



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

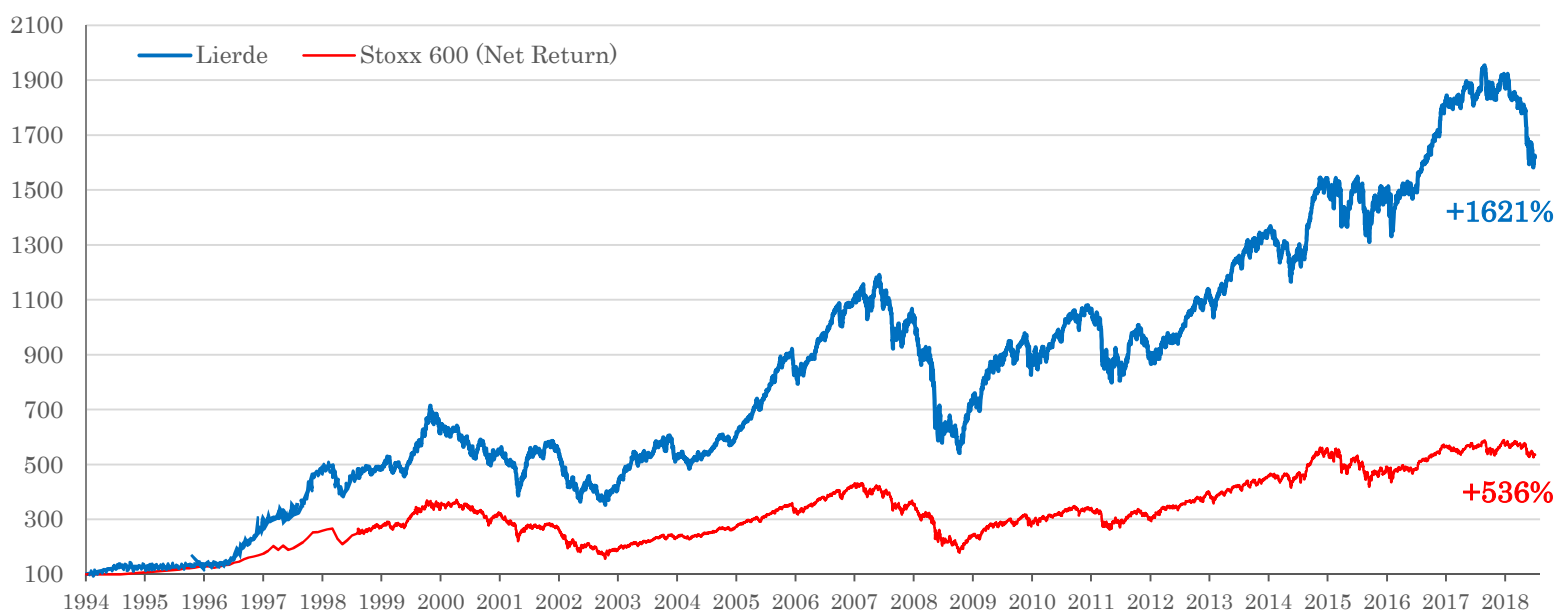
FROM INCEPTION	LIERDE	STOXX 600
Alfa anual	5,17	
Ratio Sharpe	0,85	0,31
Beta	0,83	
Volatility	17,3%	18,8%
12 MONTHS	LIERDE	STOXX 600
Beta	0,77	
Volatility	9,8%	11,3%

HISTORICAL RETURNS

YEAR	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	18,2%	10,6%	7,6%
2018	-13,2%	-5,6%	-7,5%
Total return	1520,9%	436,1%	1084,8%
Average	15,5%	9,2%	6,2%

* Stoxx 600, dividends included.

TOTAL RETURN (base 100)





MONTH IN REVIEW

In November LIERDE experimented a decrease in profitability of -1.9% vs -0.8% of the Eurostoxx50 and -1.0% of the Stoxx 600 (Net Return). The YTD profitability is -13.2% vs -5.6% Stoxx 600 (Net Return) and -9.4% Eurostoxx 50. LIERDE's NAV at the end of the month was 97.42 euros/share and the portfolio's level of investment accounted for 90.6% of the total assets and the cash part of the portfolio at 9.4%. The twelve-month trailing volatility remained at 9.8% vs 11.3% of the Stoxx 600 (Net return) and 12.6% of the Eurostoxx 50.

During the month of November, small and cyclical companies have continued to perform worse than the market. Pessimism is still very high in Europe. Events such as the lack of a commercial agreement between the US and China, the Italian budget, Brexit, etc., have precipitated the stock market falls. These macro uncertainties have generated a loss of confidence in investors and have widened the divergence between the value of some portfolio companies and their price. Honestly, we do not know what is going to happen with the global macroeconomic theme, what we do know is that the operational evolution of the business is still positive in general terms. In fact, this month the other half of the portfolio companies have published results and, after adjusting the valuations, the value creation of the portfolio in 2018 has increased to levels of +12.5% per annum. This, coupled with the generalized de-rating of the portfolio, means that the total 4-year potential has risen +12% compared to the previous month. What makes us feel confident for the future.

In any case, in these situations it is always convenient to review and evaluate possible risks in the face of a permanent loss of capital. Factors such as being properly diversified, as well as owning companies with net cash or very small debt, are fundamental to be protected. Another very important factor is to be invested in companies that benefit from structural trends. We recently read a UBS report on investment in Automation, Robotics and Digitalization (ADR). It was a survey of more than 600 companies in Europe on their investment decisions. The results show a clear acceleration of the structural investment trend in the three previous fields. The main reason to increase investments in digitalization is the savings that it can bring. Precisely, many of the businesses we have in the portfolio provide IT services, that is, they help their clients to digitize (to save costs). If presumably "a recession were to come", the need to reduce costs becomes even more critical. Another structural trend is the transition to the electric car. Trend that some industrial companies in the portfolio benefit from in the medium-term, as in the case of **Dürr**. Recently we met with their CFO, Carlo Crosetto, and he told us that, despite the pressure that the automakers are suffering, they are going to have to invest in order not to be left behind. The reality is that the company is experiencing an increase in projects related to the construction of factories for electric vehicles or for flexible production lines (combustion and electrical). Finally, we also think it is important to mention the goodness of investing in good companies with a correct and diligent allocation of capital, given that it allows some companies to take advantage of this type of environment and thrive. In fact, there are companies in the portfolio that endured the 2008 depression and now enjoy a better competitive position (the sector is consolidating and bit by bit they are becoming more leaders), as is the case of **DFS** or **Pendragon**. In short, not everything is negative in this type of situation. For this reason, it is very important to be patient and let the companies comply with their strategic plans so that each year they generate value for the shareholder, our true margin of safety. All these reasons are what make us feel confident for the future.

Lastly, while it is true that the liquidity of the portfolio has increased, this has been mainly due to the complete liquidation of the position in **Avon Rubber** due to valuation reasons (after a revaluation of 51% since March of last year). In addition to the sale of 0.6% of **Arcelor Mittal**. Additionally, we have slightly reduced the weight in **Smiths Group**, **Valeo** and **Palfinger**.

On the purchasing side, we have taken advantage of the falls to gain weight in **S&T**, **Cancom**, **Dürr**, **Ezentis** and in the Italian company **Tinexta** (previously, **Tecnoinvestimenti**).



AUGUSTUS CAPITAL

LIERDE

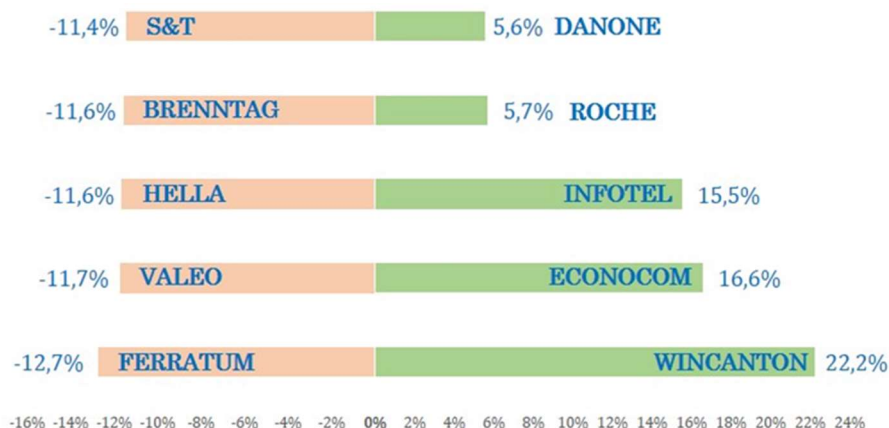
Net Asset Value: 30/11/2018: 97,42



TOP 10

1.-	LAR ESPAÑA	3,4%
2.-	MERLIN PROPERTIES	3,3%
3.-	GLOBAL DOMINION	3,0%
4.-	DEVOTEAM	2,9%
5.-	REALIA BUSINESS	2,7%
6.-	ROCHE	2,7%
7.-	VINCI	2,6%
8.-	COATS GROUP	2,3%
9.-	ING GROEP	2,3%
10.-	BANCO SANTANDER	2,1%
TOTAL TOP 10		27,2%

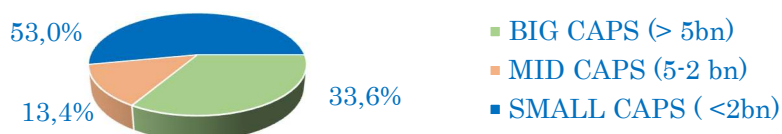
MONTHLY RETURN (the 5 best vs the 5 worst)



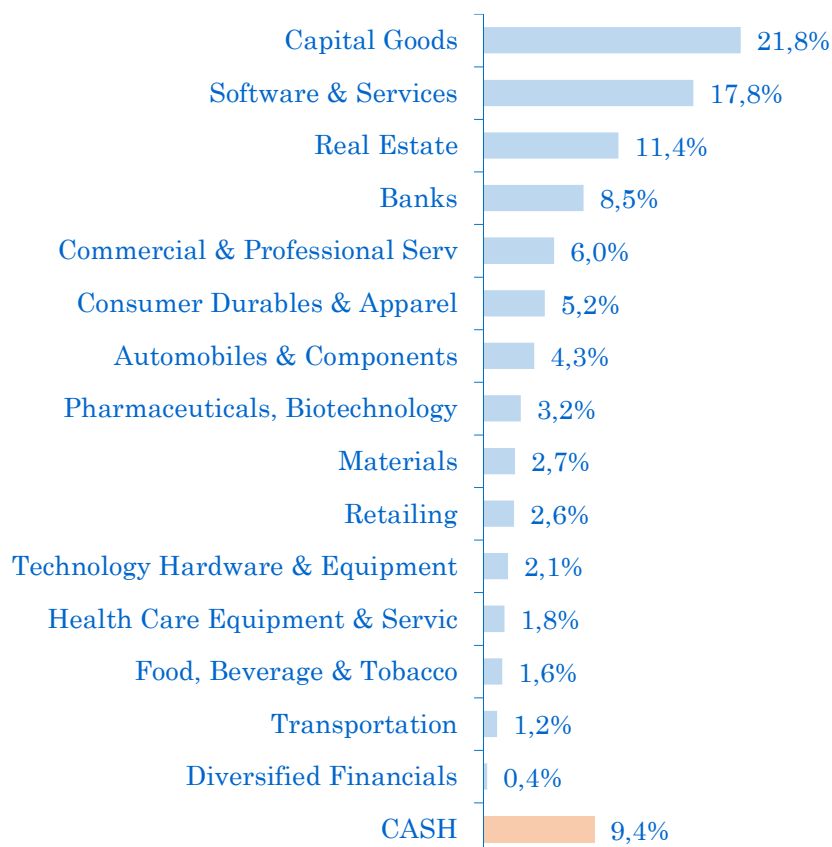
DISTRIBUTION BY ASSET

Equity	90.6%
Cash	9.4%

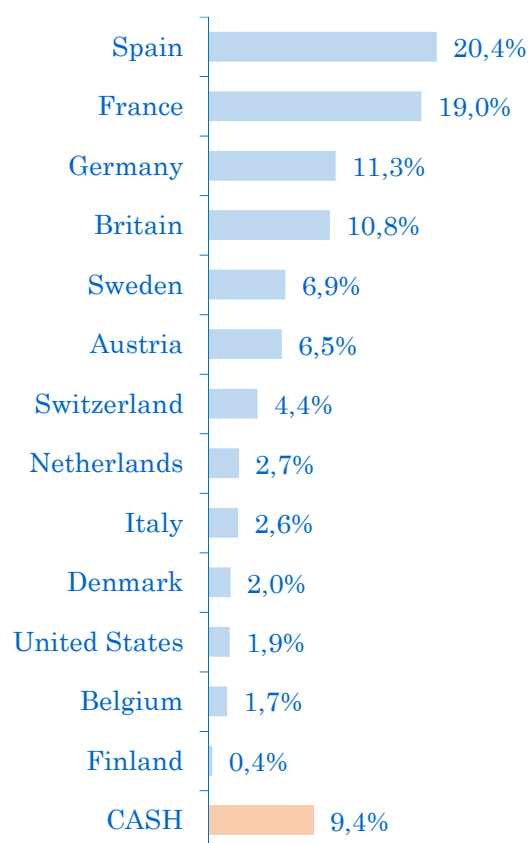
DISTRIBUTION BY MARKET CAP.



EXPOSURE BY SECTOR



EXPOSURE BY COUNTRY





AUGUSTUS CAPITAL

LIERDE

 Net Asset Value: 30/11/2018: 97,42

GENERAL INFORMATION

Inception date	1994
Assets under management *	EUR 338.6 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 November 30th, 2018

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