



LIERDE Net Asset Value 30/04/2017: 107,13

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.

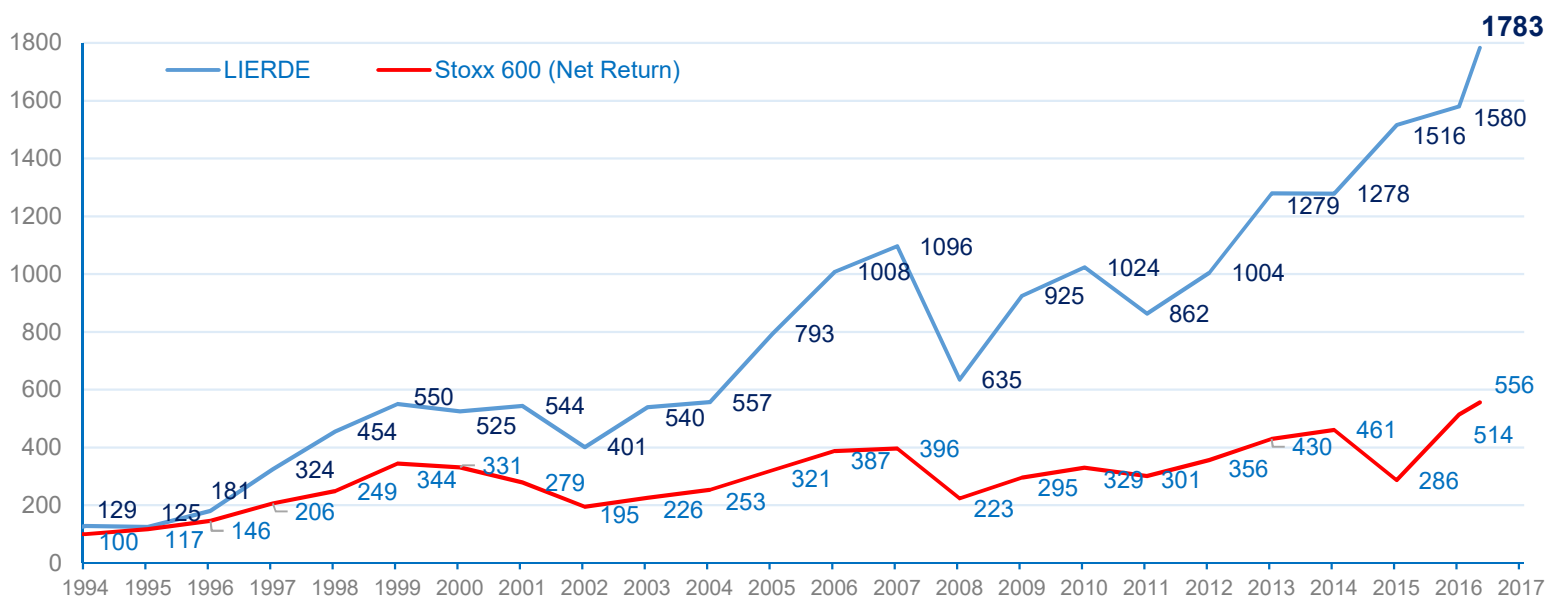
RISK DATA

DESDE INICIO	LIERDE	STOXX 600
Alfa anual	5,17	
Ratio Sharpe	0,85	0,31
Beta	0,83	
Volatilidad	17,9%	19,4%
12 MESES	LIERDE	STOXX 600
Beta	0,82	
Volatilidad	13,4%	15,1%

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	12,85%	8,24%	4,60%
Total return	1682,5%	456,0%	1226,5%
Average	15,8%	9,4%	6,4%

* Stoxx 600, net dividends included.

TOTAL RETURN (base 100)





LIERDE Net Asset Value 30/04/2017: 107,13

MONTH IN REVIEW

In April LIERDE rose by +4.5% vs +1.7% Eurostoxx 50 and +2.0% Stoxx 600 (Net Return). The NAV of Lierde at the end of the month was 107.13, a new high in the history of LIERDE. YTD LIERDE accumulates +12.85% of return vs +8.18% Eurostoxx 50 and +8.24% Stoxx 600 (Net Return). In March LIERDE was invested 87% in equities and 13% in cash. The Beta of the portfolio was 0.82. The volatility of the last twelve months went down again to 13.4% vs. 15.1% Stoxx 600 and 17.3% Eurostoxx 50.

On the companies' side, a significant number of the companies in the portfolio reported numbers of the first quarter, surprising very positively. That favorable operating evolution was reflected in their performance. Actually, only 3 companies closed the month with returns below -5%, compared to 31 companies that registered returns above +5%. We always say that the best Margin of Safety for the long-term investors is a reasonably diversified portfolio with capacity to create high and sustainable value for shareholders. The average value creation of Lierde's portfolio in this first quarter of 2017 is above our initial estimate of 13%.

Regarding the changes in the portfolio, we took advantage of the weakness after Gestamp's recent IPO to build a small position. This Spanish company is the global leader in hot stamping of ultra-resistant steel parts for the automotive sector. Its current Return on Capital Employed (RoCE) is not very high due to the investment effort in new plants, but both the excellent track record of its management team and the fact that the company has a reference shareholder, are good indicators of its quality. Likewise, we like its exposure to the two major structural tendencies within the automotive sector: electrification and autonomous driving. The former because of the need of reduction the chassis weight to compensate the overweight of the batteries and the latter due to the greater demand of passive safety in the medium term. On the sales side, we sold Grupo Dia and Linde. In both cases the reason was that they reached our target price.

Finally, we remain optimistic about the European market for 2017. Macro data continue to indicate that all the main geographical areas show a good rate of growth. On the other hand, it is important to highlight that earnings expectations in Europe continue to be revised upwards and there are already analysts talking about growth rates above 15%. It is important to note that the rise of the European stock markets in this first quarter of the year is mainly due to the recovery of profits, although the high-risk premium against the United States since the financial crisis is still present. If the imminent second round of French elections and the elections in Germany in September lead to pro-integration Governments, political risk should be lower in Europe. In summary, after a decade talking almost exclusively of “downside risks”, maybe we are very close to start talking about “upside risk” in Europe.

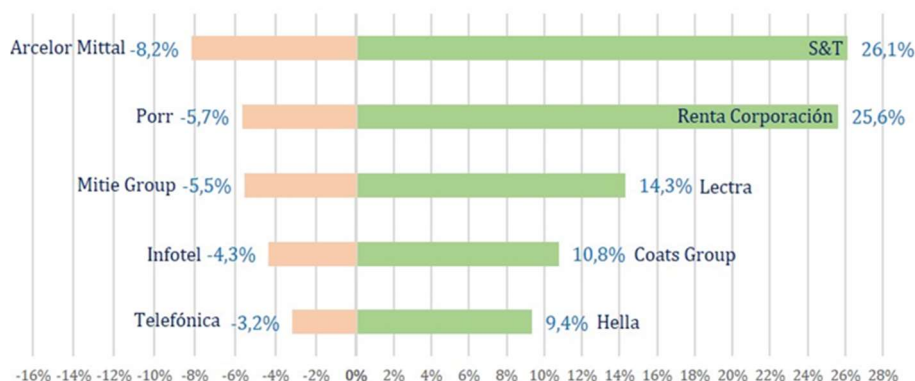


LIERDE Net Asset Value 30/04/2017: 107,13

TOP 10

1.-	S&T	4,0%
2.-	CANCOM	3,8%
3.-	REALIA BUSINESS	3,6%
4.-	ECONOCOM GROUP	3,4%
5.-	LAR ESPAÑA	3,4%
6.-	VINCI	3,0%
7.-	DEVOTEAM	2,8%
8.-	GLOBAL DOMINION	2,6%
9.-	ING GROEP	2,6%
10.-	BANCO SANTANDER	2,5%
TOTAL TOP 10		31,7%

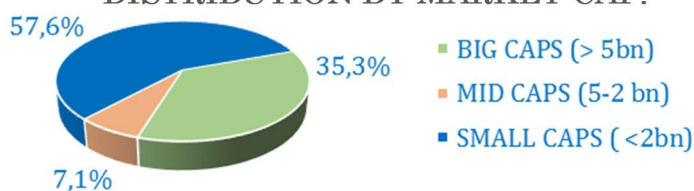
MONTHLY RETURN (the 5 best vs the 5 worst)



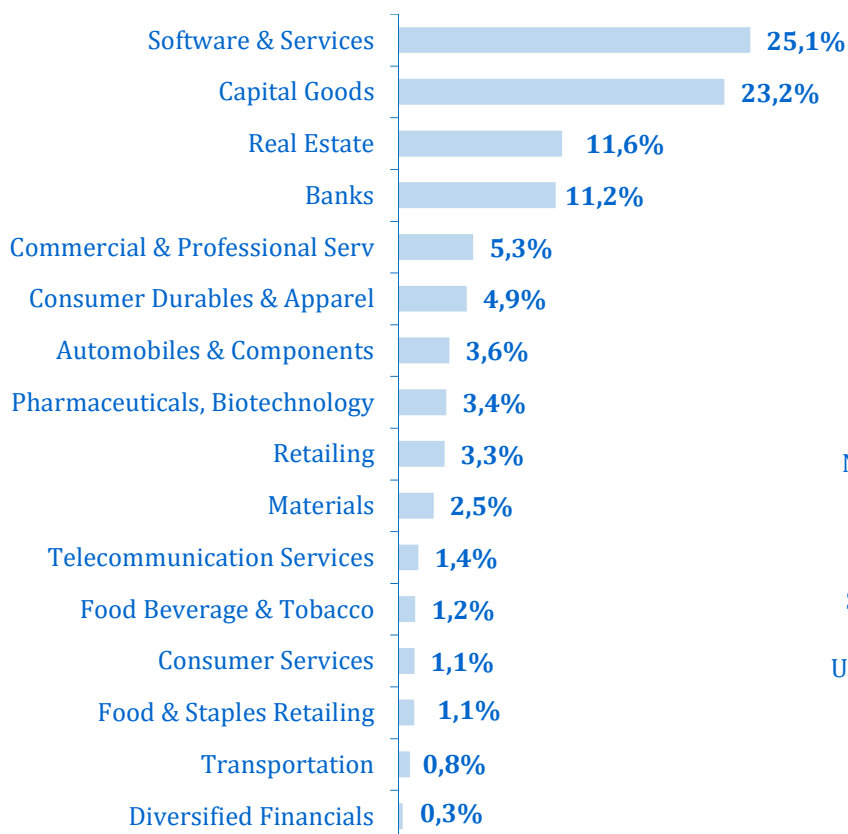
DISTRIBUTION BY ASSET

Equity	87.0%
Cash	13.0%

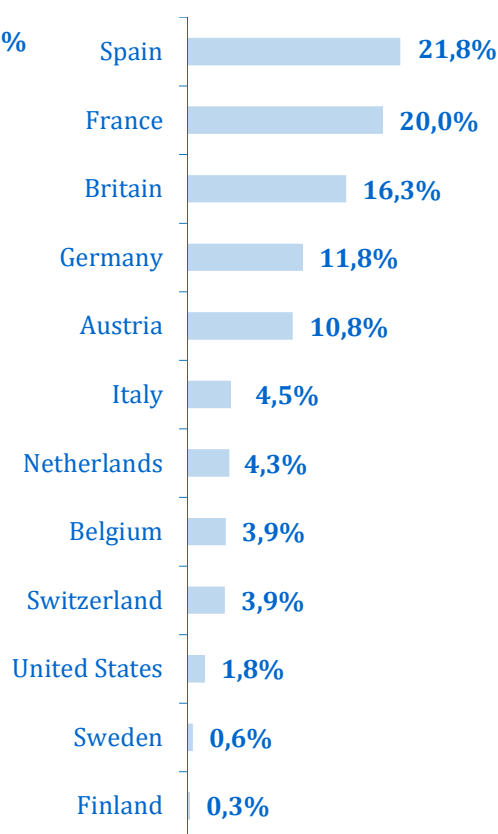
DISTRIBUTION BY MARKET CAP.



EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





LIERDE Net Asset Value 30/04/2017: 107,13

GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 267 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 April 30, 2017

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.