



# Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 30 November 2018

## Fund description

- Investment objective: seek current income and long-term capital growth by investing in a concentrated portfolio of large US companies
- Investment process: analyse long term company fundamentals through in-house bottom-up research aiming to identify undervalued stocks
- The fund typically holds 40 to 60 securities and generally invests in companies with a market capitalization above \$3 billion
- Benchmark: Russell 1000 Value Index

## Investment manager: Hotchkis & Wiley Capital Management, LLC

- Hotchkis & Wiley is an SEC-regulated, Los Angeles-based investment adviser founded in 1980, specialised in US value equity and US high yield bond strategies.
- Interests aligned with investors: employee owned firm – all 21 investment professionals own equity
- George Davis, the CEO of Hotchkis & Wiley and senior portfolio manager of the fund, has over 30 years of investment experience. He coordinates the day-to-day management of around \$27 billion of equity value assets
- Hotchkis & Wiley manage \$33 billion

## Cumulative performance (%)

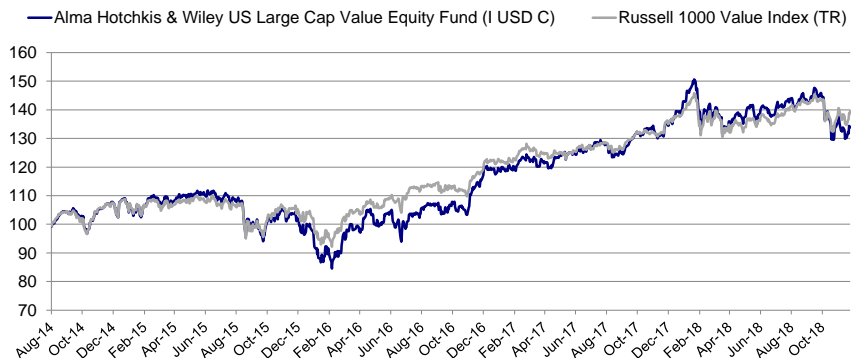
	1 M	3 M	6 M	YTD	1Y	3Y	ITD
<b>I USD C shares</b>	0.31	-7.01	-2.09	-3.35	-0.50	29.24	33.98
<b>R USD C shares</b>	0.31	-7.01	-2.11	-3.40	-0.55		
<b>Russell 1000 Value Index (TR)</b>	2.99	-2.15	3.48	1.48	2.96	32.43	39.60

Fund launched on 6 August 2014

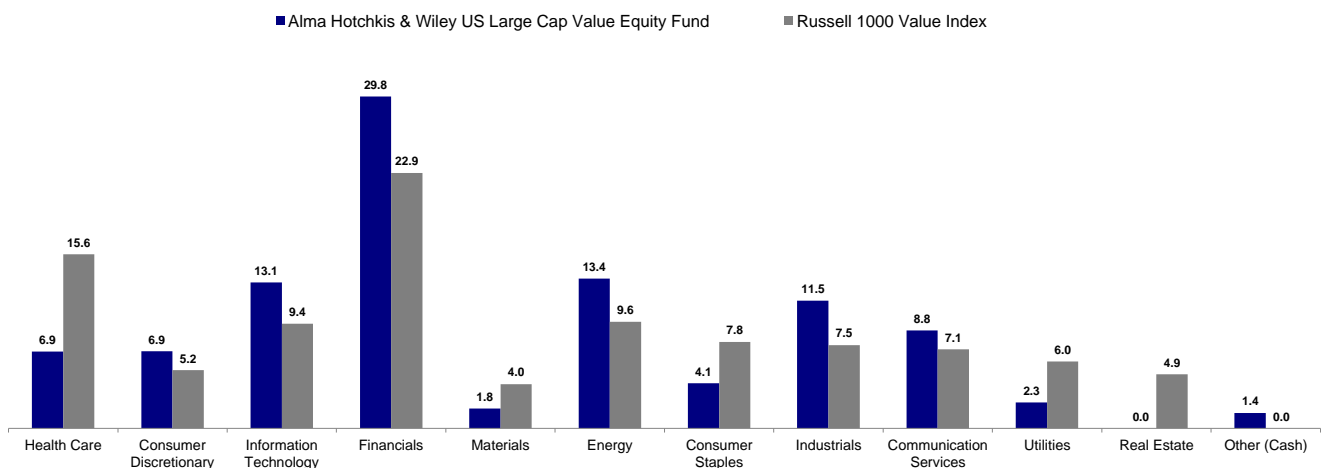
## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	52	724
Weighted Average Market Cap (\$ bn)	100.9	122.8
Median Market Cap (\$ bn)	30.1	9.4
Projected P/E Ratio	10.5x	13.5x
Price / Normal Earnings	8.5x	14.5x
Price / Book	1.5x	2.0x
Price / Sales	1.0x	1.5x
Projected EPS Growth	5.4x	5.5x
Active share (%)	82.5	-

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)



## Top 10 positions details

Security name	Sector	% NAV
AMERICAN INTERNATIONAL GROUP	Financials	4.92
WELLS FARGO & CO	Financials	4.16
HEWLETT PACKARD ENTERPRISE	Information Technology	3.81
CITIGROUP INC	Financials	3.67
ORACLE CORP	Information Technology	3.52
GENERAL MOTORS CO	Consumer Discretionary	3.32
GENERAL ELECTRIC CO	Industrials	2.95
VODAFONE GROUP PLC-SP ADR	Communication Services	2.91
MICROSOFT CORP	Information Technology	2.84
GOLDMAN SACHS GROUP INC	Financials	2.65
<b>TOTAL:</b>		<b>34.75</b>

## Investment manager's commentary

**Market:**  
The S&P 500 Index returned +2.0% in November. Reports of negotiations to deescalate the trade war between China and the US helped buoy sentiment, though concerns of slowing global growth weighed on oil, which declined -22% during the month. The tech-heavy NASDAQ significantly underperformed the S&P 500 Index after several of its high profile constituents reported quarterly earnings below expectations. As a result, value outperformed growth, bucking a trend that has prevailed for the better part of a decade. Our general view of the US equity market is unchanged as the broad market appears fairly valued. Nevertheless, we continue to find interesting valuation opportunities, particularly in the financials, energy, tech, and industrials sectors. As a result, the portfolio continues to trade at a large discount to the market: 8.5x normal earnings compared to 14.5x and 17.7x for the Russell 1000 Value Index and the S&P 500 Index, respectively.

**Fund:**  
The Hotchkis & Wiley Large Cap Fundamental Value portfolio underperformed the Russell 1000 Value Index in November. Stock selection in financials, energy, and industrials detracted from performance in the month, along with the underweight position in healthcare. Positive stock selection in consumer staples and technology helped relative performance during the month. The largest individual detractors to relative performance were General Electric, Goldman Sachs, Marathon Oil, Apache, and Adient; the largest positive contributors were ARRIS, Vodafone, Cummins, Johnson Controls, and GlaxoSmithKline.

## Fund facts

<b>Fund total net assets:</b>	\$90.05 M	<b>Dealing:</b>	Each day with a 1-day notice
<b>Fund domicile:</b>	Luxembourg	<b>Cut-off time:</b>	5 pm CET
<b>Fund type:</b>	UCITS SICAV	<b>Identifiers:</b>	Institutional USD Capitalisation share class
<b>Base currency:</b>	USD	<b>Isin:</b>	LU0963547111 <b>Ticker:</b> ALDCPBI LX <b>Launch:</b> 6 August 2014
<b>Management fee:</b>	0.75% p.a.	<b>Retail USD Capitalisation Ticker:</b>	ALDCBRU LX <b>Launch:</b> 21 November 2017
<b>Depository, Administrator, Transfer Agent:</b>	BNP Paribas Securities Services (LU)	<b>Isin:</b>	LU0963547970
<b>Management company:</b>	Alma Capital Investment Management (LU)	<b>Countries where the fund is registered:</b>	France, Germany, Luxembourg, Switzerland, United Kingdom, Austria
<b>Investment manager:</b>	Hotchkis & Wiley Capital Management, LLC (US)	<b>Contacts</b>	
<b>Fund managers:</b>	George Davis Scott McBride Judd Peters Patty Mckenna Patrick Meegan	Nick Stoop (UK)	+44 77 8980 0397
		Stephen Fordham (UK)	+44 20 3709 3609
		Andreas Lehmann (UK)	+44 20 7389 1338
		Hervé Rietzler (FR / CH / LU / IT)	+352 28 84 54 19
		Dirk Tödte (DE / AT)	+352 28 84 54 16
		Louis de Vulpillières (FR)	+33 1 56 88 36 58
		Baptiste Fabre (FR)	+33 1 56 88 36 55
		<a href="mailto:info.investors@almacapital.com">info.investors@almacapital.com</a>	

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