



## LIERDE

Net Asset Value 30/09/2017: 113,55

### 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.

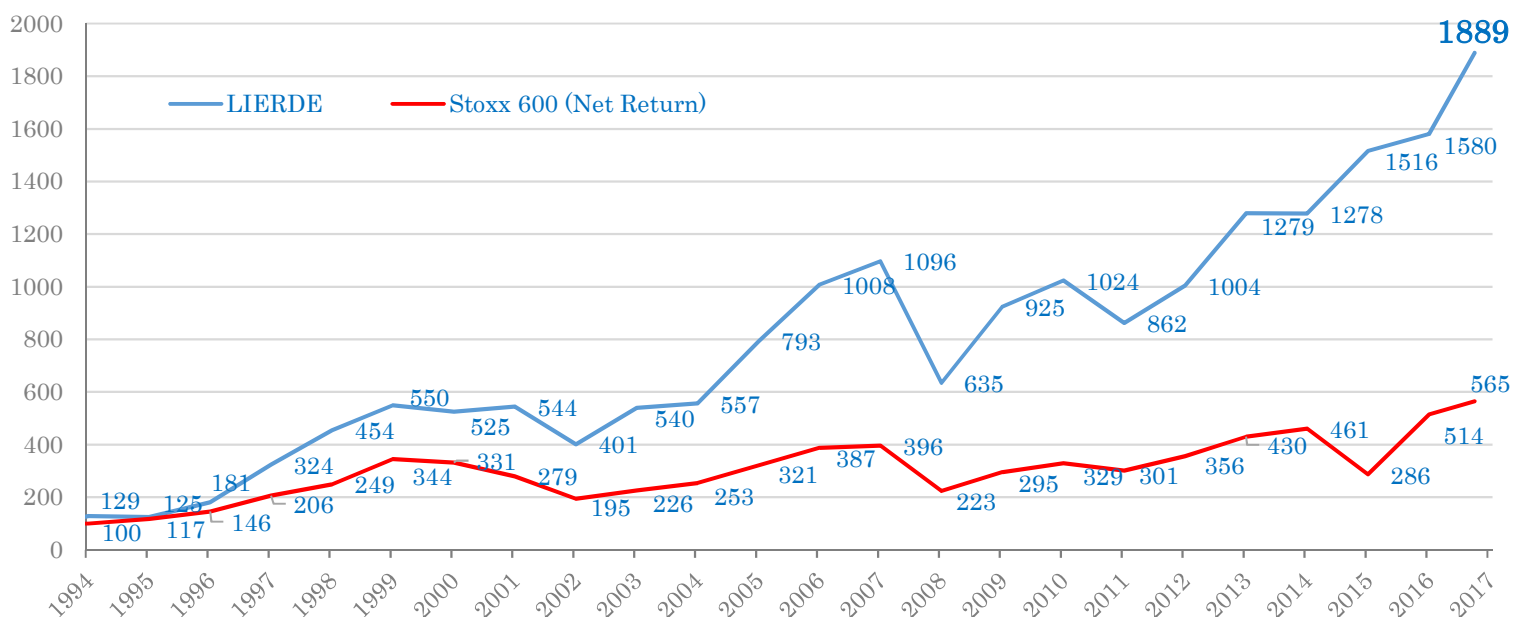
### RISK DATA

FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Beta	0,85	0,31
Ratio Sharpe	0,83	
Volatilidad	17,7%	19,2%
12M	LIERDE	STOXX 600
Beta	0,78	
Volatilidad	8,1%	8,8%

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	19,6%	9,9%	9,7%
<b>Total return</b>	<b>1789,4%</b>	<b>464,8%</b>	<b>1324,6%</b>
<b>Average</b>	<b>16,0%</b>	<b>9,4%</b>	<b>6,6%</b>

\* Stoxx 600, net dividends included.

### TOTAL RETURN (base 100)





### MONTH IN REVIEW

In September LIERDE's portfolio rose +3.7% vs +3.9% the Stoxx 600 (Net Return), +5.1% the Eurostoxx 50 and +0.8% the Ibex-35. LIERDE accumulates +19.6% of return in 2017 vs. +9.2% the Eurostoxx 50, +9.9% the Stoxx 600 (Net return) and +11.0% the Ibex 35. The NAV of Lierde reached a new historical high at the end of the month (113.55), while the main European indices are still trading below both annual and historical highs. In September LIERDE was invested 90.5% in equities and 9.5% in cash. The Beta of the portfolio was 0.78. Last twelve months' volatility of LIERDE dropped to 8.1% vs. 10.8% Eurostoxx 50 and 8.8% Stoxx 600 (Net Return).

On the macro side, the data known in the month continue to show a scenario of global economic growth without upward pressure on prices. The meetings of the European Central Bank (ECB) and the Federal Reserve confirmed that both institutions believe that this favorable scenario (growth without price pressure) will be maintained in the medium term. The ECB revised its Eurozone GDP estimate for 2017 to +2.2% from +1.9%, and reduced its inflation expectations by 2018 (from 1.3% to 1.2%) and by 2019 (from 1.6% to 1.5%). They also maintained the interest rates unchanged and confirmed that in October they will announce some possible changes in the expanded asset purchase program. Finally, the Federal Reserve meeting did not give any surprise: interest rates unchanged (1 hike in 2017 and 3 more in 2018) and October as the month for starting its balance sheet normalization process. Its 2% inflation target was delayed to 2019.

Regarding the portfolio, the performance in September was very positive, especially because of the few number of companies with negative returns. None of them fell more than -10% and only two companies fell more than -5%. By contrast, 8 companies of the portfolio rose more than +10% (**Grammer, Ferratum, Dürr, Lectra, Software AG, Mears, Valeo** and **Cancom**) and 13 companies revalued more than +5%. The French company **Carrefour** was the only company that we sold in September. We also reduced weight in some names (**Reply, Vinci, Ferrovial** or **Hella**) after their excellent recent performance. In terms of purchases, we took advantage of the liquidity of the portfolio to incorporate two new German companies: **Grammer** and **Software AG**. Both contribute significantly to improve the portfolio's expected return as the estimated annual potential is double-digit for the next 4 years in both names. **Valeo, Avon Rubber, ISS, Zumtobel, BNP Paribas** or **Banco Santander** are examples of companies in which we also increased weight in the month. Most of these companies are trading at very attractive ratios (they are cheap), but the common point among them is that they will generate high returns for their shareholders in the medium term.

Finally, we would like to highlight that the good performance of the equity markets, especially the European equity markets, is not homogeneous neither by sectors nor by companies. For example, while Banks or Automobiles & Components sectors achieved very good returns, traditionally defensive sectors such as Food, Electricity, or Stable Consumer Goods suffered a lot during the month. This lack of correlation was also very high among companies of the same sector. In our view, the change in the monetary policies of central banks will accelerate this process. The main reason is that, in a scenario of higher growth and higher long rates, the ability to generate long-term value (growth of profitability and reinvestment capacity) is, one again, the main difference in the selection of companies. In this scenario, Lierde is very well positioned for this environment, with a well-diversified portfolio that is currently trading at attractive prices, but more importantly: Lierde's portfolio companies own high quality businesses that increase their value over time.



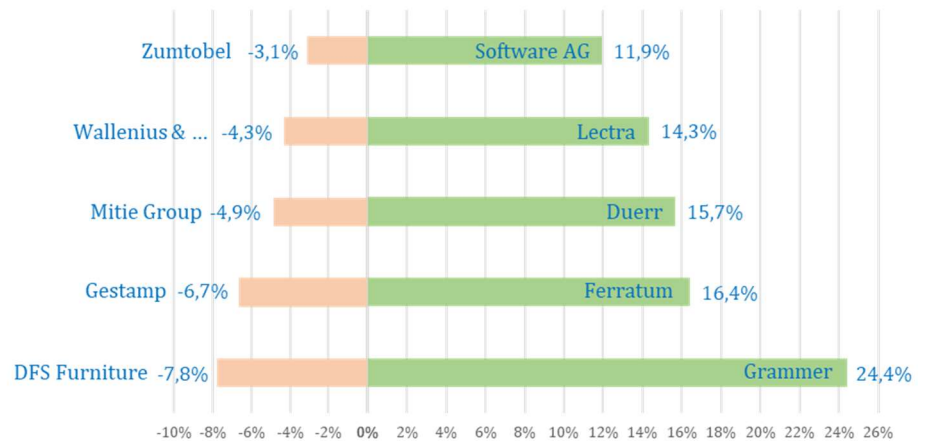
## LIERDE

Net Asset Value 30/09/2017: 113,55

### TOP 10

1.- CANCOM	4,0%
2.- S&T	3,4%
3.- LAR ESPAÑA	3,2%
4.- DEVOTEAM	3,2%
5.- REALIA BUSINESS	3,1%
6.- MERLIN PROPERTIES	2,8%
7.- BNP PARIBAS	2,8%
8.- ECONOCOM	2,8%
9.- SOCIETE GENERALE	2,6%
10.- BANCO SANTANDER	2,5%
<b>TOTAL TOP 10</b>	<b>30,4%</b>

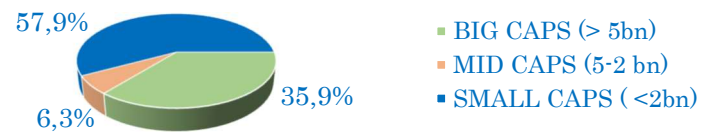
### MONTHLY RETURN (the 5 best vs the 5 worst)



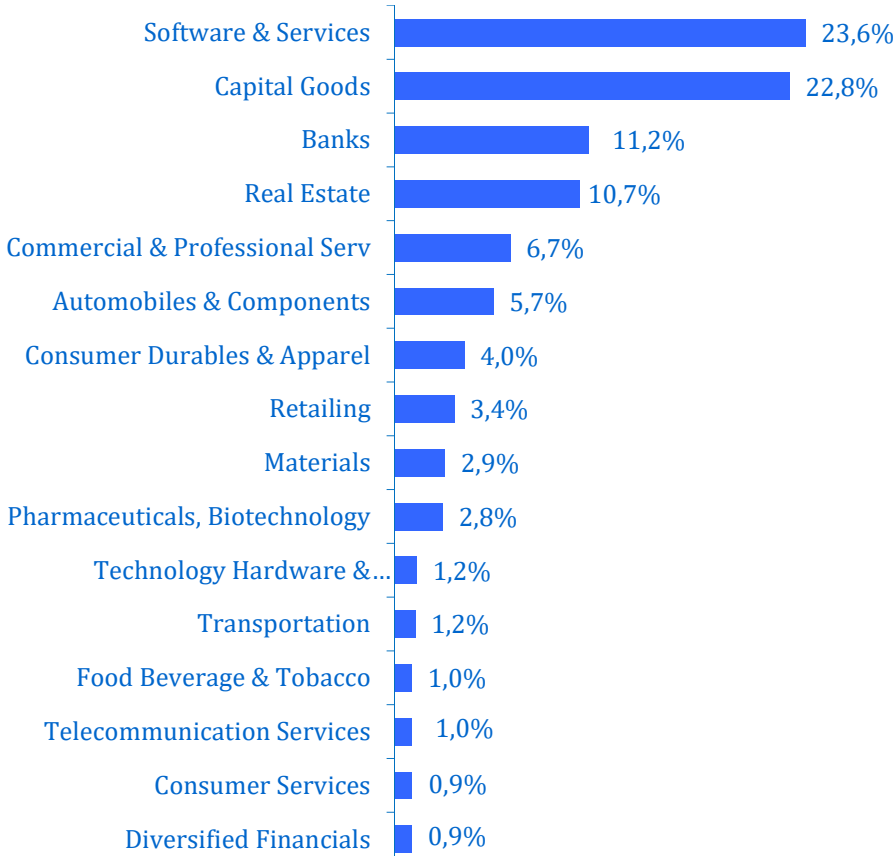
### DISTRIBUTION BY ASSET

Equity	90,5%
Cash	9,5%

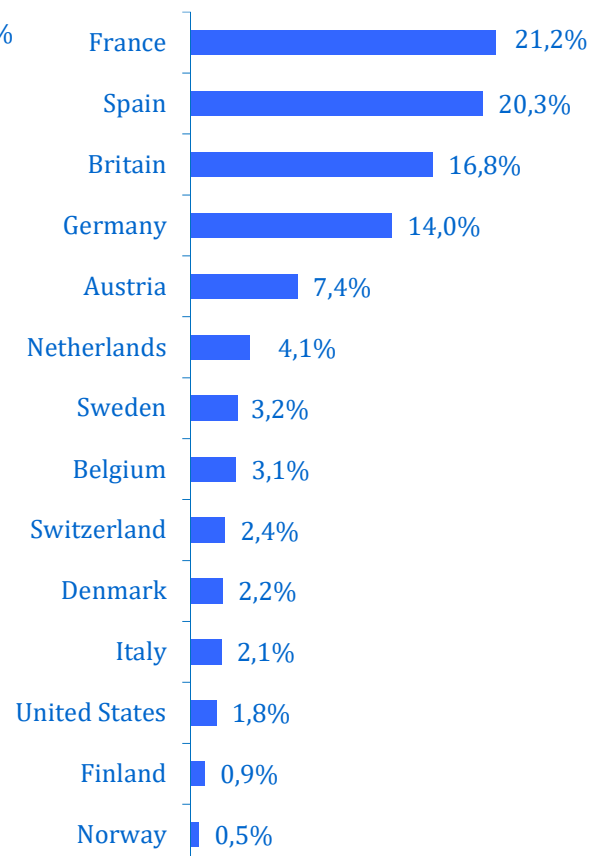
### DISTRIBUTION BY MARKET CAP.



### EXPOSURE BY SECTOR



### EXPOSURE BY COUNTRY





## LIERDE

Net Asset Value 30/09/2017: 113,55

### GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 331 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 September 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.