



LIERDE

Net Asset Value 31/08/2017: 109,53

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.

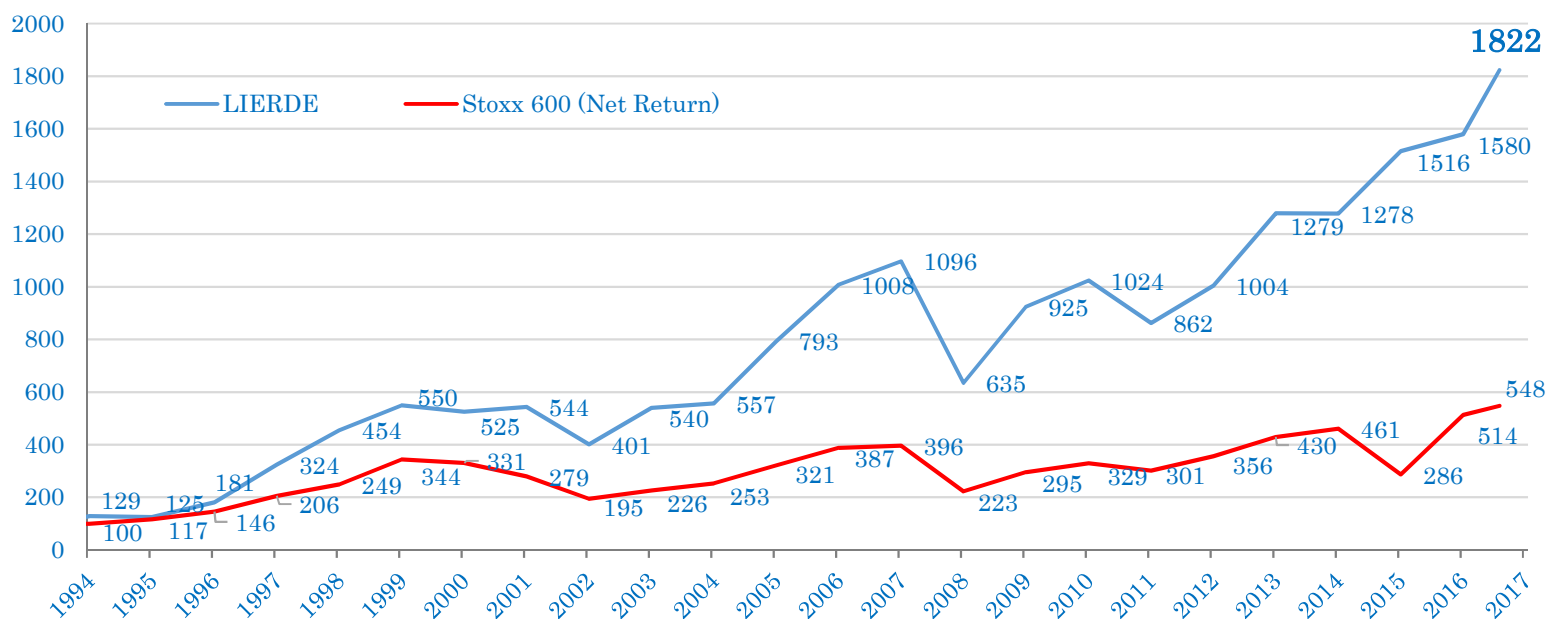
RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Beta	0,85	0,31
Ratio Sharpe	0,83	
Volatilidad	17,8%	19,3%
12M	LIERDE	STOXX 600
Beta	0,76	
Volatilidad	8,3%	9,4%

YEAR	HISTORICAL RETURNS		
	LIERDE	STOXX 600* (Net return)	Difference
1994	28,6%	-0,3%	28,8%
1995	-2,7%	17,2%	-19,9%
1996	44,3%	24,8%	19,5%
1997	79,5%	41,2%	38,3%
1998	40,2%	21,1%	19,1%
1999	21,0%	38,2%	-17,2%
2000	-4,6%	-3,8%	-0,7%
2001	3,7%	-15,6%	19,3%
2002	-26,3%	-30,4%	4,1%
2003	34,5%	15,9%	18,6%
2004	3,2%	12,2%	-9,0%
2005	42,3%	26,7%	15,6%
2006	27,2%	20,8%	6,4%
2007	8,7%	2,4%	6,4%
2008	-42,1%	-43,8%	1,6%
2009	45,7%	32,4%	13,3%
2010	10,7%	11,6%	-0,9%
2011	-15,8%	-8,6%	-7,2%
2012	16,4%	18,2%	-1,7%
2013	27,4%	20,8%	6,6%
2014	-0,1%	7,2%	-7,3%
2015	18,6%	6,8%	11,8%
2016	4,2%	1,7%	2,5%
2017	15,4%	5,8%	9,5%
Total return	1722,4%	443,6%	1278,8%
Average	15,8%	9,3%	6,5%

* Stoxx 600, net dividends included.

TOTAL RETURN (base 100)





MONTH IN REVIEW

In August LIERDE's portfolio performed significantly much better than the indices. In the month, the return of LIERDE was flat (-0.04%) vs -0.81% Eurostoxx 50 and -0.79 Stoxx 600 (Net Return). LIERDE accumulates +15.37% of return in 2017 vs. +3.9% the Eurostoxx 50 and +5.8% the Stoxx 600 (Net return). The NAV of Lierde at the end of the month was 109.53. In August LIERDE was invested 90.5% in equities and 9.5% in cash. The Beta of the portfolio was 0.76. Last twelve months' volatility of LIERDE dropped to 8.3% vs. 11.5% Eurostoxx 50 and 9.4% Stoxx 600 (Net Return).

On the macro side, the data published in the month show that the economic recovery continues in all geographical areas. However, this improvement has not been accompanied by further rises in the European equity markets, which have been moving from side-to-side since April, losing the return gained after the French elections (-7%). On the other hand, in the US market, the indices remained at maximum levels supported by a weaker dollar and the hope that President Trump will pass its announced fiscal measures. Activity levels in Europe, much later in the cyclical recovery, together with their valuation, make the European market more attractive than the American. Cyclical, industrial and export companies performed worse during the summer, with many stocks falling more than 10%, so nowadays many companies are trading at very attractive levels. Finally, gold rebounded strongly in the summer, being an example of the "risk off" position of many investors.

Looking to the end of the year we are more optimistic than in previous months. Seasonally the October-December period usually is good for equities. Besides, there are two events in September that could change the perception of global investors about Europe. On September 21st, the labor reform could be approved in France. From our point of view, this would be very important because it would be the first measure that would put France at the beginning of a period of structural growth. Secondly, the elections in Germany will take place on September 24th and, according to surveys, Merkel remains very well positioned. A strong government of Merkel, together with a reformist France, would bring new airs to the European Union.

Regarding the portfolio, in August five companies revalued more than +10% (**S&T**, **DFS Furniture**, **Renta Corporación**, **Maison du Monde** and **Senior**) and only two fell more than -10% (**Mears Group** and **Andritz AG**). In terms of new ideas, we added two companies to the portfolio: **Valeo** and **ISS**. **Valeo** is a French auto supplier that we know very well as it was in Lierde's portfolio in the past. Some months ago, we sold the whole position when the stock reached our target price. However, the stock dropped strongly from its highs (-17%), which allowed us to buy again a company that it is very well positioned to the new "mega trends": efficient, electric and autonomous cars. **ISS** is a Danish leading facility management services company with big contracts around the world. It is another example of "best-in-class" company that we were waiting for a correction to buy it. The stock recently fell almost -20%, so we built a position. Briefly, we have already commented that outsourcing is a structural trend in an increasingly competitive world that demands more efficiency, both in the private and public sector. Its global presence clearly gives the company an advantage to gain global contracts of facility management (cleaning, maintenance, catering and security) with large corporations such as Barclays, Nestle or Hewlett Packard. Also, the digitalization trend demands high investments in software, being essential to have scale to be profitable, and ISS certainly has it. Finally, we took advantage of the weakness of the market to increase some positions in which we see high potential: **Merlin Properties**, **Econocom**, **Hella AG**, **Duerr**, **Infotel** and **Alimak**.



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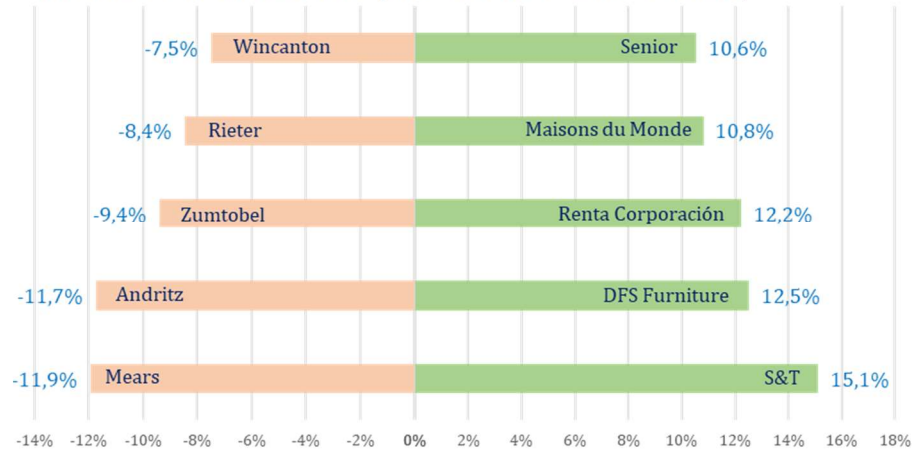
TOP 10

TOP 10	
1.- CANCOM	3,9%
2.- LAR ESPAÑA	3,7%
3.- REALIA	3,6%
4.- S&T	3,5%
5.- DEVOTEAM	3,3%
6.- MERLIN PROPERTIES	3,1%
7.- VINCI	2,7%
8.- ECONOCOM GROUP	2,7%
9.- GLOBAL DOMINION	2,6%
10.- PALFINGER	2,6%
TOTAL TOP 10	31,9%

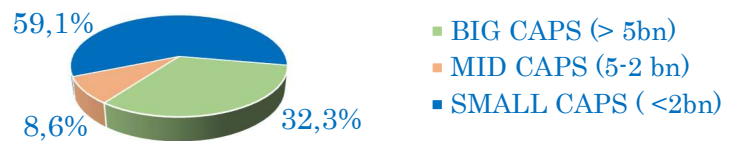
DISTRIBUTION BY ASSET

Equity	90.5%
Cash	9.5%

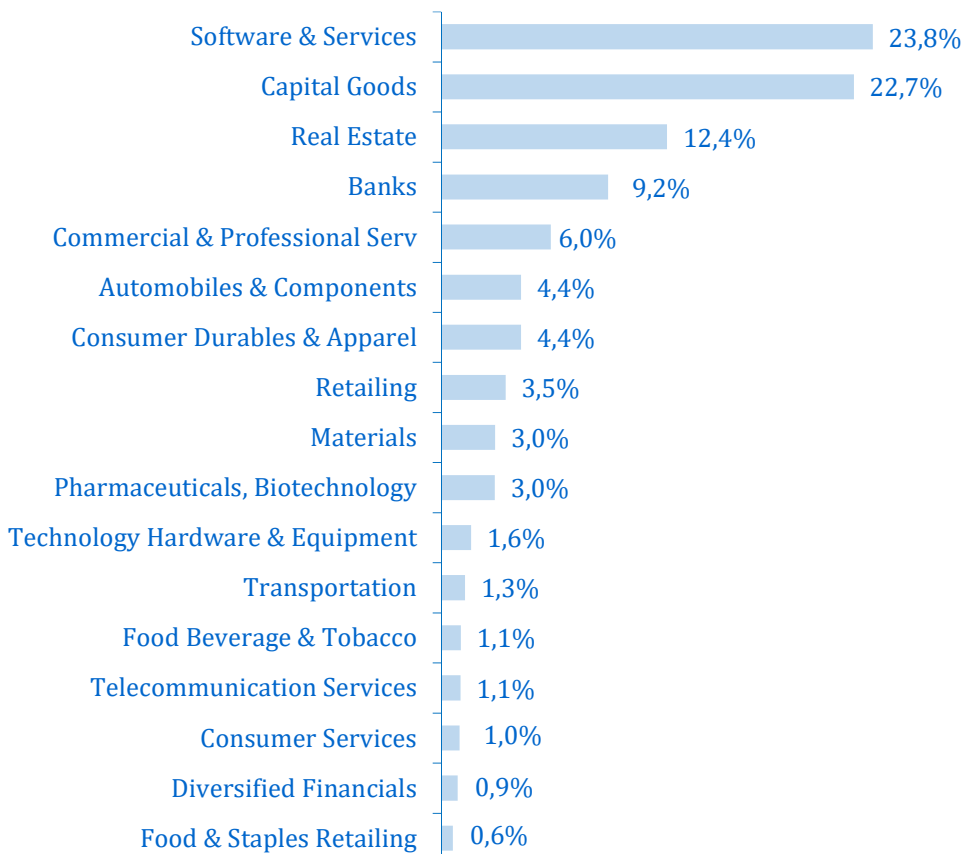
MONTHLY RETURN (the 5 best vs the 5 worst)



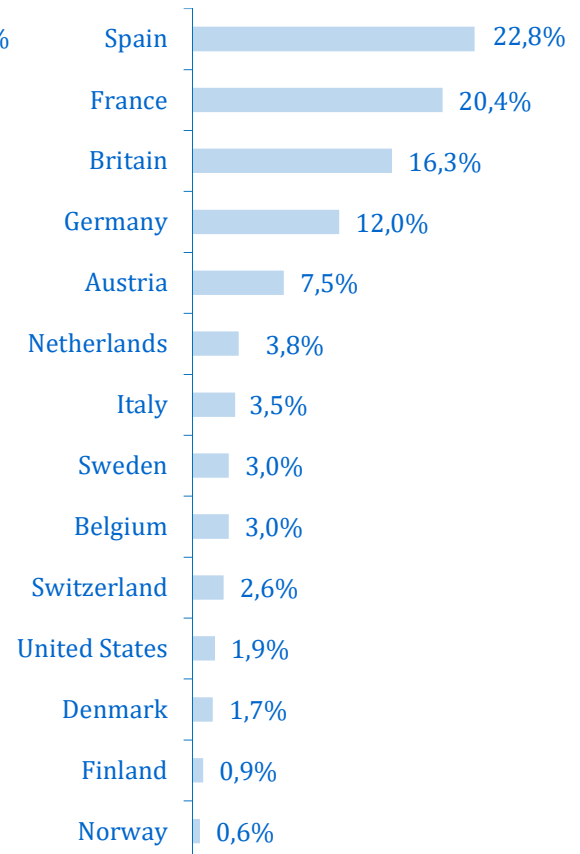
DISTRIBUTION BY MARKET CAP.



EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





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GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 300.4 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 August 31, 2017

DISCLAIMER

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Past returns do not guarantee future returns.