



DFDMX

Very Unattractive Rating

Forum Funds: DF Dent MidCap Growth Fund

- [Predictive Ratings](#) are based on the aggregation of our models for the fund's holdings, all of the fund's expenses, & the fund's overall rank.
- Stock-picking ([Portfolio Management](#)) and fund expenses ([Total Annual Costs](#)) drive fund performance.
- Get the **PROOF** that our research outperforms.

Investment Recommendation

- We strongly recommend investors avoid DFDMX.
- We expect the fund to continue underperforming the market on a total return basis.
- DFDMX's Portfolio Management rating does not justify its Total Annual Costs.

Fund Rankings

- 6th percentile of the 7000+ equity funds we cover.
- 294 out of 323 Mid Cap Growth funds.
- All 19 ETFs in the same category rank better.
- See rankings for all US equity funds on our [fund screener](#).

Portfolio Management Rating Details

- DFDMX receives our Unattractive Portfolio Management rating because its aggregate holdings are expected to underperform the aggregate holdings of IWP.
- IWP, DFDMX's benchmark, receives our Neutral rating.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings.
- [Best Fundamental data in the world](#) - The Journal of Financial Economics
- Superior analytics to Bloomberg & Capital IQ, see appendix of this [paper](#)
- Superior stock ratings: our [Robo-Analyst outperforms human analysts](#)
- [Best Investment Research Tech](#): Benzinga's Global Fintech Winner

Portfolio Management Rating Breakdown

Quality of Earnings Components: Ratings & Values

| | | |
|-------------------|-----------------------------------|-------------|
| Attractive | Economic vs Reported EPS | Positive EE |
| Very Unattractive | Return on Invested Capital (ROIC) | 5% |

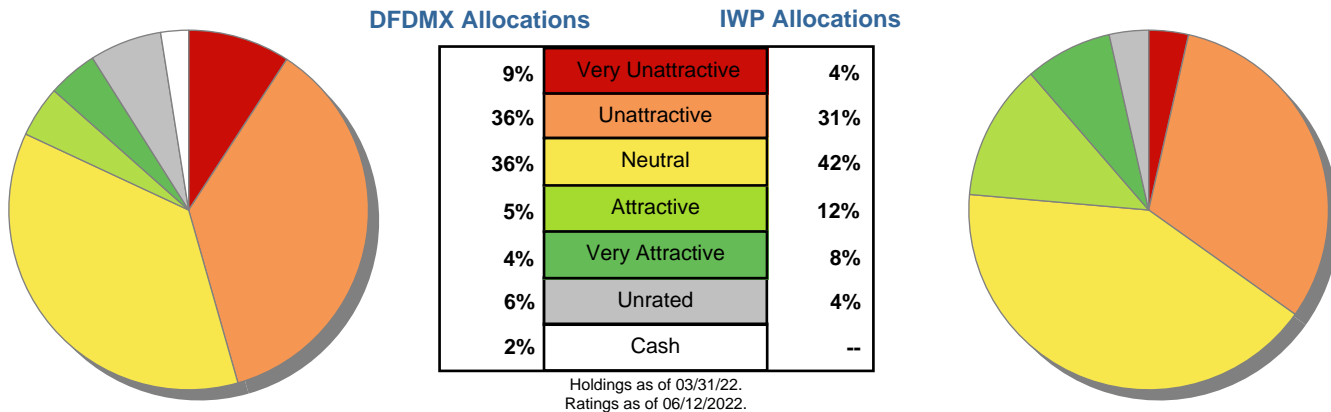
Valuation Components: Ratings & Values

| | | |
|-------------------|------------------------------------|------------|
| Unattractive | Free Cash Flow Yield | -2% |
| Very Unattractive | Price to Economic Book Value Ratio | 4.5 |
| Unattractive | Growth Appreciation Period | 49 year(s) |

Fund Asset Allocation: Rating & Value

| | | |
|------------|-----------------|---------|
| Attractive | Cash Allocation | 2% cash |
|------------|-----------------|---------|

Stock and Cash Rating Allocations vs Benchmark - iShares Trust: iShares Russell Mid-Cap Growth ETF (IWP)



Active Management Commentary

- DFDMX allocates 46% of its value to Unattractive-or-worse-rated stocks while IWP allocates 35%.
- DFDMX allocates 9% of its value to Attractive-or-better-rated stocks while IWP allocates 20%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Unattractive and Very Unattractive stocks than alternative funds with lower costs.
- Active portfolio management of DFDMX does not add value versus its ETF benchmark IWP.

Return - Annual

| | |
|--------------|--------|
| Year to Date | -28.9% |
| 1 Year | -23.6% |
| 3 Year | 4.0% |
| 5 Year | 10.9% |
| Inception | 11.6% |

Top 5 Holdings

| |
|-------------------------|
| SBA Communications Corp |
| Markel Corp |
| Waste Connections Inc |
| Illumina Inc |
| ANSYS Inc |

Key Mutual Fund Statistics

| | | | | |
|------|----------------|----------|-----------|---------------------|
| SBAC | Net Assets(mm) | \$670.90 | Category | Mid Cap Growth |
| MKL | NAV | \$27.57 | Mgmt Co | DF Dent and Company |
| WCN | Benchmark | IWP | Manager | Team Managed |
| ILMN | # of Holdings | 42 | Tenure | - |
| ANSS | Initial Min | \$2,500 | Inception | 07/01/2011 |

Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Details on Total Annual Costs Rating are on page 2.



Total Annual Costs Rating and Ranking

| Rating | Total Annual Costs | Fund Universe % Rank | Category Rank |
|---------|--------------------|----------------------|---------------|
| Neutral | 1.15% | 60% | 125 of 323 |

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Total Annual Costs Breakdown

| All Cost Types | Annualized Values | |
|---------------------------|-------------------|----------------|
| | DFDMX | Benchmark: IWP |
| Front-End Load | 0.00% | -- |
| Expense Ratio | 1.09% | 0.25% |
| Back-End Load | 0.00% | -- |
| Redemption Fee | 0.00% | -- |
| Transaction Costs | 0.06% | -- |
| Total Annual Costs | 1.15% | 0.25% |

- To justify its higher Total Annual Costs, DFDMX must outperform its ETF benchmark before all costs by 0.90% annually over 3 years or 0.90% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 30%.

Data from Lipper, a Thomson Reuters Company, and New Constructs, LLC.

Overview of Our Predictive Mutual Fund Rating System

New Constructs' [Predictive Fund Ratings](#) enable smarter investing by assessing the key drivers of future fund performance. We start by analyzing every fund holding based on New Constructs' stock ratings, which are regularly featured as among the [best by Barron's](#). Next, we measure and rank the all-in costs of investing in a fund. Finally, we rank the fund compared to all other funds to identify the best and worst funds in the market.

- Intuitively, there are two drivers of future fund performance.
- 1) New stock-picking ([Portfolio Management Rating](#)) and
 - 2) Fund expenses ([Total Annual Costs Rating](#)) drive investment performance

The figure below details the criteria that drive our Predictive Rating system for funds. The drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The [Portfolio Management Rating](#) is the same as our [Stock Rating](#) except that we incorporate [Asset Allocation](#) in the Portfolio Management Rating. The [Total Annual Costs Rating](#) captures the all-in cost of being in a fund over a 3-year holding period, the average period for all mutual fund investors.

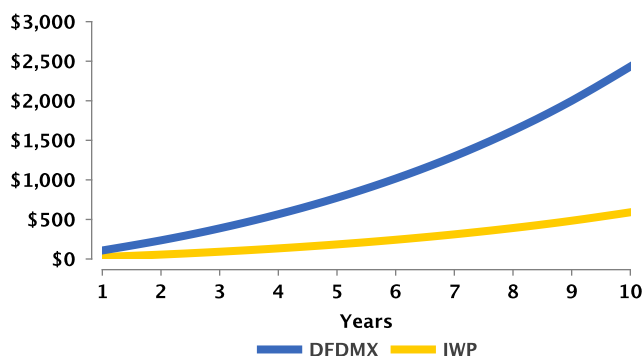
| Predictive Rating | Portfolio Management Rating | | | | | | Total Annual Costs Rating |
|-------------------|-----------------------------|-----------------------------------|-----------|--------------------|----------------------------------|------------------|---------------------------|
| | Quality of Earnings | | Valuation | | | Asset Allocation | |
| | Economic vs Reported EPS | Return on Invested Capital (ROIC) | FCF Yield | Price-to-EBV Ratio | Growth Appreciation Period (yrs) | Cash % | |
| Very Unattractive | Misleading Trend | Bottom Quintile | < -5% | > 3.5 or -1 < 0 | > 50 | > 20% | > 4% |
| Unattractive | False Positive | 4th Quintile | -5% < -1% | 2.4 < 3.5 or < -1 | 20 < 50 | 8% < 20% | 2% < 4% |
| Neutral | Neutral EE | 3rd Quintile | -1% < 3% | 1.6 < 2.4 | 10 < 20 | 2.5% < 8% | 1% < 2% |
| Attractive | Positive EE | 2nd Quintile | 3% < 10% | 1.1 < 1.6 | 3 < 10 | 1% < 2.5% | 0.5% < 1% |
| Very Attractive | Rising EE | Top Quintile | > 10% | 0 < 1.1 | 0 < 3 | < 1% | < 0.5% |

Reported Costs vs Benchmark: as of 11/01/2021

| | DFDMX | Benchmark: IWP |
|----------------|-------|----------------|
| Front-End Load | 0.00% | -- |
| Expense Ratio | 0.98% | 0.23% |
| Back-End Load | 0.00% | -- |
| Redemption Fee | 0.00% | -- |

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a \$10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are \$387.49 for DFDMX and \$91.63 for IWP. 10-year Accumulated Total Costs are \$2,432.65 for DFDMX and \$590.42 for IWP.



It's Official: We Offer the Best Fundamental Data in the World

Many firms claim their research is superior, but none of them can prove it with independent studies from highly-respected institutions as we can. Three different papers from both the public and private sectors show:

1. Legacy fundamental datasets suffer from significant inaccuracies, omissions, and biases.
2. Only our "novel database" enables investors to overcome these flaws and apply [reliable](#) fundamental data in their research.
3. Our proprietary measures of [Core Earnings](#) and [Earnings Distortion](#) materially improve stock picking and forecasting of profits.

Best Fundamental Data in the World

Forthcoming in [The Journal of Financial Economics](#), a top peer-reviewed journal, [Core Earnings: New Data & Evidence](#) proves our Robo-Analyst technology overcomes material shortcomings in legacy firms' data collection processes to provide superior [fundamental data](#), [earnings](#) models, and [research](#). More [details](#).

Key quotes from the paper:

- "[New Constructs'] *Total Adjustments* differs significantly from the items identified and excluded from Compustat's adjusted earnings measures. For example... 50% to 70% of the variation in *Total Adjustments* is not explained by S&P Global's (SPGI) *Adjustments* individually." -pp. 14, 1st para.
- "A final source of differences [between New Constructs' and S&P Global's data] is due to data collection oversights... we identified cases where Compustat did not collect information relating to firms' income that is useful in assessing core earnings." - pp. 16, 2nd para.

Superior Models

A top accounting firm features the superiority of our ROIC, NOPAT, and Invested Capital research to Capital IQ & Bloomberg's in [Getting ROIC Right](#). See the [Appendix](#) for direct comparison details.

Key quotes from the paper:

- "...an accurate calculation of ROIC requires more diligence than often occurs in some of the common, off-the-shelf ROIC calculations. Only by scouring the footnotes and the MD&A [as New Constructs does] can investors get an accurate calculation of ROIC." -pp. 8, 5th para.
- "The majority of the difference... comes from New Constructs' machine learning approach, which leverages technology to calculate ROIC by applying accounting adjustments that may be buried deeply in the footnotes across thousands of companies." -pp. 4, 2nd para.

Superior Stock Ratings

Robo-Analysts' stock ratings outperform those from human analysts as shown in this [paper](#) from Indiana's Kelley School of business. Bloomberg features the paper [here](#).

Key quotes from the paper:

- "the portfolios formed following the buy recommendations of Robo-Analysts earn abnormal returns that are statistically and economically significant." -pp. 6, 3rd para.
- "Our results ultimately suggest that Robo-Analysts are a valuable, alternative information intermediary to traditional sell-side analysts." -pp. 20, 3rd para.

Our mission is to provide the best fundamental analysis of public and private businesses in the world and make it affordable for all investors, not just Wall Street insiders.

We believe every investor deserves to know the whole truth about the profitability and valuation of any company they consider for investment. More details on our cutting-edge technology and how we use it are [here](#).



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