



LIERDE Net Asset Value 31/03/2016: 87.83

OBJECTIVE AND INVESTMENT STRATEGY

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

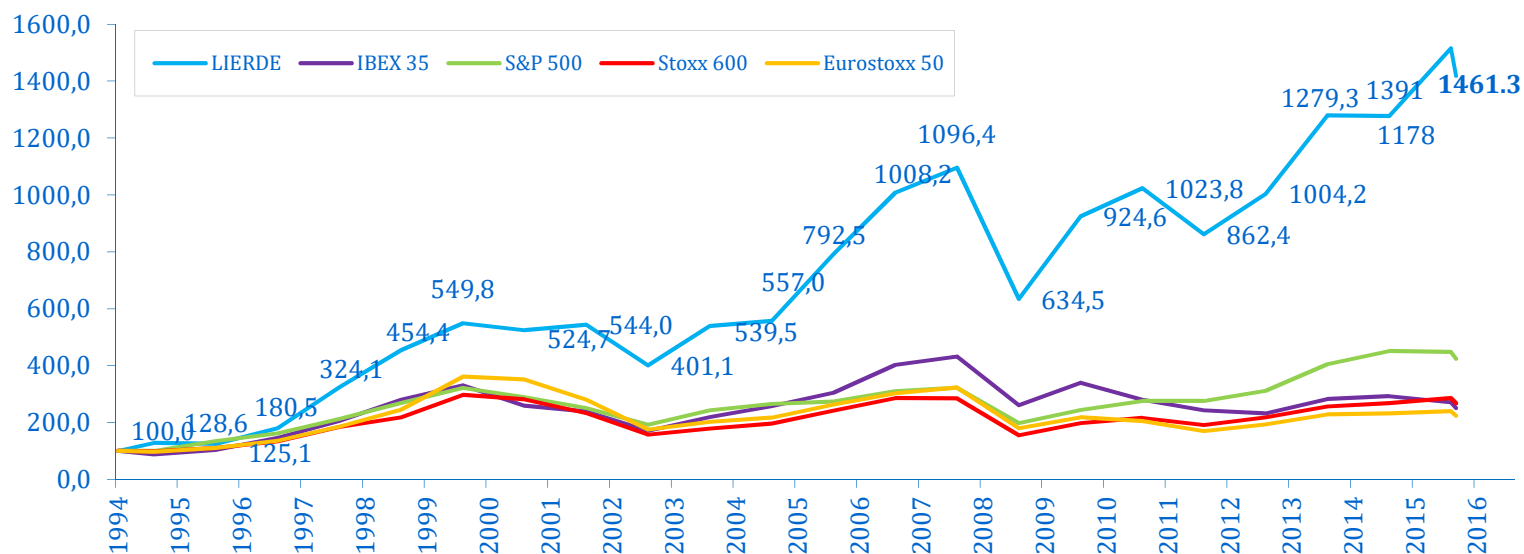
Investment decisions are based on fundamental analysis, analyzing the Return on Capital Employed (ROCE) of companies and its sustainability over time.

RISK DATA

DESDE INICIO	LIERDE	STOXX 600
Alfa anual	5,17	
Ratio Sharpe	0,85	0,31
Beta	0,83	
Volatilidad	18,0%	20,0%
12 MESES	LIERDE	STOXX 600
Beta	0,70	
Volatilidad	17,3%	22,6%

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	-3,59%	-7,73%	4,14%
Total return	1361,3%	164,2%	1197,1%
Average	16,2%	6,9%	9,2%

TOTAL RETURN (base 100)





LIERDE Net Asset Value 31/03/2016: 87.83

MONTH IN REVIEW

In March Lierde rose by +3.82% vs +1.08% Stoxx 600, +2.01% Eurostoxx 50, +3.09% Ibex 35 and +6.60% S&P 500. YTD Lierde accumulates -3.59% of return vs. -8.04% Eurostoxx 50, -7.73% Stoxx 600 and -8.60% Ibex 35. The NAV of Lierde at the end of the month was 87.83. In March Lierde was invested 92.6% in equities and 7.4% in cash. The beta of the portfolio was 0.70. The volatility of the last twelve months was 17.3% vs. 22.6% Stoxx 600, 25.10% Eurostoxx 50 and 24.6% Ibex 35; well below the indices.

Regarding the macroeconomic environment, the known data in March (industrial activity, employment, etc.) came out better than expected on both sides of the Atlantic. This improvement of the economic environment served to reduce the fear of a new recession, which had caused a sharp correction of stock markets in the first two months of the year. However, the most significant fact of the month came from the side of the central banks: on the one hand, Janet Yellen relaxed the expectations of interest rate hikes in 2016, from 4 initial hikes -that the market had already discounted- to 2; and on the other hand, Mario Draghi surprised again with new measures. These new measures consist on: lower interest rates (until 0%), increase of the monthly asset purchases (additional EUR 20,000 Mn, including corporate bonds for the first time) and, as the main tool, 4 new TLTROs to finance the banking sector. The first TLTRO will be in June of this year and there are still technical details that will be published coming soon. For the time being, we only know the following details: their long maturity (4 years), their low cost (the central bank can, even, pay banks 0.4%) and their high potential in terms of volumes (30% of non-mortgage loans). Ultimately, all those measures should contribute positively to economic growth in the Euro zone.

With respect to the markets, the lower investor fear of a new recession has allowed that the look for value (vs look for yield) has been the main driver of the month. In this scenario, the specific factors of each companies in which we are invested, are more relevant for the evolution of the portfolio than the macroeconomic environment. The last correction of the market has been very indiscriminate and, therefore, it is allowing us to incorporate high quality companies with unique business models and best-in-class management teams at very attractive prices.

In this line we have continued to increase weight in two companies that we incorporated during the previous month; the German companies: Duerr and Aurelius. Moreover, and as the main novelty, we repurchased an old position, the British restaurant chain The Restaurant Group. We sold this company in mid-2013 because it reached our target price after an excellent performance since joining the portfolio two years earlier. At the operational level, nothing has changed. Actually, the company has continued to grow during the last three years in terms of sales and EPS at 8-10% rates, exactly like the previous 15 years. It has been its price what has changed drastically in these 3 years. After rising to levels of clear overvaluation in 2014 and 2015 (16x EV/EBITA), the stock has suffered a sharp correction, trading nowadays at the same price that we sold it three years ago (8.8x EV/EBITA 2016 in terms of valuation).

Related to other companies of the portfolio, we would like to highlight the successful capital increase of Arcelor Mittal, which is already 40% up in the year. On the other hand, once the earnings season is finished, we are very satisfied with the results and evolution of the companies in the portfolio with exposure to cloud computing, digitalization, Internet of Things, IT security or Industry 4.0. All these trends are on structural growth, but it is not easy to invest generically in them because is a highly fragmented sector, with scarce analyst coverage and a huge disparity in the business models of the companies. We consider that companies like Econocom, Neurones, Cancom, S&T AG or Reply, will continue to have an excellent performance in the short and medium term. The reason is that all of them have an excellent track record (over 10 years), a high quality management team, a core shareholder (the founder in most cases), very high returns on capital employed and, what is more important, the ability to reinvest those returns in a sustainable way for several years.

Finally, on the sales side, we sold the position in Associated British Food (Primark) and Alten for reaching our target price. We also sold Adveo and Aryzta, positions in which we had previously reduced weight. In both cases, the potential return on their restructuring plans is very high if their targets are met, but their excessive indebtedness makes that the risk of capital losses exceeds the standards of Lierde.



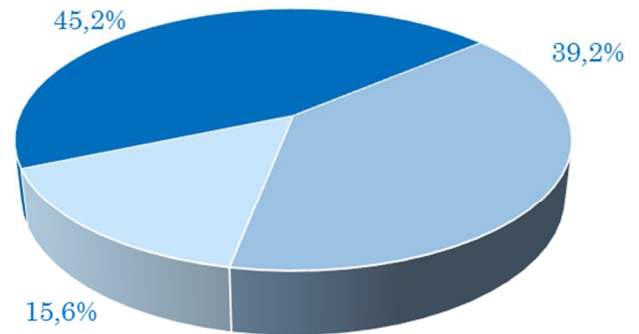
LIERDE

Net Asset Value 31/03/2016: 87.83

TOP 10

REALIA BUSINESS	5,53%
CANCOM	4,20%
LAR ESPAÑA	3,37%
S&T	2,89%
MERLIN PROPERTIES	2,71%
ECONOCOM GROUP	2,53%
ENGINEERING	2,47%
CARLSBERG	2,45%
VINCI	2,30%
DANIELI & CO	2,25%
TOTAL TOP 10	30,7%

DISTRIBUTION BY MARKET CAP.

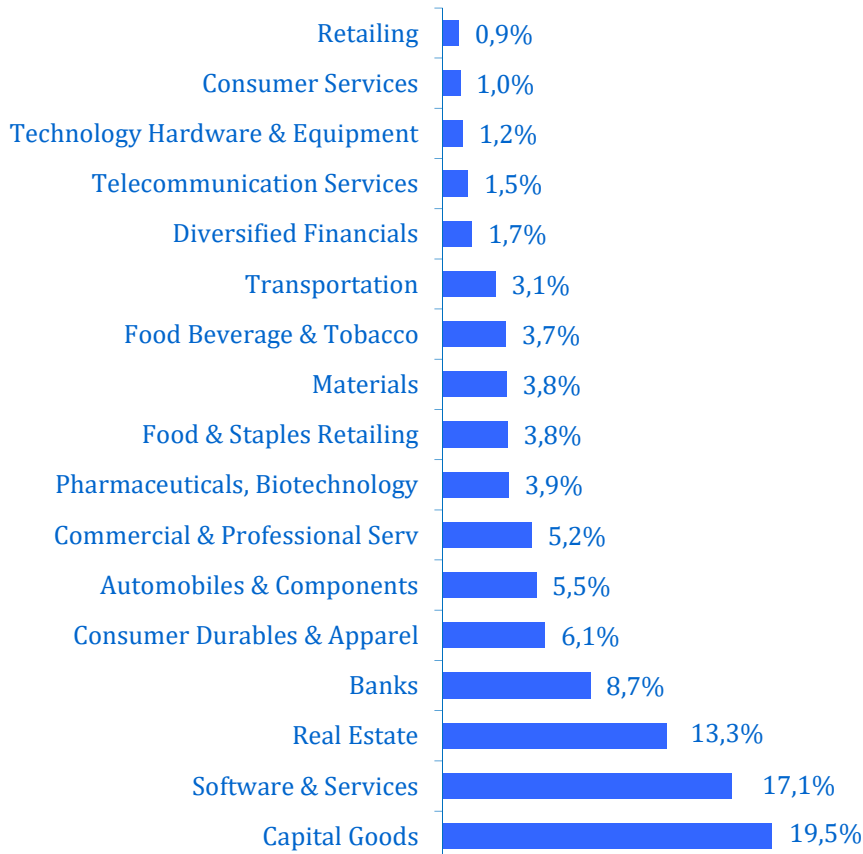


■ BIG CAPS (> 5bn) ■ MID CAPS (5-2 bn) ■ SMALL CAPS (<2bn)

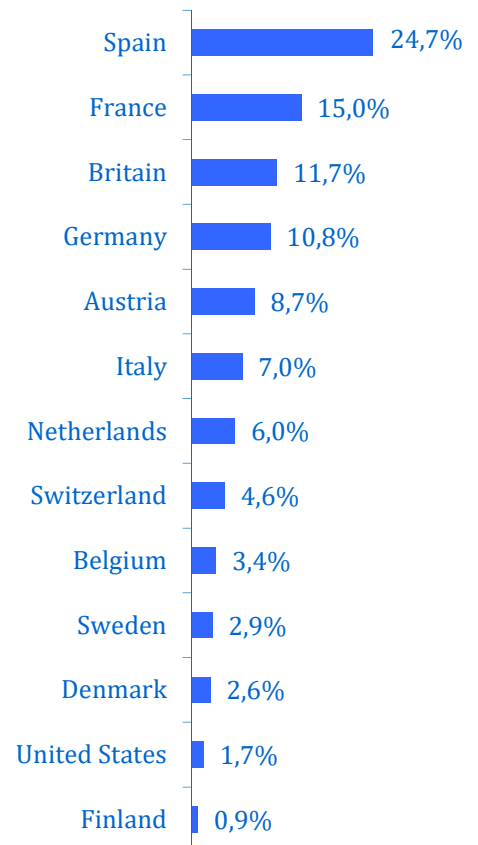
DISTRIBUTION BY ASSET

Equity	92.6%
Cash	7.4%

EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





LIERDE Net Asset Value 31/03/2016: 87.83

GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 177.5 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 March 31, 2016

DISCLAIMER

This document is purely informative and does not constitute a recommendation to invest in the products mentioned herein. The opinions are valid at the time of writing and may be modified at any time and without notice. The information has been obtained from reliable sources, but it does not constitute a commitment.

Past returns do not guarantee future returns.