

Alma Eikoh Japan Large Cap Equity Fund

Data as of
31 August 2023

Fund AUM
\$807,268,876

Fund Launch
12 June 2014



ALMA CAPITAL

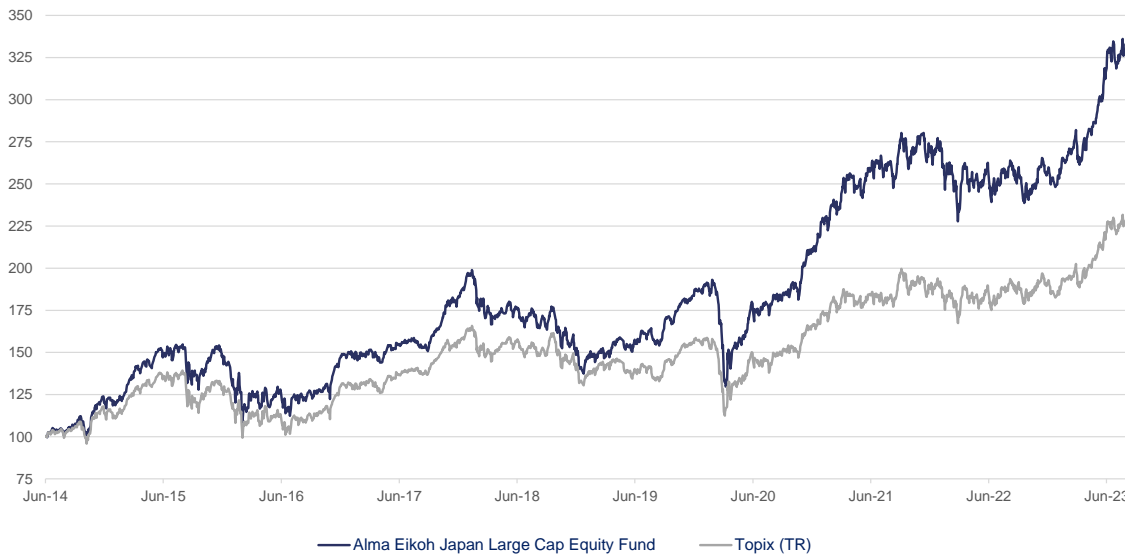
Investment Strategy

- 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.
- 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 - 31 August 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	0.16%	11.03%	23.07%	32.86%	29.54%	84.29%	95.18%	233.94%	13.96%
Topix (TR)	0.43%	9.63%	18.64%	25.06%	22.04%	54.92%	51.73%	131.22%	9.51%

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

Fund ESG Recognitions



Annual Fund Performance ⁽²⁾

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Alma Eikoh Japan Large Cap Equity Fund	32.86%	-6.55%	22.39%	17.60%	33.39%	-25.09%	27.48%	1.57%	18.86%	21.52%*
Topix (TR)	25.06%	-2.45%	12.74%	7.39%	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



Contact Details

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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 31 August 2023 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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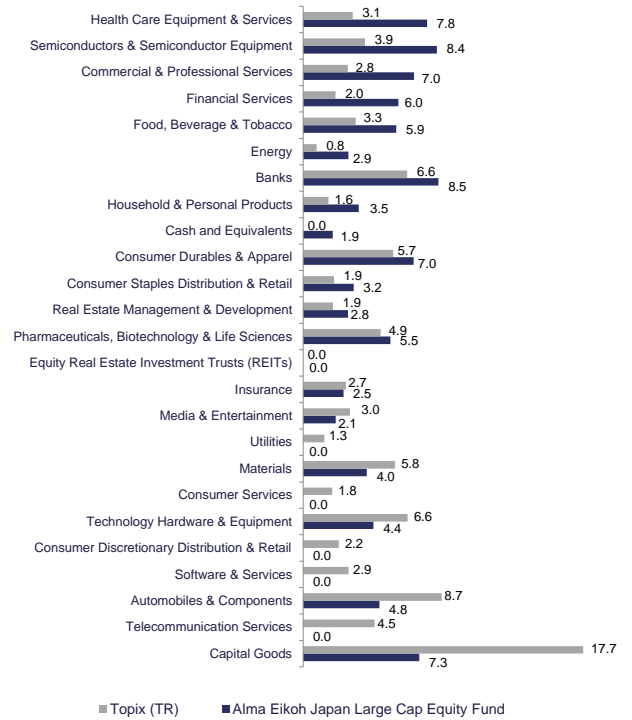
Portfolio Characteristics ⁽³⁾

Main indicators	Fund	Topix TR
No. of securities	35	2,158
Weighted Average Market Cap (¥ bn)	3,690	6,132
Median Market Cap (¥ bn)	2,777	42
Dividend Yield (%)	2.07	2.19
Historical Price / Earnings (x)	14.70	15.01
Historical Price / Cashflow (x)	11.13	10.75
Historical Price / Book (x)	1.40	1.28
Volatility (%)	19.67	18.26
Sharpe ratio	0.76	0.52
Active share (%)	83.12	-
Beta	1.03	-
Tracking error (%)	5.52	-
Information ratio	1.00	-

Top 10 Issuers ⁽³⁾

Issuer name	Sector	% AUM
MITSUBISHI UFJ FINANCIAL INC	Banks	7.03
MITSUBISHI HEAVY INDUS LTD	Capital Goods	4.51
ORIX CORP	Financial Services	4.05
NIPPON STEEL CORP	Materials	4.02
KAO CORP	Household & Personal Products	3.50
PANASONIC HOLDINGS CORP	Consumer Durables & Apparel	3.36
TAKEDA PHARMA CO LTD	Pharmaceuticals, Biotechnology & Life Sciences	3.36
RENESAS ELECTRONICS CORP	Semiconductors & Semiconductor Equipment	3.34
TERUMO CORP	Health Care Equipment & Services	3.21
SEVEN & I HOLDINGS CO LTD	Consumer Staples Distribution & Retail	3.18
TOTAL :		39.56

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	R JPY C
ISIN-Code	LU1013116519	LU1013117160	LU1870374508	LU1870374920	LU1013116782	LU1152097108	LU1013117327
BBG Ticker	AEJPIJA LX	AEJIUHA LX	AEJLIEC LX	AEJLIED LX	AEJIEHA LX	AEKJEGC LX	AEJPRJA LX
Currency	JPY	USD	EUR	EUR	EUR	GBP	JPY
Management Fee p.a. ⁽⁴⁾	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	1.40%
Tax d'abonnement p.a.	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.05%
Initial Issue Price	¥10,000	\$100	€ 100	€ 100	€ 100	£100	¥10,000
Launch Date	10 December 2014	12 June 2014	04 February 2019	08 March 2019	10 December 2014	17 February 2015	28 April 2022
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						

*Note: additional share classes available, please refer to the Prospectus

(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 31 August 2023 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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Commentary - Alma Capital - August 2023 ⁽⁶⁾

The Fund rose by 0.16% (JPY share class) in August, modestly underperforming the Topix which rose by 0.43% (dividends reinvested).

Both stock selection and sector allocation were marginally negative over the month as the fund slightly lagged the market. Sector allocation showed a positive contribution from overweight positions in Energy, Commercial & Professional Services, Food, Beverage & Tobacco and the underweight in Capital Goods but this was offset by the negative impact from overweight positions in Health Care Equipment & Services, Consumer Durables, Semiconductors & Semiconductor Technology and the underweights in Automobiles & Components and Pharmaceuticals. In terms of stock selection, industrials conglomerate MHI performed very strongly over the month as investors re-appraised the company's prospects for a large uptick in defence related orders and profits. After the H1 results announcement showing a continuation in strong profits growth, shoe maker Asics performed very strongly and the positions in more 'value' oriented names Nippon Steel, Inpex and Mitsui Fudosan also performed well. On the other hand, value was lost in some of the 'growth' names in the fund as the market again favoured value stocks and these included the positions in staffing company Open Up Group, medical data company JMDC and GMO Payment Gateway. Value was also lost in semiconductor names Rohm and Renesas.

August was a reasonably quiet month in terms of transactions for the fund as we exited from a small position in Nikon and our position in Kansai Electric Power Co. and purchased a position in the pharmaceutical company Takeda. We decided to sell the position in Nikon after reassessing medium term prospects for earnings in its stepper and component segments, and the risks attached to our assumptions, in light of recent trends in the technology sector. We also decided to exit from our position in Kansai Electric Power which has been one of the fund's best performers this year. We purchased the stock in 2022 on the premise that the share price was not discounting the company's ability to generate largescale profits this year driven by a high nuclear capacity ratio in combination with a high oil price. As this has become more apparent the stock has risen substantially and we no longer consider this a top 30 Japan idea. In a move that makes the fund perhaps a little more defensive we purchased a position in pharmaceutical company Takeda. Their top product Entyvio for ulcerative colitis and Crone's disease continues to grow nicely and is generating large profits however there are concerns about the patent cliff it faces in the early 2030s. We think the recent efforts made by management to build a pipeline to diversify profits and deliver growth beyond Entyvio now look convincing, driven by recent acquisition Tak279 for psoriasis, the more imminent dengue vaccine and growth in the plasma business. Now that the balance sheet has been de-leveraged, the company can allocate its strong cash flow to shareholder returns and growth investments and to us looks an attractive proposition at current prices.

Market Review and Outlook

The Topix rose modestly in August, continuing its streak of having risen through every month of the year so far with foreign investors remaining net market buyers for the 5th month in a row though in smaller size at Y300bn. Foreigners have now bought a net Y8.6tn cumulatively this year. The market saw a continuation of the value trend seen so far this year with the Topix Value outperforming Topix Growth by 2% in August and by 9% year to date. Generally more stable areas of the economy outperformed in this environment with Energy, Utilities, Real Estate and Food, Beverage & Tobacco the top performing market sectors. Laggards included more growth oriented sectors such as Healthcare Equipment & Services, Media & Entertainment, Technology Hardware & Equipment and Semiconductors & Semiconductor Technology. After having shot up after the BOJ policy announcement in July, the Japan 10 year benchmark bond yield was stable through August, ending the month at 0.65% and well below the new upper fixed rate bond purchase level of 1% and the Yen was also stable, showing a modest depreciation from Y/\$142.3 to Y/\$145.5.

Domestic news was reasonably muted in August and the major moves in the Japanese market followed global markets with weakness in the first half of the month matching moves in the US after the ratings agency Fitch issued a downgrade on US credit. This was followed by rising concerns about the Chinese economy with Chinese new-build housing prices showing a month on month drop in the majority of major cities, and Evergrande and other Chinese real estate groups filing for bankruptcy. Stronger markets returned in the second half of the month after Jerome Powell's remarks at Jackson Hole were less hawkish than anticipated and Nvidia's continued strength propelled semiconductor stocks in anticipation of explosive growth due to demand from generative AI. The outlook for the global economy and specifically what is likely to happen in US and Chinese markets remains the key focus for market participants. Demand in the US has continued to hold up reasonably well and the July CPI number showed the first acceleration in over a year coming in at 3.3% vs 3.0% in June. On the other hand the labour market continues to cool with non-farm payrolls coming in at 187,000 which was below consensus and the Fed recently moderated its tone. In China the situation is tougher with the August PMI coming in at a depressed 49.7, the PBC deciding to lower rates in August in order to support the economy, and exports in July showing the sharpest drop since February 2020. While continued stimulatory measures will likely be enacted by the Government, as Japan has shown, combatting stagnation is not easy to achieve and China remains a key swing factor for both Japanese markets and globally.

Domestically, conditions are relatively rosy in many respects with the composite PMI coming in at 52.6 in August vs 52.2 for July, driven in part by continued recovery in the service sector, and the economy watchers survey for current conditions up to 54.1 for July. Consumer sentiment remains steady and the CPI numbers unchanged with Tokyo core CPI at 2.8% for August and National core CPI at 2.7% for July. The labour market remains tight with unemployment at 2.7% and the jobs to applicant ratio held a steady 1.3x for July. Industrial production was slightly weaker slipping to -2.0% month on month in July after a strong June showing. Accordingly, both government and BOJ policy seem likely to remain consistent with the recent past and supportive of the economy and the recent announcement by the Chinese government to lift bans on group tours to Japan should continue to help the recovery in tourism and consumption seen so far this year.

The fund portfolio has neither a clear pro-cyclical nor contra-cyclical bias, a mild technology bias and valuations at a small premium to those of the market. The fund's beta is now 1.03 on an ex ante basis and has been slightly higher than this earlier in the year which will have contributed positively. The primary driver of portfolio construction and its characteristics remains the bottom-up process. We continue to back companies operating in areas of secular growth such as semiconductors, electrification of the auto market and increasing use of technology in healthcare. A modest overweight in banks anticipates an end to the BOJ's negative interest policy, most likely in H1 2024. In order of size, the fund's top sector overweight positions are Health Care Equipment & Services, Semiconductors & Semiconductor Equipment, Financial services, Commercial & Professional Services and Food, Beverage & Tobacco. The top underweight sectors are Capital Goods, Telecommunication Services, Automobiles & Components, Software & Services and Consumer Discretionary. The Topix is trading at a prospective PER of 15.1x, a PBR of 1.34x and a dividend yield of 2.3%. After strong performance so far this year valuations have risen but still look reasonable in an international context. The trend towards improving corporate governance remains in place with activist investor activity a clear catalyst; we expect further growth in dividends and share buybacks across the corporate sector. Buybacks in FY22 reached a new high of Y9.7tn, exceeding FY19's previous record of Y7.3tn and full year financial results and FY23 forecast announcements showed a continuation of this momentum.

(6) Information provided by Alma Capital Investment Management.
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Disclaimer

MARKETING COMMUNICATION

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Alma Capital Investment Management S.A. 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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