

Alma Eikoh Japan Large Cap Equity Fund

Data as of
28 February 2023

Fund AUM
\$1,005,694,236

Fund Launch
12 June 2014



ALMA CAPITAL

Investment Strategy

- Investment objective: seek long-term capital growth by investing generally in Japanese large cap stocks (with market capitalisation in excess of US\$ 1bn).
- Investment process: analyse long term company fundamentals through extensive in-house bottom up research with a strong risk management ethos.
- Portfolio of around 30 companies which are well managed, profitable and with good prospects. Portfolio managers believe that Cash Flow Return on Investment and value creation are key.

Investment Manager - Alma Capital London⁽¹⁾

- CSSF-authorized Luxembourg-based independent fund management company founded in 2006, with \$4bn in AUM.
- Portfolio is managed by James Pulsford, who has 30 years of experience managing Japan equities in long only and long/short strategies and Tom Grew for the past years.
- Offers investors a range of funds across strategies and geographies managed by asset managers.
- Signatory to the United Nations Principles for Responsible Investment and member of LuxFLAG.

Performance History (12 June 2014 - 28 February 2023)⁽²⁾



Fund Awards

- **CityWire**
James Pulsford awarded Best Japan Manager
- **Fund Selector Asia Singapore**
Awarded Platinum within Japanese Equity category
- **Morningstar**
Rated 5 Stars Overall, 3 and 5 Years
- **L'Agefi**
Awarded Best Japan Equities Fund two years in a row
- **Sauren**
Awarded 2 Gold Medals as one of the Best Japan Equities Funds

Fund Performance Summary⁽²⁾

	1M	3M	6M	YTD	1Y	3Y	5Y	ITD	Annualised ITD
Alma Eikoh Japan Large Cap Equity Fund	2.89%	4.08%	5.26%	7.96%	8.43%	62.42%	51.20%	171.34%	12.13%
Topix (TR)	0.95%	0.60%	2.87%	5.41%	8.52%	41.78%	26.96%	94.89%	7.95%

Please refer to our website to find performances for other shares classes.

Fund ESG Recognitions



Annual Fund Performance⁽²⁾

	2023	2022	2021	2019	2018	2017	2016	2015	2014
Alma Eikoh Japan Large Cap Equity Fund	7.96%	-6.55%	22.39%	33.39%	-25.09%	27.48%	1.57%	18.86%	21.52%*
Topix (TR)	5.41%	-2.45%	12.74%	18.12%	-15.97%	22.23%	0.31%	12.06%	14.79%*

*Performance has been calculated since the fund launch: 12 June 2014

Alma Capital Commitments



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(1) Represents the views of Alma Capital Investment Management. (2) Fund inception: June 12, 2014. The performance shown is that of the I JPY C share class, except for the period from 12 June 2014 to 10 December 2014 when it is the I USD C share class. The Fund's performance above is shown net of all fund fees. Past performance is not a reliable indicator of future returns. All information as of 28 February 2023 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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Fund Characteristics

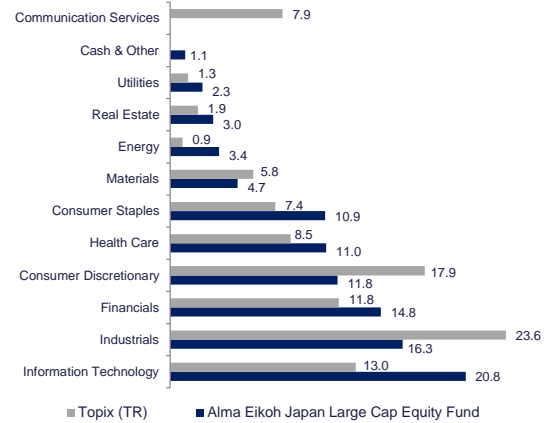
Portfolio Characteristics ⁽³⁾

Main indicators	Fund	Topix TR
No. of securities	34	2,160
Weighted Average Market Cap (¥ bn)	2,920	4,958
Median Market Cap (¥ bn)	2,379	39
Dividend Yield (%)	2.33	2.58
Historical Price / Earnings (x)	14.93	14.75
Historical Price / Cashflow (x)	10.18	10.30
Historical Price / Book (x)	1.18	1.18
Volatility (%)	20.58	18.91
Sharpe ratio	0.63	0.42
Active share (%)	86.21	-
Beta	1.04	-
Tracking error (%)	5.77	-
Information ratio	0.86	-

Top 10 Issuers ⁽³⁾

Issuer name	Sector	% AUM
MITSUBISHI UFJ FINANCIAL GRO	Financials	5.97
RENESAS ELECTRONICS CORP	Information Technology	5.65
FUJITSU LIMITED	Information Technology	5.42
ROHM CO LTD	Information Technology	4.04
ORIX CORP	Financials	3.91
INPEX CORP	Energy	3.44
SUZUKI MOTOR CORP	Consumer Discretionary	3.31
MITSUBISHI HEAVY INDUSTRIES	Industrials	3.28
PANASONIC HOLDINGS CORP	Consumer Discretionary	3.24
SCREEN HOLDINGS CO LTD	Information Technology	3.16
TOTAL :		41.42

Sector Exposure (% AUM) ⁽³⁾



Key Facts

Issuer / Manager	Alma Capital Investment Funds / Alma Capital Investment Management						
Fund Type	Luxembourg UCITS SICAV						
Share Classes	I JPY C	I USD-H C	I EUR C	I EUR D	I EUR-H C	I GBP C	I GBP-H C
ISIN-Code	LU1013116519	LU1013117160	LU1870374508	LU1870374920	LU1013116782	LU1152097108	LU1013116949
BBG Ticker	AEJPIJA LX	AEJIUHA LX	AEJLIEC LX	AEJLIED LX	AEJIEHA LX	AEKJEGC LX	AEJIGHA LX
Currency	JPY	USD	EUR	EUR	EUR	GBP	GBP
Management Fee p.a. ⁽⁴⁾	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Tax d'abonnement p.a.	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Initial Issue Price	¥10,000	\$100	€ 100	€ 100	€ 100	£100	£100
Launch Date	10 December 2014	12 June 2014	04 February 2019	08 March 2019	10 December 2014	17 February 2015	12 June 2014
Subscription and Redemption Cut-Off	12:00 p.m. CET (T-1)						
Valuation Day (T)	Daily						
NAV Publication	Daily, published on a T+0 basis						
Settlement	T+3						
Depository, Administrator, Transfer Agent	BNP Paribas SA						
Registered Countries ⁽⁵⁾	Austria, Belgium, France, Germany, Italy, Luxembourg, Singapore, Switzerland, United Kingdom						
SRRI	4						

(3) Source: Alma Capital Investment Management. (4) Management Fee is payable monthly to the Management Company and is calculated on each Valuation Day on the basis of the Net Asset Value of the relevant Share Class. The Investment Manager is remunerated by the Management Company out of the Management Fee. (5) Registered countries where at least one share of the fund is registered. All information as of 28 February 2023 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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Commentary - Alma Capital - February 2023 ⁽⁶⁾

The Fund rose by 2.89% (JPY share class) in February, outperforming Topix which rose by 0.95% (dividends reinvested).

Stock selection was the main contributor to the fund's outperformance of the Topix over the month and sector allocation also made a positive contribution. The majority of the positive sector allocation came from the large overweight position in Semiconductors & Semiconductor Equipment with the underweights in Telecommunication Services, Media & Entertainment and Technology Hardware & Equipment also adding value. Being underweight Capital Goods and overweight the Software & Services and Healthcare Equipment & Services sectors were minor negatives. The main contributor to stock selection was the large position held in auto chipmaker Renesas Electronics which rose strongly after announcing solid Q3 results that allayed fears from some investors that the company was likely to perform very poorly during the wider downturn in the semiconductor sector. The steel company Nippon Steel also performed well in February after revising up profit forecasts for the domestic business which looks to have become structurally more profitable due to changes made in pricing structure and policy. Sports shoe maker Asics continued its strong run in February and the two positions held in Food and Beverages, Asahi Group and instant noodle maker Nissin Foods also rose after posting good quarterly results. Shares in Peptidream, the peptide specialist biotechnology company were weaker in February though on no specific news and CDMO play Fujifilm also underperformed the market. Japan Airlines also exhibited weaker performance after announcing dull Q3 numbers and a weaker outlook for Q4 than the market had been expecting.

In February we sold three positions for the portfolio after having added two in January. We sold our position in Nintendo after the company's Q3 results announcement. We had been expecting stronger Nintendo Switch sales over the period after supply chain disruption through Q1 and Q2 had been resolved allowing the company to meet demand for the first time this financial year which we had assumed would be strong. This turned out not to be the case and it now looks to us as though the console cycle has peaked and without another obvious earnings pillar the stock does not look attractive in this scenario. After having bought JAL in January we decided to sell the position held in East Japan Railway. We think the prospects for benefitting from a reopening of borders and the imminent recovery in inbound tourism is somewhat in favour of JAL who are able to benefit from very strong pricing in a way that East Japan Railway is not, given government imposed pricing mechanisms. Finally we sold our position in wafer maker SUMCO which we believe will suffer in the broader downturn of the semiconductor market in 2023. We had previously assumed the long term agreements signed with clients would defend the company under this scenario to a stronger extent than now seems likely with SUMCO recently having started to partially accept postponement of wafer shipments under these contracts.

Market Review and Outlook

The Topix was little changed in February marking a small gain for the month in which there was little movement in major global indices. The market was supported by the relative weakness of the Yen, reversing its recent strength, with the Yen/\$ moving from 130.1 to 136.2 over the month. Foreign investors continued their recent purchases of the market and have now committed Y2.5trn over the first two months of the year. The market was led by cyclicals with shipping, steel, machinery and financials all posting significant gains while services, utilities, land transport and precision all declined. Value significantly outperformed growth with Topix Value marking a gain of 2.27% while Topix Growth declined by 0.49%. The Japanese 10 year bond traded around 50bps during the month, held at this level by BOJ purchases, while US treasury 10 year yields rose from 3.53% to 3.75% in response to higher than expected payroll and CPI figures.

Third quarter results for Japanese corporates showed growth in profits of +6.7% YoY and +17.0% QoQ with recovery driven by the non-manufacturing sector where the positive impact of domestic reopening and the easing of COVID measures was evident. For the full fiscal year profits growth of +2.5% is now expected with small slippage of -2.4% in manufacturing profits offset by growth of 13.1% in non-manufacturing earnings. Domestic economic statistics were mixed over the month, industrial production fell a sharp -4.6% MoM in January and is estimated to decline -2.7% QoQ for Q1 as a whole with electronic parts and autos areas of weakness. More encouragingly the February Economy Watchers survey showed a further improvement from 49.1 to 52.0 after bottoming at 46.3 in December. The unemployment rate at 2.4% in January was the lowest since February 2020 with growth of 0.3% MoM in the number of people employed. There have been several reports of companies agreeing relatively high wage increases this spring with Honda for example announcing a 5% hike and Toyota also thought to be in line with this. Demand for higher wages is being driven by inflationary pressures over the past year; the CPI rose by 4.3% in January and by 4.2% ex fresh food, another long term high. A key issue for markets is how Bank of Japan policy develops in the face of these higher inflationary pressures under the leadership of the newly appointed Governor, Kazuo Ueda. In determining policy, the BOJ has been focusing on levels of wage growth as a measure of inflationary pressure and the size of the increases being negotiated for this spring is an important data point in this regard. At former Governor Kuroda's last policy meeting in early March there was no indication of an imminent change in policy.

We make no change to our core investment strategy; we assume a reasonably dull economic environment in 2023 but some improvement in 2024 in our modelling and remain focused on finding companies with good medium-term prospects with the ability to withstand a difficult environment in 2023. The portfolio has neither a clear pro-cyclical nor contra-cyclical bias, neither does it have a notable tilt in terms of growth or value. We continue to back companies operating in areas of secular growth such as digital transformation, electrification of the auto market and increasing use of technology in healthcare. The overweight in banks is retained but at a low level and anticipates an end to the BOJ's negative interest policy at some stage during 2023. In order of size, the fund's top sector over-weights are Semiconductors & Semiconductor Equipment, Health Care Equipment & Services, Energy, Software & Services and Diversified Financials. The top underweighted sectors are Capital Goods, Telecommunication Services, Technology Hardware & Equipment, Media & Entertainment and Retailing. We believe that Japanese companies offer attractively priced fundamentals with the Topix trading at a prospective PER of 12.83x, a PBR of 1.21x and a dividend yield of 2.61%. Improvements in corporate governance continue to be seen and we expect further growth in dividends and share buybacks across the corporate sector over the medium term; buybacks this fiscal year are expected to reach Y7.9trn, a record high.

(6) Information provided by Alma Capital Investment Management.
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MARKETING COMMUNICATION

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Alma Capital London acts as the management company. It is governed by chapter 15 of the law of 17 December 2010 and supervised by the Commission de Surveillance du Secteur Financier (CSSF) in Luxembourg under number S00000930. It is incorporated under the form of a société anonyme and has its registered address at 5, rue Aldringen, L-1118 Luxembourg, Grand-Duchy of Luxembourg. It is registered with the Luxembourg Trade and Companies' Register under number B171608 and its website is: www.almacapital.com

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