

# Alma Eikoh Japan Large Cap Equity Fund

Data as of  
31 October 2024

Fund AUM  
\$901,633,381

Fund Launch  
12 June 2014



ALMA CAPITAL

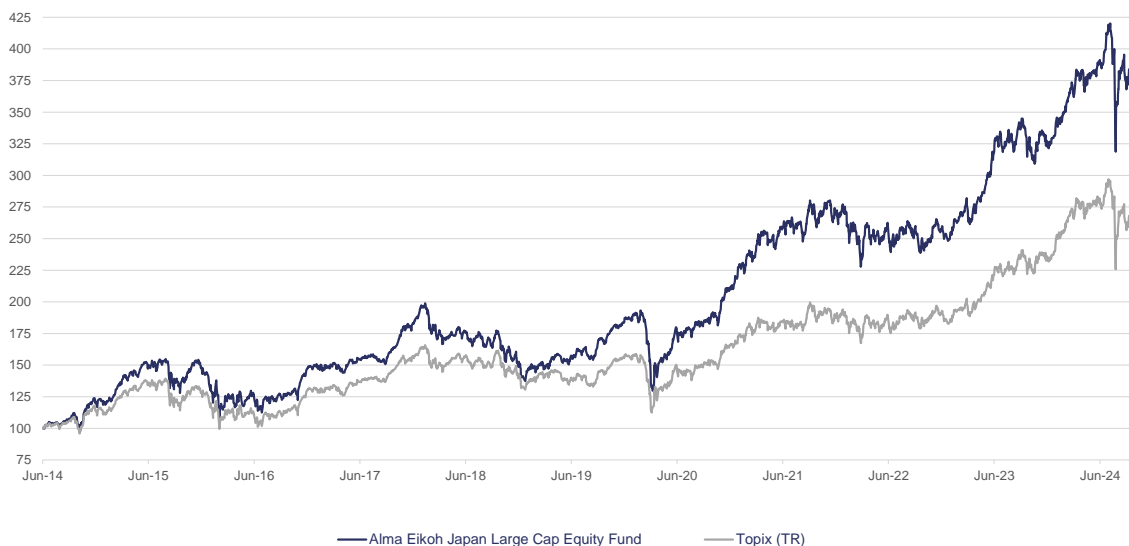
## Investment Strategy

- 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 <sup>(1)</sup>

- FCA-authorized fund management company, which is a subsidiary of Alma Capital Investment Management, a Luxembourg-based independent management company founded in 2006.
- Portfolio is managed by James Pulsford, who has 35 years experience managing Japan equities in long only and long/short strategies, and Tom Grew, who has been working with James for the past 7 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 October 2024) <sup>(2)</sup>



## Fund Awards

- CityWire**  
James Pulsford and Tom Grew awarded Best Japan Equity Manager (2023)
- Morningstar**  
Rated 5 Stars Overall, 3 and 5 Years (2023)
- Fund Selector Asia Singapore**  
Awarded Platinum within Japanese Equity category (2023, 2022)
- L'Agefi**  
Awarded Best Japan Equities Fund three years in a row (2023, 2022, 2021)
- Sauren**  
Awarded 2 Gold Medals as one of the Best Japan Equities Funds (2021, 2020)

## Fund Performance Summary <sup>(2)</sup>

	1M	3M	6M	YTD	1Y	3Y	5Y	ITD	Annualised ITD
<b>Alma Eikoh Japan Large Cap Equity Fund</b>	0.33%	-2.67%	2.49%	18.09%	25.34%	44.71%	118.47%	289.17%	13.97%
<b>Topix (TR)</b>	1.88%	-2.59%	-0.57%	16.40%	22.43%	45.21%	82.35%	176.02%	10.26%

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

## Fund ESG Recognitions



## Annual Fund Performance <sup>(2)</sup>

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Alma Eikoh Japan Large Cap Equity Fund</b>	18.09%	31.12%	-6.55%	22.39%	17.60%	33.39%	-25.09%	27.48%	1.57%	18.86%	21.52%*
<b>Topix (TR)</b>	16.40%	28.26%	-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 October 2024 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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## Fund Characteristics

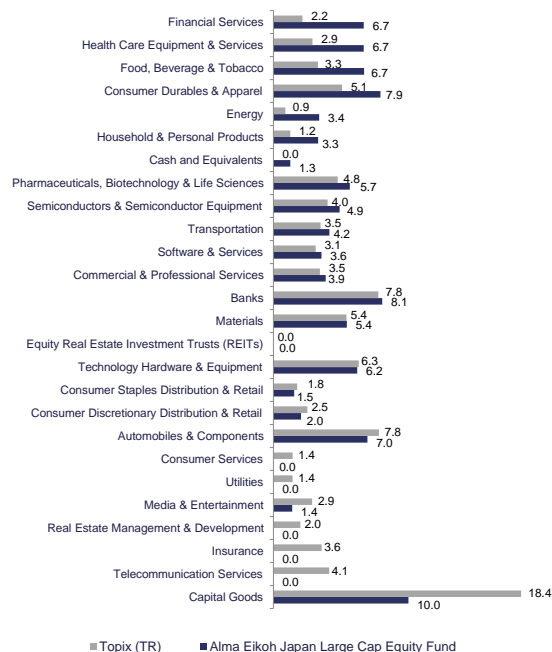
### Portfolio Characteristics <sup>(3)</sup>

Main indicators	Fund	Topix TR
No. of securities	35	2,128
Weighted Average Market Cap (¥ bn)	6,068	7,508
Median Market Cap (¥ bn)	2,158	45
Dividend Yield (%)	2.20	2.33
Historical Price / Earnings (x)	19.05	15.48
Historical Price / Cashflow (x)	9.09	9.76
Historical Price / Book (x)	1.41	1.33
Volatility (%)	20.04	18.82
Sharpe ratio	0.77	0.55
Active share (%)	81.21	-
Beta	1.02	-
Tracking error (%)	5.57	-
Information ratio	0.92	-

### Top 10 Issuers <sup>(3)</sup>

Issuer name	Sector	% AUM
mitsubishi UFJ FINANCIAL GROUP INC	Banks	8.08
TOYOTA MOTOR CORP	Automobiles & Components	4.11
TOKYO ELECTRON LTD	Semiconductors & Semiconductor Equipment	3.84
ORIX CORP	Financial Services	3.82
OLYMPUS CORP	Health Care Equipment & Services	3.76
FUJITSU LTD	Software & Services	3.57
ENEOS HOLDINGS INC	Energy	3.40
NISSIN FOODS HOLDINGS CO LTD	Food, Beverage & Tobacco	3.38
ASAHI GROUP HOLDINGS LTD	Food, Beverage & Tobacco	3.35
KAO CORP	Household & Personal Products	3.31
<b>TOTAL :</b>		<b>40.62</b>

### Sector Exposure (% AUM) <sup>(3)</sup>



## 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	AELJIEC LX	AEJLIED LX	AEJIEHA LX	AEKJEGC LX	AEJPRJA LX	
Currency	JPY	USD	EUR	EUR	EUR	GBP	JPY	
Management Fee p.a. <sup>(4)</sup>	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 <sup>(5)</sup>	Austria, Belgium, France, Germany, Italy, Luxembourg, Singapore, Switzerland, Spain, United Kingdom							
SRI	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 October 2024 unless otherwise specified. Please refer to the disclaimers at the end of this document.

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## Commentary - Alma Capital - October 2024 <sup>(6)</sup>

The Fund rose by +0.33% (JPY share class) in October, underperforming the Topix (dividends reinvested) by -1.55%.

Both stock selection and sector allocation negatively impacted relative fund performance in October with stock selection the larger of the two factors. The fund benefitted from the underweights in Capital Goods and Real Estate Management & Development, as well as the overweight positions in Health Care Equipment & Services and Pharmaceuticals, Biotechnology & Life Sciences. This was however more than offset by the drag caused by the overweight positions in Consumer Durables & Apparel and Household & Personal Products, as well as underweights in Telecommunication Services, Insurance, and Utilities.

At the stock level, megabank MUFG rose over the month amid rising JGB yields, speculation over interest rates remaining higher for longer in the US and helped by good results from US banks. Department store Takashimaya outperformed the Retail sector, helped by the Japanese yen depreciation in October. Materials handling systems provider, Daifuku, rose strongly at the end of month after the company's strategy briefing presented a bullish outlook that back-end semiconductor processing that would drive demand for their automation equipment. Other positive contributors included IT service provider Fujitsu and transaction service provider GMO Payment Gateway. On the other hand, medical data company JMDC and sports shoe specialist Asics were negative contributors, giving back some of their very strong gains made in recent months on profit taking. Air conditioner company Daikin Industries also reversed its positive rally that took place in late September on the Chinese government's stimulus package announcement. Electronic component manufacturer Taiyo Yuden continued to underperform since August's release of Q1 results showing a weaker than expected sales recovery amid sluggish smartphone demand from China. In Semiconductor and Semiconductor Equipment, Tokyo Electron fell sharply after ASML released a downbeat outlook in non-AI areas.

In October our trading was limited. The only significant change made in the fund was a small addition of component maker Kyocera where we believe the stock's cheapness does not discount the significant potential for a positive change in capital policy reflecting its huge holding in KDDI, the listed telecoms stock. At its interim result briefing however, while the company announced the sale of one-third of its shareholding in KDDI, potentially worth Y500bn or more, it was disappointing that the timeline of execution extends over 5 years and that the primary use of cash proceeds would be investment rather than shareholder returns. This coupled with a sharp deterioration in profitability in several of the company's business areas resulted in the stock's underperformance at the very end of the month.

### Market Review and Outlook

In October the Topix gained 1.88%, rebounding from the fall of 3.47% on the last day of September that was the initial reaction to the election of Shigeru Ishiba as the new leader of the LDP. Mr Ishiba was elected Prime Minister on the 1st October and promptly called a Lower House election for the 27th October, intending to capitalize on the improved popularity of the new administration. The market reacted positively to these moves in the early part of the month but then weakened as opinion polls made clear that support for the new administration was weak and that the LDP-Komeito coalition risked losing control of the Diet. The loss of control of the Diet by the coalition was confirmed at the Election on the 27th October and at the time of writing, while Ishiba remains Prime Minister, the LDP is still in negotiation with Komeito and the Democratic Party for the People, trying to form the basis for a new governing coalition. While the political uncertainty is negative, investors have been cheered by the view that the new administration will need to adopt dovish and stimulatory policies to command the necessary Diet support. Banks, insurance companies and brokers led the market over the month, fueled by rising rates in Japan and the US, while cyclicals such as steel, chemicals and trading companies underperformed. A factor that helped sentiment was a reverse in the movement of the Yen which started to weaken again and closed the month at Y/\$ 152 on the view that the Fed would slow down the speed of its rate cuts in response to a more robust economic outlook. Foreign investors remained sellers of Japanese equities during October and have now sold roughly Y6trn during the course of this year.

Domestic economic data announced over the month was on balance a little weak. The Economy watchers Survey for October showed a deterioration from 47.7 to 46.6 in the current index and from 49.2 to 48.0 in outlook. Industrial Production in September showed a +1.1% MoM improvement but still recorded a decline of -2.8% YoY. Retail sales showed a sharp fall in September, impacted by unseasonal hot weather and disruption by typhoons. The unemployment rate did however notch a modest improvement from 2.5% to 2.4%. Semi-annual results for March year end companies run from the last week of October through the middle of November and results so far show revenue and operating profit growth of around +5% YoY, with the manufacturing sector advancing by a little over 10% in profit terms while non-manufacturing shows a very modest decline. In very simple terms the manufacturing sector has been supported by the benefit of the weak Yen on exports while the non-manufacturing sector has struggled to fully absorb and pass on the impact of higher wages and higher import costs.

Subsequent to the election of Ishiba as Prime Minister has been the election of Donald Trump as the President elect in the US and whereas the change in Japan seems likely to result in only very minor shifts in policy, the same cannot be said of the US. Japan and the world will have to adjust to a very different environment with an aggressive and transactional trade policy and a potential shift in the geopolitical balance engendered by a less interventionist US two of the likely changes. The most immediate and direct impact seems likely to be on trade policy with the threat of the application of punitive tariffs on imports into the US. Those companies with exposure to the US where most US sales are manufactured locally will be in a much better position to weather this change and we believe this to be the case for the majority of the fund's holdings with US exposure. Companies with a significant China component within their supply chain and selling into the US are clearly at greatest risk. There will be other changes in policy that impact corporate Japan and we aim to be vigilant in assessing the impact that these may have on portfolio holdings and reacting accordingly. The fund remains broadly neutrally positioned with regards to economic cyclicality holding overweight positions in descending order of size in Financial Services, Healthcare Equipment, Food Beverage & Tobacco, Consumer Durables and Energy while holding underweight positions in Capital Goods, Telecoms, Insurance, Real Estate and Media & Entertainment. Net currency exposure is modest, and the portfolio continues to exhibit a mild growth tilt. Stock specific risk remains dominant at 82% of tracking error. The market continues to look attractively valued, trading on 15.1x PER, 1.40x PBR and 2.31% dividend yield. The heightened focus on corporate governance by investors and listed companies is continuing to result in higher payouts from cash or asset rich companies, Buybacks in H1 fiscal 2024 were Y8trn, doubling YoY and for the full year a figure of Y16trn seems likely compared to Y9.4trn in fiscal 2023.

<sup>(6)</sup> Information provided by Alma Capital Investment Management.  
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Alma Capital Investment Funds is a Luxembourg undertaking for collective investment pursuant to Part I of the law of 17 December 2010 relating to undertakings for collective investment. It is registered with the Luxembourg Trade and Companies' Register under number B159458 and has its registered address at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg.

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