



Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 31 July 2019

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 strategy mirrors the Large Cap Fundamental Value strategy managed by the Investment manager since 1980

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 manages \$31 billion

Cumulative performance (%)

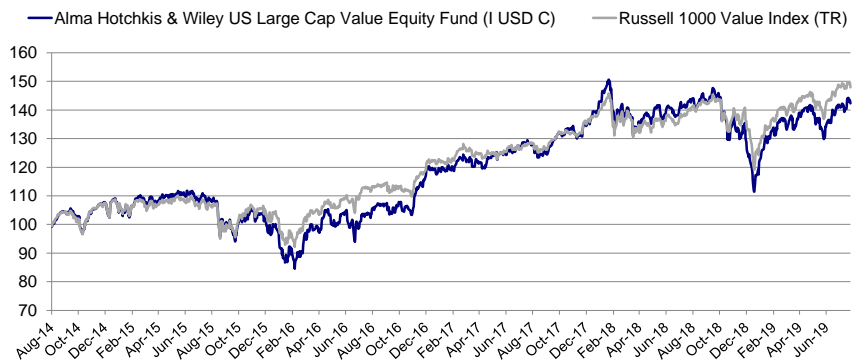
	1 M	3 M	6 M	YTD	1Y	3Y	ITD
I USD C shares	1.34	0.41	7.56	20.82	-1.02	36.96	42.31
R USD C shares	1.33	0.39	7.52	20.79	-1.07		
Russell 1000 Value Index (TR)	0.83	1.12	8.74	17.20	5.20	31.09	47.90

Fund launched on 6 August 2014

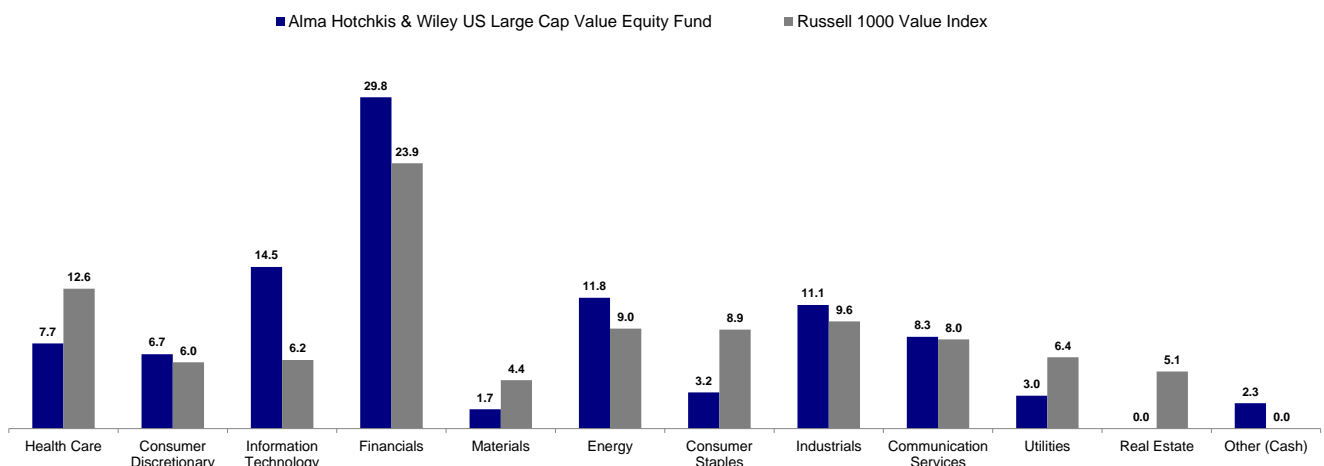
Portfolio characteristics

Main indicators	Fund	Index
No. of securities	50	761
Weighted Average Market Cap (\$ bn)	114.5	113.2
Median Market Cap (\$ bn)	35.6	9.4
Projected P/E Ratio FY2 (x)	11.3	13.8
Price / Normal Earnings (x)	8.6	14.7
Price / Book (x)	1.5	2.0
Price / Sales (x)	1.1	1.5
Projected EPS Growth (%)	6.0	5.7
Active share (%)	87.1	-

Performance (Indexed - Base 100)



Sector breakdown (% NAV)



Top 10 positions details

Security name	Sector	% NAV
AMERICAN INTERNATIONAL GROUP	Financials	4.90
WELLS FARGO & CO	Financials	4.77
GENERAL ELECTRIC CO	Industrials	4.41
MICROSOFT CORP	Information Technology	3.91
GOLDMAN SACHS GROUP INC	Financials	3.77
CITIGROUP INC	Financials	3.51
GENERAL MOTORS CO	Consumer Discretionary	3.27
HEWLETT PACKARD ENTERPRISE	Information Technology	2.98
DISCOVERY INC-C	Communication Services	2.80
CORNING INC	Information Technology	2.67
TOTAL:		37.00

Investment manager's commentary

Market:

The S&P 500 Index returned +1.4% in July, again reaching new all-time highs. The market is now up over +20% since the beginning of the year. An increasingly dovish Federal Reserve contributed to this month's performance. As widely expected, the Fed cut rates for the first time in a decade. The Russell 1000 Value Index returned +0.8% compared to +2.3% for the Russell 1000 Growth Index, expanding growth's advantage during this extended bull market. The valuation gap between value and growth is now among the widest in history. The valuation dichotomy combined with increasingly pervasive rhetoric about the demise of value investing is reminiscent of the late 1990s/early 2000s. We are unable to predict investment cycles precisely, but such factors suggest we are getting closer to a turning point for value strategies. The portfolio continues to exhibit a large valuation discount to the value index. The portfolio trades at 1.5x book value and 8.6x normal earnings compared to 2.0x and 14.7x, respectively, for the Russell 1000 Value Index.

Fund:

The portfolio outperformed the Russell 1000 Value Index in July. Positive stock selection in financials and healthcare contributed to the outperformance in the period. The portfolio's overweight exposure to technology and underweight exposure to healthcare were modest positive contributors as well. Stock selection in technology and consumer staples hurt relative performance. The largest contributors to relative performance in the period were Goldman Sachs, Discover Financial Services, AIG, Vodafone, and National Oilwell Varco; the largest detractors were Apache, Corning, Hewlett-Packard Enterprise, Ericsson, and Cummins.

Fund facts

Fund total net assets:	\$101.64 M	Dealing:	Each day with a 1-day notice
Fund domicile:	Luxembourg	Cut-off time:	5 pm CET
Fund type:	UCITS SICAV	Identifiers:	Institutional USD Capitalisation share class
Base currency:	USD	Isin:	LU0963547111
Management fee:	0.75% p.a.	Ticker:	ALDCPBI LX
Depositary, Administrator, Transfer Agent:	BNP Paribas Securities Services (LU)	Launch:	6 August 2014
Management company:	Alma Capital Investment Management (LU)	Retail USD Capitalisation Ticker:	ALDCBRU LX
Investment manager:	Hotchkis & Wiley Capital Management, LLC (US)	Isin:	LU0963547970
Fund managers:	George Davis	Countries where the fund is registered:	France, Germany, Luxembourg, Switzerland, United Kingdom, Austria
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