



## LIERDE

Net Asset Value 31/05/2015: 91.46

### 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.

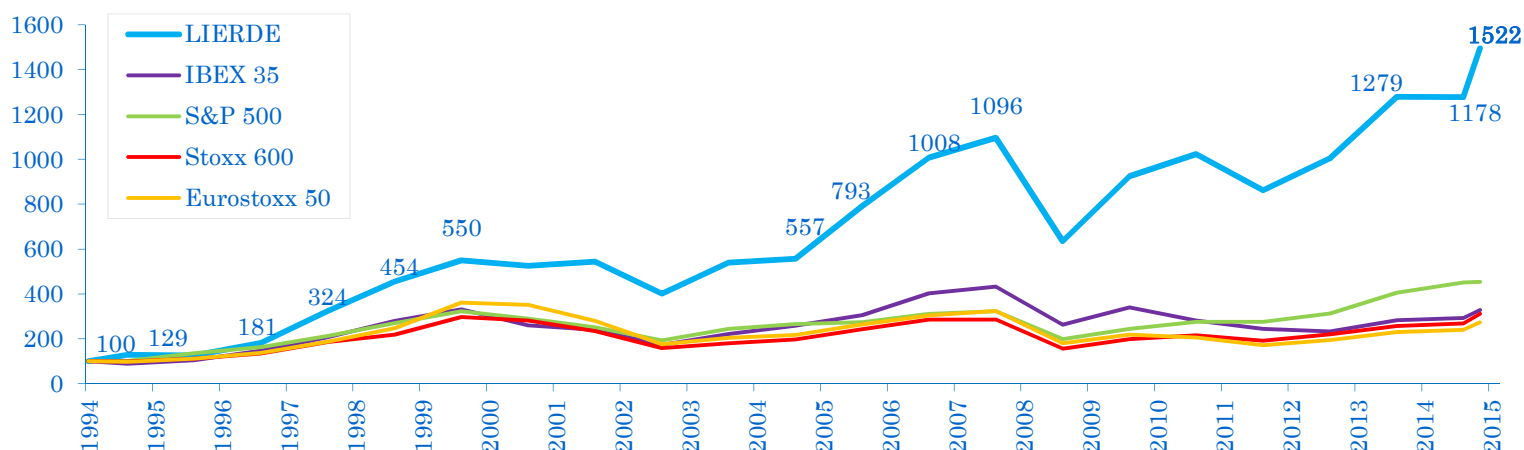
### RISK DATA

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%	15%

YEAR	HISTORICAL RETURNS		
	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	19.11%	16.74%	2.37%
<b>Total return</b>	<b>1421.83%</b>	<b>212.96%</b>	<b>1208.87%</b>
<b>Average</b>	<b>16.41%</b>	<b>7.56%</b>	<b>8.86%</b>

Updated 05/31/2015

### TOTAL RETURN (base 100)





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### MONTH IN REVIEW

In May Lierde rose by +0.54% vs. -1.24% Eurostoxx 50, +1.03% Stoxx 600, -1.47% Ibox 35 and +1.05% S&P 500. The NAV of Lierde at the end of the month was 91.46 (a new high) and accumulated a 19.11% of return vs. +16.74% Stoxx 600, +13.49% Eurostoxx 50, +9.13% Ibox 35 and +2.36% S&P 500. In May Lierde was invested 91.8% in equities and 8.2% in cash. The beta of the portfolio was 0.74. The volatility of the last twelve months was 11.4% (YTD 10.6%) vs. 14.8% Stoxx 600, 18.9% Eurostoxx 50 and 19.3% Ibox 35.

From a macroeconomic point of view, growth expectations are becoming different in the three major global Economies:

- In the US slower growth is expected and the IMF has reduced its 2015 growth estimation of 3.1% to 2.5%.
- In China the latest data show some stabilization of the economy. It is still early to talk about a change in the tendency, but probably the expansionary Government measures will start to have positive effects on growth very soon.
- By contrast, European data continue confirming the positive trend of recovery, especially in Spain, France and Italy. In short, it seems reasonable that, based on growth differentials, the European stock markets will continue performing better than the American one.

In the short term the situation in Greece generates great uncertainty, affecting risk premiums, the yield of Government bonds and exchange rates. In this environment it is expected more volatility in the markets in the coming months. However, LIERDE is well diversified because its portfolio is based on individual stock selection. Therefore, LIERDE's performance depends mainly on the evolution of the earnings of the companies in the portfolio, being less volatile than the indices when macro factors drive the market.

With regard the evolution of the companies in the portfolio, almost all of them reported quarterly results in line with our expectations. So, we did not make major changes in May. We would emphasize positively the following names:

- Related to the Spanish property sector, the 4 companies we have in the portfolio released quarterly results: **Merlin Properties, Lar España, Hispania** and **Realia**. The high revenues visibility (property rental) justifies figures in line with expectations. In any case, the outlook is very positive due to the favorable development of rents and the growing interest in the sector. On the other hand, we would like to highlight the contribution of these names to reduce the average risk of the portfolio. Their valuation relies mainly on real assets, resulting in a lower volatility. In short, they still provide a very attractive risk-return ratio for the long term investors.
- In the IT services sector, the majority of the companies in our portfolio (**Bechtle, Reply, Engineering, Econocom, Neuronas...**) published very positive results. Nowadays Digitization, Cloud Computing or Internet of Things means talking about several years of growth above GDP (even double-digit). Nevertheless, despite this structural growth, this subsector is still unknown for most investors. Stock prices have performed well in the year, in line with the positive operating performance of the companies, but are still trading at very low multipliers considering their levels of ROCE. We believe that these returns are not only sustainable but will continue improving as companies increase their size and this highly fragmented sector is consolidated.
- Other companies with very positive quarterly results were **CIE Automotive, Valeo, DCC, Mitie** and **Aalberts**.

On the contrary, **Adveo** surprised us negatively. Basically, the implementation of SAP in Spain has been traumatic, affecting adversely sales and margins. Fortunately, the other countries in which Adveo operates had better results than expected. Briefly, if Spain goes back to the break-even point, the company would be trading at 6x earnings. It is one of the cheapest companies in the portfolio, so, at current price, we think it makes sense to wait to see if they can fix the situation in Spain (the recovery of consumption in Spain should help). In any case, our position in Adveo only represents 1% of LIERDE's portfolio, so its effect on the overall result is very small.



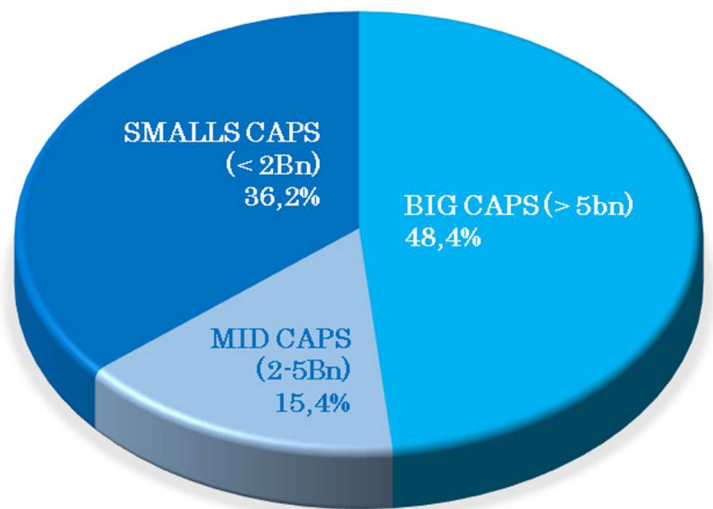
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### TOP 10

1.-	MERLIN PROPERTIES	3,58%
2.-	LAR ESPAÑA	3,26%
3.-	REPLY	2,65%
4.-	ASSOCIATED BRITISH FOODS	2,64%
5.-	BANCO POPULAR	2,30%
6.-	ENGINEERING	2,28%
7.-	CIE AUTOMOTIVE	2,19%
8.-	CARLSBERG	2,18%
9.-	ROCHE	2,16%
10.-	REALIA	2,09%
<b>TOTAL TOP 10</b>		<b>25,3%</b>

### DISTRIBUTION BY MARKET CAP.



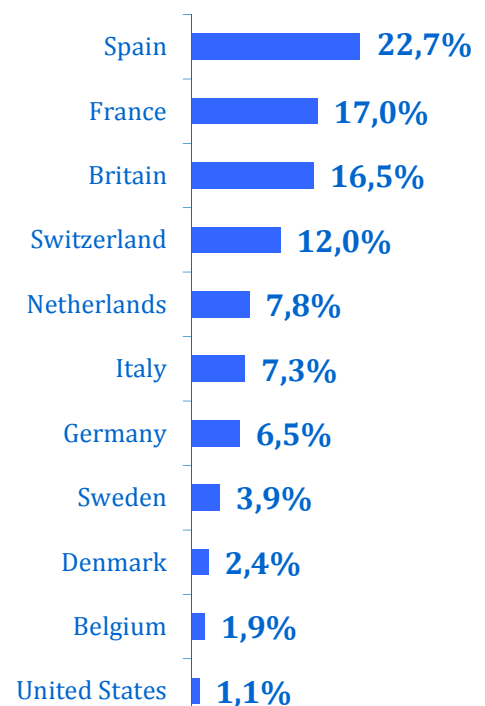
### DISTRIBUTION BY ASSET

Equity	91.8%
Cash	8.2%

### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY





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### GENERAL INFORMATION ABOUT LIERDE SICAV

Inception date	1994
Assets under management *	EUR 148.87 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 May 31, 2015

#### DISCLAIMER

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Past returns do not guarantee future returns.