



Alma Recurrent Global Natural Resources Fund

A sub-fund of Alma Capital Investment Funds SICAV

RECURRENT
INVESTMENT ADVISORS

As of 30 October 2020

Fund description

- Investment objective: the fund seeks total return by investing in global natural resource-related companies.
- Typical industries in which the fund invests: energy, basic materials, infrastructure, transportation and logistics
- The fund may invest in companies of any market size capitalization, including IPOs
- The investment process incorporates macroeconomic and commodity supply/demand factors with fundamental company analysis

Investment manager: Recurrent Investment Advisors, LLC (US)

- Recurrent Investment Advisors is focused on understanding and profiting from commodity cycles to make differentiated natural resource investments
- Formed in April 2017. Registered as an investment adviser with the U.S. Securities and Exchange Commission (SEC)
- Primarily owned by its co-founders Mark Laskin and Bradley Olsen, who both have extensive experience in energy investing
- Based in Houston, Texas (US)

Cumulative performance (%)

	1 M	3 M	6 M	YTD	1Y	3Y	ITD	ITD (annualized)
I EUR C shares	-0.23	0.63	3.30	-25.06	-20.17	-	-26.72	-12.44
I USD C shares	-0.91	-0.87	9.85	-22.24	-16.64	-	-26.73	-12.45
Index*	-3.32	-4.70	4.14	-20.62	-14.68	-	-22.31	-10.23

Fund launched on 29 June 2018

*S&P Global Natural Resources Net Total Return Index USD

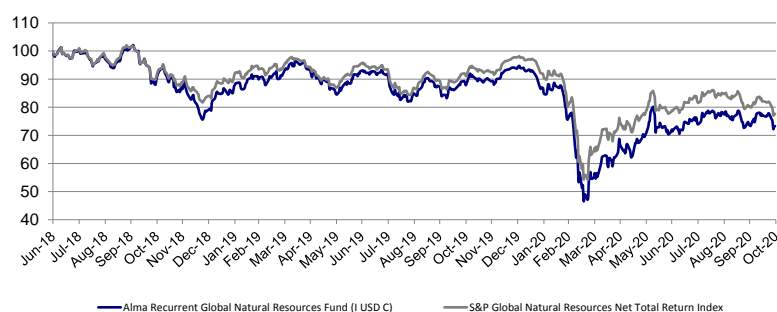
Portfolio characteristics

Main indicators	Fund	Index*
No. of securities	43	90
Weighted Average Market Cap (\$ bn)	31.1	44.6
Median Market Cap (\$ bn)	17.2	15.9
Estimated Price/Earnings (x)	53.9	127.5
Price/Book (x)	1.0	1.2
Price/Sales (x)	0.6	0.8
Estimated Long Term Growth (%)	16.4	8.5
Active Share (%)	52.1	-

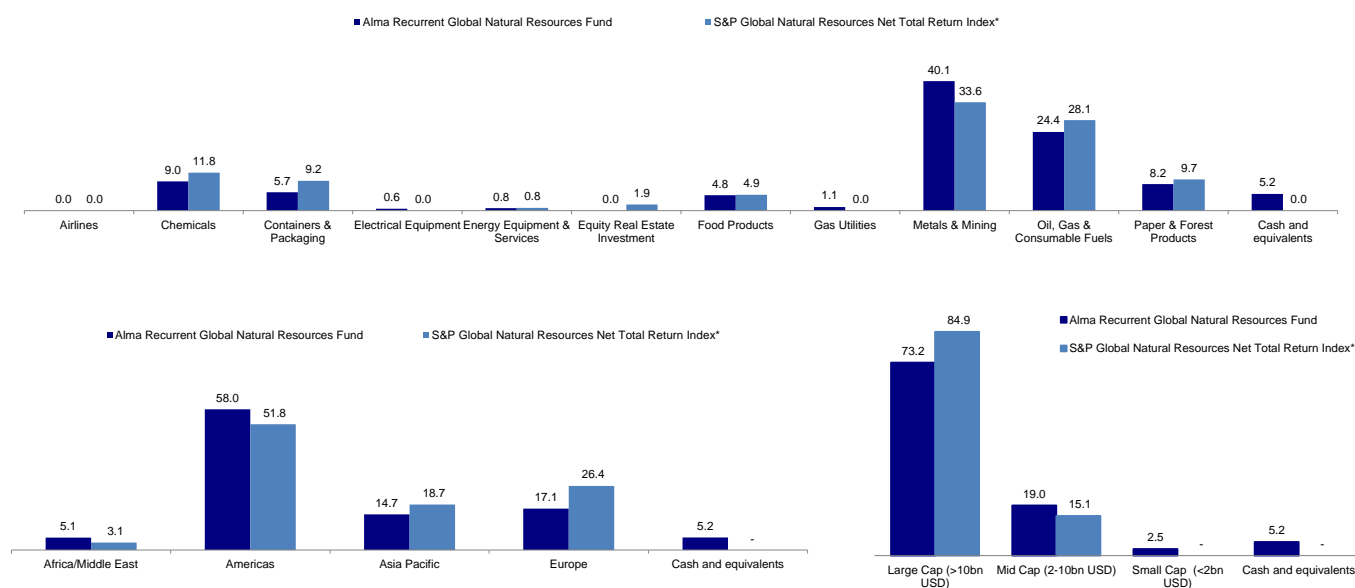
*S&P Global Natural Resources Net Total Return Index

Except number of securities, using "SPDR S&P GLOBAL NATURAL RESOURCES ETF" as a proxy

Performance (Indexed - Base 100)



Industry, region and market cap breakdown (% NAV)



*Using "SPDR S&P GLOBAL NATURAL RESOURCES ETF" as a proxy

Investment manager's commentary

For the month of October, the Alma Global Natural Resources Fund fell by 0.91%, preserving capital better than the S&P Global Natural Resources' -3.32% return. During the month, portfolio overweights in the materials sector strongly benefited relative performance, as well as stock selection in the paper packaging sector. Stock selection in the integrated oil sector detracted from relative performance.

Election 2020/COVID Vaccine discussion

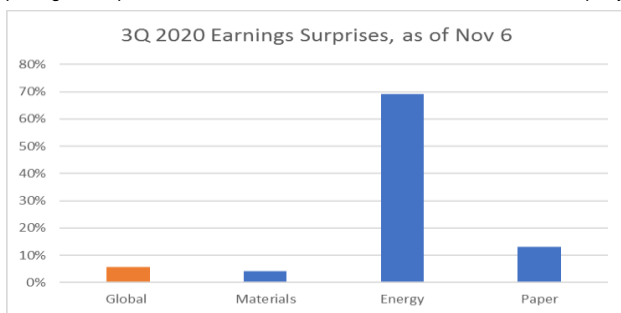
A high likelihood of divided US government and an effective vaccine provide a constructive backdrop for "real asset" valuations. A Republican Senate and Democratic President are likely to deliver the largest stimulus in US history, but with meaningfully reduced "green" spending in order to secure bipartisan approval. We believe new energy regulations are unlikely near-term as America struggles with post-COVID unemployment. Meanwhile, widespread vaccine distribution is likely in early 2021, boosting expectations of a return to "normal." All of these variables point to generally **higher inflation** and **higher energy demand** over the next 12+ months – in short, we see fiscal stimulus and vaccine as clearly inflationary and supportive of "real asset" valuations.

Natural resources portfolio discussion

COVID-era underperformance has caused "value" investors to look more closely at the natural resources sectors. While there are many ways to identify "value", many experienced value investors look to combine inexpensive valuations with improving profitability to identify attractive entry points.

From an operating perspective, 3Q 2020 operating results have generally exceeded market expectations, indicative of companies' ability to adapt to the COVID environment

The second quarter of 2020 saw tremendous profit declines, and a quick look at the third quarter results shows that most global natural resources companies exceeded earnings expectations. Below is the average earnings surprise for the 10 largest companies of each global sector, compared to the broader global index. Economic recovery is outpacing the expectations of the market, at least when viewed on a company by company basis.

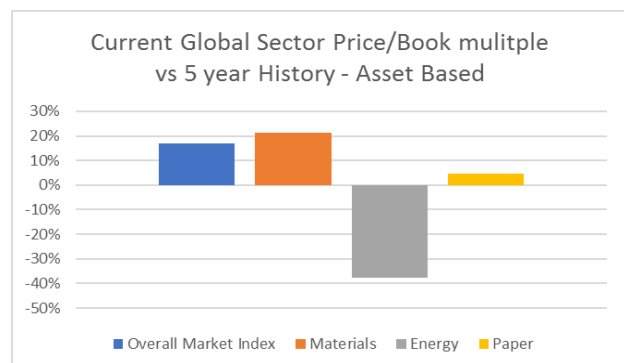
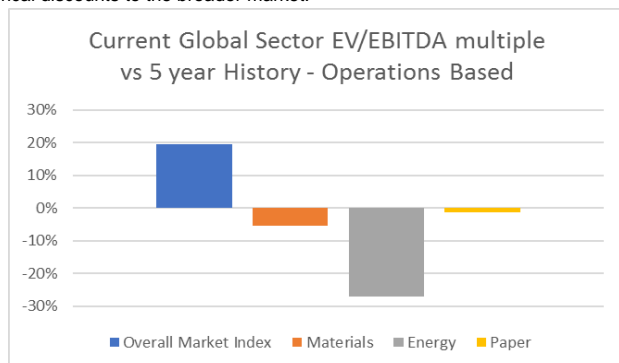


Source: Bloomberg, Recurrent Investment Advisors

The strong quarterly earnings of economically sensitive sectors, and especially energy, highlight companies' ability to adjust to market environments. Additionally, companies are proving able to retain the benefits as conditions improve from the trough.

Inexpensive sector valuations – on both an asset and operational metrics – offer support in an improving economic environment

With the economy showing initial signs of recovery and companies outpacing expectations, valuations remain depressed. On both EV/EBITDA and Price/Book valuation methodologies, which encompass operational and asset-based valuation measures, respectively, current global natural resources sectors' valuations remain at significant historical discounts to the broader market.



Source: Bloomberg, Recurrent Investment Advisors

While the broader market trades at 15-20% premia to 5 year averages, natural resources sectors generally trade in line – or at a discount – to historical averages. Energy sector valuations, trading at 25-35% discounts to recent history, uniquely stand out for their discount to recent history.

In the period from February 28 through the end of October, the global natural resources index underperformed the broader global equity index by more than 11%. Pfizer's November 9 announcement of a successful vaccine test trial brings relative value into even sharper focus. As seen in the above chart, compared to the broader market, the underlying sectors trade at inexpensive valuations. Due to their economic sensitivity, strongly rising earnings estimates in natural resources sectors are likely to appear even more attractive using operational valuation metrics like EV/EBITDA.

Historically, in traditionally value sectors, the combination of inexpensive valuation and positively inflecting operations provides favorable conditions for strong performance. With weak relative performance leading into COVID due to global trade disruption, natural resources sectors are inexpensively valued, and stand to benefit from a return to "normal".

Top 10 positions details

Security name	Industry	Country	% NAV
FREEPORT-MCMORAN INC	Metals & Mining	United States	6.52
ANGLO AMERICAN PLC	Metals & Mining	South Africa	5.10
NUTRIEN LTD	Chemicals	Canada	4.69
BHP GROUP LTD-SPON ADR	Metals & Mining	Australia	4.45
ALCOA CORP	Metals & Mining	United States	3.83
ARCELORMITTAL	Metals & Mining	Luxembourg	3.71
UPM-KYMMENE OYJ	Paper & Forest Products	Finland	3.36
WESTROCK CO-WHEN ISSUED	Containers & Packaging	United States	3.33
TOTAL SE-SPON ADR	Oil, Gas & Consumable Fuels	France	3.27
BARRICK GOLD CORP	Metals & Mining	Canada	3.17
TOTAL:			41.43

Fund facts

Fund total net assets:	\$23.48 M	Dealing:	Each day with a 1-day notice	Cut-off time : 12 pm CET
Fund domicile:	Luxembourg	Identifiers:		
Countries where the fund is registered:	Luxembourg, France, Germany	Institutional USD Capitalisation share class		
Fund type:	UCITS SICAV	Isin: LU1823602369	Ticker: ARGNIUC LX	Launch: 29 June 2018
Base currency:	USD	Institutional EUR Capitalisation share class		
Management fee:	0.95% p.a.	Isin: LU1845388146	Ticker: ARGNIEC LX	Launch: 29 June 2018

Depository, Administrator, Transfer Agent:	BNP Paribas Securities Services (LU)
Management company:	Alma Capital Investment Management (LU)
Investment manager:	Recurrent Investment Advisors (US)
Fund managers:	Mark Laskin Bradley Olsen

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