



Hereford Funds **DSM US SMID Cap Growth Fund** April 2008

April 2008 Investment Review

The Hereford/DSM SMID Cap Fund appreciated 7.3% for the month of April compared to 6.0% for the Russell 1000 Growth index and 4.9% for the S&P500. Consistent with last month, the majority of the fund remains invested in the health care, technology, business services, and energy services sectors. The weighted average P/E of the portfolio is 19.6x which we believe is attractive relative to our estimated earnings growth of 20%.

The markets continued their recovery from the lows seen in mid-March, partially on the belief that the worst of the credit crisis had passed and that the financial system has stabilized following the collapse of Bear Stearns. In their most recent meeting, the Federal Reserve opted for another 25 basis point cut in the Fed Funds rate to 2% marking the seventh reduction in the past 8 months. Reaction to the cut was mixed as inflation hawks had hoped for a more definitive signal that the recent string of cuts had come to an end. Instead, the Fed indicated that while this may be the last cut for a while, they would not rule out further action if warranted. The dollar is hovering near all-time lows and commodities are near all time highs. But, with so-called core inflation up 2.1% year over year in March, we are trending just slightly above the Fed's comfort zone of 2%.

The Commerce Department recently announced that Q1 GDP growth was a positive 0.6%. While we are technically not in recession, many important indicators including job losses, unemployment claims, and consumer confidence are pointing in that direction. The Fed faces a tough balancing act.

Within the portfolio, we made several adjustments. We trimmed and then sold our position in Nobel Biocare, a manufacturer of dental implants, on overall weakness in their business. We also exited our position in Integra Life Sciences due to delays in their regulatory filings. C.H. Robinson and Cameron International were both sold out of SMIDs due to market capitalization considerations. We have initiated a position in Myriad Genetics, a provider of genetic tests aimed primarily at the oncology market. We have also purchased shares in Harris Corp, Intertek, Affiliated Managers Group, Netapp Inc, and Oceaneering International. Harris is a communications equipment company. Intertek provides testing, inspection, and certification services to a broad range of companies to insure their products are in compliance with appropriate standards and regulations. Affiliated provides asset management services. Netapp Inc provides enterprise network storage and data management solutions, and Oceaneering is an Oil & Gas services company specializing in undersea operations.

Key information

NAV A Shares (30/04/08): \$88.94

Total Fund Size: \$3.5 mil

Strategy Assets: \$16.3mil^(a)

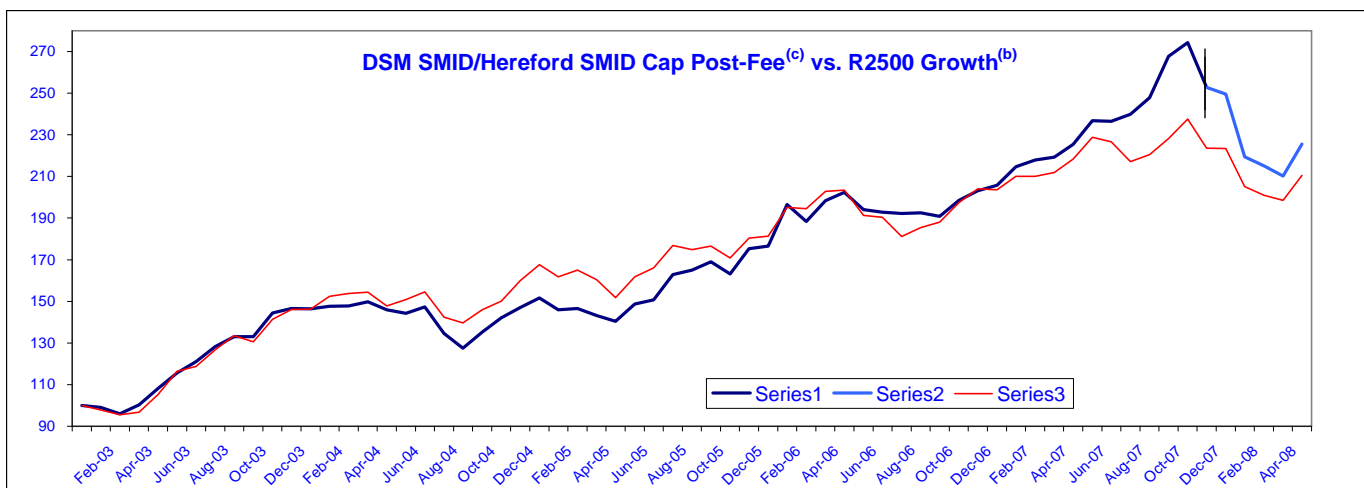
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(12.1)	(2.0)	(2.3)	7.3									(9.6)
Russell 2500 Growth ^(b)	(8.2)	(2.0)	(1.2)	6.0									(5.7)

Period Performance (%)

	YTD	2007	2006	2005	2004	2003	Since Inception 01/01/03	
							Cumulative	Annualised
DSM SMID Cap/Hereford SMID Returns ^(c)	(9.6)	21.3	16.5	16.4	3.6	46.4	125.5	16.5
Russell 2500 Growth ^(b)	(5.7)	9.7	12.3	8.2	14.6	46.3	110.6	15.0



**Top Ten Holdings**

	% NAV
Hologic	4.2%
Core Laboratories	3.6%
FMC Technologies	3.6%
Varian Medical Systems	3.5%
Zoll Medical	3.5%
Chart Industries	3.4%
Petroleum Geo-Services	3.4%
Expeditors International	3.3%
SEI investments	3.3%
Gen-Probe Inc.	3.2%

Sectoral Breakdown

	% of assets
Health Care	24.7%
Informational Technology	26.2%
Energy	19.1%
Industrials	10.7%
Financials	7.3%
Consumer Discretionary	6.3%
Consumer Staples	1.5%
Services	1.0%

Investment Objective

The investment objective of the sub fund is to provide capital appreciation principally through investments in US-based growing corporations with market capitalizations generally between \$300 mil and \$10 bil dollars. These companies are chosen for their growth prospects, attractive returns, solid business fundamentals and intelligent management. These companies will often have higher revenue and earnings growth rates and less "sell-side" research coverage than comparable larger capitalization corporations. The sub fund may, on an ancillary basis, invest in US-based companies with higher or lower market capitalizations as well as in non-US based companies. The sub fund may invest in American Depository Receipts and American Depository Shares. The reference benchmark for this strategy is the Russell 2500 Growth Index.

Fund Codes (Share Class A)		Since Inception	DSM US SMID	DSM SMID	R2500 Growth
		Risk Profile			
Bloomberg	DSMUSMA LX	Volatility	n/a	15.0	14.2
ISIN	LU0327605118	Sharpe Ratio	n/a	0.9	0.8
Reuters	LP65102019	Information Ratio	n/a	0.2	
Sedol	B28TM17	Tracking Error	n/a	7.4	
Valoren	3504786	Beta	n/a	0.9	
WKN	A0M58X	Alpha	n/a	2.4	

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	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C	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:

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- (a) This refers to the total assets invested in the reference strategy managed by the Investment Manager
- (b) Total return including dividends
- (c) Data and graph depict DSM Composite through November 2007 and Hereford Funds DSM US SMID Cap Growth Fund Class A thereafter. Historical gross performance of DSM SMID Cap Composite returns (the Reference Strategy) minus modeled fee and expense typical of Hereford Funds DSM US SMID Cap Growth Fund Class A (1.25% fee + 0.25% expense). Fund follows same strategy. Performance presentation incomplete without accompanying footnote: as shown at dsmcapital.com.

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