



# Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 28 February 2020

## 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 value equity and high yield bond strategies
- Employee owned firm: 90% of the investment team and 67% of all employees own equity
- Investment team has over 23 years average investment experience and 15 years average tenure at Hotchkis & Wiley
- George Davis, the CEO of Hotchkis & Wiley and senior portfolio manager of the fund, has over 30 years of investment experience.
- Hotchkis & Wiley manages \$34 billion

## Cumulative performance (%)

	1 M	3 M	6 M	YTD	1Y	3Y	ITD	ITD (annualized)
<b>I USD C shares</b>	-9.92	-12.13	-3.57	-14.16	-5.30	5.35	28.88	4.66
<b>R USD C shares</b>	-9.92	-12.13	-3.55	-14.15	-5.31			
<b>Russell 1000 Value Index (TR)</b>	-9.68	-9.20	-1.69	-11.63	0.54	11.76	41.12	6.38

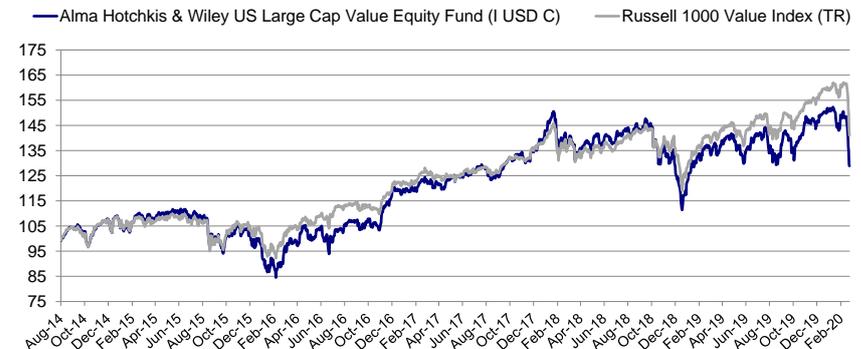
Fund launched on 6 August 2014

## Portfolio characteristics

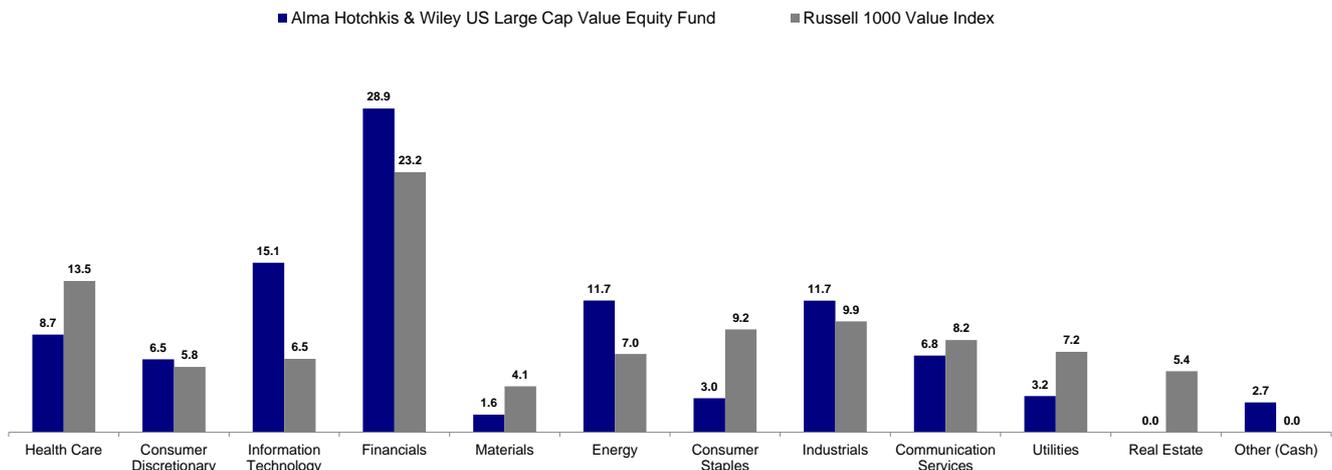
### Main indicators

	Fund	Index
No. of securities	52	762
Weighted Average Market Cap (\$ bn)	124.3	392.2
Median Market Cap (\$ bn)	30.7	12.6
Projected P/E Ratio FY2 (x)	9.8	19.0
Price / Normal Earnings (x)	7.6	24.3
Price / Book (x)	1.3	7.2
Price / Sales (x)	1.0	3.5
Projected EPS Growth (%)	5.9	7.4
Active share (%)	87.6	-

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)



**Top 10 positions details**

Security name	Sector	% NAV
GENERAL ELECTRIC CO	Industrials	5.05
WELLS FARGO & CO	Financials	4.87
AMERICAN INTERNATIONAL GROUP	Financials	4.75
MICROSOFT CORP	Information Technology	4.52
ORACLE CORP	Information Technology	3.61
GOLDMAN SACHS GROUP INC	Financials	3.34
CITIGROUP INC	Financials	3.25
GENERAL MOTORS CO	Consumer Discretionary	3.05
COMCAST CORP-CLASS A	Communication Services	2.54
CUMMINS INC	Industrials	2.51
<b>TOTAL:</b>		<b>37.50</b>

**Investment manager's commentary**

**Market:**  
 The S&P 500 Index declined -8.2% in February. It was up more than +5% before Coronavirus developments prompted a fear-driven market selloff. The S&P 500 Index declined nearly -13% over the last 7 trading days in February. Growth outperformed value over the course of the month but all the outperformance came before the market's retreat—the value and growth indices declined similarly during the selloff. All sectors declined during the broad-based selloff. Communication services, real estate, and healthcare declined the least over the course of the month, while energy, financials, and utilities declined the most. WTI crude oil declined -13% in the month to finish under \$45/barrel and the 10-year treasury yield declined to an all-time low of less than 1.2%.

Thus far, the Coronavirus' impact on the global economy has been material but difficult to pinpoint; its forward-looking impact is even more difficult to estimate. Labor markets, trade, consumer confidence, manufacturing, and other important facets of the global economy are each affected, which could spark central bank responses. Ultimately, we do not know the duration or severity of the outbreak, but we have learned from experience that remaining disciplined is key navigating challenging environments—the stability and experience of our team plays an important role in facilitating discipline and patience. We remain focused on investing in companies with strong balance sheets and robust business models capable of withstanding a prolonged economic downturn. Large, rapid selloffs are painful but moving away from equities or other "risk assets" during such periods often backfires. We believe that such emotion-driven markets are the most likely market type to ignore underlying fundamentals and valuation, particularly given the proliferation of passive ETFs and quant strategies. We believe business quality, balance sheets, and valuations matter, and that positioning the portfolios in companies that score well on these metrics will yield superior results for our investors.

**Fund:**  
 The portfolio slightly underperformed the Russell 1000 Value Index in February. Value underperformed growth by nearly 3 percentage points in the month; this is often a headwind for the portfolio which trades at a discount to the value index by most measures. More than 20% of the portfolio was invested in stocks trading at a discount to book value compared to 6% for the Russell 1000 Value Index. This hurt relative performance as this group underperformed by a considerable margin. The overweight position and stock selection in technology helped relative performance in the month. Positive stock selection in industrials and energy also helped performance. Stock selection in financials, utilities, and communication services detracted from performance along with the underweight position in healthcare. The largest detractors to relative performance were AIG, Marathon Oil, PPL, Goldman Sachs, and General Electric; the largest positive contributors were Microsoft, CNH Industrial, Ericsson, Hess, and Oracle.

**Fund facts**

<b>Fund total net assets:</b>	\$55.97 M	<b>Base currency:</b>	USD	<b>Countries where the fund is registered:</b>	France, Germany, Luxembourg, Switzerland, United Kingdom, Austria
<b>Fund domicile:</b>	Luxembourg	<b>Fund type:</b>	UCITS SICAV	<b>Institutional USD Capitalisation share class</b>	Isin: LU0963547111 Ticker: ALDCPBI LX Launch: 6 August 2014
<b>Management fee:</b>	0.75% p.a.	<b>Depository, Administrator, Transfer Agent:</b>	BNP Paribas Securities Services (LU)	<b>Retail USD Capitalisation share class</b>	Isin: LU0963547970 Ticker: ALDCBRU LX Launch: 21 November 2017
<b>Dealing:</b>	Each day with a 1-day notice. Cut-off time : 5 pm CET			<b>Contacts</b>	
<b>Management company:</b>	Alma Capital Investment Management (LU)			Hervé Rietzler (FR / CH / LU / IT)	+352 28 84 54 19
<b>Investment manager:</b>	Hotchkis & Wiley Capital Management, LLC (US)			Baptiste Fabre (FR / IR / UK)	+33 1 56 88 36 55
<b>Fund managers:</b>	George Davis, Scott McBride, Judd Peters, Patty Mckenna, Patrick Meegan			<a href="mailto:info.investors@almacapital.com">info.investors@almacapital.com</a>	

This document is issued by Alma Capital Investment Management ("ACIM"). It contains opinions and statistical data that ACIM considers lawful and correct on the day of their publication according to the economic and financial environment at the time. This document does not constitute investment advice or form part of an offer or invitation to subscribe for or to purchase any financial instrument(s) nor shall it or any part of it form the basis of any contract or commitment whatsoever. ACIM provides this document without knowledge of investors' situation. Prior to any subscription, investors should verify in which countries the fund(s) this document refers to is registered, and, in those countries, which compartments and which classes of shares are authorized for public sale. In particular the fund cannot be offered or sold publicly in the United States. Investors considering subscribing for shares should read carefully the most recent Prospectus and KIID agreed by the regulatory authority, available from ACIM (5 rue Aldringen, L-1118 Luxembourg, Grand Duchy of Luxembourg). The investors should consult the fund's most recent financial reports, which are available from ACIM. Investors should consult their own legal and tax advisors prior to investing in the fund. Given the economic and market risks, there can be no assurance that the fund will achieve its investment objectives. The value of the shares can decrease as well as increase. Past performance is not a guarantee of future results