



Lierde SICAV

Date: 12/31/2014
NAV: 76.79

OBJECTIVE AND INVESTMENT STRATEGY

The objective of Lierde is to generate positive returns over the long term through equity investments in Europe.

Investment decisions are based on fundamental analysis, analyzing the Return on Capital Employed (ROCE) of companies and its sustainability over the time.

RISK DATA

FROM INCEPTION LIERDE STOXX 600

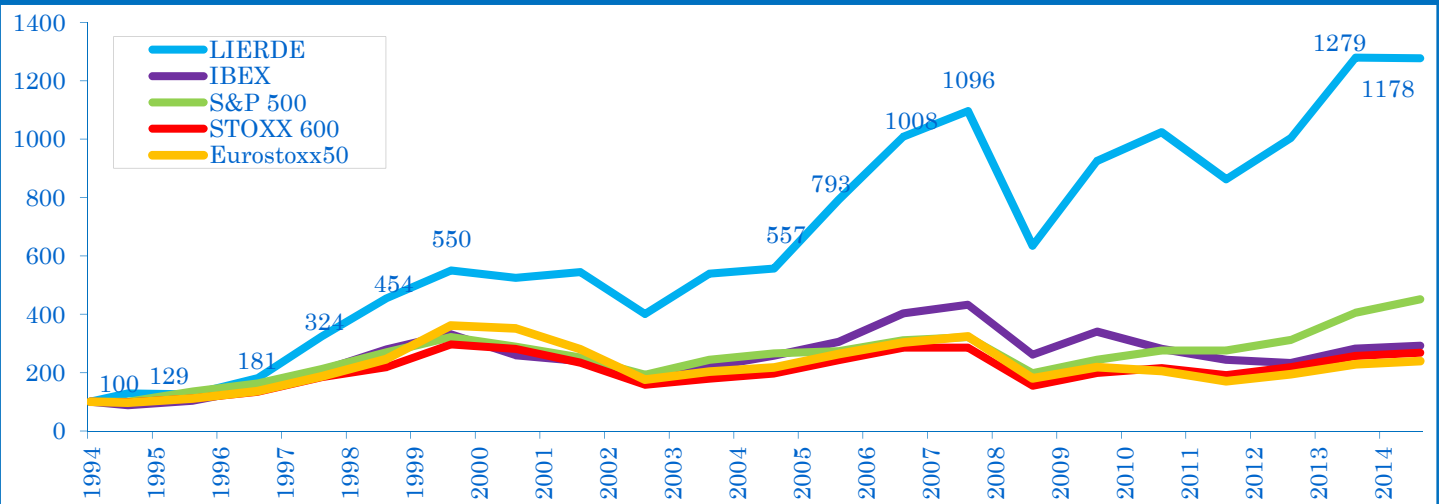
Alfa anual	5,17	
Beta	0,83	
Ratio Sharpe	0,85	0,31
Volatilidad	18%	20%

HISTORICAL RETURNS

YEAR	LIERDE	STOXX 600	Difference
1994	28,55%	-2,12%	30,67%
1995	-2,67%	13,30%	-15,97%
1996	44,30%	20,90%	23,39%
1997	79,50%	37,64%	41,86%
1998	40,22%	18,41%	21,81%
1999	20,98%	35,92%	-14,94%
2000	-4,56%	-5,19%	0,63%
2001	3,68%	-16,97%	20,65%
2002	-26,26%	-32,47%	6,21%
2003	34,50%	13,68%	20,82%
2004	3,24%	9,51%	-6,27%
2005	42,28%	23,46%	18,81%
2006	27,22%	17,81%	9,40%
2007	8,75%	-0,17%	8,92%
2008	-42,13%	-45,60%	3,47%
2009	45,72%	27,99%	17,73%
2010	10,72%	8,63%	2,09%
2011	-15,76%	-11,34%	-4,42%
2012	16,44%	14,37%	2,07%
2013	27,39%	17,37%	10,02%
2014	-0,12%	4,35%	-4,47%
Total return	1177,68%	168,09%	1009,59%
Average*	16,29%	7,12%	9,17%

* Up to 2014

TOTAL RETURN (base 100)





Augustus Capital

Αυγούστος Κεφάλαια

Lierde SICAV

Date: 12/31/2014

NAV: 76.79

MONTH IN REVIEW

In December Lierde dropped -0,42% vs. -1,36% Stoxx 600, -3,21% Eurostoxx50 and -0,42% S&P500. Lierde accumulated a return of -0,12% for the year 2014. The main indices accumulated in the year +4,35% Stoxx 600, +1,20% Eurostoxx50 and +11.39% S&P500. The NAV of Lierde at the end of December was 76.79 €, having invested 92,5% in equities and the remaining 7,5% in cash. The beta of Lierde is 0.83 and the volatility of the last 12 months was 11.2%, lower than the volatility of main indices (13.4% Stoxx 600, 17% Eurostoxx 50 and 18,3% Ibex 35).

The last part of the year was very difficult for European markets, mainly due to the Russian conflict, the fall in the commodities prices and early elections in Greece. These facts have increased the pessimism towards Europe - more if possible-, which was already the most hated market by international investors. Our opposite view makes us feel more positive with Europe in 2015. In general, investors are very overweighted in the USA, where interest rates will rise sooner or later and profit margins are at record highs now. By contrast, the last news about deflation in Europe presses the ECB to finally announce QE in the first quarter of 2015. It is clear that QE cannot move the economy by itself, but together with the euro depreciation, the fall of oil prices and less fiscal adjustments, the Eurozone should grow back up around 1% -1.5% and the global economy up around 3%. This scenario will translate into profit growth between 10% -12% in Europe.

On the side of valuations, the European markets are trading at their historical average in terms of P/E (14x) with very depressed corporate profits (around 30% below its long-term trend and with a dividend yield of 3.7%), this should be a bottom for the market.

Regarding the portfolio in December, we incorporated **Ferrovial** in line with the comments we did last month about increasing exposure to the infrastructure sector (**Vinci, Arcadis, RPS Group**) after the approval of the "Juncker Plan" of 300,000 million euros of investment. We also bought a small position in the Austrian construction company **PORR**, whose valuation is very attractive because of its small size and it is still a very unknown company. On the other hand, we sold **Semperit** again after a strong rally, that took place after the special dividend announced last month.

We have started the year with a very similar portfolio to which we had in 2014. The benefits of the companies increased 14% with stable ROE of 17%, which implies a clear "de-rating" of the portfolio. The reasons for the worst performance of Lierde in comparison to the market in 2014 were the higher exposure to UK and France as well as to small industrial companies. We think this should reverse in 2015, so we continue focused on:

1. More stable and global companies: such as pharma (**Roche, Novartis, Roche and Carl Zeiss**), food & beverage (**Diageo, Carlsberg, Danone and Arysza**), retail (**ABF-Primark, Dia and Samsonite**) and luxury goods (**LVMH and Richemont**).
2. Outsourcing: business services (**Compass, Alten, Mitie and Mears**), logistics (**Adveo, Norbert Dentressangle and DCC**) and IT services (**Econocom, Hexagon, Reply, Engineering and Bechtle**).
3. Infrastructure (**Vinci, Ferrovial, RPS Group and Arcadis**).
4. Global and high quality industries with high component of recurrence (**Assa Abloy, Schindler, Aalberts Industries, Bucher Industries and Daetwyler**).
5. Autos: including luxury (**BMW**) and automotive component companies, where we see a strong growth in the following areas: energy efficiency (**Valeo**) and connectivity and advanced driver assistance systems - ADAS- (**Continental**).



Augustus Capital

Αυγούστος Κάπιταλ

Lierde SICAV

Date: 12/31/2014

NAV: 76.79

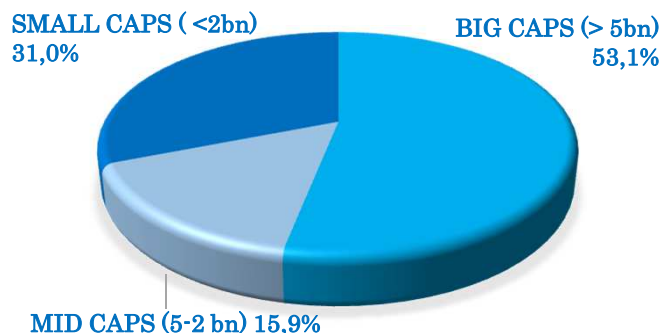
TOP 10 POSITIONS

ADVEO GROUP	2,68%
ARYZTA	2,53%
REPLY	2,52%
SCHINDLER HOLDING	2,51%
DISTRIBUIDORA INTERNACIONAL	2,47%
ASSOCIATED BRITISH FOODS	2,46%
CONTINENTAL	2,43%
NORBERT DENTRESSANGLE	2,41%
AALBERTS INDUSTRIES	2,40%
DANONE	2,38%
TOTAL TOP 10	24,8%

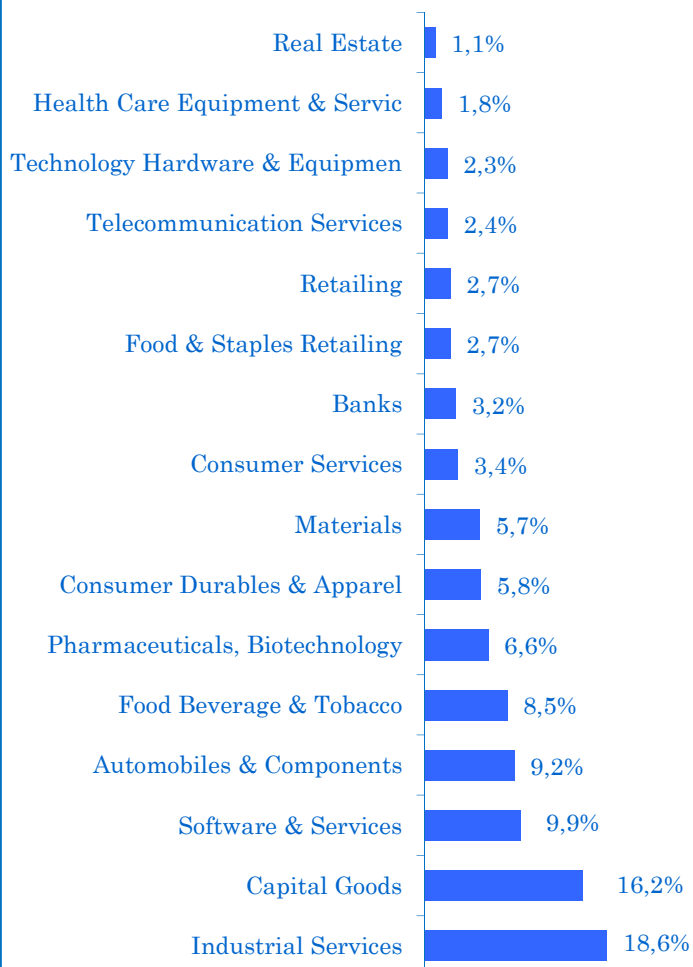
DISTRIBUTION BY ASSETS

Equity	92,5%
Cash	7,5%

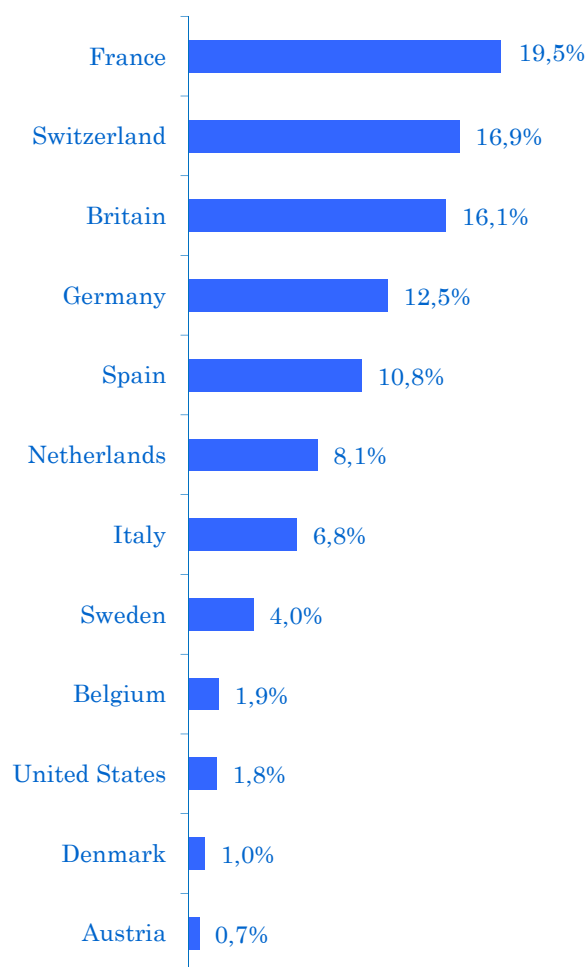
DISTRIBUTION BY MARKET CAP.



EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





Augustus Capital

Αυγούστος Κεφάλαια

Lierde SICAV

Date: 12/31/2014

NAV: 76.79

GENERAL INFORMATION ABOUT LIERDE SICAV

Creation date	01/01/1994
Net assets *	EUR 99,21 Million
CNMV n° of registration	2467
Liquidity	Daily. Liquidation d + 2
Fees	Management fee 1,40% annual - Depositary fee 0,125% annual
Asset manager	Mercados y Gestión de Valores / Banco Sabadell Urquijo
Custodian institution	Banco Sabadell Urquijo
Management company	Banco Sabadell Urquijo
Auditor	Deloitte
Currency	EUR
ISIN code	ES0158457038
Bloomberg ticker	LIE SM Equity

*Up to 12/31/2014

DISCLAIMER

This document is purely informative and does not constitute a recommendation to invest in the products mentioned herein. The opinions are valid at the time of writing and may be modified at any time and without notice. The information has been obtained from reliable sources, but it does not constitute a commitment.

Past returns do not guarantee future returns.