



LIERDE Net Asset Value 28/02/2017: 98,66

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.

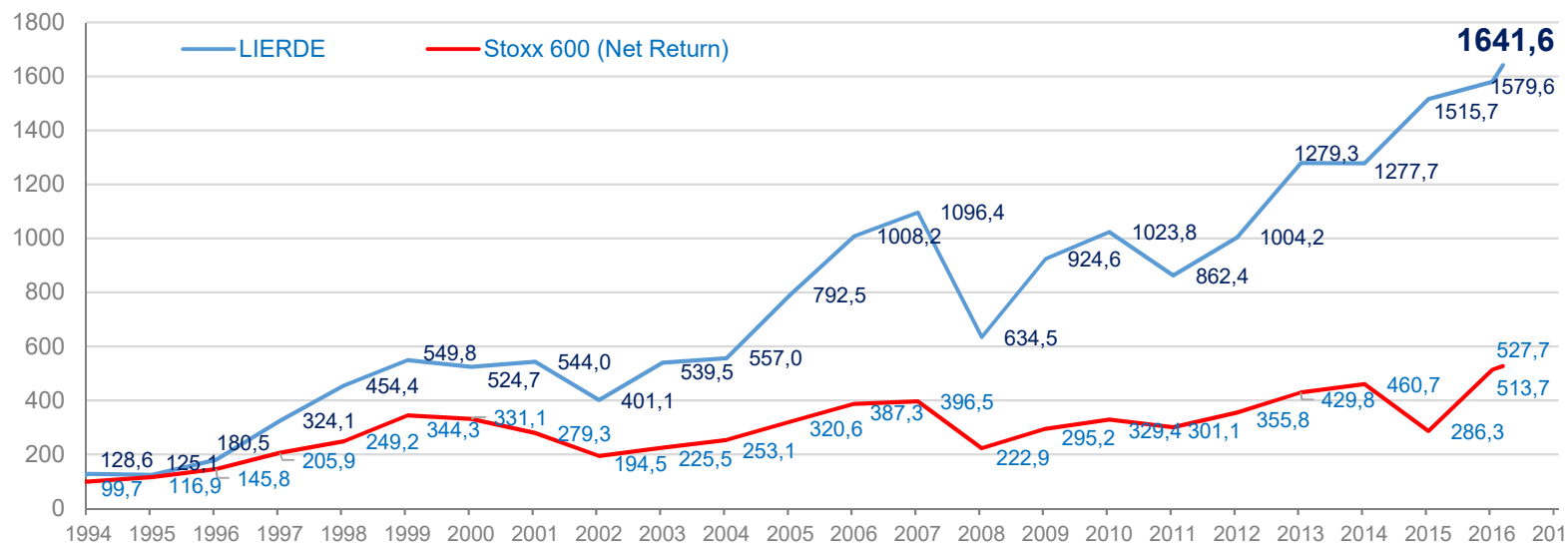
RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Beta	0,85	0,31
Ratio Sharpe	0,83	
Volatilidad	17,9%	19,5%
12M	LIERDE	STOXX 600
Beta	0,82	
Volatilidad	13,9%	15,8%

YEAR	HISTORICAL RETURNS		
	LIERDE	STOXX 600* (Net return)	Difference
1994	28,55%	-0,28%	28,83%
1995	-2,67%	17,19%	-19,86%
1996	44,30%	24,78%	19,52%
1997	79,50%	41,18%	38,33%
1998	40,22%	21,08%	19,14%
1999	20,98%	38,15%	-17,18%
2000	-4,56%	-3,83%	-0,72%
2001	3,68%	-15,65%	19,33%
2002	-26,26%	-30,36%	4,09%
2003	34,50%	15,92%	18,58%
2004	3,24%	12,24%	-9,00%
2005	42,28%	26,68%	15,60%
2006	27,22%	20,80%	6,42%
2007	8,75%	2,36%	6,38%
2008	-42,13%	-43,77%	1,64%
2009	45,72%	32,39%	13,33%
2010	10,72%	11,61%	-0,89%
2011	-15,76%	-8,61%	-7,15%
2012	16,44%	18,18%	-1,74%
2013	27,39%	20,79%	6,60%
2014	-0,12%	7,20%	-7,32%
2015	18,63%	6,79%	11,84%
2016	4,22%	1,73%	2,48%
2017	3,92%	2,73%	1,19%
Total return	1541,6%	427,7%	1113,8%
Average	15,8%	9,4%	6,4%

* Stoxx 600, net dividends included.

TOTAL RETURN (base 100)





MONTH IN REVIEW

In February LIERDE rose by +2.4% vs +2.7% Eurostoxx 50, +3.0% Stoxx 600 (Net Return) and +2.6% Ibex 35. The NAV of Lierde at the end of the month was 98.66, a new high in the history of LIERDE. YTD LIERDE accumulates +3.92% of return vs +0.88% Eurostoxx 50, +2.73% Stoxx 600 (Net Return), +2.17% IBEX 35 and +5.57% S&P 500. In February LIERDE was invested 89.9% in equities and 10.1% in cash. The Beta of the portfolio was 0.82. The volatility of the last twelve months went down again to 13.9% vs. 15.8% Stoxx 600, 18.3% Eurostoxx 50 and 22.0% Ibex 35.

On the companies' side, we were very satisfied with the evolution of the portfolio during the month. It is remarkable the high number of companies with a performance higher than 10% in February (**Lectra, Arcelor, Dominion, Restaurant Group, Palfinger** and **S&T AG**), compared to a few number of companies with negative returns higher than -5%, just 3 companies (**BNP Paribas, Société Générale** and **Senior**). In the case of Senior, we had reduced the position before the publication of its results, and in the two French banks, as we already commented in January, we had partially taken profits after their excellent performance at the of 2016.

Regarding the changes in the portfolio, we incorporated three new stocks that we prefer not to comment yet as we are still building the position. Also, we increased weight in some names such as **LAR España, Vinci, Roche, Neuronas, Cancom, Aurelius, Devoteam**, etc. We also increased weight in other companies in which we had recently taken profits, since after the falls of the month they had returned to attractive entry levels (**BNP Paribas** o **Société Générale**). On the sales side, the most remarkable thing is that we fully sold the positions in **Valeo** and **Norma**. We have done numerous investments in the automotive sector during the last years, contributing very positively to the performance of the portfolio (**BMW, Daimler, CIE Automotive, Continental, Valeo, Norma, ...**). The problem is that the sector is currently immersed in a technological revolution and, without any doubt, this revolution will transform the industry and the return on capital of its players. Therefore, currently, the only company in the portfolio in the sector is the German company **Hella**, which has all its sales related to the new trends: the electric and autonomous vehicle.

Finally, we remain optimistic with the European market for 2017. On the macro side, the indicators known in February continue to indicate that all the main geographical areas show good rates of growth. On the other hand, it is important to highlight that earnings estimations have been revised upwards by analysts after a disastrous 2016. The number of positive reviews is at 6-year highs and we cannot forget that markets price expectations. The market consensus estimates that the main European indices (Stoxx 600 and Eurostoxx 50) will register a generation of value (increase of the book value + dividend yield) in 2017 around 9%, after barely reaching 4% and 1% respectively in 2016. Based on the valuation models of each company of our portfolio, we estimate that the average value generation of Lierde at the end of February remains at 13.7%, like in 2016. Such superiority in the generation of value is the best indicator of the high quality of Lierde's portfolio and will undoubtedly be the key to maintaining the profitability differential vs the European indices in the medium and long term.



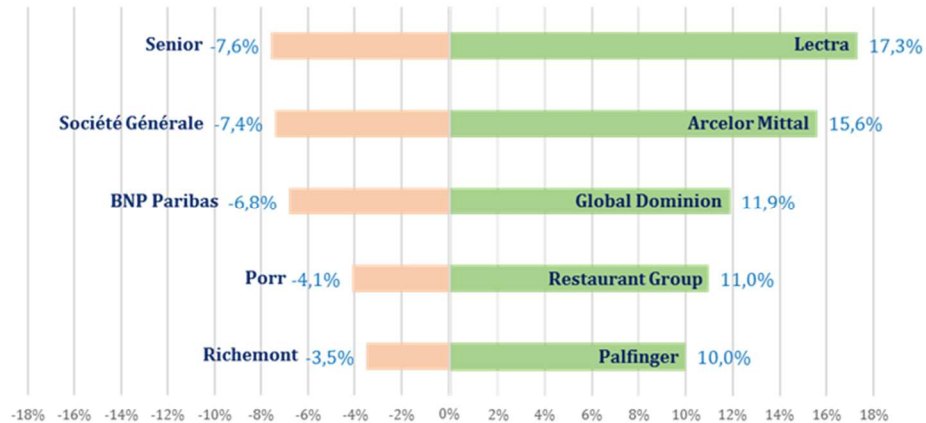
AUGUSTUS CAPITAL

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TOP 10

1.-	S&T	3,8%
2.-	REALIA BUSINESS	3,8%
3.-	CANCOM	3,7%
4.-	LAR ESPAÑA	3,4%
5.-	AURELIUS EQUITY	3,2%
6.-	DEVOTEAM	3,1%
7.-	VINCI	3,0%
8.-	GLOBAL DOMINION	2,7%
9.-	REPLY	2,7%
10.-	MERLIN PROPERTIES	2,5%
TOTAL TOP 10		31,8%

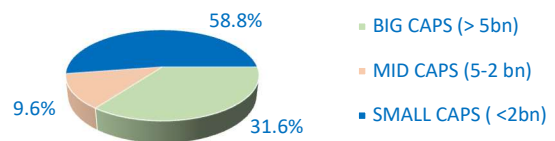
MONTHLY RETURN (the 5 best vs the 5 worst)



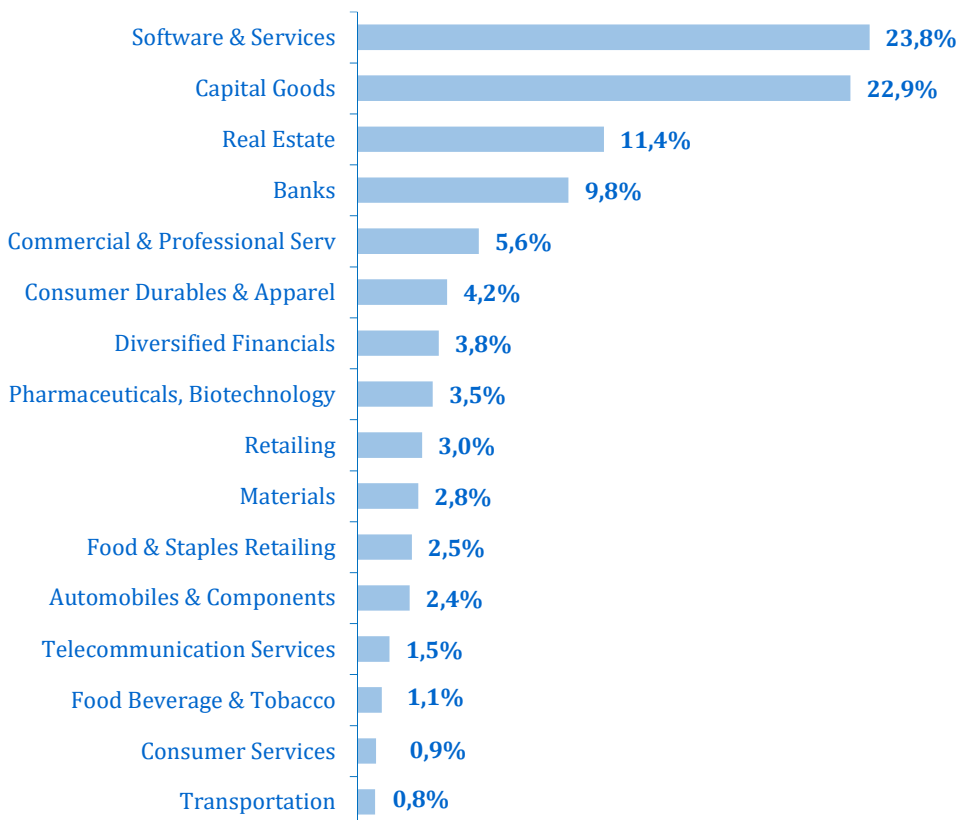
DISTRIBUTION BY ASSET

Equity	89.9%
Cash	130.1%

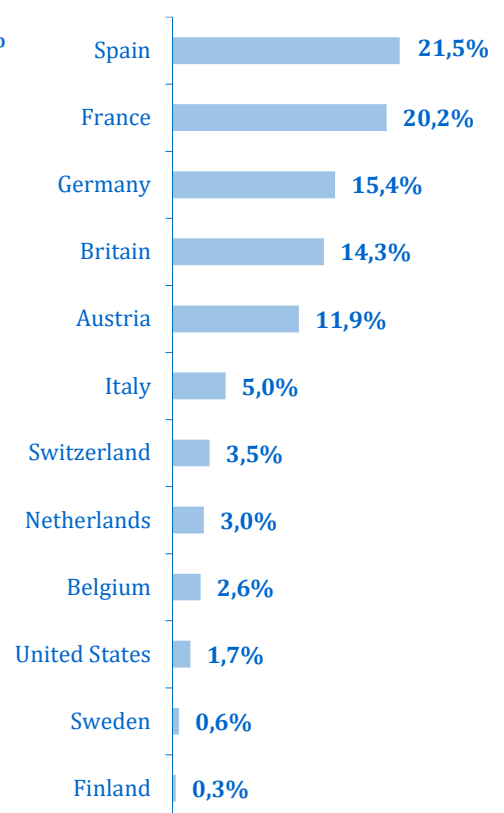
DISTRIBUTION BY MARKET CAP.



EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





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GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 235 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 February 28, 2017

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Past returns do not guarantee future returns.