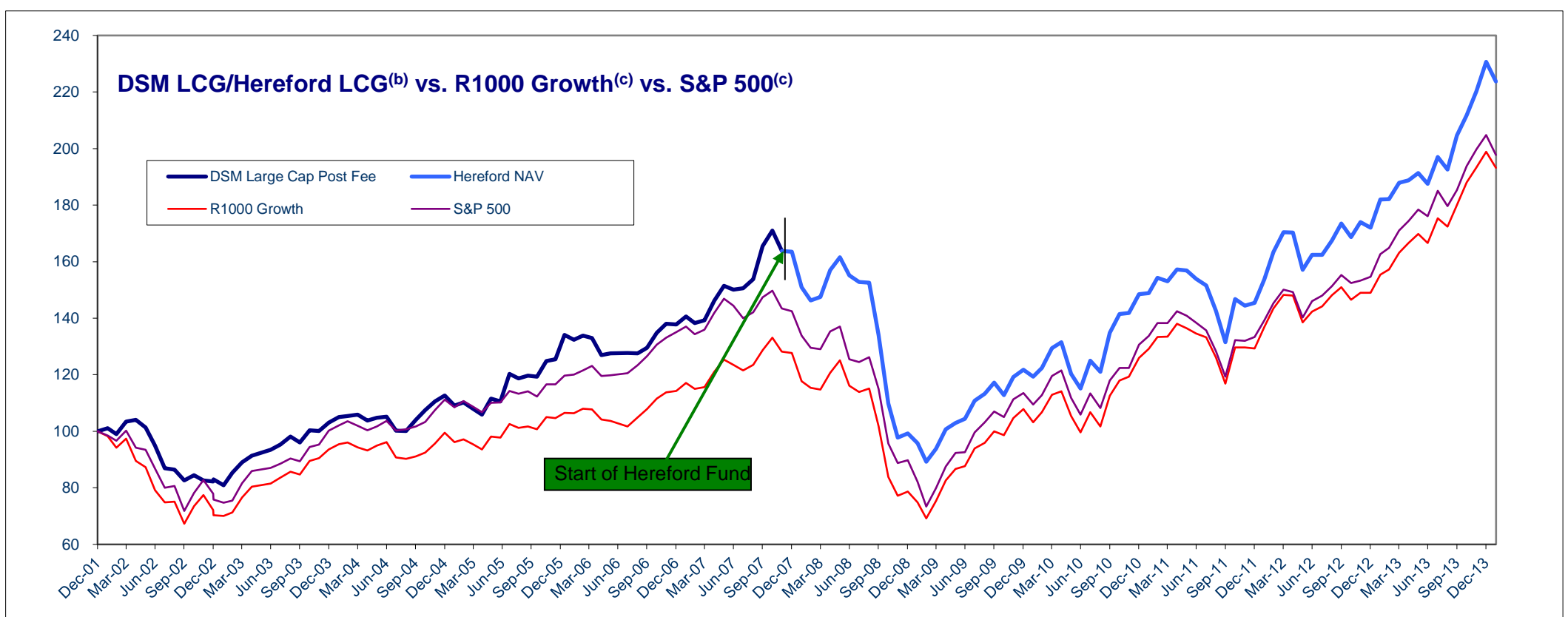
NAV A Shares (31/01/14)	US\$ 136.58
Total Fund Size	US\$ 152.7 mil
Strategy Assets	US\$ 3,959.9 mil ^(a)
Fund Launch Date	29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.0)												(3.0)
Russell 1000 Growth ^(c)	(2.9)												(2.9)
S&P 500 ^(c)	(3.5)												(3.5)

Period Performance (%)

	YTD	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	
DSM LCG/Hereford LCG Returns ^(b)	(3.0)	34.1	18.2	(2.0)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	Cumulative	123.8
Russell 1000 Growth ^(c)	(2.9)	33.5	15.3	2.6	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)		93.2
S&P 500 ^(c)	(3.5)	32.4	16.0	2.1	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)		97.7
														Annualised	6.9
															5.6
															5.8



**Top Ten Holdings**

Airbus Group	Monsanto
Alexion Pharmaceuticals	Priceline.com
Celgene	Tencent Holdings
Cognizant Technology Solutions	Visa
Google	Wynn Resorts

Sectoral Breakdown

	% of Assets
Consumer Discretionary	30.7%
Information Technology	22.5%
Health Care	20.0%
Materials	6.9%
Financials	6.4%
Industrials	6.2%
Consumer Staples	5.4%

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)		Since Inception Risk Profile	Hereford DSM US LCG	DSM LCG Composite	R1000 Growth
Bloomberg	DSMUSLA LX	Volatility	n/a	15.0	15.5
ISIN	LU0327604228	Sharpe Ratio	n/a	0.4	0.3
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	6.8	
	3504726	Beta	n/a	0.9	
WKN	A0M58T	Alpha	n/a	1.8	

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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