



June 2008 Investment Review

The Hereford/DSM SMID Cap Fund declined (5.3%) for the month of June compared to a (7.2%) decline for the Russell 2500 Growth index and a (8.4%) decline 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 20.1x which we believe is attractive relative to our estimated earnings growth of 20%.

The same themes that dominated our discussion last month, namely oil, commodity prices overall, and the weakness of the dollar, remain in place. We noted Fed Chairman Bernanke's apparent shift in focus from the weak economy to the risk of inflation last month. While the Fed did decide to leave rates unchanged at the last policy meeting, financial stocks have remained under significant pressure, due in part to the concern that the bias is now towards tightening. The skittishness toward the financial sector has reverberated throughout the market, which we believe led to the decline we saw this month.

With regard to oil, we would emphasize that near term elasticity of demand is relatively low. Moreover, the challenges in bringing on new supply are formidable as is evidenced by the continued anemic performance of the non-OPEC suppliers. High energy prices are creating political pressure on the government to remove some of the impediments to bringing new supply to market. However, increased supply from new wells drilled in previously restricted areas would likely not provide any meaningful relief for six to eight years. We continue to expect the supply/demand equation to remain tight for the foreseeable future.

As the political season moves into full swing, it is possible that expectations for significant policy changes under a new administration will have an impact on the market. While we are not market prognosticators, we will be watching with great interest as the candidates provide more detail on their economic plans. We would hope for greater fiscal responsibility and lower tax rates which would strengthen the dollar and reduce the cost of capital. This would help make the U.S. more competitive in the global market for investment capital. We also look forward to the discussion on energy policy.

During the month of June, we made only one significant change in the portfolio. We sold our position in Myriad Genetics (MYGN) as the stock reached what we believe is fair value.

With the recent pullback in the market, we believe our portfolio is as attractive as ever. We are also seeing more opportunities to buy good businesses at reasonable prices and will continue to take advantage of those opportunities as they come.

Key information

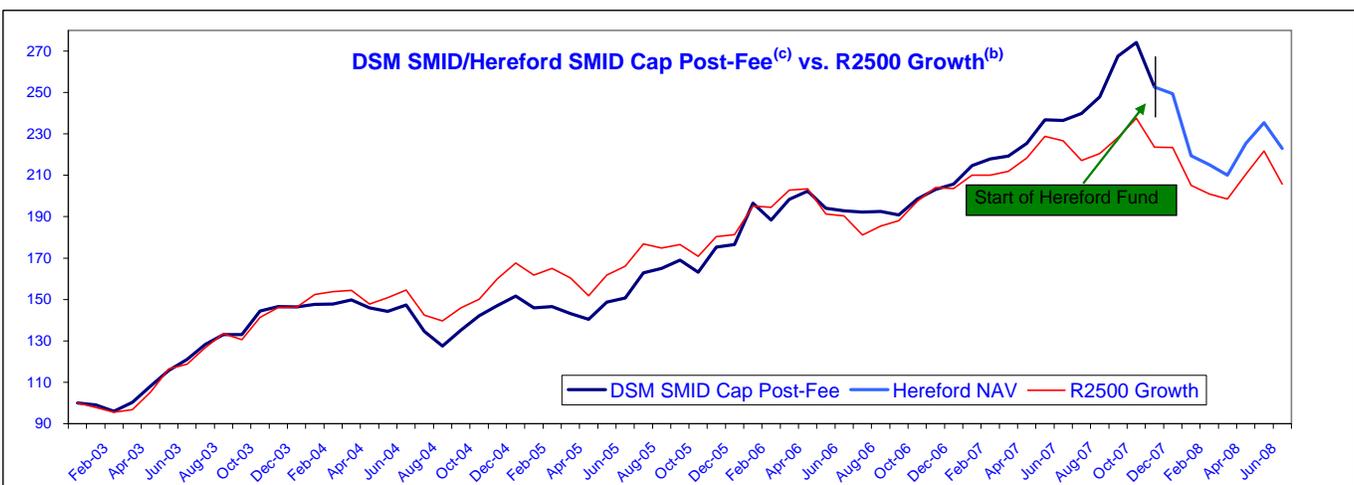
NAV A Shares (30/06/08): \$87.98
 Total Fund Size: \$3.8 mil
 Strategy Assets: \$16.6 mil^(a)
 Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	(12.1)	(2.0)	(2.3)	7.3	4.4	(5.3)							(10.6)
Russell 2500 Growth ^(b)	(8.2)	(2.0)	(1.2)	6.0	5.3	(7.2)							(7.9)

Period Performance (%)

	YTD	2007	2006	2005	2004	2003	Since Inception 01/01/03	
							Cumulative	Annualised
DSM SMID Cap/Hereford SMID Returns ^(c)	(10.6)	21.3	16.5	16.4	3.6	46.4	123.0	15.7
Russell 2500 Growth ^(b)	(7.9)	9.7	12.3	8.2	14.6	46.3	105.8	14.0



**Top Ten Holdings**

	% NAV
Chart Industries	4.2%
Core Laboratories	4.2%
Varian Medical Systems	4.0%
Ion Geophysical	3.6%
Zoll Medical	3.6%
SEI Investments	3.4%
Hologic	3.2%
Morningstar	3.2%
Petroleum Geo-Services	3.1%
C. R. Bard	3.1%

Sectoral Breakdown

	% of assets
Informational Technology	29.3%
Health Care	26.6%
Energy	20.3%
Financials	8.0%
Industrials	6.1%
Consumer Discretionary	3.2%
Services	2.7%
Consumer Staples	1.5%

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 Risk Profile	DSM US SMID	DSM SMID	R2500 Growth
Bloomberg	DSMUSMA LX	Volatility	n/a	15.1	14.5
ISIN	LU0327605118	Sharpe Ratio	n/a	0.9	0.8
Reuters	LP65102019	Information Ratio	n/a	0.2	
Sedol	B28TM17	Tracking Error	n/a	7.3	
Valoren	3504786	Beta	n/a	0.9	
WKN	A0M58X	Alpha	n/a	2.6	

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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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) 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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