



## Lierde SICAV

Date: 28/02/2015

NAV: 88,51

### 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

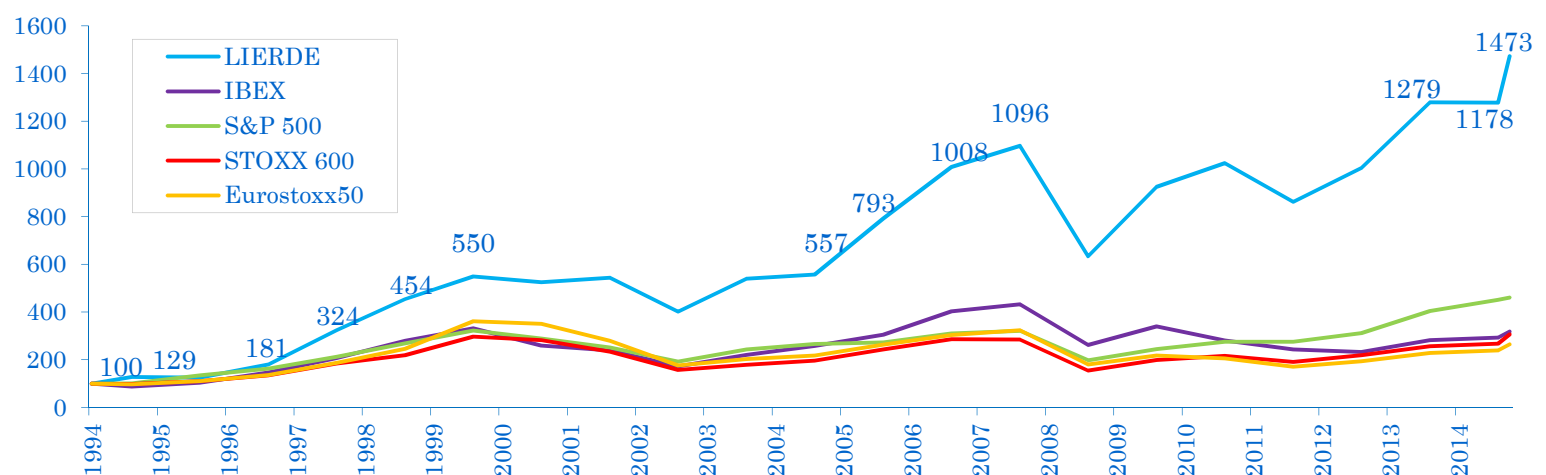
FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Beta	0,83	
Sharpe Ratio	0,85	0,31
Volatilidad	18%	20%

### 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%
2015	15,26%	14,50%	0,76%
<b>Total return</b>	<b>1372,61%</b>	<b>206,97%</b>	<b>1165,64%</b>
<b>Average*</b>	<b>16,29%</b>	<b>7,12%</b>	<b>9,17%</b>

\*Average up to 12/31/2014

### TOTAL RETURN (base 100)





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### MONTH IN REVIEW

In February Lierde rose by +7.99% vs. +6.85% Stoxx 600, +7.39% Eurostoxx 50 and +5.49% S&P 500. The NAV of Lierde at the end of the month was 88.51 (a new high) and accumulated a 15.26% of return vs. +14.5% Stoxx 600, +14.38% Eurostoxx 50 and +2.21% S&P 500. In February, Lierde was invested 88.6% in equities and 11.4% in cash. The beta of the portfolio was 0,78. The volatility of the last twelve months was 11.3% (YTD 10.4%) vs. 13.8% Stoxx 600, 17.7% Eurostoxx 50 and 19.1% Ibex 35.

On the macro side, Greece seems to be far away from the abyss and populism in Europe could be peaking. The main macroeconomic indicators (IFO, PMI and consumer confidence) show that the recovery in Europe is a reality while the US data are weaker than expected due to bad weather and the dollar effect. Credit demand shows signs of optimism as the "Lending Survey" of the ECB showed. At the same time, the ECB is already prepared to start buying bonds from March on, amounting 60,000 million euros per month. Companies' results were -in general- better than expected in Europe, while in the United States the results are still being revised downwards because of the dollar effect and lower profits in the oil sector and all those sectors connected to it.

In terms of sectors, the cyclical and industrial companies are doing better than the defensive ones. It is worth noting the positive performance of the automotive sector, so we reduced exposure in some names at the end of the month (BMW, Continental, Valeo and Cie Automotive) and we sold out the position in Michelin. We also sold all the shares we had of Rexel, a French electrical equipment distributor, whose results and estimations do not justify the current valuation. We think the cyclical sector will continue outperforming only if bond yields rise in the Eurozone.

Since we want a lower cyclical portfolio, we analyzed in detail the Spanish real estate sector: we clearly consider that the sector has bottomed. Trading volumes are recovering and the interest of both domestic and international investors is increasing due to the need of finding reasonable yields for their investments. We found that two Spanish REITs (Lar España and Merlin Properties), have attractive dividend yields and excellent portfolios of assets, offering high yields according to the current European context. Merlin Properties' shares trade with slight premium over its NAV of 2015, while LAR España, being smaller and unknown, still trades with discount against its NAV of 2015. Additionally, since the beginning of this year we have been gradually buying Realia at very attractive prices (0.54 euros on average vs. its current price -around 0.89-). Realia was trading at ridiculous prices because of its shareholding uncertainty (takeover bid of Hispania at 0.49 euros per share), its high debt and the lack of coverage by analysts. Even if we assume a big capital increase (debt capitalization) around 600/800 million euros, the company would trade at a discount against its NAV after tax of 1.46 euros per share (published on February 27).

In addition, we increased positions in high quality companies with a positive outlook, good results momentum and we still see potential: **RPS, Alten, Arcadis, Norbert Dentressangle, Bureau Veritas, Ferroviol** and **Associated British Foods** (Primark).

Finally, in regards to the market, we recently reduced some weight as we consider the current rally to be unsustainable. The market is overbought, sentiment has become very bullish and therefore we expect the market to be on hold for some weeks. Perhaps a less robust macroeconomic data (as the last published), both in the US and Europe, is the excuse for a market correction. In any case, we are at the beginning of the economic recovery in Europe, where cycles have historically lasted around five years. We continue to see the market higher towards the end of the year while the recovery strengthens and shows signs of sustainability. We will buy on the dips.



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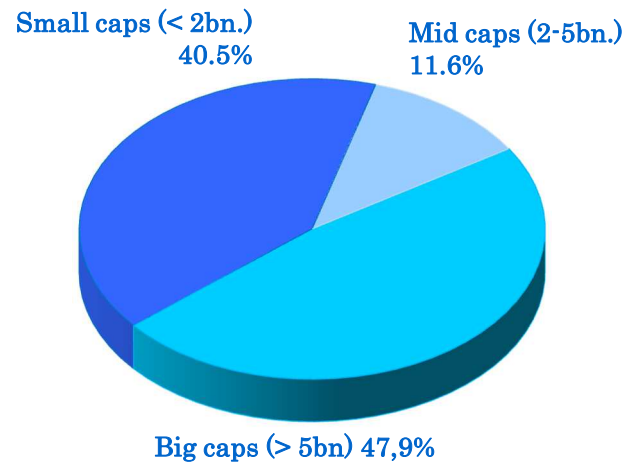
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### TOP 10 POSITIONS

MERLIN PROPERTIES	3,13%
LAR ESPANA	3,10%
ARYZTA	2,55%
REPLY	2,47%
NORBERT DENTRESSANGLE	2,42%
REALIA	2,28%
ADVEO	2,22%
DIA	2,09%
ENGINEERING	2,07%
ARCADIS	2,05%
<b>TOTAL TOP 10</b>	<b>24,4%</b>

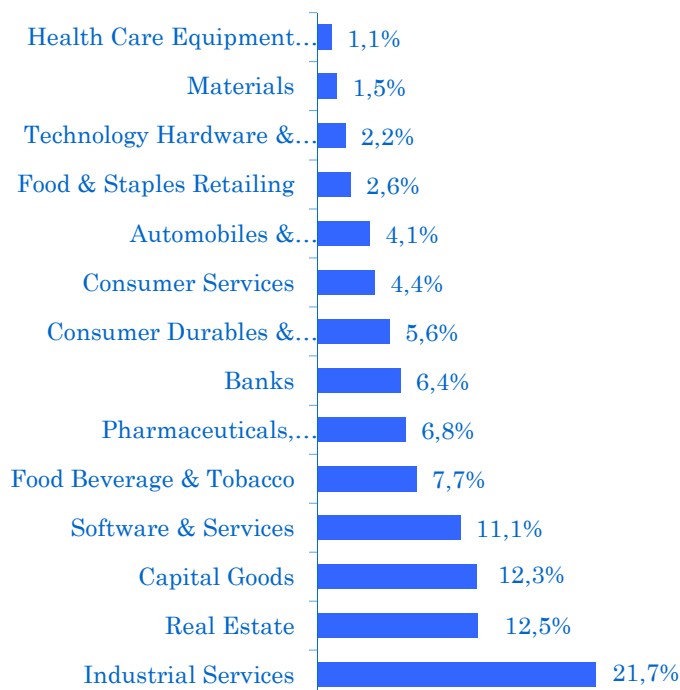
### DISTRIBUTION BY MARKET CAP.



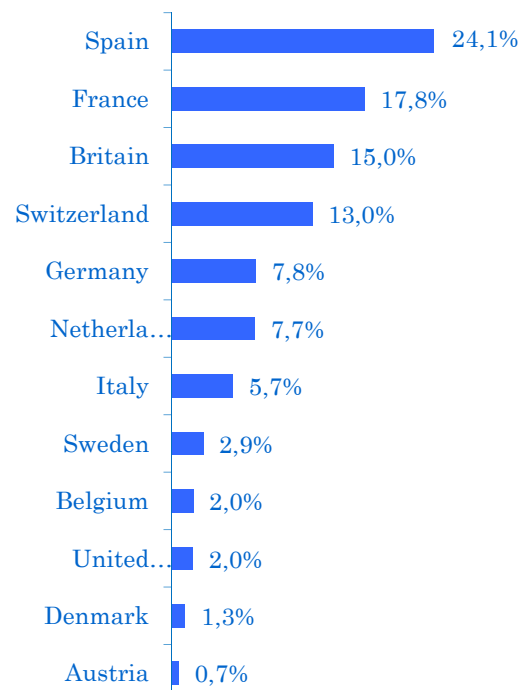
### DISTRIBUTION BY ASSET

Equity	88,6%
Cash	11,4%

### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY





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### GENERAL INFORMATION ABOUT LIERDE SICAV

Creation date	01/01/1994
Net assets *	EUR 132,53 Million
CNMV n° of registration	2467
Liquidity	Daily liquidatin 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
Management Company	Banco de Sabadell
Auditor	Deloitte
Currency	EUR
ISIN code	ES0158457038
Bloomberg ticker	LIE SM Equity

\* Updated February 28, 2015

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Past returns do not guarantee future returns.