



# Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 30 August 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 a 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 (%)

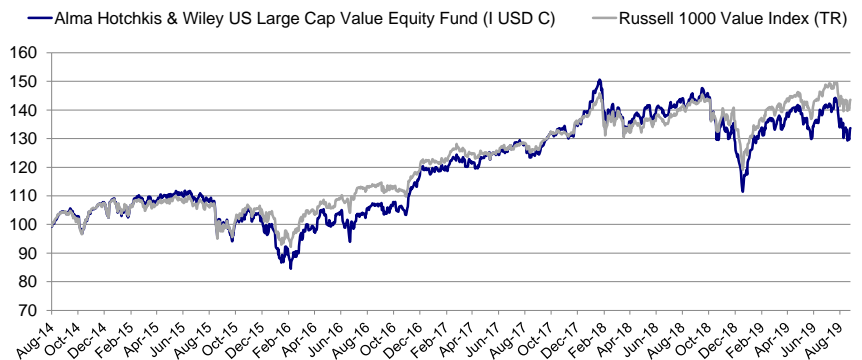
	1 M	3 M	6 M	YTD	1Y	3Y	ITD
<b>I USD C shares</b>	-6.08	2.91	-1.79	13.47	-7.23	25.34	33.66
<b>R USD C shares</b>	-6.08	2.90	-1.82	13.45	-7.27	25.34	33.66
<b>Russell 1000 Value Index (TR)</b>	-2.94	4.89	2.27	13.75	0.62	26.26	43.55

Fund launched on 6 August 2014

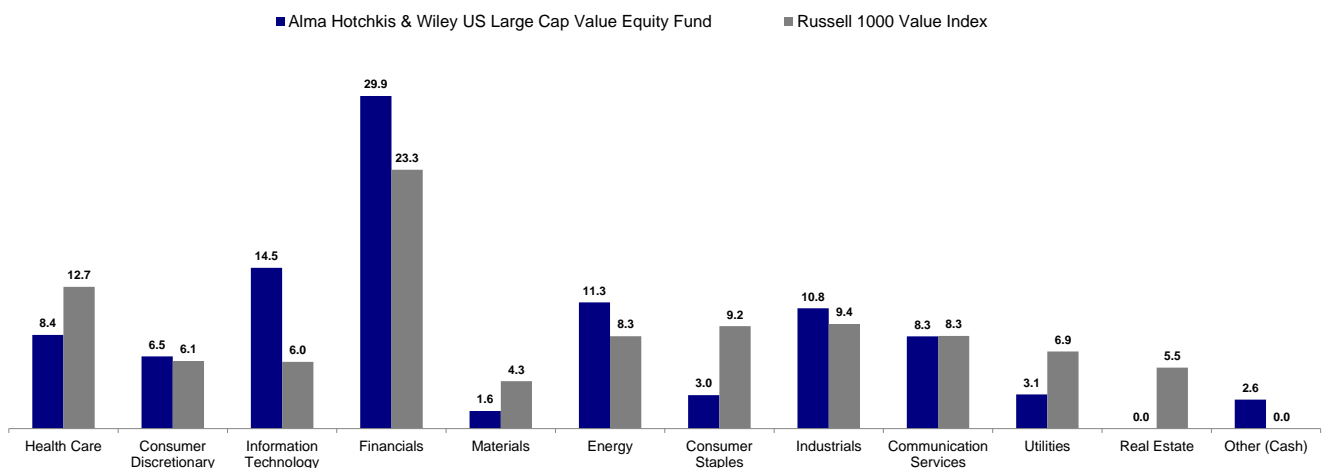
## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	51	760
Weighted Average Market Cap (\$ bn)	86.0	111.1
Median Market Cap (\$ bn)	26.0	9.1
Projected P/E Ratio FY2 (x)	9.7	13.4
Price / Normal Earnings (x)	6.9	14.3
Price / Book (x)	1.0	1.9
Price / Sales (x)	0.7	1.5
Projected EPS Growth (%)	6.1	5.7
Active share (%)	87.5	-

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)



## Top 10 positions details

Security name	Sector	% NAV
WELLS FARGO & CO	Financials	4.85
AMERICAN INTERNATIONAL GROUP	Financials	4.69
GENERAL ELECTRIC CO	Industrials	4.40
MICROSOFT CORP	Information Technology	4.07
GOLDMAN SACHS GROUP INC	Financials	3.76
CITIGROUP INC	Financials	3.58
GENERAL MOTORS CO	Consumer Discretionary	3.18
HEWLETT PACKARD ENTERPRISE	Information Technology	2.95
COMCAST CORP-CLASS A	Communication Services	2.67
DISCOVERY INC-C	Communication Services	2.65
<b>TOTAL:</b>		<b>36.80</b>

## Investment manager's commentary

### Market:

The S&P 500 Index returned -1.6% in August and is up +18.3% since the beginning of the year. Tariff increases by both China and the US have accelerated investor concern about economic growth. The yield on the 2-year Treasury note exceeded the yield on the 10-year Treasury note during the month, inverting for the first time since 2006. Yield curve inversions have been a harbinger of recessions historically, though the time lag from inversion to recession has varied considerably. Despite marketplace fears, corporate earnings remain strong with 74% of companies beating consensus estimates in the most recent quarter. We continue to believe that the best way to invest, irrespective of the macroeconomic landscape or stage of the business cycle, is to own good businesses at attractive valuations. Consistent with this view, the portfolio trades at a large valuation discount to the index. The portfolio trades at 1.0x book value and 6.9x normal earnings compared to 1.9x and 14.3x, respectively, for the Russell 1000 Value Index.

### Fund:

The portfolio underperformed the Russell 1000 Value Index in August. The portfolio's valuation discount hurt relative performance, as nearly one-third of the portfolio trades at a discount to book value compared to less than 10% for index. Index stocks in this group lagged considerably, declining more than -10% in the month. The overweight position and stock selection in energy hurt relative performance, along with stock selection in industrials and financials. Positive stock selection in consumer staples and healthcare helped relative performance. The largest detractors to relative performance in the period were General Electric, Murphy Oil, National Oilwell Varco, Marathon Oil, and AIG; the largest positive contributors were Microsoft, Vodafone, Medtronic, Unilever, and CNH Industrial.

## Fund facts

<b>Fund total net assets:</b>	\$98.81 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>Management fee:</b>	0.75% p.a.	<b>Ticker:</b>	ALDCPBI LX
<b>Depositary, Administrator, Transfer Agent:</b>	BNP Paribas Securities Services (LU)	<b>Launch:</b>	6 August 2014
<b>Management company:</b>	Alma Capital Investment Management (LU)	<b>Retail USD Capitalisation Ticker:</b>	ALDCBRU LX
<b>Investment manager:</b>	Hotchkis & Wiley Capital Management, LLC (US)	<b>Isin:</b>	LU0963547970
<b>Fund managers:</b>	George Davis	<b>Countries where the fund is registered:</b>	France, Germany, Luxembourg, Switzerland, United Kingdom, Austria
	Scott McBride	<b>Contacts</b>	
	Judd Peters	Nick Stoop (UK)	+44 77 8980 0397
	Patty Mckenna	Andreas Lehmann (UK)	+44 20 7389 1338
	Patrick Meegan	Hervé Rietzler (FR / CH / LU / IT)	+352 28 84 54 19
		Dirk Tödtte (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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