FOR PROFESSIONAL INVESTORS ONLY

Alma Recurrent Global Natural Resources Fund

A sub-fund of Alma Capital Investment Funds SICAV

As of 30 November 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	19.17	15.78	19.94	-10.70	-7.40	-	-12.67	-5.43
I USD C shares	22.38	15.79	28.98	-4.83	0.46	-	-10.33	-4.40
Index*	17.51	7.79	18.14	-6.72	-1.23	-	-8.71	-3.69

Fund launched on 29 June 2018

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

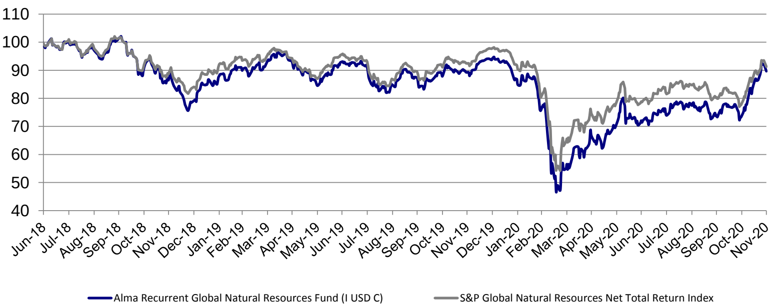
Portfolio characteristics

Main indicators	Fund	Index*
No. of securities	43	90
Weighted Average Market Cap ($ bn)	37.4	51.2
Median Market Cap ($ bn)	21.9	16.8
Estimated Price/Earnings (x)	83.7	431.7
Price/Book (x)	1.2	1.5
Price/Sales (x)	0.7	1.0
Estimated Long Term Growth (%)	13.3	11.2
Active Share (%)	51.2	-

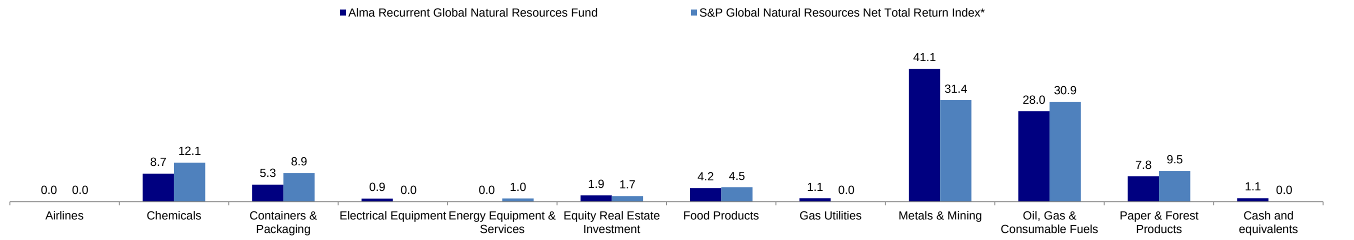
*S&P Global Natural Resources Net Total Return Index

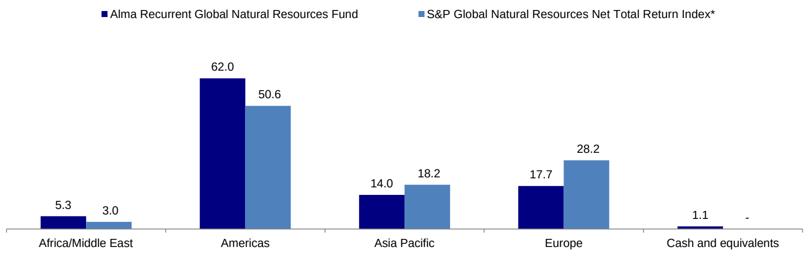
Except number of securities, using "SPDR S&P GLOBAL NATURAL RESOURCES ETF" as a proxy

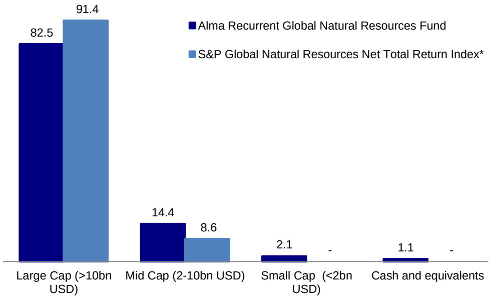
Performance (Indexed - Base 100)



Industry, region and market cap breakdown (% NAV)







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

Investment manager's commentary

Due to the improved global economic prospects resulting from Pfizer and Moderna's positive vaccine announcements, the Alma Recurrent Global Natural Resources Portfolio rose by 22.38%, outpacing the S&P Global Natural Resources' 17.51% return in November 2020. During the month, portfolio holdings Viper Energy Partners, Plug Power and Alcoa rose by 61.5%, 88.5% and 54% respectively, and the portfolio underweight in the gold sector further added value.

Investment Discussion

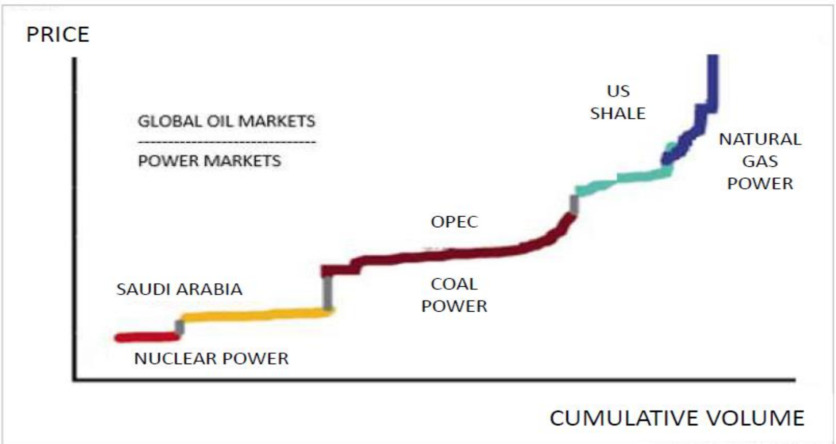
Given the expanding "second wave" of COVID infections, with global oil demand 8-9% below normalized levels, some believed that OPEC's recently-announced plans to begin a phased reversal of COVID-era cuts as soon as January 2021 was perhaps premature or bearish for a still-fragile oil market. Due to the economic attributes of OPEC oil production, we believe OPEC's decision to pre-emptively introduce barrels – increasing production by 500,000 barrels per day/per month in Q1 2021 – actually marks a profound and enlightened change in strategy. As the lowest-cost incremental production growth in the global market, it is economically appropriate that OPEC's curtailed production should be among the very first barrels to return to market as the market normalizes. In fact, an orderly return to "full production" is a necessary precondition, in our view, for a sustainable oil price, and a further delay in reversing production cuts would risk overheating the market as vaccines take effect in 1H 2021.

In H2 2020, the global oil market has exhibited clear signs of returning to health. The oil market is currently undersupplied due to reduced production from OPEC and the US, and after a period of historic increases, global oil and refined product inventories have broadly returned to their 5-year ranges. According to press reports from the December 3rd OPEC meeting, two questions were broadly debated:

-"Should increased oil supply be imminently introduced into the market?", and if so,
-"Which entity should supply the additional barrels?"

While many people viewed OPEC's decision to gradually increase production as a reclamation of market share, instead the decision reflected a pure economic framework, as outlined in our white paper titled "The Impact of Shale on Energy Cycles," written 5 years ago. Similar to a "dispatch curve" concept in US unregulated electricity markets, low-cost producers such as nuclear plants consistently run at maximum capacity and are "price takers." High-cost natural gas power plants, which can quickly turn on and turn off to meet daily and hourly changes in demand, run variably and their cost of operation effectively serves as "price makers."

In the case of oil markets, OPEC's production profile – low-cost and slower to turn on/turn off – compares most closely to nuclear power plants. On the other hand, the role of US shale oil production aligns most closely to the high-cost, rapid response profile of natural gas power plants. The relationship is shown in the chart below.



This OPEC meeting was particularly important, because the plan devised in Q2 2020 was to reintroduce 2 million barrels of daily production back into the global market in January 2021. Global oil demand, while improved, has not returned as quickly as expected. As a result, the market is currently undersupplied by less than 1 million barrels/day, a positive development but not strong enough to maintain the original plan. Early reports suggested that the 2 million barrels/day reintroduction would occur, but 3 months later than originally expected.

That plan, while generally constructive for the oil market, had one major shortcoming, unique in the US shale era. With an already undersupplied market and demand likely to rise in the coming months, oil prices rose by $10/barrel since the positive vaccine announcements. With increasing prices, US shale is increasingly incentivized to grow oil production, facilitated by its quick turn-on capability. OPEC, if it waited 3 months to increase production, would risk production increases from high-cost US shale, precluding the economically appropriate introduction of OPEC barrels.

It is for this reason – ensuring that low-cost barrels return to market first – that OPEC's earlier-than-expected but phased strategy is enlightened. By introducing barrels before they are "necessary", OPEC is acting quickly to ensure that the oil market recovery is built upon a baseload of low-cost barrels, with higher-cost, rapid-response barrels acting as a stabilizing mechanism over time. The global oil market will remain slightly undersupplied for now, further reducing inventories, and with these "appropriate" barrels returning first, severe supply/demand dislocations are less likely. US shale will see price signals which mute the return of shale oil supply, and the market will act in a more orderly fashion, supporting the longer-term health of the global oil market. We remain encouraged by the demand recovery post-COVID, and are similarly encouraged by OPEC's sensible decision to change course and gradually return barrels to the market.

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Top 10 positions details

Security name	Industry	Country	% NAV
FREEPORT-MCMORAN INC	Metals & Mining	United States	5.51
ANGLO AMERICAN PLC	Metals & Mining	South Africa	5.26
ALCOA CORP	Metals & Mining	United States	4.82
NUTRIEN LTD	Chemicals	Canada	4.66
BHP GROUP LTD-SPON ADR	Metals & Mining	Australia	4.22
ARCELORMITTAL	Metals & Mining	Luxembourg	4.11
TOTAL SE-SPON ADR	Oil, Gas & Consumable Fuels	France	3.72
UPM-KYMMENE OYJ	Paper & Forest Products	Finland	3.21
WESTROCK CO-WHEN ISSUED	Containers & Packaging	United States	3.06
WESTLAKE CHEMICAL CORP	Chemicals	United States	2.81
		TOTAL:	**41.37**

Fund facts

Fund total net assets:	$28.73 M
Fund domicile:	Luxembourg
Countries where the fund is registered:	Luxembourg, France, Germany
Fund type:	UCITS SICAV
Base currency:	USD
Management fee:	0.95% p.a.
Depositary, 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

Dealing: Each day with a 1-day notice Cut-off time : 12 pm CET

Identifiers:

Institutional USD Capitalisation share class

Isin: LU1823602369 Ticker: ARGNIUC LX Launch: 29 June 2018

Institutional EUR Capitalisation share class

Isin: LU1845388146 Ticker: ARGNIEC LX Launch: 29 June 2018

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