



DIM FUNDS

Unlocking Shareholder Value

Deminor Investment Management (DIM) is an independent asset manager seeking to unlock shareholder value while benefiting from its sound expertise in corporate governance

History

For over 20 years, Deminor has assisted investors in maximizing shareholder value in mergers, takeovers, restructurings, squeeze-outs and other special situations.

Based on this sound expertise, Deminor launched in 2006 its asset management activity (DIM) with the Catalyst Fund¹. In 2008, DIMlux² was founded and launched the Long/Short Equity Fund.

Sharing a common investment philosophy, both management companies began a collaboration in 2011 to jointly develop their asset management activities and launch a third fund, the PV Buyback USA Fund.

Investment approach

The investment philosophy of DIM is driven by 5 core principles:

- Value approach
- Focus on event driven situations
- Contrarian bias
- Limited number of carefully selected investments
- Hands-on approach of dedicated fund managers

Our objective is to keep investment teams fully focused on their portfolios by applying a well-defined investment process and strategy.

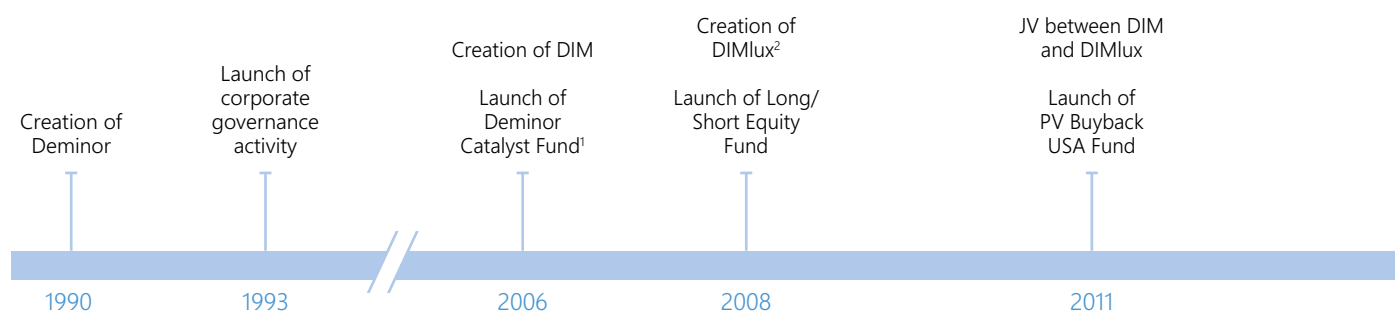
The three investment portfolios are relatively concentrated compared to traditional pension and mutual funds. This allows the respective teams to quickly detect, anticipate and react to evolutions in the companies' fundamentals impacting their valuation.

Family of Funds

We implement this very specific investment philosophy through 3 funds³:

- **Deminor Catalyst Fund¹** investing in European equities and convertibles and based on "event driven" and governance investment themes
- **PV Buyback USA Fund** investing in a selection of US companies buying back their own shares
- **Long / Short Equity Fund²** developing alternative investment themes on a global basis

Together, they manage assets in excess of EUR 65m (USD 90 m).



¹ Formerly Deminor Active Governance Fund

² Formerly Athamas SA and Athamas Capital SICAV-SIF, SCA – Hedge Fund

³ Deminor Investment Management is the fund manager of the Deminor Catalyst Fund. It operates with a license of the Dutch Financial Market Regulator (AFM). DIMlux is the fund manager of both the PV Buyback USA Fund and the Long / Short Equity Fund.



From left to right; Corentin Scavée, Thomas de Mévius, Pierre Nothomb, Theo Vermaelen, Bernard de Caters, Edouard Thijssen.

The management team unites seasoned finance professionals with academics experienced in asset management

Portfolio Managers

Theo Vermaelen (58) is the Schroders Chaired Professor of International Finance and Asset Management at INSEAD. He earned a Ph.D. in finance from the University of Chicago. He is the author of numerous articles on Share Repurchases and published a book on the topic. He was the portfolio manager of the KBC Equity Buyback Fund America between 1998 and 2004. Theo co-manages the PV Buyback USA Fund.

Pierre Nothomb (48) is a Deminor founding partner. Before joining Deminor, he was a corporate finance executive at Petercam Securities. He started his career as an auditor at Coopers & Lybrand (now PwC). He has a degree in Applied Economics (LSM¹). He is currently CEO of Deminor Investment Management and co-manages the Deminor Catalyst Fund.

Urs Peyer (42) is the Associate Professor of Finance at INSEAD. He earned a Ph.D. in Finance from the University

of North Carolina, Chapel Hill. His research in the past few years has been focused on Share Repurchases and Corporate Governance. He worked in the portfolio management team of a Credit Suisse subsidiary from 1996 to 1997. Urs co-manages the PV Buyback USA Fund.

Bernard de Caters (35) joined Deminor in 2008. Before Deminor, he worked seven years for investment companies. He began his career at Deloitte in the audit department. Bernard earned a degree in Business Administration (LSM¹), qualified as financial analyst (ABAF) and subsequently obtained the European diploma of certified financial analyst. He co-manages the Deminor Catalyst Fund.

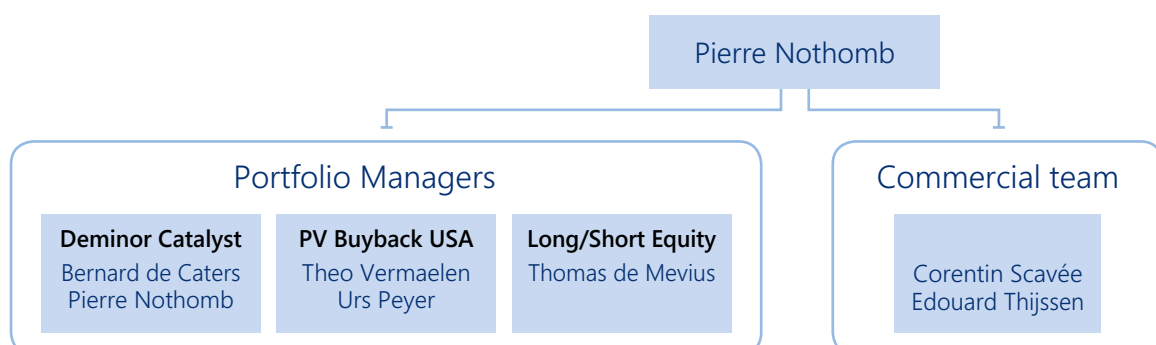
Thomas de Mevius (33) is the Chairman of DIMlux SA². Thomas worked at UBS Investment Bank in the convertible bonds and corporate derivatives team. Before joining the Equity Capital Markets department, he was part of the M&A team. Thomas is a Chartered Alternative Investment Analyst (CAIA) and earned Master

degrees in both Financial Economics (LSM¹) and Philosophy (Sorbonne). Thomas manages the DIMlux Long/Short Equity Fund.

Commercial team

Corentin Scavée (28) joined DIMlux in 2011. He previously worked in the renewable energy sector, advising project developers and investors when promoting utility-scale projects. He started his career as a strategy consultant for Roland Berger. Corentin earned a degree in Business Administration (LSM¹). He is responsible for business development and investor relations.

Edouard Thijssen (24) is the CEO of TrustedFamily which offers secure and innovative intranets for family offices. He also worked at BNP Paribas Private Bank and Telenet. Edouard graduated from Solvay Business School with a degree in Business Administration. He is a Director and sales advisor of DIMlux.



¹ Louvain School of Management, Université Catholique de Louvain

² Formerly Athamas SA

Catalyst Fund

A European long-only equity fund focusing on special situations, identification of value catalysts and active governance

Overview

The Deminor Catalyst Fund, launched in 2006, is a long-only fund investing in European equity and convertible bond market.

It invests in companies with sound business fundamentals but presenting a substantial discount to their peers. The focus is on special situations and governance issues. It aims at unlocking hidden value through the identification of catalysts followed by active engagement.

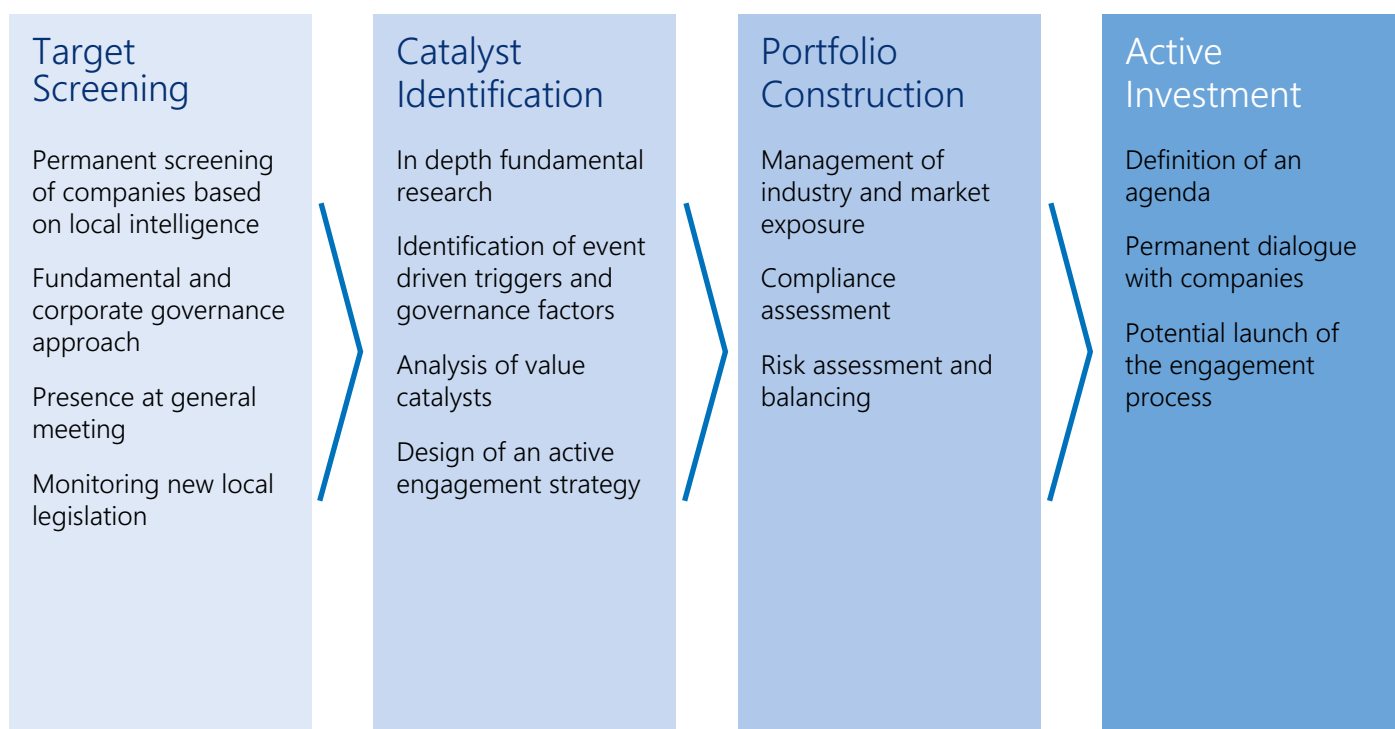
The fund is a Dutch FGR managed by DIM BV. It holds circa 30 positions with a portfolio turnover of circa 1.5 times per year. Its reference index is the Eurostoxx 600 index.

Investment Philosophy

The Deminor Catalyst Fund focuses on several event driven situations and governance issues:

- Valuation issues and share exchange ratios in mergers
- Takeover bids, squeeze-outs
- Business splits – Spin-offs
- Merger and acquisition targets, market consolidation
- Complex and non-transparent group structures
- Mother / daughter situations
- Excess cash, inefficient use of capital resources
- Turnarounds and strategic reorientations
- Conflicts of interest

Investment Process



PV Buyback USA Fund

A long-only US equity fund focusing on undervalued small and mid caps announcing share buyback programs

Overview

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.

The fund is a Luxembourg SIF managed by DIMlux SA. It holds circa 30 positions with a portfolio turnover of circa 0.3 times per year. Its reference index is the Russell 2000.

Investment Philosophy

Companies buy back shares for many reasons e.g.:

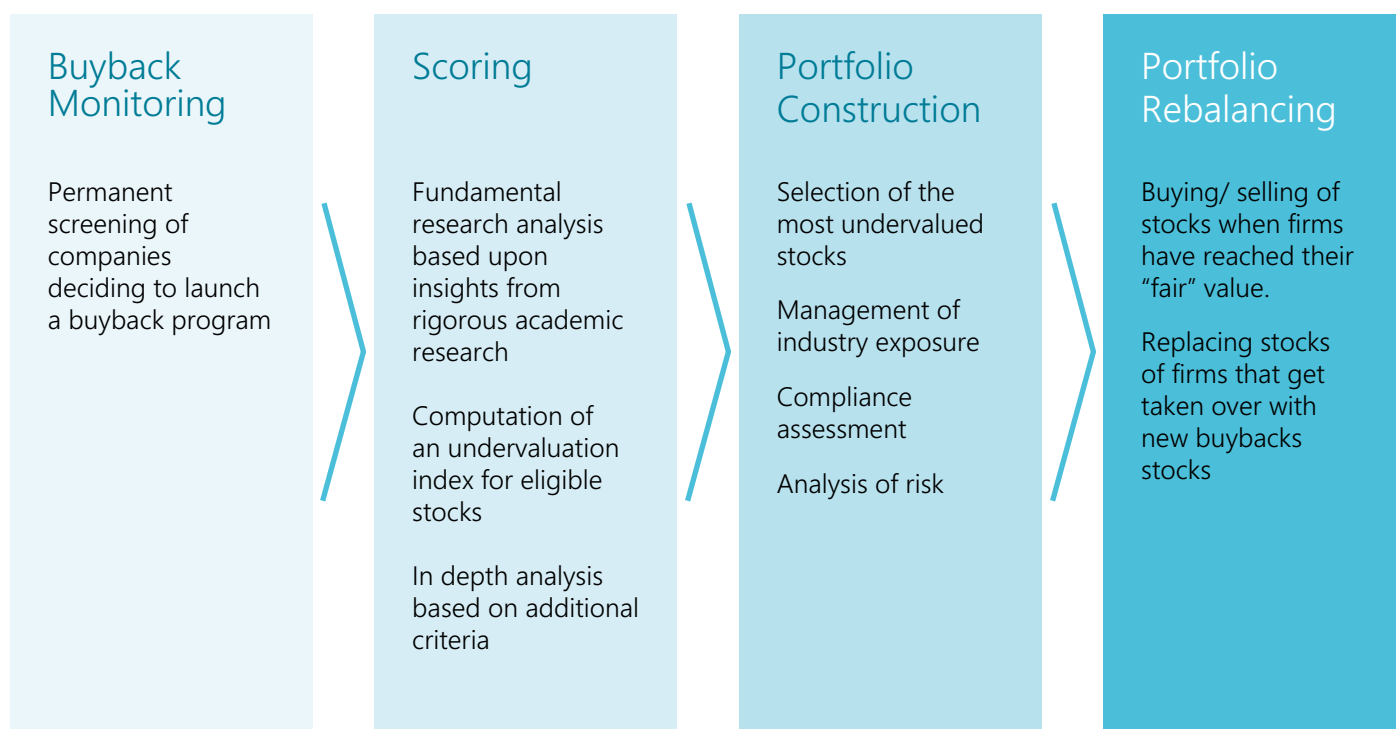
- EPS enhancement
- Capital structure modification
- Lack of growth opportunities

However, some of them repurchase shares when confident that their stock is undervalued; often after market overreactions to bad news.

To take advantage of this situation, the fund managers have developed a methodology to identify stocks where the repurchase is driven by an undervaluation. Stocks are picked based on a subset of in-house criteria and held for circa 3 years.

Based on academic studies, this methodology allows investors to earn excess returns adjusted for risk and style of, on average, 15 % per year¹.

Investment Process



¹ Peyer and Vermaelen, Review of Financial Studies, 2009

Long / Short Equity Fund

A global directional alternative fund applying a rigorous investment process resulting in a low volatility portfolio

Overview

The Long/Short Equity Fund, launched in May 2008, is a global directional alternative investment fund investing in equity and equity derivatives.

It aims at delivering high risk adjusted returns with a low volatility portfolio. Its correlation with the equity market is significantly lower than a long only equity fund. In that respect, it presents a defensive approach in volatile or bear markets.

It shares with the two other funds the value, contrarian and event driven approach as well as an opportunistic investment strategy.

The fund is a Luxembourg SIF managed by DIMlux SA. It holds circa 40 positions and has a higher portfolio turnover than the other two funds. It invests mainly in Europe, the US and the BRIC. Its reference index is the HFRX Equity Hedge.

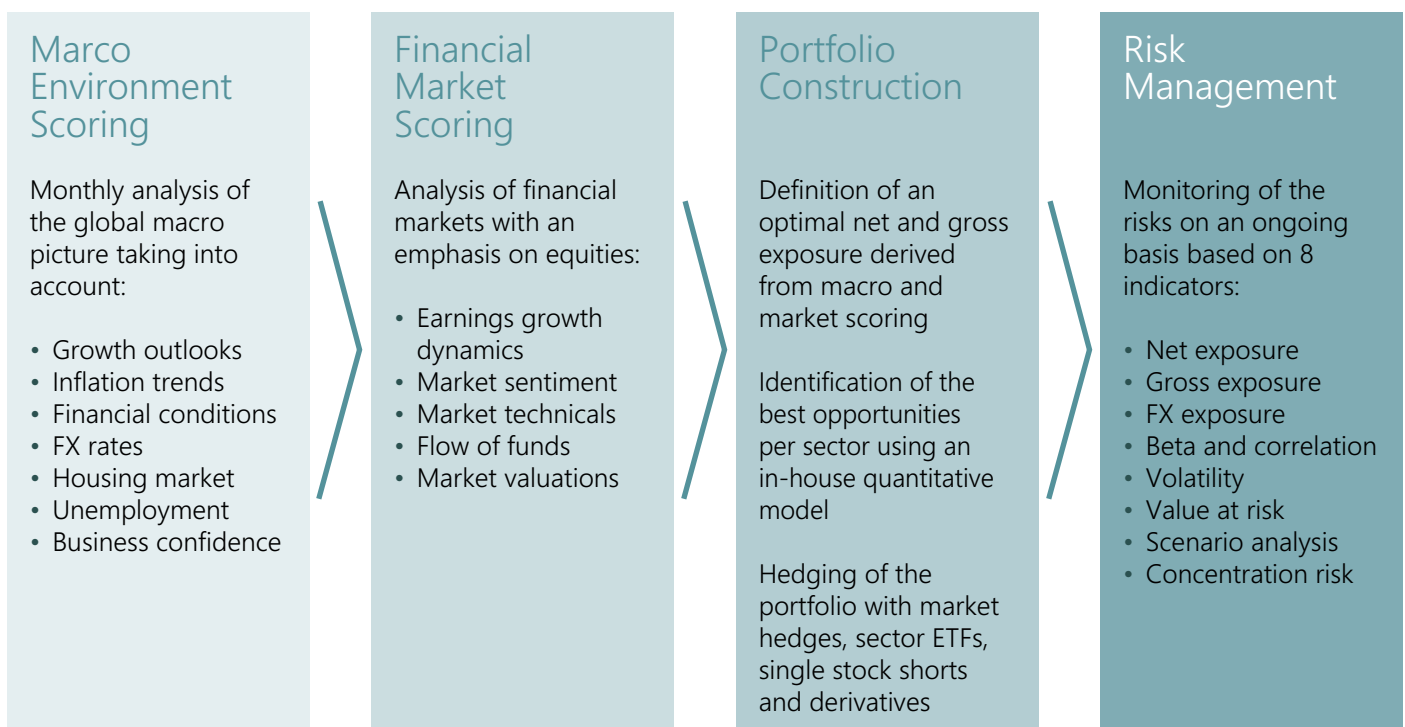
Investment Philosophy

To achieve its objective of generating an absolute return with a low volatility, the manager focuses on value stocks with above average growth potential. He makes a sound use of derivatives to hedge and optimise the portfolio.

The investment process is rigorous, balances macro and micro and is overlaid by a conservative risk management framework.

The research combines a broad range of ideas with quantitative stock picking models. Companies screened are then subject to an in-depth analysis. Investment leads are shared and challenged with the other DIM fund managers.

Investment Process



Funds offering at a glance

	Deminor Catalyst Fund	PV Buyback USA Fund	Long / Short Equity Fund
Geography	Europe	USA	Global
Asset Class	Equity	Equity	Equity and derivatives
Portfolio Managers	Bernard de Caters Pierre Nothomb	Theo Vermaelen Urs Peyer	Thomas de Mévius
Management Fees	1.50%	1.25%	1.85%
Performance Fees	10% of the outperformance vs. benchmark	10% of the outperformance vs. benchmark	10% of the return
Benchmark	Euribor 3 months + 200 bp	Russell 2000	No benchmark
Reference index	Eurostoxx 600	Russell 2000	HFRX Equity Hedge
High Watermark	Yes	Yes	Yes
Vehicle Type	Master (Dutch FGR)/ Feeder (Dutch NV) Structure	Luxembourg SIF	Luxembourg SIF
Minimum Investment	EUR 50.000	EUR 125.000 equivalent in USD	EUR 125.000
Liquidity	Monthly (30 days notice)	Monthly (15 days notice)	Monthly (15 days notice)
Management Company	Deminor Investment Management BV	DIMlux SA	DIMlux SA
Regulator	AFM (Netherlands)	CSSF (Luxembourg)	CSSF (Luxembourg)
Minimum investment horizon	2 years	2 years	6-12 months
ISIN	NL0000687036	LU0630248994	LU0360776545
Bloomberg	DEACGOM NA Equity	DIPVBAA LX Equity	ATHHEDG LX Equity
Auditors	E&Y	PwC	PwC
Custodian	KAS BANK	CACEIS Bank Luxembourg	CACEIS Bank Luxembourg
Fund Administrator	FASTNET	FASTNET	FASTNET
Prime Broker	N/A	N/A	Goldman Sachs



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