



## LIERDE Net Asset Value 30/11/2016: 90.91

### OBJECTIVE AND INVESTMENT STRATEGY

The objective of Lierde is to generate positive returns over the long term through equity investments in Europe.

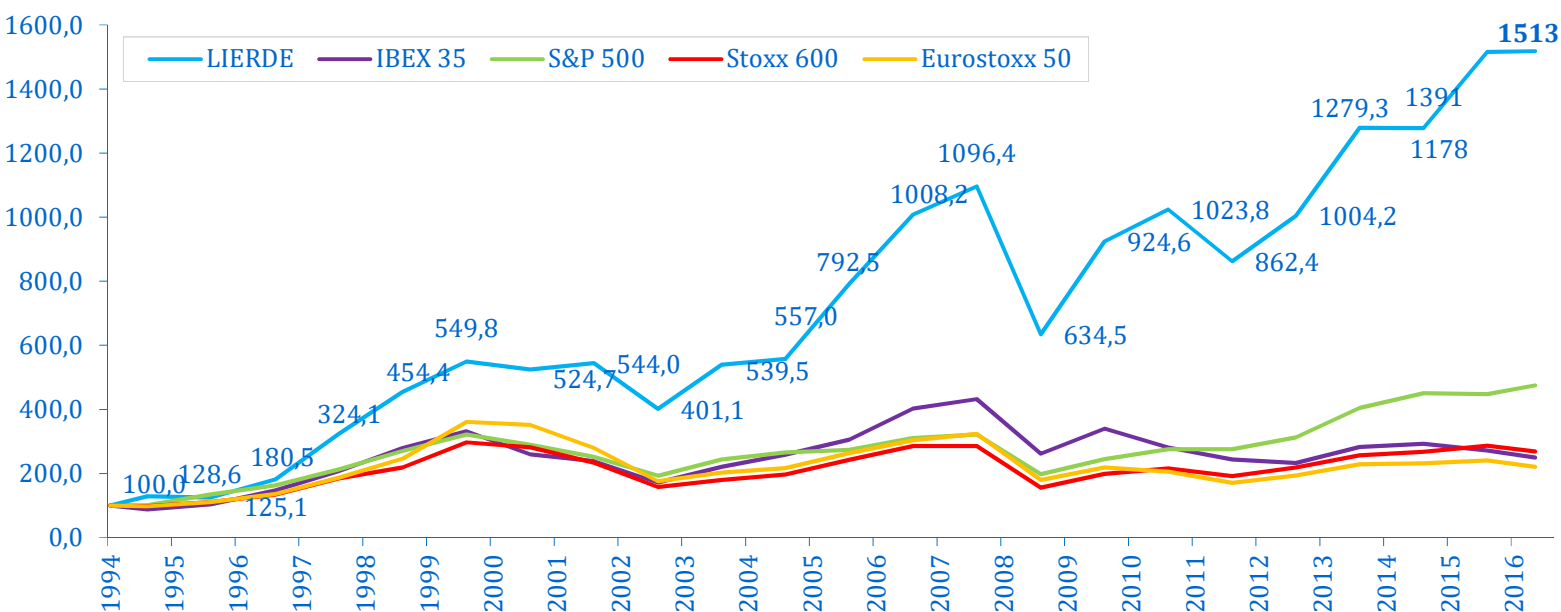
Investment decisions are based on fundamental analysis, analyzing the Return on Capital Employed (ROCE) of companies and its sustainability over time.

### RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Ratio Sharpe	0,85	0,31
Beta	0,83	
Volatility	18,0%	19,6%
12 MONTHS	LIERDE	STOXX 600
Beta	0,81	
Volatility	17,4%	20,5%

YEAR	HISTORICAL RETURNS		
	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	18,63%	6,79%	11,84%
2016	-0,20%	-6,51%	6,31%
<b>Total return</b>	<b>1412,6%</b>	<b>167,7%</b>	<b>1245,0%</b>
<b>Average</b>	<b>15,7%</b>	<b>6,5%</b>	<b>9,2%</b>

### TOTAL RETURN (base 100)





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### MONTH IN REVIEW

In November LIERDE rose by +1.0% vs -0.1% Eurostoxx 50, +0.9% Stoxx 600 and -5.0% Ibex 35. LIERDE accumulates -0.2% of YTD return vs. -6.6 % Eurostoxx 50, -6.5% Stoxx 600, -9.0% Ibex 35 and +7.5 S&P 500. The NAV of Lierde at the end of the month was 90.91. In November LIERDE was invested 92.1% in equities and 7.9% in cash. The Beta of the portfolio was 0.8. The volatility of the last twelve months was 17.4% vs. 20.5% Stoxx 600, 22.6% Eurostoxx 50 and 26.5% Ibex 35.

Considering the sharp rise of the indexes at the beginning of December, the NAV of Lierde at December 9 is 93.97, which is a new historical high. The YTD return would be therefore +3.16%.

On the macro side, it is worthy to highlight the good economic data that were published globally in November. The US GDP was revised up to 3.2% and the Atlanta Fed is already aiming for growth of 2.9% in 2017. In China, economic data continued to recover with the official PMI at the highest level of two years. As an example of recovery, we would like to mention the indicator "Global Economic Surprise Index", elaborated by Citi Group, after being in negative since the beginning of 2014, recently went to positive. Commodities also continued the upward trend in November supported by the recovery in demand and, in the case of oil, due to the agreement reached between the oil producing countries to reduce production by 1.8 million barrels per day from January 2017.

Corporate earnings are revised upwards by analysts and the consensus nowadays estimates an increase above 12% in 2017. In addition, the change in US from expansive monetary policies to reflationary fiscal policies should have a positive impact in global growth and equity markets. Besides, at the ECB's last meeting of the year, Draghi did not disappoint the market by extending the bond purchase program until the end of 2017, although he reduced the amount from € 80 billion to € 60 billion. Particularly, the market liked Draghi's affirmation in terms of increasing again the amount of purchases depending on the evolution of growth and inflation.

Regards the companies held by Lierde, in November our positions in the banking and cyclical sectors contributed very positively to the portfolio. In terms of banks, we think that the positive change of sentiment is going to stay for long, so, the volatility should be lower. Conditions have changed because interest rates tendencies have changed, there is a new favorable regulation, the global growth is accelerating and there is a clear political support for the troubled banks. To sum up, the companies of the portfolio that rose more than 10% in the month were: **Wincanton** (+19%), **Arcelor Mittal** (+16%), **Société Générale** (+14%), **Duerr** (+11%) and **RPS** (+11%). Other companies with an outstanding performance in the month were: **PORR AG** (+8%) and **ING** (+7%). On the negative side, five companies dropped more than 10%: **STO** (-18%) after announcing that the results of the year will be significantly lower than expected. We maintain a 0.8% position. **Restaurant Group** dropped 13% after some downgrades. We have around 1%. **DIA** dropped -11% after published Q3 figures in line with expectations, but with debt and cash generation worse than estimated. We maintain 1%. Finally, the German company **Norma Group**, where we have 0.8% of the AUM of Lierde, dropped -10% after lowering its organic growth guidance for the year.

Regarding the changes in the portfolio, we incorporated three new companies in November: **Palfinger**, **Infotel** and **BNP Paribas**. On the other hand, we increased the position in **Société Générale**, **ING**, **Valeo**, **Cancom** and **Duerr**. On the sales side, we sold part of the position in **Realia** to subscribe the capital increase that began recently, as well as in **Econocom**, **Arcelor Mittal**, **Mitie Group** and **Linde**.

Finally, as for the equity markets, the Italian referendum was just the excuse not to break up. After that, and despite the negative result for Renzi, the market focused on the good macro data published during the last weeks and on the solution to the Italian banking problem. With the last rally, it seems that the market wants to break the bearish trend that began in April 2015 and thus, is approaching levels closer to its theoretical valuation. We would like to highlight that based on trend earnings, the European equity market would be more than 30% undervalued. If the incipient earnings recovery is confirmed, the gap should be closed in 2017.

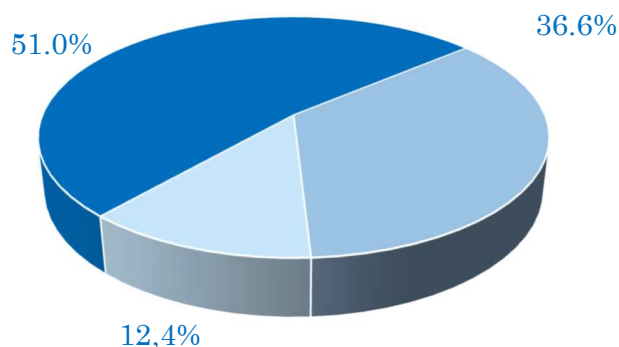


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### TOP 10

1.-	S&T AG	3,73%
2.-	CANCOM SE	3,52%
3.-	SOCIETE GENERALE SA	3,16%
4.-	REALIA BUSINESS SA	3,12%
5.-	MERLIN PROPERTIES SOCIMI	2,65%
6.-	AURELIUS AG	2,61%
7.-	DEVOTEAM SA	2,57%
8.-	REPLY SPA	2,50%
9.-	LAR ESPAÑA REAL ESTATE SOCIMI	2,49%
10.-	GLOBAL DOMINION ACCESS SA	2,47%
<b>TOTAL TOP 10</b>		<b>28,8%</b>

### DISTRIBUTION BY MARKET CAP.



■ BIG CAPS (> 5bn) ■ MID CAPS (5-2 bn) ■ SMALL CAPS (<2bn)

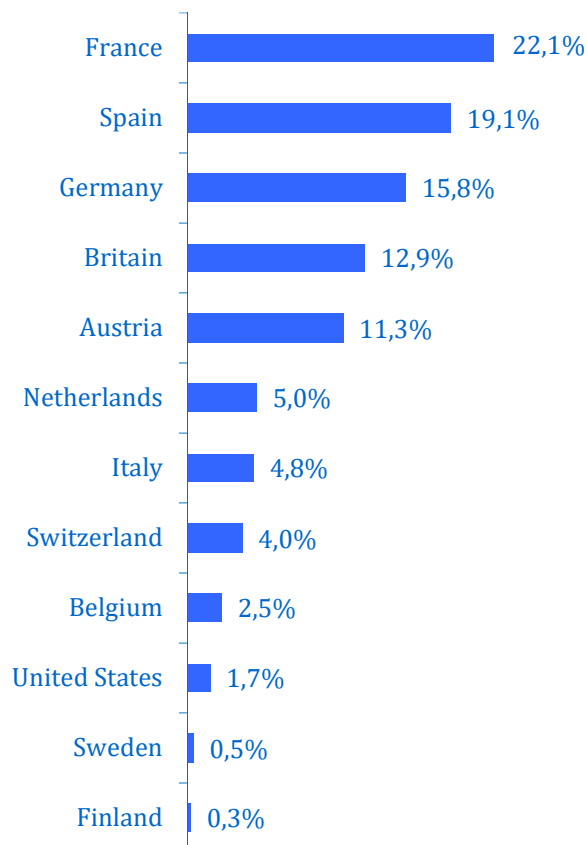
### DISTRIBUTION BY ASSET

Equity	92.1%
Cash	7.9%

### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY







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### GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 210 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 November 30, 2016

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Past returns do not guarantee future returns.