



# Alma Hotchkis & Wiley US Large Cap Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 30 April 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 \$26 billion of equity value assets
- Hotchkis & Wiley manage \$30 billion

## Cumulative performance (%)

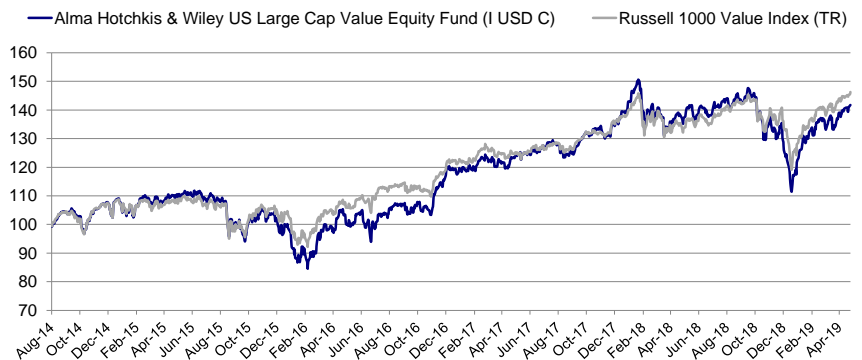
	1 M	3 M	6 M	YTD	1Y	3Y	ITD
<b>I USD C shares</b>	5.34	7.12	6.11	20.33	3.22	37.32	41.73
<b>R USD C shares</b>	5.33	7.10	6.09	20.32	3.18	37.32	41.73
<b>Russell 1000 Value Index (TR)</b>	3.55	7.54	7.90	15.90	9.06	36.65	46.26

Fund launched on 6 August 2014

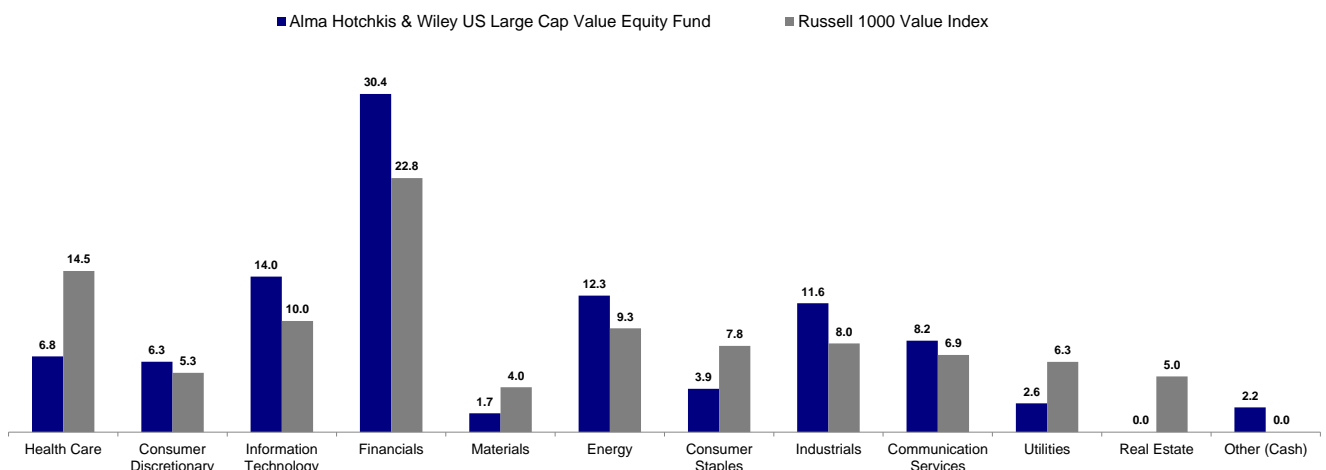
## Portfolio characteristics

Main indicators	Fund	Index
No. of securities	50	721
Weighted Average Market Cap (\$ bn)	114.3	123.8
Median Market Cap (\$ bn)	35.9	9.6
Projected P/E Ratio (FY2)	11.0x	13.6x
Price / Normal Earnings	8.7x	14.7x
Price / Book	1.5x	2.1x
Price / Sales	1.1x	1.6x
Projected EPS Growth (%)	6.0	5.6
Active share (%)	82.7	-

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)



## Top 10 positions details

Security name	Sector	% NAV
AMERICAN INTERNATIONAL GROUP	Financials	5.15
GENERAL ELECTRIC CO	Industrials	4.31
CITIGROUP INC	Financials	4.20
MICROSOFT CORP	Information Technology	4.16
WELLS FARGO & CO	Financials	4.06
GOLDMAN SACHS GROUP INC	Financials	3.17
GENERAL MOTORS CO	Consumer Discretionary	3.17
HEWLETT PACKARD ENTERPRISE	Information Technology	3.07
DISCOVERY INC-C	Communication Services	2.76
ORACLE CORP	Information Technology	2.75
<b>TOTAL:</b>		<b>36.80</b>

## Investment manager's commentary

### Market:

The S&P 500 Index returned +4.1% in April. The steady and rapid market rebound that began in late December continued nearly unabated, with both the S&P 500 Index and NASDAQ reaching new record highs. The S&P 500 Index is now up over 18% since the beginning of the year, making this one of the strongest starts to the year in history. Every S&P 500 Index sector is up year-to-date, and every sector besides health care is up more than +10%. Growth outperformed value in April, extending its year-to-date advantage to 5.4% (+21.3% vs. +15.9%). In general, the US equity market appears fully valued. However, we continue to find interesting valuation opportunities in certain segments of the market. We are partial to financials, technology, industrials, and energy, all of which contain attractive valuation opportunities for the risks at hand. As a result, the portfolio continues to trade at a significant valuation discount to the value benchmark: 1.5x book value and 8.7x normal earnings compared to 2.1x and 14.7x, respectively, for the Russell 1000 Value Index. The portfolio trades at a tremendous discount to the broad benchmark: the S&P 500 Index trades at 3.4x book value and 18.3x normal earnings.

### Fund:

The fund outperformed the Russell 1000 Value Index in April. Positive stock selection in consumer discretionary (mostly auto-related) and communication services (mostly media) contributed to relative performance in the month. The underweight allocation to healthcare, the index's worst-performing sector in the month, and overweight allocation to financials, the index's best-performing sector in the month, also helped. Stock selection in industrials was a modest detractor. The largest positive contributors to relative performance in the month were Adient, AIG, Citigroup, Microsoft, and Discovery; the largest detractors were Murphy Oil, Apache, Corning, GlaxoSmithKline, and Wells Fargo.

## Fund facts

<b>Fund total net assets:</b>	\$92.22 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 Scott McBride Judd Peters Patty Mckenna Patrick Meegan	<b>Countries where the fund is registered:</b>	Austria, France, Germany, Luxembourg, Switzerland, United Kingdom
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