



## LIERDE SICAV

Date: 31/03/2015  
NAV: 89,87

### 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

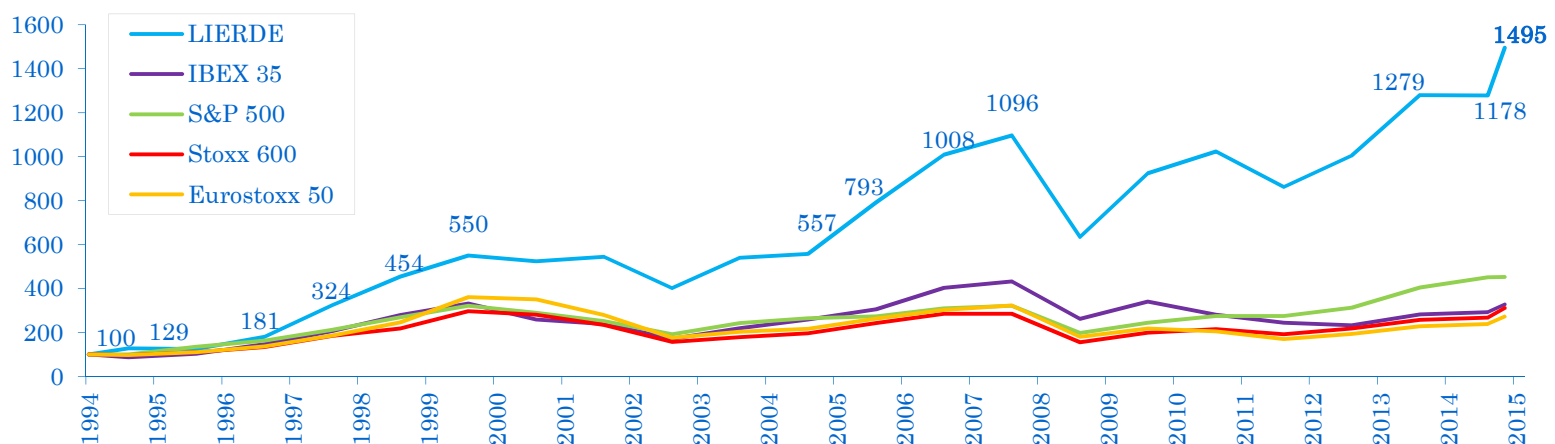
FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Ratio Sharpe	0,85	0,31
Beta	0,83	
Volatility	18%	20%
12 MONTHS	LIERDE	STOXX 600
Beta	0,76	
Volatility	11%	14%

### 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	17,04%	15,99%	1,05%
<b>Total return</b>	<b>1395,37%</b>	<b>210,95%</b>	<b>1184,42%</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 March Lierde rose by +1.55% vs. +1.30% Stoxx 600, +2.73% Eurostoxx 50 and +1.74% S&P 500. The NAV of Lierde at the end of the month was 89.87 (a new high) and accumulated a 17.04% of return vs. +15.99% Stoxx 600, +17.51% Eurostoxx 50 and +0.44% S&P 500. In February, Lierde was invested 89.8% in equities and 10.2% in cash. The beta of the portfolio was 0,79. The volatility of the last twelve months was 11.1% (YTD 10.3%) vs. 13.8% Stoxx 600, 17.8% Eurostoxx 50 and 18.9% Ibex 35.

The first quarter of 2015 was very positive for European equities. The market performance was significant in absolute terms, but its outperformance against the US stock market was more relevant. The Eurostoxx 50 (Eurozone main index) did not beat the S&P 500 by more than 17 percentage points since 1999. After a spectacular beginning of the year, it is key to analyze if it is an isolated data, or a trend that may continue for several quarters. Apart from some short-term factors (undoubtedly very favorable for Europe) such as differentials in monetary policies or the current weakness of the dollar; there is always a decisive factor in the medium and long term: the valuation. The US Stock Market is 35% above its trend earnings valuation. Europe is still offering a 23% discount (or margin of safety) against its historical trend. In short, the dilemma is between:

- Paying a premium for peak earnings (USA).
- vs.
- Investing with discount in a recovering economy with depressed earnings (EUROPE).

Lierde SICAV has an investment philosophy based on the analysis of individual companies, and it is not based on macro trends for allocating the capital between countries and sectors. That is why it is important to highlight that the fact that Spain (26%), France (18%) and Italy (8%) represent more than 50% of the portfolio is the result of our individual stock selection. It is also not worthy the present weight in some sectors such as real estate (12%) and banking (9%) that used to be residual in our portfolio. Probably, the growth of passive management (ETFs and index funds) and cuts in analysis resources during the crisis are the main reasons for so many investment opportunities in these sectors and countries.

Lierde SICAV maintains a well-diversified portfolio (50-60 companies) where the final return depends mainly on the method of selecting high quality companies, and not on individual ideas. Moreover, the lack of a benchmark is very important for investing in listed businesses, not just stocks, whose market price does not reflect its real value. In any case, it is possible to organize the portfolio of Lierde into several investment themes on which we see high potential:

- Spain: At the beginning of 2015, we commented our positive view on Spanish consumption and real estate sectors, highlighting the positions we have in Dia Group, Telefónica, two Spanish SOCIMIs (Lar España and Merlin Properties) and two real estate companies (Hispania and Realia). Domestic banks were out of our investment universe for a long time due to the complexity of their balance sheets. After 7 years of adjustments, may things have improved and now we see those balance sheets as one of the best ways to play the Spanish recovery. We recently bought Banco Popular, we maintain BBVA and we are currently analyzing some other domestic banks.



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- Exporters: We maintain our positive long term view on luxury (LVMH, Richemont and Samsonite), global consumer brands (Diageo, Carlsberg, Danone and Primark) and pharma (Bayer, Roche and Novartis). Regarding the automotive sector, we think that the recent recovery in prices implies a strong cyclical improvement of the sector, so we sold positions in BMW, Continental and Michelin. We preserve Valeo and Cie Automotive in the portfolio since they still offer potential thanks to a better structural position and restructuring capacity.
- IT services (cloud computing and digitalization): This niche within the technology sector is undergoing structural growth. It is still a very fragmented subsector, but there are names like Econocom, Reply, Engineering, Bechtle or Neurones that already have significant scale and healthy balance sheets to consolidate the sector in Europe. Besides, analyst coverage remains very low, which is certainly one of the main reasons why these names are trading at very attractive multiples.
- Outsourcing: On the one hand, logistics and distribution are differential in a world that is increasingly "online" (Norbert Dentressangle, ID Logistics, Adveo, DCC, etc.). On the other hand, the reduction of costs in both public and private sectors makes services/consulting/engineering companies continue with organic growth above GDP.

In summary, we remain very positive about the European economy and stock market in 2015. Some risks such as Greece and upcoming elections will continue to provide moments of higher volatility. In any case, both the macroeconomic indicators and the companies' results are confirming that the recovery in Europe is consolidating. Moreover, the support of the ECB is very important for financial markets in a world with extremely low interest rates. The 60 million per month of the QE, not only cover the entire annual deficit of the Euro Governments, but reducing public debt stock at levels of 5% of Eurozone GDP. In this context, the potential of Lierde is on its historical annual average return since 1994. Finally, it is important to highlight that Lierde SICAV continues with very low levels of volatility in 2015 as a consequence of its decorrelation and low beta versus indices.



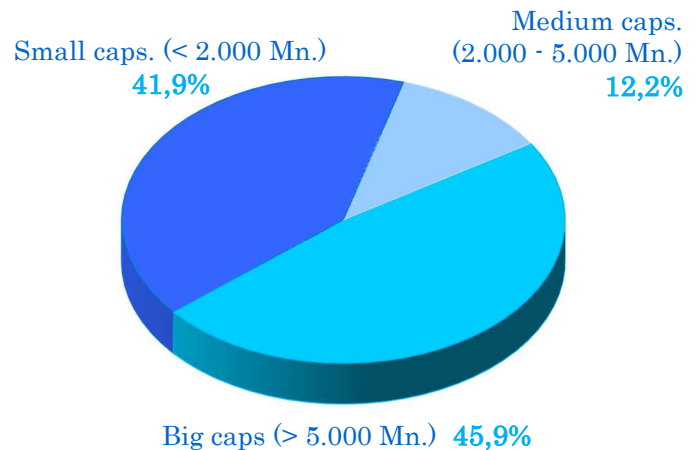
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### TOP 10 POSITIONS

LAR ESPAÑA	3,61%
REPLY	3,17%
MERLIN PROPERTIES	3,09%
ASSOCIATED BRITISH FOODS	2,45%
NORBERT DENTRESSANGLE	2,38%
ENGINEERING	2,32%
ADVEO GROUP	2,30%
REALIA	2,24%
HEXAGON	2,19%
GRUPO DIA	2,13%
<b>TOTAL TOP 10</b>	<b>25,9%</b>

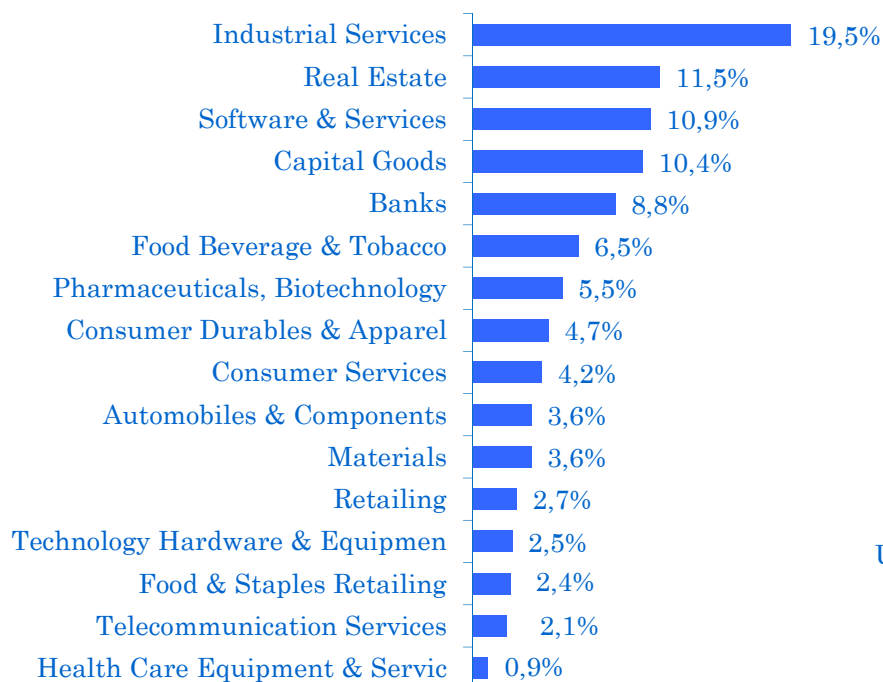
### DISTRIBUTION BY MARKET CAP.



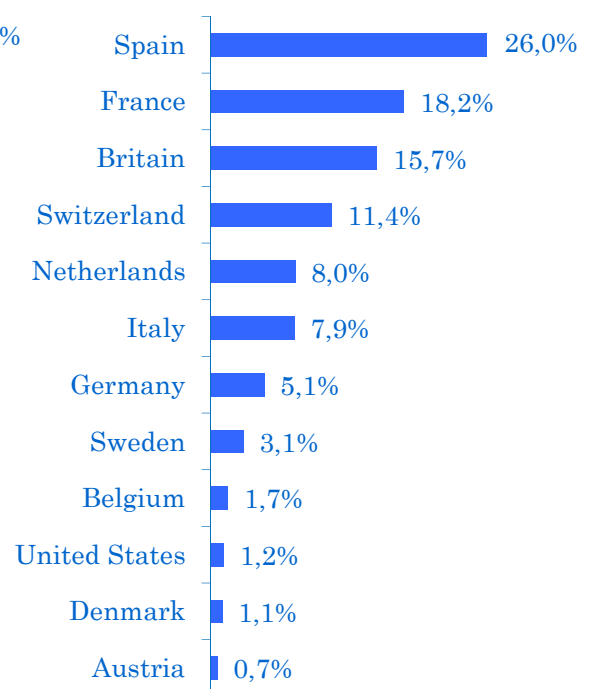
### DISTRIBUTION BY ASSETS

Equity	89,8%
Cash	10,2%

### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY





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### GENERAL INFORMATION ABOUT LIERDE SICAV

Creation date	01/01/1994
Net assets *	EUR 138,04 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
Management Company	Banco de Sabadell
Auditor	Deloitte
Currency	EUR
ISIN code	ES0158457038
Bloomberg ticker	LIE SM Equity

\*Updated March 31, 2015

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Past returns do not guarantee future returns.