



LIERDE Net Asset Value 31/07/2015: 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.

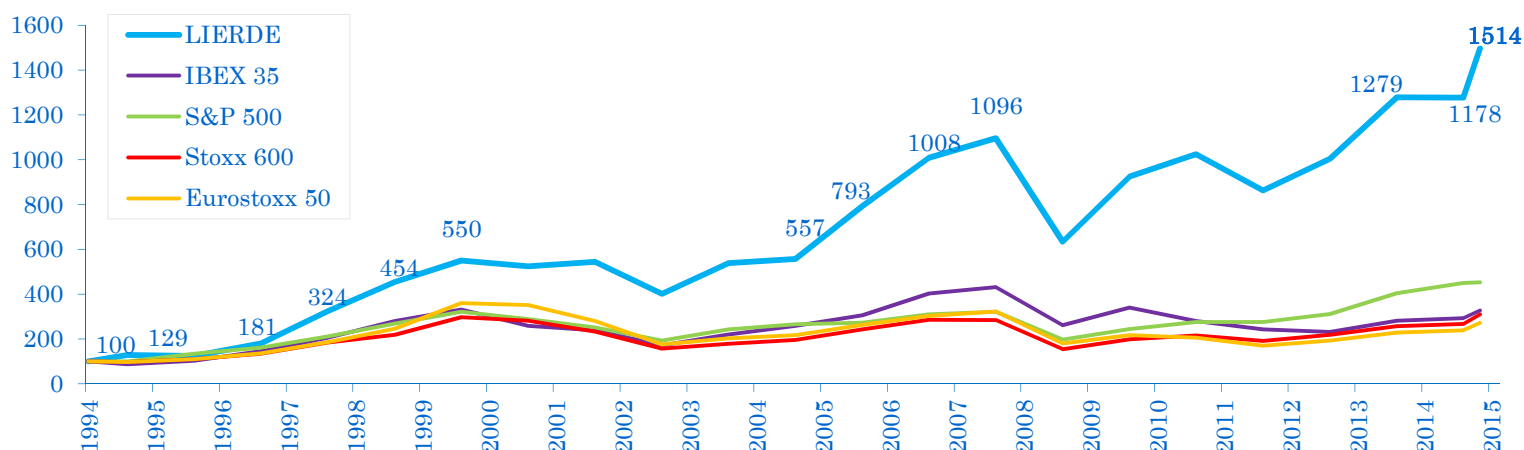
RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Annual alfa	5.17	
Sharpe ratio	0.85	0.31
Beta	0.83	
Volatility	18.2%	20.0%
12 MONTHS	LIERDE	STOXX 600
Beta	0.74	
Volatility	12.7%	16.3%

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	18,47%	15,71%	2,75%
Total return	1413,6%	210,2%	1203,4%
Average	16,4%	7,5%	8,9%

TOTAL RETURN (base 100)





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MONTH IN REVIEW

In July Lierde rose by +3.35% vs +5.15% Eurostoxx 50, +3.95% Stoxx 600, 3.82% Ibex 35 and +1.97% S&P 500. The NAV of Lierde at the end of the month was 90.97 and accumulated a 18.47% of return vs. +15.71% Stoxx 600, +14.44% Eurostoxx 50, +8.77% Ibex 35 and +2.18% S&P 500. In July Lierde was invested 91.9% in equities and 8.1% in cash. The beta of the portfolio was 0.74. The volatility of the last twelve months was 12.7% (YTD 12.5%) vs. 16.3% Stoxx 600, 20.5% Eurostoxx 50 and 20.5% Ibex 35.

The most relevant event of the month was the last minute approval of the rescue plan by the Greek parliament. This led to a strong recovery in the European markets after the declines in the previous month. Moreover, the Chinese market continued falling and accumulated at the end of July a drop of 28% from their June peak. Besides, raw materials, and all sectors related to them, continued very weak in July, as well as the Emerging markets. In this environment, the cyclical sectors lost all the return accumulated over defensive sectors. Although Lierde is not a cyclical portfolio, our low beta and low exposure to financials made that Lierde's performance was slightly worse than the market in July.

As far as corporate revenues, in general they finally surprised positively in Europe. The proportion of positive surprises was the highest since 2009. Additionally, macroeconomic indicators such as IFO, consumer confidence, car sales and credit demand, continued to show recovery in Europe; so, it is expected that the market performance remains positive for the rest of the year. We are still worry about the US market because it just had a correction of 10% since late 2011 and we do not know how the market will react to the next and imminent rise in interest rates (before year end).

Regarding the portfolio, we incorporated in July the French company **Carrefour**. Its business has currently high visibility with double-digit growth the next four years and attractive valuation. In other hand, we remain very positive with the Spanish real estate sector. We subscribe the capital increase of **LAR España** and **Merlin Properties**. We also bought more of **Realia** and we sold the whole position in **Hispania** after reaching our target price. About Realia, where we have a position of 2.3% of the fund, we consider that after the entrance of Inmobiliaria Carso, the financial restructuring of the company should begin. Realia should increase capital of 300-400 million or make a debt-to-equity swap. However, we see a high potential in a company since its last independent valuation, which set the NAV after tax (and on capital gains) in 1.46 €/share. Assuming the mentioned capital increase, our valuation exceeds the 1 €/share.

Related to the sharp corrections that were happening in July in the automotive sector, mainly due to the weakness of China, we would like to inform that our exposure to the sector is very low and we only maintain a position of 1.2% in **Valeo** and 1.8% in **CIE Automotive**. We believe that both companies will continue growing strongly in the coming years because of their structural exposure to growth markets. In fact, we are thinking of buying more rather than reducing our position.

In the IT Services sector, all companies in our portfolio experienced strong organic growth: **Reply**, **Engineering**, **Bechtle**, **Econocom** and **Neurones**. Although we are still very positive with all these names, we took some profits after the spectacular rally that all of them accumulate in the year.

Other companies that suffered adjustments were: **Aryzta**, we bought more (up to 45 CHF per share) after a heavy punishment suffered by the stock and after talking with the company; we also increased our position in **DIA** after the publication of a weak set of results (and weak share price performance that we already expected), but they disappointed the market. Finally we sold the whole position in **Applus** where visibility is very low at current prices of crude. In this sector, we prefer to focus on the French company, Bureau Veritas, which is more diversified and is able to grow strongly in the medium term.

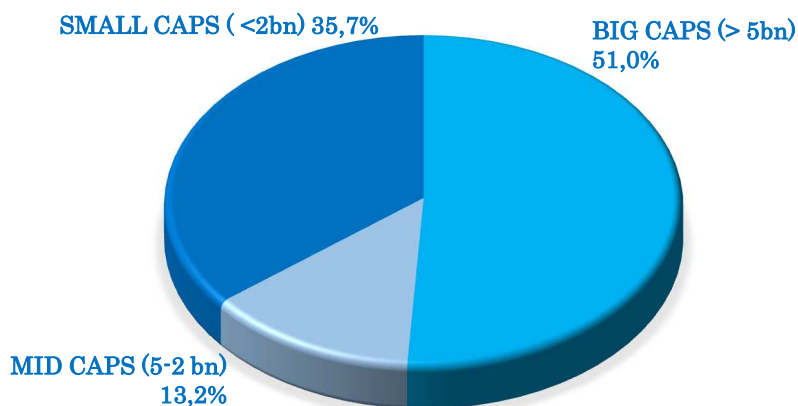


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TOP 10

1.-	LAR ESPAÑA	4,21%
2.-	MERLIN PROPERTIES	3,30%
3.-	REPLY	2,38%
4.-	REALIA	2,36%
5.-	TELEFONICA	2,34%
6.-	ASSOCIATED BRITISH FOODS	2,31%
7.-	ENGINEERING	2,16%
8.-	AALBERTS INDUSTRIES	2,09%
9.-	ARYZIA	2,05%
10.-	ROCHE	2,02%
TOTAL TOP 10		25,2%

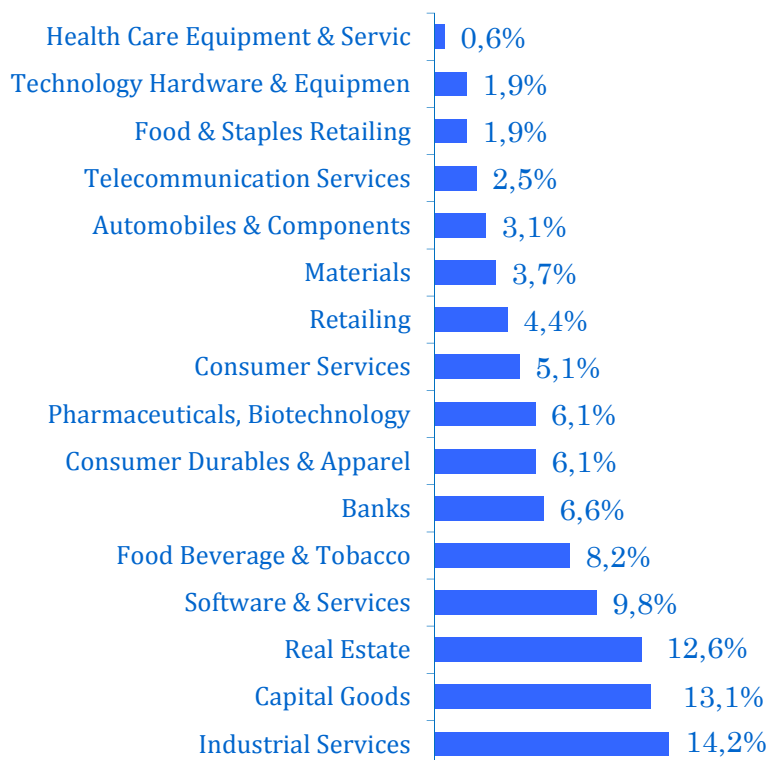
DISTRIBUTION BY MARKET CAP.



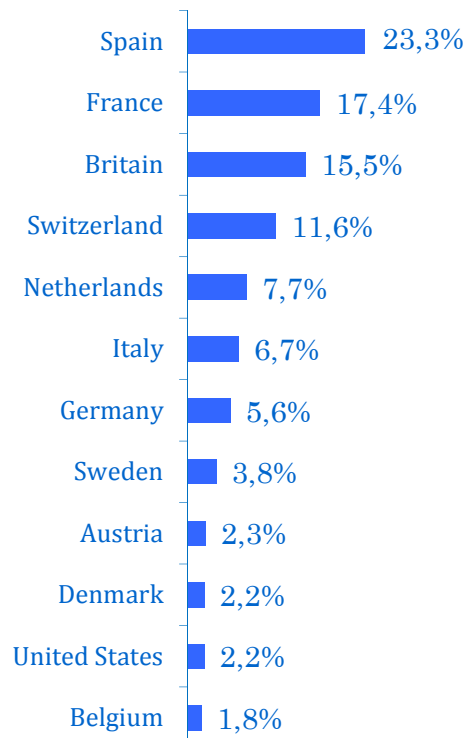
DISTRIBUTION BY ASSET

Equity	91.9%
Cash	8.1%

EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





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GENERAL INFORMATION ABOUT LIERDE SICAV

Inception date	1994
Assets under management *	EUR 153.52 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 July 31, 2015

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Past returns do not guarantee future returns.