

**Investment Review**

The Hereford/DSM Large Cap Fund NAV depreciated (7.8)% for the month of September compared to a (7.4)% depreciation for the Russell 1000 Growth index and a (7.0)% depreciation for the S&P 500. At the end of September, the Fund was invested primarily in the consumer discretionary, technology, health care and business services sectors, with smaller weights in the materials and financials sectors.

During the month the Fund trailed its benchmark, on a gross-of-expense basis, by approximately 40 bps. This was primarily the result of the underperformance of our stock selections in the energy, consumer staples and technology sectors. Our stock selections in the health care and materials sectors benefitted performance. In September, the best performing positions in the portfolio were Celgene, Dollar General, Allergan, Nike and Cognizant Technology. The worst performers for the month were Schlumberger, Baker Hughes, Priceline.com, 3M and Discovery Communications. During the month, the Fund purchased two new positions, Las Vegas Sands Corporation and Philip Morris, in order to increase the portfolio's direct exposure to emerging markets and reduce its sensitivity to the economy. Las Vegas Sands operates casinos and hotels in Las Vegas, Singapore and Macau. Its operations in the Far East account for over 80% of revenues and are growing more than 20% annually. Philip Morris sells cigarettes everywhere in the world except in the United States. Emerging markets account for over 50% of Philip Morris' sales, and the company currently has a dividend yield of 4.9%. To fund these purchases, we sold our position in WPP plc, despite the company's good earnings report and solid advertising and new business outlook. We also sold Invesco, as its earnings are directly correlated to the equity and bond markets making it difficult to forecast near term results.

The Hereford/DSM Large Cap Fund is managed in a concentrated style. While over the long run, this approach has served our clients well in generating attractive returns, there will necessarily be interim periods where DSM will lag both the published benchmarks and our competitors. As a concentrated manager, our outperformance tends to come in "bunches," making it impossible to predict performance over the short-term. However, we believe consistently adhering to our approach will ultimately reward us with rates of return that will be attractive on both an absolute and relative basis. The vast majority of the companies in the portfolio, as well as those that we have sold, reported very solid earnings results. Therefore, on the subject of earnings, there has been little concern.

For the time being, it appears that global equity markets are being pulled downward by substantial global economic concerns, and then pushed back upward by a very profitable and financially stable private sector. Equity markets are supported by very reasonable valuations, even in the case of a modest recession (although we point out that certain financial institutions, primarily in Europe, are at risk). As the ECB and European political leaders manage their way through these problems, investor confidence can return and the markets can move higher.

The portfolio continues to be focused on *unique* global businesses, preferably with significant emerging markets revenue exposure. The stock selections are made with a modest global economic growth outlook in-mind. We believe that the portfolio is extremely well positioned for solid absolute and relative performance in the coming years and we remain confident of the future potential of the portfolio.

Key Information

NAV A Shares (30/09/11): US\$ 80.24

Total Fund Size: US\$ 110.1 mil

Strategy Assets: US\$ 2,316.0 mil^(a)

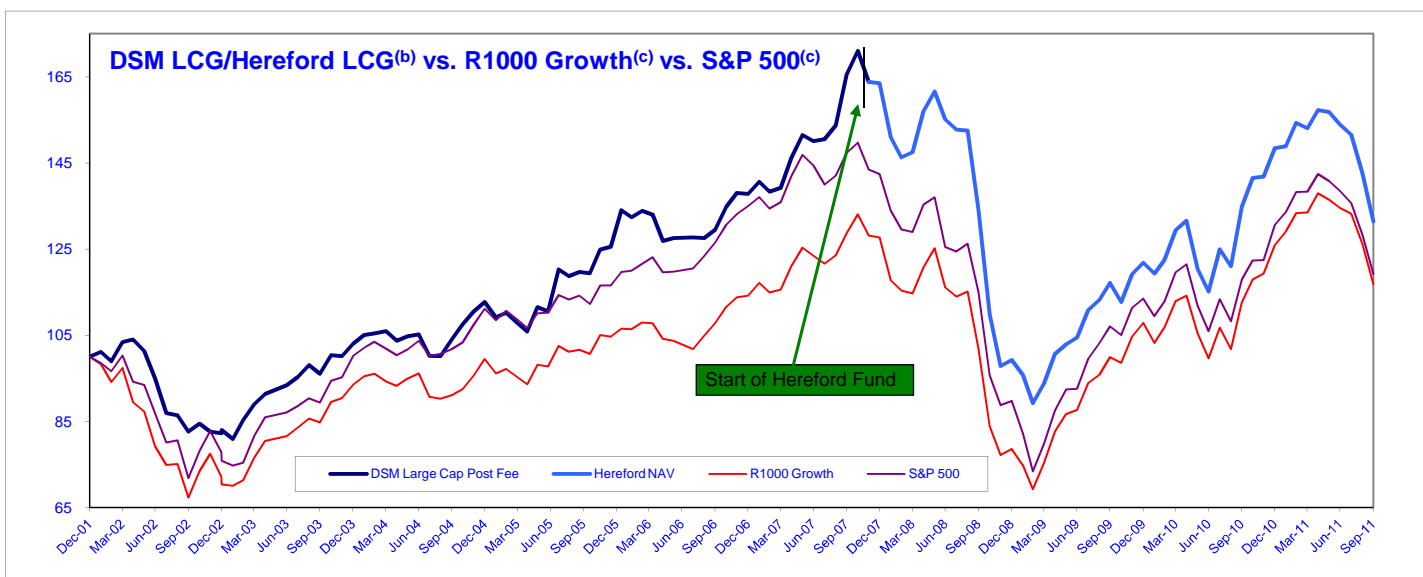
Fund Launch Date: 29-Nov-07

Monthly Performance (%)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
Hereford Funds NAV	0.3	3.7	(0.8)	2.8	(0.3)	(1.8)	(1.5)	(5.9)	(7.8)				(11.4)
Russell 1000 ^(c)	2.5	3.3	0.1	3.4	(1.1)	(1.4)	(1.0)	(5.3)	(7.4)				(7.2)
S&P 500 ^(c)	2.4	3.4	0.0	3.0	(1.1)	(1.7)	(2.0)	(5.4)	(7.0)				(8.7)

Period Performance (%)

	YTD	2010	2009	2008	2007	2006	2005	2004	2003	2002	Since Inception 01/01/02 Cumulative	Annualised
DSM LCG/Hereford LCG Returns ^(b)	(11.4)	21.9	22.8	(39.3)	18.7	9.8	11.4	9.4	25.2	(17.7)	31.5	2.8
Russell 1000 ^(c)	(7.2)	16.7	37.2	(38.4)	11.8	9.1	5.3	6.3	29.7	(27.9)	16.9	1.6
S&P 500 ^(c)	(8.7)	15.1	26.5	(37.0)	5.5	15.8	4.9	10.9	28.7	(22.1)	19.3	1.8



**Top Ten Holdings**

3M Co
Allergan
Apple Computer
Celgene
Cognizant Tech Solutions
Discovery Communications
Dollar General
Schlumberger
Shire PLC
Visa

Sectoral Breakdown

	% of Assets
Consumer Discretionary	21.4%
Information Technology	18.5%
Health Care	17.4%
Services	17.2%
Industrials	7.8%
Energy	7.3%
Consumer Staples	5.7%
Materials	2.5%
Financials	1.8%

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 Depositary Receipts and American Depositary 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	15.1	16.1
ISIN	LU0327604228	Sharpe Ratio	n/a	0.1	0.0
Reuters	LP65102015	Information Ratio	n/a	0.2	
Sedol	B28TLX2	Tracking Error	n/a	7.4	
	3504726	Beta	n/a	0.8	
WKN	A0M58T	Alpha	n/a	1.2	

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 ^(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 AFM for public distribution in the Netherlands, authorised for public distribution in Switzerland by Finma, and registered with the AMF for public distribution in France.
- (e) Share Class U has been granted Reporting Status by HMRC as of October 1st, 2010
- (f) Share Class D is German tax registered from October 1, 2010.

This document is for information purposes only. It is neither an advice nor a recommendation to enter into any investment. Investment suitability must be determined for each investor, and this fund may not be suitable for all investors. This information does not provide any accounting, legal, regulatory or tax advice. Investors should consult professional advisers to evaluate this information. An investment should be made only on the basis of the Prospectus, the annual and any subsequent semi-annual-reports of HEREFORD FUNDS (the "Fund"), a société d'investissement à capital variable, established in Luxembourg and registered under Part I of Luxembourg law of 20 December, approved by the Commission de Surveillance du Secteur Financier (CSSF). These can be obtained from [the Fund, 26, avenue de la Liberté, L-1930 Luxembourg or from VPB Finance S.A., 26, avenue de la Liberté, L-1930 Luxembourg and any distributor or intermediary appointed by the Fund]. No warranty is given, in whole or in part, regarding performance of the Fund. There is no guarantee that its investment objectives will be achieved. Investors should be aware that the value of investments can fall as well as rise and that they may not recover the full amount invested. Past performance is no guide to future performance. The information provided in this document may be subject to change without any warning or prior notice and should be read in conjunction with the most recent publication of the Prospectus of the Fund. While great care is taken to ensure that this information is accurate, no responsibility can be accepted for any errors, mistakes or omission or for future returns. This document is intended for the use of the addressee only and may not be reproduced, redistributed, passed on or published, in whole or in part, for any purpose, without the prior written consent of HEREFORD FUNDS. Neither the CSSF nor any other regulator has approved this document. Full details of the investment policy and objectives are stated in the Prospectus.