



Augustus Capital AM

March 2019

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.

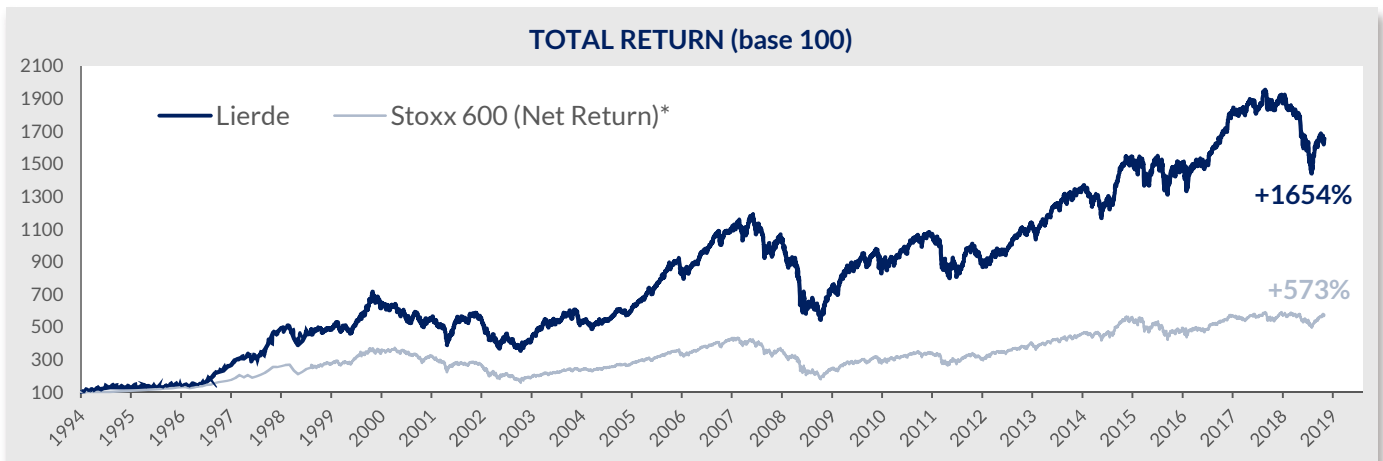
Net Asset Value (31/03/19)	AUM (31/02/19)	MORNINGSTAR® ★★★★★
99.40	EUR 316 Mn	

RISK INDICATOR						
1	2	3	4	5	6	7

RISK DATA		
From Inception	LIERDE	Stoxx 600 NR*
Alfa anual	5.17	
Ratio Sharpe	0.85	
Beta	0.83	
Volatility	17.3%	18.8%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.89	
Volatility	11.7%	11.8%

HISTORICAL RETURNS

Year	LIERDE	Stoxx 600 NR*	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	-20.8%	-10.8%	-10.0%
YT2019	11.9%	13.0%	-1.1%
Total Return	1553.9%	472.8%	1081.0%
Average	14.5%	8.7%	5.8%



*Stoxx 600 NR (Net Return). Dividends included.

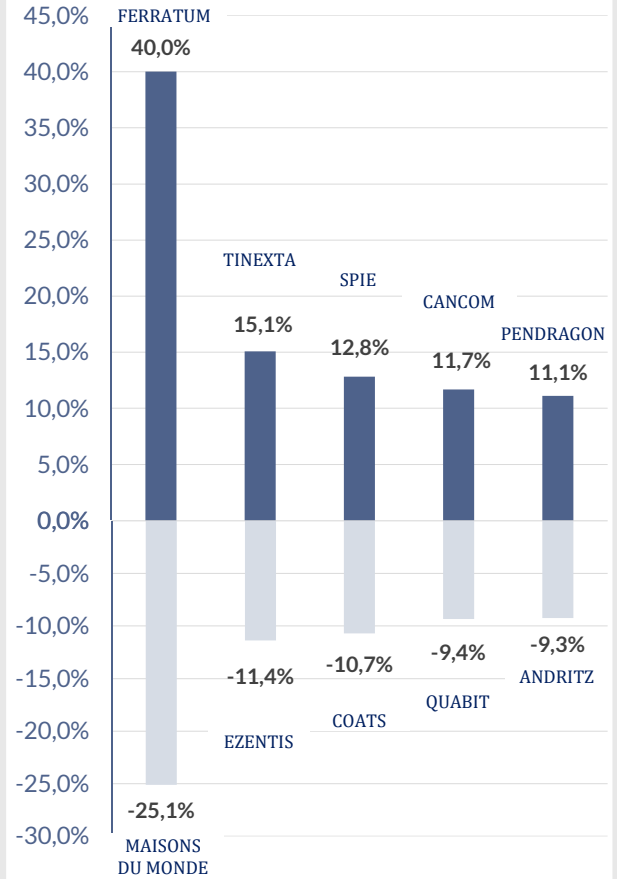


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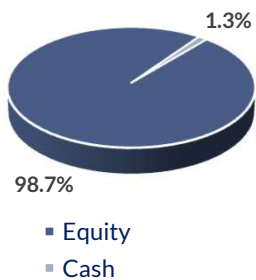
TOP 10 POSITIONS

1	REALIA	3.5%
2	GLOBAL DOMINION	3.2%
3	DEVOTEAM	3.0%
4	LAR ESPAÑA	2.9%
5	MERLIN PROPERTIES	2.6%
6	ROCHE	2.6%
7	VINCI	2.6%
8	CANCOM	2.5%
9	S&T	2.4%
10	TINEXTA	2.4%
TOTAL		27.7%

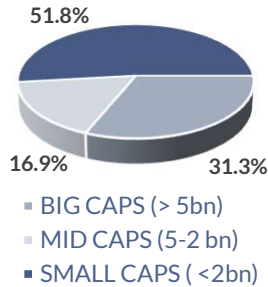
MONTHLY RETURN (the 5 best VS the 5 worst)



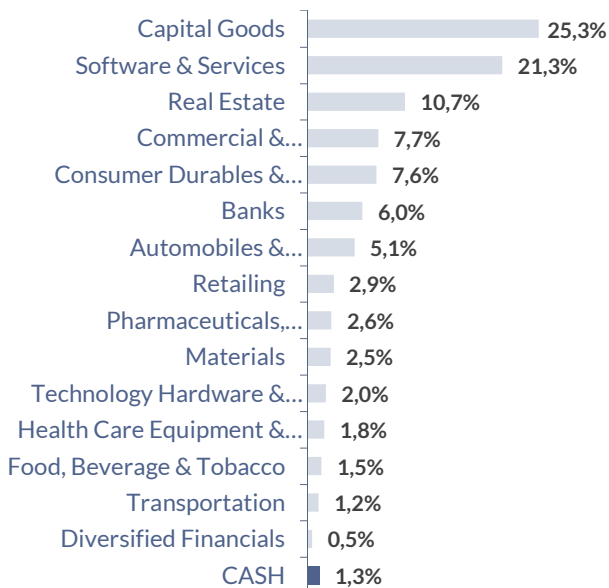
DISTRIBUTION BY ASSET



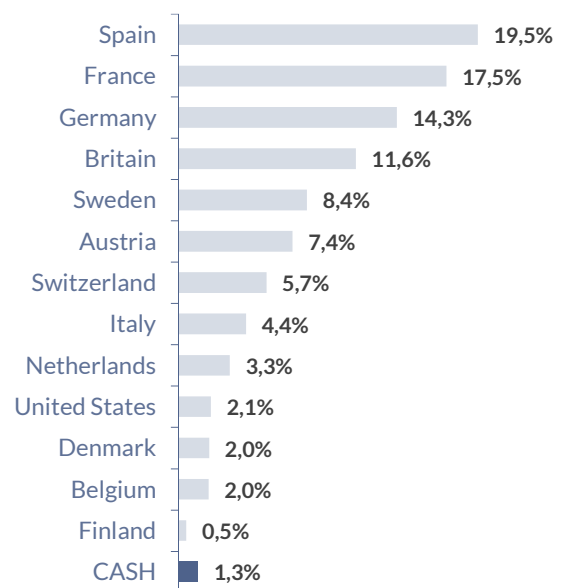
DISTRIBUTION BY MARKET CAP.



DISTRIBUTION BY SECTOR



DISTRIBUTION BY COUNTRY





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	2467
Liquidity	Daily liquidatio d + 2
Fees	- Management fee 1.40% annual - Depository fee 0,125% annual
Asset Manager	Augustus Capital AM
Custodian Institution	Banco de Sabadell
Auditor	Deloitte S.L.
Currency	EUR
ISIN Code	ES0158457038
Bloomberg Ticker	LIE SM Equity

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Past returns do not guarantee future returns.

MONTH IN REVIEW

During the month of March, LIERDE's profitability decreased -1.0% compared to +1.6% for the Eurostoxx 50 and +2.1% for the Stoxx 600 (Net Return). LIERDE's profitability YTD remained at +11.9% vs +11.7% of the Eurostoxx 50 and vs +13.0% of the Stoxx 600. LIERDE's Net Asset Value at the end of March stood at 99.40 euros/share and the liquidity of the portfolio at 1.3%. The twelve-month trailing volatility remained at 11.7% vs 11.8% for the Stoxx 600 and 12.9% for the Eurostoxx 50.

There are several companies in portfolio that have experienced significant re-ratings during the first two months of the year, and we think that, in some of them, this month investors had the intention to consolidate profits at the end of the quarter (as has been the case of **Maisons du Monde**). To this we must add the macroeconomic uncertainty, which never helps in the short term. However, having presented virtually all of the companies in the portfolio, businesses continue to evolve positively. In fact, the value creation that we estimate for 2019 is +12.6%. In addition, during the first days of April, the portfolio has performed excellently, beating benchmarks. This makes clear that, since we will never know when the market will recognize the value of companies on the stock market, the best alternative is to always be invested in companies that generate value year over year.

In terms of changes in the portfolio, we have reduced weight in **BNP Paribas, Mears, Banco Santander, Danone** and **Bucher**. In the last two cases, after the rise they have experienced from their minimums, at these prices, valuations start to be somewhat adjusted, so we prefer to rotate companies with greater revaluation potential. Lastly, we decided to reduce weight in **Merlin Properties**. The company has experienced strong revaluations in its real estate portfolio in recent years, so that, in the future, the company's profitability (and therefore the value creation) will not be so extraordinary. In short, in the investment thesis the undervaluation will weigh more and more vs the value creation. Therefore, we decided to reduce weight and currently represents 2.0% of the AUMs. Within the real estate sector, we prefer to have more exposure in **Realia** and **Lar España**.

On the other hand, we have increased weight in **Aalberts**, an industrial niche company, where the management team is very clear about the importance of the allocation of capital, the main driver of the good operating behavior of any company. In addition, we have increased weight in the Italian company specialized in digital certification **Tinexta** (we have 2.4% of the portfolio), and in the English company **Pendragon**.

Finally, we have completely liquidated the position in **Reply**. We bought during the derating with the intention of increasing weight to as the share was receding. However, after adding it back to the portfolio the stock revalued +35%, so we decided to liquidate entirely the position. Further, we have also sold the residual position in **Akwel**.