



# Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 31 January 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 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 \$27 billion

## Cumulative performance (%)

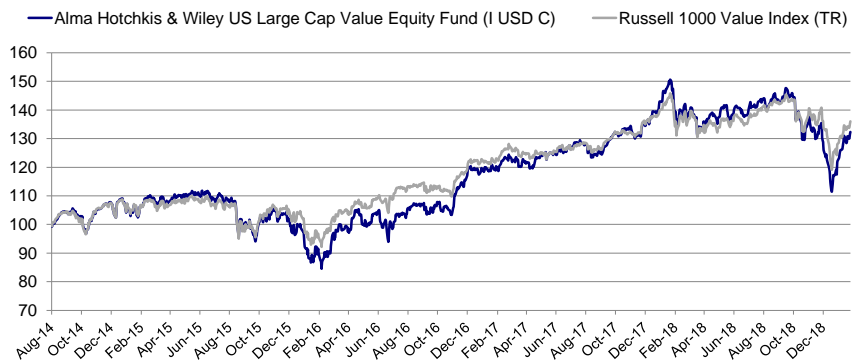
	1 M	3 M	6 M	YTD	1Y	3Y	ITD
I USD C shares	12.33	-0.94	-7.98	12.33	-9.82	43.53	32.31
R USD C shares	12.34	-0.95	-7.99	12.34	-9.84	43.53	32.31
Russell 1000 Value Index (TR)	7.78	0.34	-3.26	7.78	-4.81	39.06	36.02

Fund launched on 6 August 2014

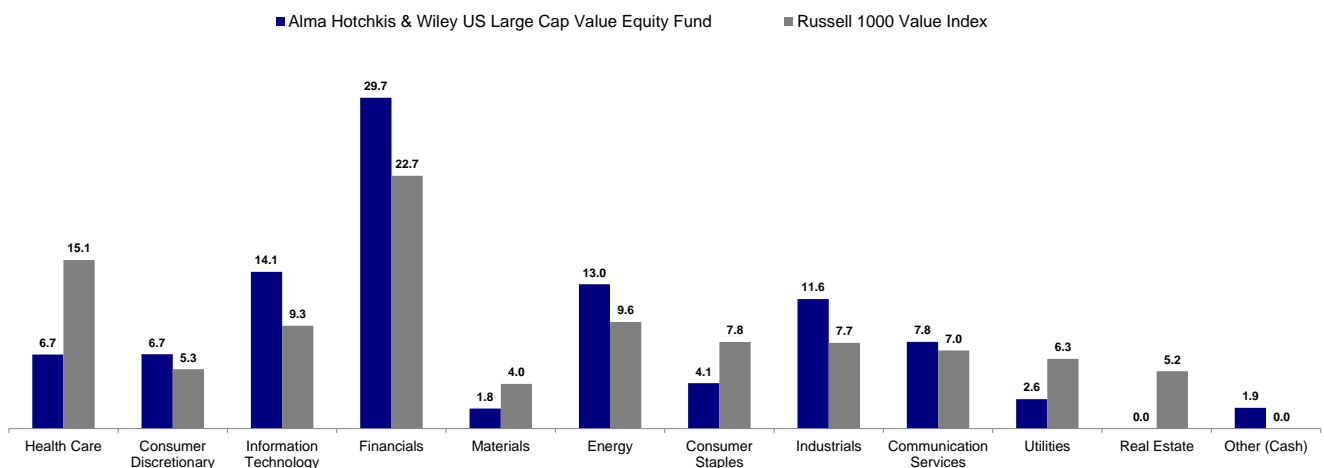
## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	51	724
Weighted Average Market Cap (\$ bn)	95.4	114.9
Median Market Cap (\$ bn)	30.2	9.3
Projected P/E Ratio	10.5x	13.0x
Price / Normal Earnings	8.0x	13.9x
Price / Book	1.4x	1.9x
Price / Sales	1.0x	1.5x
Projected EPS Growth	5.8x	5.6x
Active share (%)	83.4	-

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)



## Top 10 positions details

Security name	Sector	% NAV
AMERICAN INTERNATIONAL GROUP	Financials	5.01
CITIGROUP INC	Financials	4.25
GENERAL ELECTRIC CO	Industrials	3.96
WELLS FARGO & CO	Financials	3.94
HEWLETT PACKARD ENTERPRISE	Information Technology	3.93
MICROSOFT CORP	Information Technology	3.42
GENERAL MOTORS CO	Consumer Discretionary	3.38
GOLDMAN SACHS GROUP INC	Financials	3.14
DISCOVERY INC-C	Communication Services	2.76
ORACLE CORP	Information Technology	2.71
<b>TOTAL:</b>		<b>36.51</b>

## Investment manager's commentary

**Market:**  
After hitting 20 month lows in late December, the S&P 500 Index rebounded strongly in January returning +8.0%. Investors were encouraged by reports of progress on trade talks between the US and China. Sentiment was further aided by comments from the US Federal Reserve indicating an openness to more accommodative monetary policy. Finally, oil markets were buoyed by Saudi Arabia's pledge to cut back on production. Cyclical sectors, which exhibit more attractive valuations irrespective of near term economic growth, outperformed for the month. Even after January's reversion, value spreads remain sufficiently wide to produce compelling opportunities. Accordingly, the portfolio trades at a considerable discount to the market. The portfolio trades at 8.0x normal earnings compared to 13.9x and 17.1x for the Russell 1000 Value Index and the S&P 500 Index, respectively. The portfolio trades at 1.4x book value compared to 1.9x and 3.1x for the Russell 1000 Value Index and the S&P 500 Index, respectively.

**Fund:**  
The fund outperformed the Russell 1000 Value Index in January by a wide margin. Stock selection was positive in all sectors except consumer staples, which only detracted by a nominal amount. Stock selection in financials and energy helped most. More than one-third of the portfolio was invested in stocks trading at a discount to book value compared to just 10% for the index; this helped relative performance as this group's return was about double that of the overall index. The underweight exposure to real estate detracted from performance as this represented the top-performing sector for the index in January. The largest positive contributors to relative performance were General Electric, Hess, Citigroup, Hewlett Packard Enterprise, and Apache; the largest detractors were Vodafone, Microsoft, Ericsson, Sanofi, and GlaxoSmithKline.

## Fund facts

<b>Fund total net assets:</b>	\$90.69 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
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