



Hereford Funds

DSM US Large Cap Growth Fund

June 2009

June 2009 Investment Review

The Hereford/DSM Large Cap Fund appreciated 1.5% for the month of June compared to a 1.1% appreciation for the Russell 1000 Growth index and a 0.2% appreciation for the S&P500. The majority of your portfolio continues to be invested in the health care, technology, consumer, business services and financial services sectors. As of this writing, the weighted portfolio is valued at 16.2x next-four-quarter earnings through March 31, 2010 and 14.8x calendar 2010 earnings.

Our macro view has been that the first quarter of 2009 would be the most negative of the year, that the fourth quarter of 2009 might be flat "year-over-year", and that an economic recovery will likely begin in 2010. We believe that the US is tracking that scenario, but certain economic statistics have buoyed the market, causing some investors to believe that recovery could occur as early as the third quarter of 2009. We are weathering a different recession than the normal business cycle that leads to layoffs. This recession is a de-leveraging cycle where consumer and corporate income is down, yet high levels of both consumer and corporate debt must be repaid. With unemployment expected to exceed 10%, we believe debt-laden consumer will increase spending in a subdued and value-sensitive style for a number of years. There is also excess manufacturing capacity throughout the world, creating little incentive for corporate capital spending. We continue to believe that the recovery will be slow.

We are maintaining our health care weighting due to strong revenue and earnings growth, in 2009 and beyond. We have reasonable exposure to the consumer, either through staple goods (Nestle, Pepsi, CVS) or through strong share growth (Amazon, Apple, Qualcomm, Rimm and Dolby). Many of our other holdings also show strong market share growth (Visa, Cognizant, Schwab and Monsanto), allowing the portfolio to grow much faster than the general economy, even as GDP turns positive in the quarters ahead.

During June, we sold our positions in Allergan and MasterCard. Allergan had outperformed the market and other health care stocks this year by a wide margin, but faces some uncertainty in the US launch of a European competitor. We sold MasterCard, as Congressional involvement heightened focus on the "interchange fee" charged by card-issuing banks to retailers. While MasterCard receives no share of the interchange fee, pressure on these fees may result in a share shift to debit from credit, which is more favorable to the Visa position. We initiated positions in Baxter and Dolby. Baxter is the leading supplier of plasma (human blood) worldwide. Plasma is a growth business and the "refining" process involved represents a reasonable barrier to entry. Dolby is a business with strong licensing revenue. Dolby sound products are protected by a portfolio of patents that extend many years into the future. Dolby is participating in the strong growth in quality sound for mobile devices (iPods, smart phones, etc.), PC's/Macs, and gaming consoles.

Key information

NAV A Shares (30/06/09): US\$63.75

Total Fund Size: US \$43.2 mil

Strategy Assets: US\$1,354.7 mil^(a)

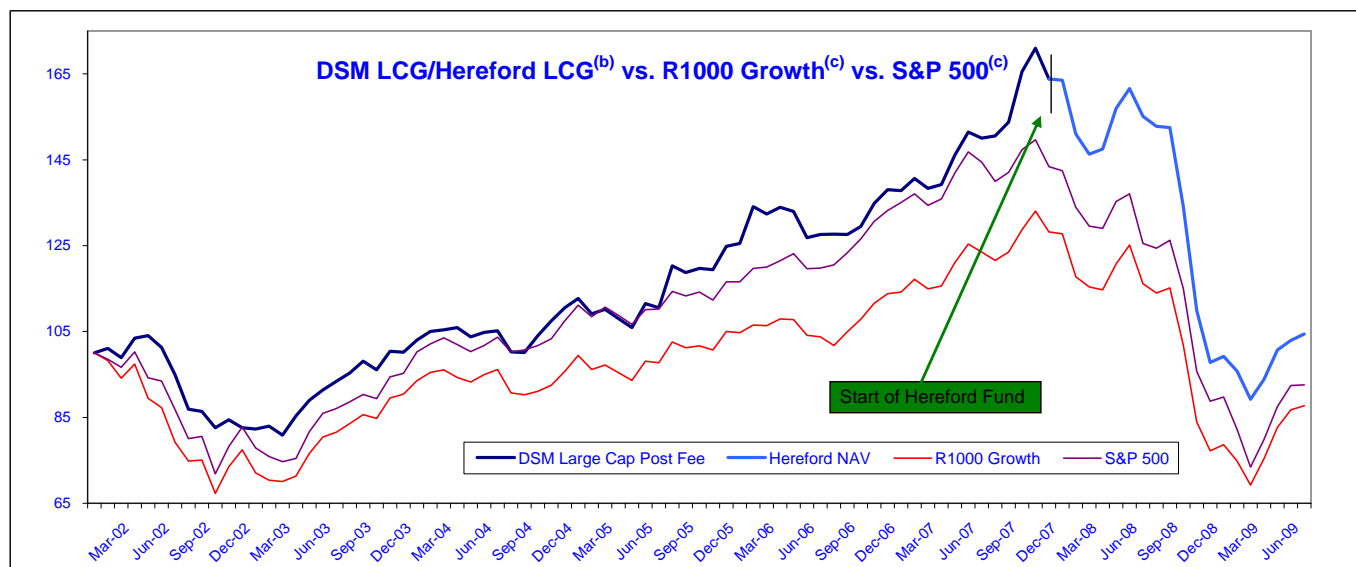
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(3.5)	(6.8)	5.1	7.3	2.2	1.5							5.3
Russell 1000 ^(c)	(4.8)	(7.5)	8.9	9.6	5.0	1.1							11.5
S&P 500 ^(c)	(8.4)	(10.7)	8.8	9.6	5.6	0.2							3.2

Period Performance (%)

	YTD	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02	
									Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	5.3	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	4.4	0.6
Russell 1000 ^(c)	11.5	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	(12.3)	(1.7)
S&P 500 ^(c)	3.2	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	(7.4)	(1.0)





Top Five Holdings

Celgene
Genzyme
Google
Monsanto
Apple Computer

Sectoral Breakdown

% of Assets

Health Care	37.0%
Information Technology	20.6%
Financials	13.1%
Services	9.7%
Consumer Staples	9.0%
Materials	5.2%
Industrials	2.8%
Consumer Discretionary	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 2 billion dollars. 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	15.9
ISIN	LU0327604228	Sharpe Ratio	n/a	-0.1	-0.2
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	8.2	
Valoren	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.4	

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 & U ^(f)	1.25%
Share Class B	0.25% + 20% performance fee on outperformance vs US T-Bill with HWM
Share Class C ^(e)	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:

VPB Finance S.A.
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Fax : (+352) 404 770 283
Tel: (+352) 404 770 260

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- (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 AFM for public distribution in the Netherlands
- (e) Share Class C is German tax registered from 4/1/08.
- (f) Share Class U has UK Distributor Status as approved by HMRC

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