



Augustus Capital AM

April 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.

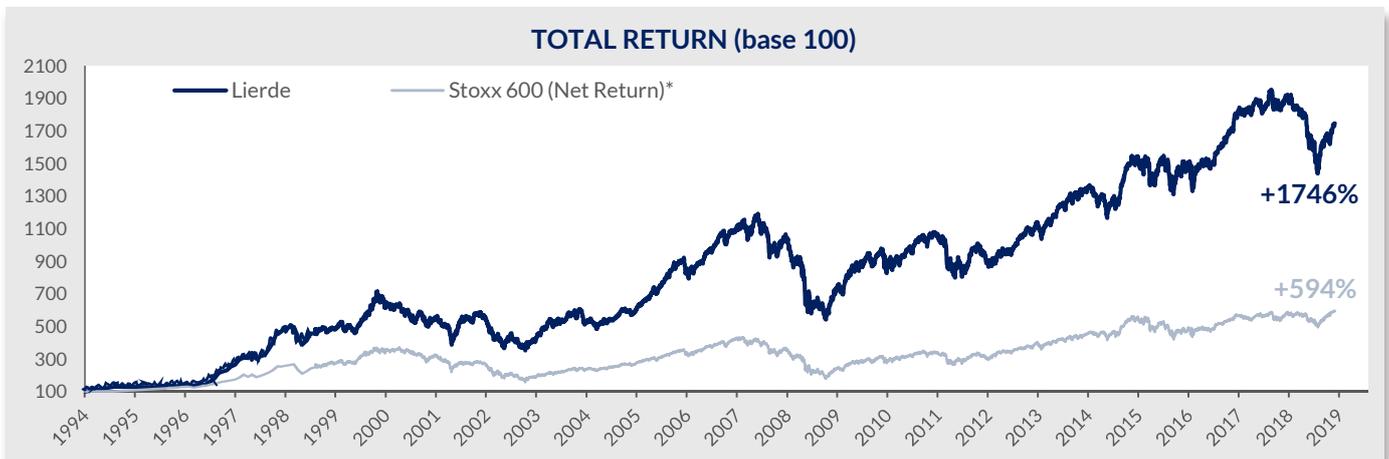
Net Asset Value (30/04/19)	AUM (30/04/19)	MORNINGSTAR® ★★★★★
104.95	EUR 329 Mn	

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%	18.7%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.91	
Volatility	11.9%	11.7%

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	18.2%	17.3%	0.9%
Total Return	1646.2%	494.4%	1151.8%
Average	14.5%	8.8%	5.7%



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

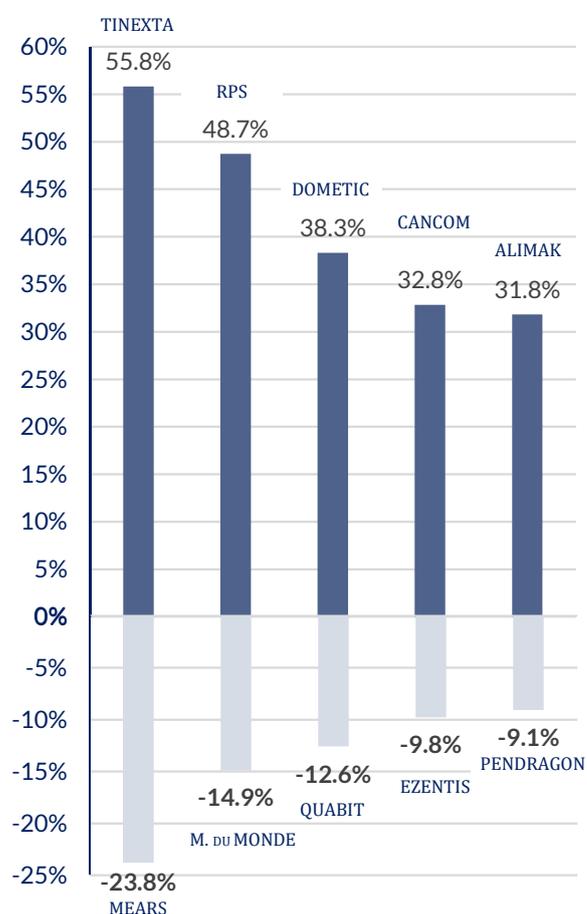


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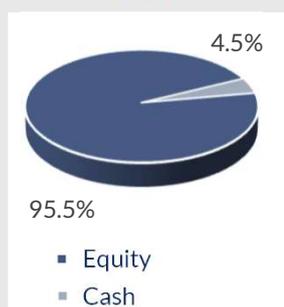
TOP 10 POSITIONS

1	REALIA	3.5%
2	GLOBAL DOMINION	3.1%
3	DEVOTEAM	3.1%
4	CANCOM	2.8%
5	LAR ESPAÑA	2.6%
6	S&T	2.6%
7	TINEXTA	2.5%
8	DOMETIC	2.4%
9	COATS	2.4%
10	VINCI	2.3%
TOTAL		27.3%

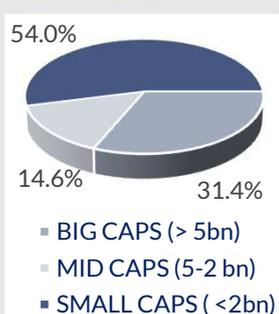
MONTHLY RETURN (the 5 best VS the 5 worst)



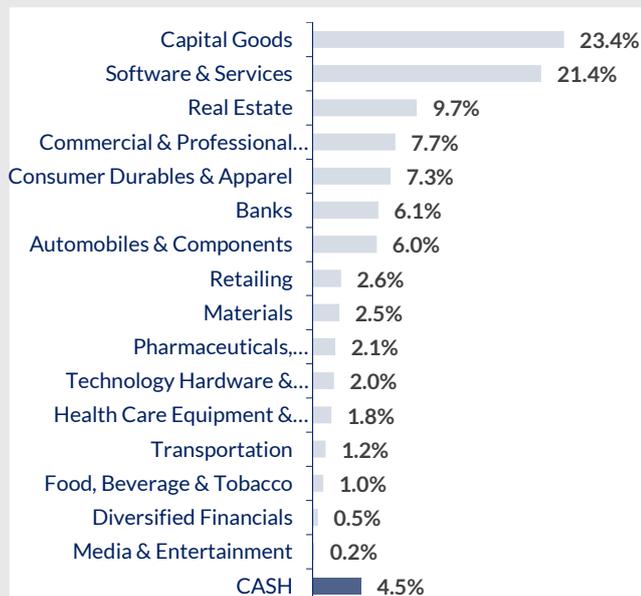
DISTRIBUTION BY ASSET



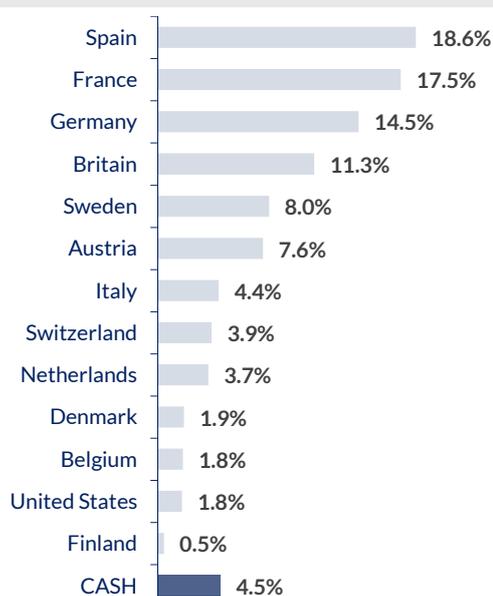
DISTRIBUTION BY MARKET CAP.



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 A.M.
Custodian Institution	Banco de Sabadell S.A.
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 April, LIERDE's profitability increased +5.6% compared to +4.9% for the Eurostoxx 50 and +3.8% for the Stoxx 600 (Net Return). LIERDE's profitability YTD remained at +18.2% vs +17.1% of the Eurostoxx 50 and vs +17.3% of the Stoxx 600. LIERDE's Net Asset Value at the end of April stood at 104.95 euros/share and the liquidity of the portfolio increased to 4.5%. The twelvemonth trailing volatility increased slightly to 11.9% vs 11.7% for the Stoxx 600 and 12.9% for the Eurostoxx 50.

During the month of April, LIERDE's portfolio has had a significantly better relative performance vs the indices. We have had 11 companies with revaluations of over 20%, 26 companies with revaluations of over 10%, and only 4 with drops of more than 10%. However, the most important thing is that, having reported almost half of the portfolio this month, the companies continue to evolve well on an operating level.

Despite the market's re-rating during the year, many companies continue to appear in our selection filters (especially in the best-in-class filter) that we would consider candidates to enter the portfolio. These compete with the quality of the companies that comprise LIERDE's portfolio, which currently gives us a potential of + 17.7% per annum for the next 4 years. At the present time we are pending to incorporate 2 companies to portfolio. We will give more information if we finally end up constructing a position. On the other hand, we have increased weight slightly in the industrial niche company **Aalberts**.

On the selling side, we have decided to completely liquidate the position of **Bucher Industries**. After the rally from lows of +43%, the valuation looked demanding, and we prefer to reinvest that money in companies that offer greater potential. Additionally, we continue to reduce weight in **Danone**. Around 72 euros/, it seems that the company is trading at a high multiple, so we feel more comfortable with a lower position (1%). In addition, we continue to reduce weight in **Merlin Properties**. As we mentioned in last month's report, the company has experienced strong revaluations in its real estate portfolio in recent years, so, in the future, the company's profitability (and therefore the value creation) will not be so extraordinary. On the other hand, we have reduced weight in **Assa Abloy** (at levels of 210 euros/share, the company is quoting at demanding multiples, 17.2x EBITA in 2019), **Roche**, **SAP**, **Alimak** and **Senior**. In the latter case, despite earning money at these levels (and have performed as the index since we incorporated it to the portfolio), we do not have a clear view about the impact that may have on the company the threat of the transition from hydraulic to electric (structural trend). It is also worth highlighting that, during the last 10 years (we have been shareholders for 3 years), the company has tripled its capital employed and its operating profit has risen "only" 80%, so they don't seem to come back to the historical RoCEs of 30% - 40%. Therefore, we have decided to reduce weight and currently represents 1% of the portfolio.

Finally, a few words on a qualitative aspect that we find relevant to explain why the portfolio continues to maintain a high potential despite the excellent performance in these first months of the year. Our decision to sell is always made either because the business fundamentals are deteriorating (or the management judgement), or because our target price has been reached. This month, all the sales were made for valuation reasons, and not for a deterioration of the business, reinvesting that money in companies that offer a greater potential. Therefore, despite the rise in the year, the potential of the portfolio remains at high levels. In short, as managers, we add value, not only through investing in good companies, but also by making a correct allocation of the weights depending on the potential of each of them.