

	A-Shares	B-Shares
NAV in USD	214.47	217.60
MTD return	1.07%	1.11%
YTD return	12.20%	12.62%
Net AuM	USD 56.4 m	
Morningstar Rating™	★★★★★	

Manager's comment

In October, we earned 1.1% beating our benchmark the Russell 2000 by 0.3%. This brings our total return for 2017 to 12.6% and our alpha to 1.9%. Our volatility (15.5%) and beta (1.32) remain similar to the volatility and beta of the benchmark.

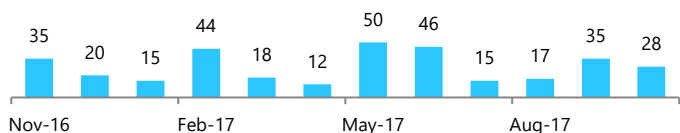
The third quarter earnings season has started and so far 70 % of our firms beat or met analyst forecasts. This month we sold New Star Financial after its acquisition by First Eagle. We bought Cyberoptics and MiMedx Group, a company that is responding to an attack by short-sellers. Although short-sellers are typically smarter than the market, empirical research shows that is not the case when managers respond with buybacks.

Because there is a lot of concern about US markets being overvalued, we decided to post a rebuttal on our website. Note that the average market-to-book ratio of the stocks in the fund is 1.38, which is significantly below the market-to-book ratio of the Russell 2000 (2.36) and even the Russell 2000 Value Index (1.57). So, investing in PV Buyback USA is not investing in stocks that appear overvalued. Note also that value stocks have been performing poorly this year with a return of 3.5% for the Russell 2000 Small Cap Value Index.

Fund strategy

The PV Buyback USA Fund 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.

Number of buyback announcements²



Risk metrics

Indicators	PV Buyback USA	Russell 2000
Daily annualized volatility ³	15.5%	15.5%
Maximum drawdown	-20.5%	-24.1%
Beta versus S&P 500	1.32	1.41
Sharpe ratio ⁴	0.83	0.60
Information ratio ⁴	0.63	-
Tracking error	5.67%	-

Fund facts

Fund name	DIM Funds SICAV SA – PV Buyback USA	
Legal structure	UCITS V	
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	Russell 2000	
High	Yes, trailing 2 years	
Investment	Theo Vermaelen and Urs Peyer	
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 31/10/2017 | 2 USA Buybacks; www.theonlineinvestor.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
October 2017	1.1%	0.8%	0.3%
Year-to-date	12.6%	10.7%	1.9%
3-year annualized	12.1%	8.6%	3.5%
5-year annualized	17.3%	13.1%	4.2%
2016	20.8%	19.5%	1.3%
2015	5.4%	3.5%	1.8%
2014	49.3%	39.8%	9.5%

Portfolio breakdown

Sector	# of positions	Avg. Market Cap.
Hardware	16	917 m
Software	14	442 m
Financials	10	495 m
Industrials	10	667 m
Health Care	10	1254 m
Cons. Discretionary	8	894 m
Semiconductors	6	964 m
Materials	5	867 m
Energy	4	485 m
Telecom	3	417 m
Cons. Staples	0	-
TOTAL	86	761 m

Industry exposure

