



# Alma Hotchkis & Wiley Global Value Equity Fund

A sub-fund of Alma Capital Investment Funds SICAV



As of 31 December 2021

## Fund description

- Investment objective: seek current income and long-term capital appreciation by investing in a portfolio of global companies
- Investment process: analyse long term company fundamentals through in-house bottom-up research aiming to identify undervalued stocks
- The fund typically holds 40 to 60 securities and generally invests in companies with a market capitalization above \$1 billion
- The fund invests primarily in companies located in developed countries, with at least 40% outside the U.S. Emerging markets: up to 20%
- The fund is classified under article 8 of the European Regulation on sustainability-related disclosures in the financial services sector (SFDR)

## Investment manager: Hotchkis & Wiley Capital Management, LLC

- Hotchkis & Wiley is a SEC-regulated, Los Angeles-based investment adviser founded in 1980, specialised in value equity and high yield bond strategies
- Employee owned firm: 90% of the investment team and 67% of all employees own equity
- Investment team has over 23 years average investment experience and 15 years average tenure at Hotchkis & Wiley
- Hotchkis & Wiley manages \$35 billion

## Management company: Alma Capital Investment Management

- Founded in 2006, Alma Capital Investment Management is an independent Luxembourg-regulated UCITS and AIF fund management company
- Alma Capital's assets under management or advisory are near \$4.2bn. The team comprises over 25 people from 12 nationalities with offices in Luxembourg, Paris and London
- Alma Capital Investment Management has been a signatory to the United Nations Principles for Responsible Investment (PRI) since 2016 and is a member of LuxFLAG

## Cumulative performance (%)

	1 M	3 M	6 M	YTD	1Y	3Y	ITD	ITD (annualized)
<b>I USD C shares</b>	6.17	4.83	4.24	26.61	26.61		34.37	10.96
<b>MSCI World Net Total Return USD</b>	4.27	7.77	7.76	21.82	21.82		62.36	18.60
<b>MSCI World Value Net Total Return USD</b>	6.57	7.19	6.29	21.94	21.94		33.47	10.70

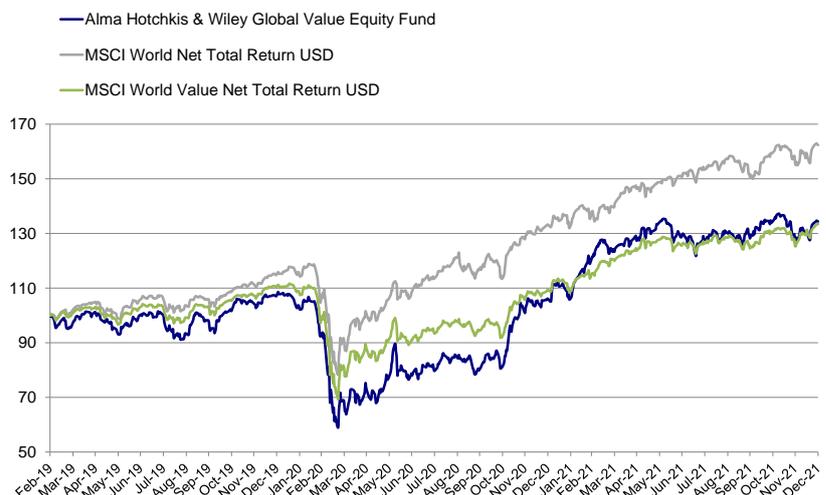
Fund launched on 28 February 2019

## Portfolio characteristics

Main indicators	Fund	Index*
No. of securities	53	1546
Weighted Average Market Cap (\$ bn)	167.4	468.1
Median Market Cap (\$ bn)	34.2	20.5
Projected P/E Ratio FY2 (x)	12.0	18.3
Price / Normal Earnings (x)	9.2	20.3
Price / Book (x)	1.5	3.1
Price / Sales (x)	1.5	3.1
Projected EPS Growth (%)	5.3	5.7
Active share (%)	93.0	-

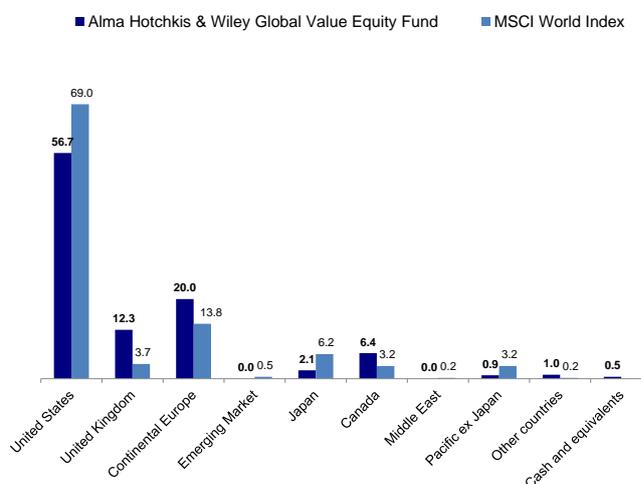
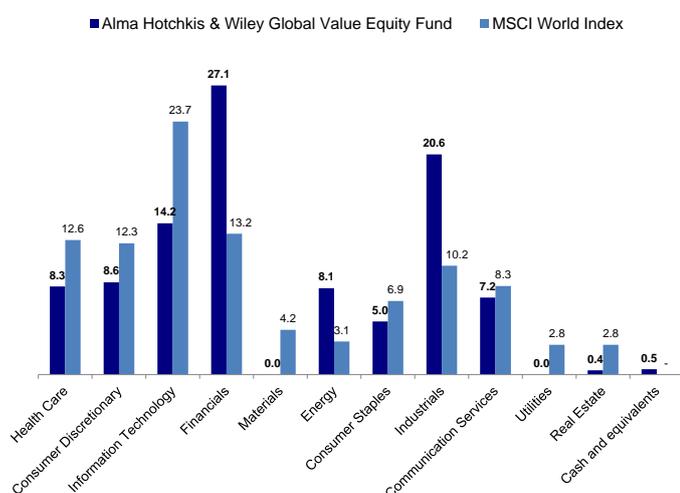
\*: Index - MSCI World Net Total Return USD

## Performance (Indexed - Base 100)



## Sector breakdown (% NAV)

## Regional breakdown (% NAV)



## Top 10 positions details

Security name	Sector	Country	% NAV
GENERAL ELECTRIC CO	Industrials	United States	4.12
F5 INC	Information Technology	United States	4.03
AMERICAN INTERNATIONAL GROUP	Financials	United States	3.87
ANTHEM INC	Health Care	United States	3.76
CITIGROUP INC	Financials	United States	3.47
EURONET WORLDWIDE INC	Information Technology	United States	3.30
WELLS FARGO & CO	Financials	United States	3.26
ALPHABET INC-CLA	Communication Services	United States	2.92
CREDIT SUISSE GROUP AG-REG	Financials	Switzerland	2.80
BAE SYSTEMS PLC	Industrials	United Kingdom	2.71
<b>TOTAL:</b>			<b>34.25</b>

## Investment manager's commentary

### Market:

The MSCI World Index returned 7.8% in the fourth quarter of 2021. The index reached an all-time high in late November before retreating modestly to close out the quarter. Growth slightly outperformed value during the quarter as the MSCI World Growth Index rose 8.2% versus 7.2% for the MSCI World Value Index.

The economic backdrop has been decidedly positive, though marginally less so as the year progressed. Real GDP in the US came in line with expectations at 2.1% in Q3 (most recent reading as of this writing), well below the 6.7% growth rate in Q2. The unemployment rate in the US recently declined to 4.2%, its lowest level since the pandemic began. Consumer prices rose at the fastest pace in 40 years. This was fueled by a combination of strong demand for goods and labor, with shortages of both. Inflationary pressures appear to be more enduring than many pundits originally believed, particularly due to the tight labor market. The FOMC acknowledged inflation risk in its most recent meeting by taking a more hawkish tone. It signaled an acceleration of its tapering program, and perhaps even a rate hike in the reasonably near future. Earlier in the year, this compromised high flying growth stocks and favored value. We would expect more of this dynamic in 2022, perhaps contingent on pandemic developments. While increased inflation poses risks to all equities, higher quality businesses with superior pricing power should be better insulated from these pressures.

Economic conditions across the eurozone also continue to improve despite several European leaders reinstating COVID-19 restrictions due to the recent Omicron outbreak. However, inflationary pressures resulting from higher energy prices and the cost of imported goods led to a 4.9% year-over-year inflation print in November. The inflation rate in the United Kingdom jumped to 5.1% in November, prompting the Bank of England to hike interest rates from 0.1% to 0.25%. Meanwhile, the European Central Bank continues to take a cautious stance as ECB president Christine Lagarde believes inflationary pressures will begin to wane in 2022.

The pandemic's direction has influenced capital markets significantly: decreases in new COVID cases have coincided with higher interest rates and value outperforming growth, while increases in new cases have coincided with lower interest rates and growth outperforming value. Value outperformed growth early in the year by a wide margin, but growth outperformed later in the year concurrent with the spread of the Delta and Omicron variants.

Having endured such cycles in the past serves as invaluable learning experience as we look forward. We will not be tempted to change our approach because our style goes through stints of being out of favor, or due to a fear of missing out. We believe that continuous learning and improvement are essential traits of investment success. An unwavering adherence to our core competency is also essential—purchasing quality businesses, with strong balance sheets and astute corporate governance, at considerable discounts to intrinsic value.

### ATTRIBUTION: 4Q 2021

The Hotchkis & Wiley Global Value portfolio underperformed the MSCI World and MSCI World Value indices in the fourth quarter of 2021. Relative to the broad benchmark, the overweight position and stock selection in financials was the largest detractor in the quarter. Stock selection and an underweight in technology also detracted, as did stock selection in industrials, consumer discretionary, and consumer staples. Positive stock selection in healthcare and energy helped the portfolio during the quarter. The largest detractors to relative performance in the quarter were Citigroup, General Electric, Euronet Worldwide, Accor, and Babcock International Group; the largest positive contributors were Anthem, F5, Royal Mail, Suncor Energy, and CVS Health.

The portfolio outperformed the MSCI World over calendar year 2021. The overweight position and positive stock selection in the financials sector led the outperformance. Stock selection in industrials and healthcare also contributed positively. Conversely, stock selection in technology and consumer staples detracted over the year.

**Fund facts**

<b>Fund total net assets:</b>	\$19.84 M	<b>Dealing:</b>	Each day with a 1-day notice	Cut-off time: 5 pm CET
<b>Fund domicile:</b>	Luxembourg	<b>Identifiers:</b>	Institutional USD Capitalisation share class	
<b>Fund type:</b>	UCITS SICAV		Isin: LU1907586306 Ticker: ALHWGIU LX Launch: 28 February 2019	
<b>Base currency:</b>	USD	<b>Contacts</b>		
<b>Management fee:</b>	0.85% p.a.	Hervé Rietzler (FR / CH / LU / IT)	+352 28 84 54 19	
<b>Depository, Administrator, Transfer Agent:</b>	BNP Paribas Securities Services (LU)	Baptiste Fabre (FR / IR)	+33 1 56 88 36 55	
<b>Management company:</b>	Alma Capital Investment Management (LU)	Raluca Alda (CH / IT)	+41 78 864 19 07	
<b>Investment manager:</b>	Hotchkis & Wiley Capital Management, LLC (US)	<a href="mailto:info.investors@almacapital.com">info.investors@almacapital.com</a>		
<b>Fund managers:</b>	Scott McBride, Judd Peters Scott Rosenthal, Patrick Meegan			

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