

	A-Shares	B-Shares
NAV in USD	182.18	183.83
MTD return	1.58%	1.63%
YTD return	14.50%	14.93%
Net AuM	USD 37.0 m	
Morningstar Rating™	★★★★★	

Manager's comment

In September 2016 we earned 1.6% beating our benchmark the Russell 2000 by 0.6%. With a return of 14.9% in 2016 we are now ahead by 4.3% for the year. With a total return of 83.8% since inception we are now beating our benchmark by 36.3%. Our risk measures (beta, volatility) are similar to the measures of our benchmark (1.13 and 19.4%, respectively). This month we added Monotype Imaging Holdings and Synalloy to the portfolio and sold Ebix and Zix Corporation. Buybacks have been criticised recently by politicians and practitioners. Politicians don't like buybacks as it is good for shareholders but perhaps bad for other stakeholders such as employees who would prefer that the cash is used to create jobs. Others pretend buybacks should be bad in the long run as they sacrifice long term investments for short term stock price and EPS manipulation. On our website, you can read our reply to these criticisms. We also discuss our recent research showing how we can improve the performance of the fund by adding two factors to the U-index: volatility and idiosyncratic volatility.

Personally I believe that negative opinions about buybacks help our alpha. If everyone thought buybacks were great, stock prices would go up by 20% around the announcement, eliminating our alpha. We are in good shape as long as others, especially fund managers, don't like buybacks.

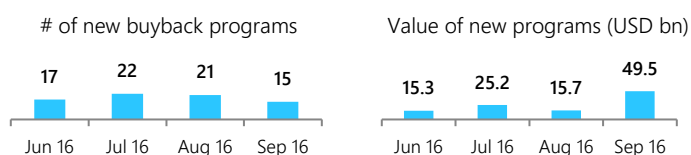
Fund strategy

The PV Buyback USA Fund, launched in June 2011, is a long-only fund focused on small and mid caps listed on the US equity market.

It invests in companies announcing share buyback programs to take advantage of an undervalued stock price. To identify those firms where the repurchase is most likely motivated by undervaluation, the Fund has developed a systematic approach.

Fund managers are highly experienced and have a strong track record in developing and implementing this investment strategy.

Buyback market watch²



Risk metrics

Indicators	PV Buyback USA	Russell 2000
Daily annualized volatility ³	19.4%	18.8%
Maximum drawdown	-20.5%	-24.1%
Beta versus S&P 500	1.13	1.19
Sharpe ratio ⁴	0.74	0.40
Information ratio ⁴	1.14	

Fund facts

Fund name	DIM Funds SICAV SA – PV Buyback USA	
Management comp.	Degroof Petercam Asset Services	
Domicile	Luxembourg (CSSF regulated)	
Geography	US listed stocks	
Asset classes	Equity	
Strategy	Directional long-only	
Style	Value, event driven situations	
Reference index	Russell 2000	
High Watermark	Yes, trailing 2 years	
Investment Advisors	Theo Vermaelen and Urs Peyer	
Custodian	Banque Degroof Petercam Luxembourg	
Fund administrator	Banque Degroof Petercam Luxembourg	
Share class	A-Shares	B-Shares
Management fee	150 bps	100 bps
Performance fee	10 % of the outperf.	10 % of the outperf.
Minimum investment	None	USD 250.000
Liquidity	Daily, 1 day notice	Daily, 1 day notice
ISIN	LU1149046275	LU0630248994
Ticker	DIPBAUS LX Equity	DIPVBAA LX Equity

Notes: 1 Daily NAV as of 30/9/2016 | 2 USA Buybacks; www.rttnews.com | 3 Trailing one year | 4 Calculated based on return since inception

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Performance vs. Benchmark



Performance period	PV BB USA - B	Russell 2000	Outperformance
September 2016	1.6%	0.9%	0.6%
Year-to-date	14.5%	10.2%	4.3%
3-year annualized	10.3%	5.2%	5.1%
5-year annualized	18.3%	14.2%	4.0%
2015	1.0%	-5.7%	6.7%
2014	5.4%	3.5%	1.8%
2013	47.4%	37.0%	10.4%

Portfolio breakdown

Sector	# of positions	Avg. Market Cap.
Information Technology	35	577 m
Financials	11	480 m
Industrials	11	574 m
Health care	9	4289 m
Consumer Discretionary	9	663 m
Energy	6	969 m
Materials	4	434 m
Telecommunication Services	2	244 m
Consumer Staples	2	788 m
Utilities	0	-
TOTAL	89	966 m

Industry exposure

