



## LIERDE

Net Asset Value 30/04/2015: 90.97

### 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 time.

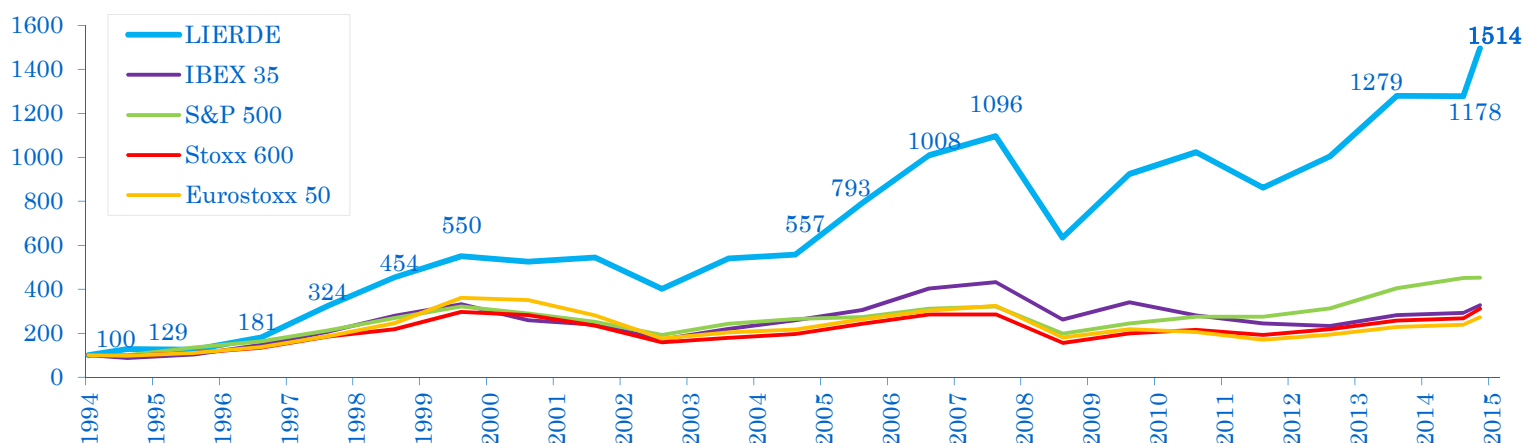
### RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Annual alfa	5.17	
Sharpe ratio	0.85	0.31
Beta	0.83	
Volatility	18%	20%
12 MONTHS	LIERDE	STOXX 600
Beta	0.74	
Volatility	11%	14%

HISTORICAL RETURNS			
YEAR	LIERDE	STOXX 600	Difference
1994	28.55%	-2.12%	30.67%
1995	-2.7%	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%
2015	18.47%	15.55%	2.92%
<b>Total return</b>	<b>1413.63%</b>	<b>209.77%</b>	<b>1203.86%</b>
<b>Average</b>	<b>16.38%</b>	<b>7.50%</b>	<b>8.88%</b>

Updated 04/30/2015

### TOTAL RETURN (base 100)





## LIERDE Net Asset Value 30/04/2015: 90.97

### MONTH IN REVIEW

In April Lierde rose by +1.22% vs. -2.21% Eurostoxx 50, -0.38% Stoxx 600, -1.18% Ibex 35 and +0.85% S&P 500. The NAV of Lierde at the end of the month was 90.97 (a new high) and accumulated a 18.47% of return vs. +15.55% Stoxx 600, +14.91% Eurostoxx 50, +10.75% Ibex 35 and +1.29% S&P 500. In April, Lierde was invested 92.3% in equities and 7.7% in cash. The beta of the portfolio was 0.74. The volatility of the last twelve months was 11.1% (YTD 10.4%) vs. 14.2% Stoxx 600, 18.2% Eurostoxx 50 and 19.0% Ibex 35.

On the macro side, during the last weeks some factors that impacted positively on global growth, have lost some strength: the oil price, which touched \$45 earlier this year, has risen to levels of \$67 in April; the Euro has returned to levels of 1.13 (from 1.05) against the Dollar; both US and European bond yields have rebounded in recent days; perhaps they already dismiss the deflationary scenario predicted by the most pessimistic analysts (the 10y German bond achieved 0.60% from 0.05%). Despite this, Europe is recovering, particularly in the periphery. The activity indicators (PMIs) are consolidating high levels in Europe and the rest of variables seem to begin to normalize. Some seasonal factors in the US have limited growth in the recent months; however, from our point of view, economic growth will accelerate in the second half of the year. In Asia (mainly in China) new stimulus measures are being taken to prevent further deterioration of growth. In short, we would say that, while growth has slowed, we do not see it as a break of the economic cycle, but the forces that usually lead the Economy are blowing with less intensity.

In previous reports we commented that due to the high level of optimism among investors and an overbought market, we did not discard a consolidation. In April and early May, with the excuse of Greece and the rise in yields on long-term bonds, markets are taking a break. The good positioning of the portfolio (more defensive) has allowed us to face the correction with good relative performance. For us, the market correction is normal and understandable in an uptrend that will continue during the year. Therefore, we maintain the idea of using market corrections to increase weight of some names of the portfolio in the second half of the year.

Regarding the portfolio, the most significant change in April was the increasing exposure to the Spanish market. We subscribed the capital increase of **Merlin Properties**, thus the stock became the top pick of the portfolio. We also increased weight in **Banco Popular** since it is the most leveraged bank to the recovery of the domestic real estate sector, both on the side of its Balance sheet and P&L. It has a capital ratio of 10.4% and with the current level of provisions should not have any problem in the future. By contrast, the consensus of analysts still see a lack of coverage. In terms of results, we see a huge potential because the non-productive assets (foreclosed and non-performing) consume the 21% of its capital. These assets not only do not generate revenues, but generate over 300 million of expenses per year (in 2014, Net Income was just  $\approx$  300 million). Besides, the risk of M&A seems limited to some small purchases in LatAm.



## LIERDE Net Asset Value 30/04/2015: 90.97

In short, Banco Popular is still the best franchise for SMEs and self-employed in Spain (market share of 17.1%), it is still trading below book value, it is still close to historical low levels and remains the most unloved name by analysts (only 20% of them have a “buy” recommendation). Its strong potential justifies the higher risk and volatility compared to the average of the portfolio.

Additionally, the market correction allowed us to buy some companies that we already had in the past but we had sold due to their good performance, or we had not bought enough (**Bechtle. Econocom. LVMH. Carl Zeiss Meditec. Carlsberg. Arysza and Valeo**). On the other hand, in April we sold all shares of French battery manufacturer SAFT and the Spanish bank BBVA. Both names achieved our target price.

Finally, the American company XPO Logistics launched a takeover bid for one of our top picks, the French company Norbert Dentressangle. The 38% of premium paid by the American group exceeds our target price. The Norbert family has already signed the sale of its controlling stake. We will subscribe the takeover bid with our position of 3.4%. The structural growth of the logistic industry is reflected in the high price paid in this transaction. In this sector we maintain other position in another French company, ID Logistics, who has risen 51% in the year. Norbert Dentressangle represents our investment philosophy perfectly: family-own-business, very good track record, leader in a structural growth sector, excellent management team and undervaluation. Fortunately, we consider that we have more companies like this in the portfolio.



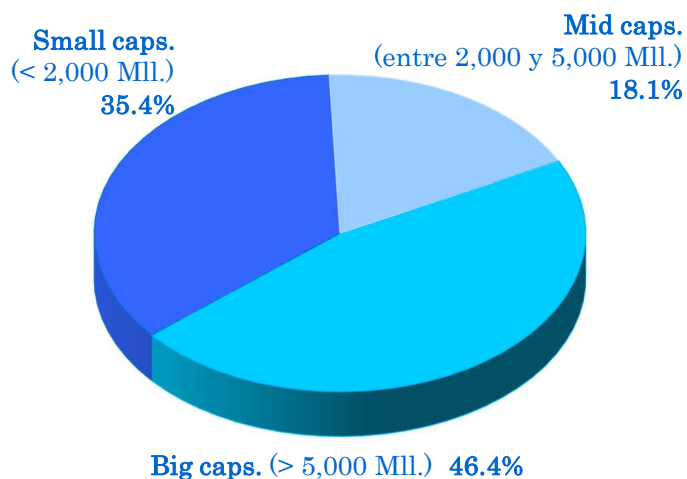
## LIERDE

Net Asset Value 30/04/2015: 90.97

### TOP 10 POSITIONS

MERLIN PROPERTIES	3.83%
NORBERT DENTRESSANGLE	3.46%
LAR ESPAÑA	3.42%
REPLY	3.00%
ASSOCIATED BRITISH FOODS	2.53%
BANCO POPULAR	2.33%
REALIA	2.26%
ENGINEERING	2.20%
TELEFÓNICA	2.20%
HEXAGON	2.11%
<b>TOTAL TOP 10</b>	<b>27.3%</b>

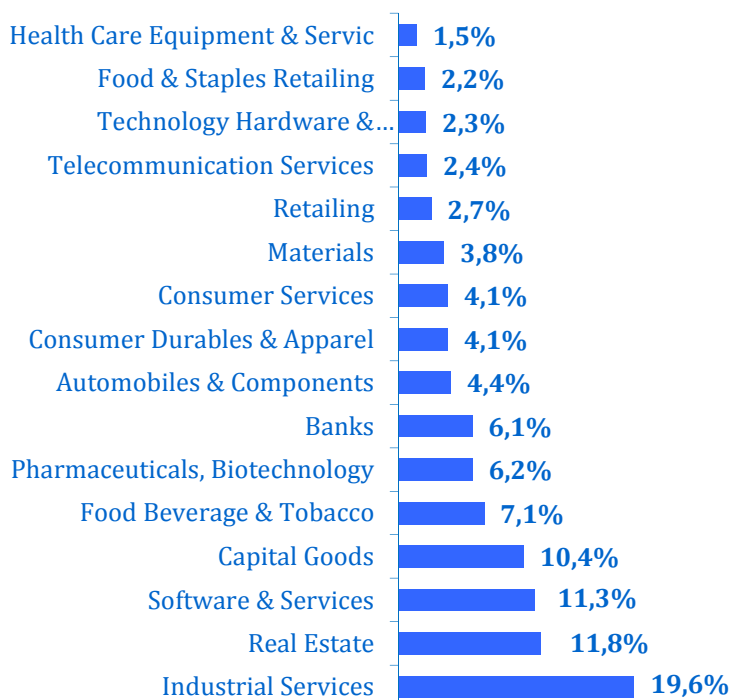
### DISTRIBUTION BY MARKET CAP.



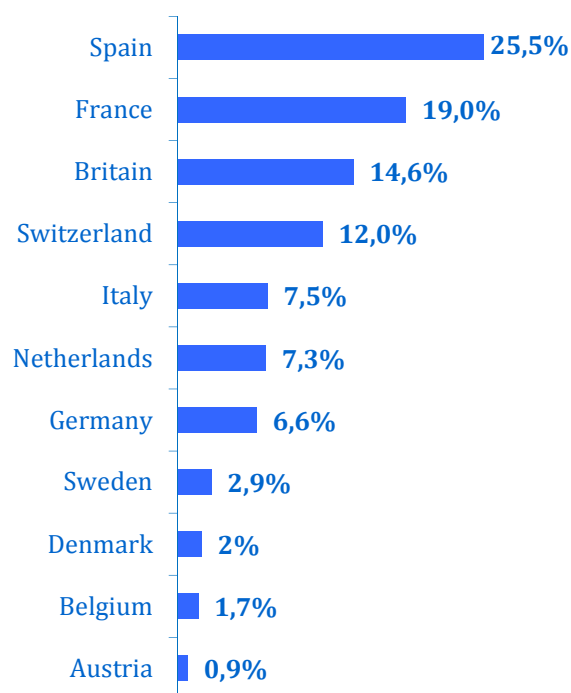
### DISTRIBUTION BY ASSET

Equity	92.3%
Cash	7.7%

### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY





## **LIERDE** Net Asset Value 30/04/2015: 90.97

### GENERAL INFORMATION ABOUT LIERDE SICAV

Inception date	01/01/1994
Assets under management*	EUR 144.37 Mn.
CNMV n° of registration	2467
Liquidity	Daily liquidation d + 2
Fees	Management fee 1.40% annual - Depositary fee 0.125% annual
Asset manager	Urquijo Gestión / Mercados y Gestión de Valores
Custodian institution	Banco de Sabadell
Administrator	Banco de Sabadell
Auditor	Deloitte
Currency	EUR
ISIN code	ES0158457038
Bloomberg ticker	LIE SM Equity

\*Updated April 30. 2015

#### 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.