



Augustus Capital AM

May 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.

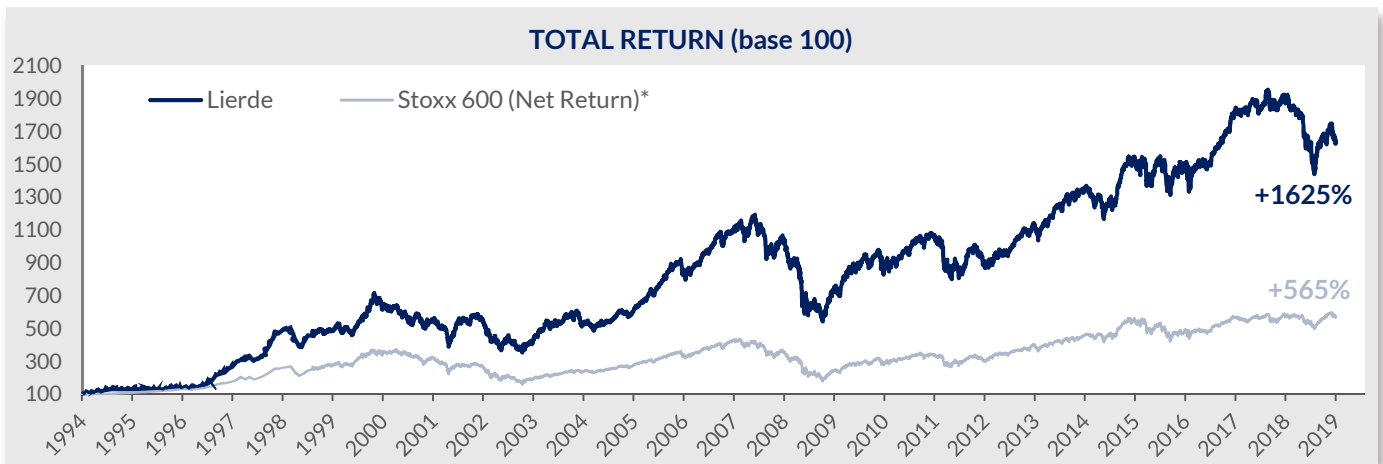
Net Asset Value (31/05/19)	AUM (31/05/19)	MORNINGSTAR®
97.66 €/share	EUR 305 Mn	★★★★★

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	0.93	
Volatility	12.5%	12.0%

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	10.0%	11.5%	-1.5%
Total Return	1524.9%	465.0%	1059.9%
Average	14.4%	8.7%	5.7%



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

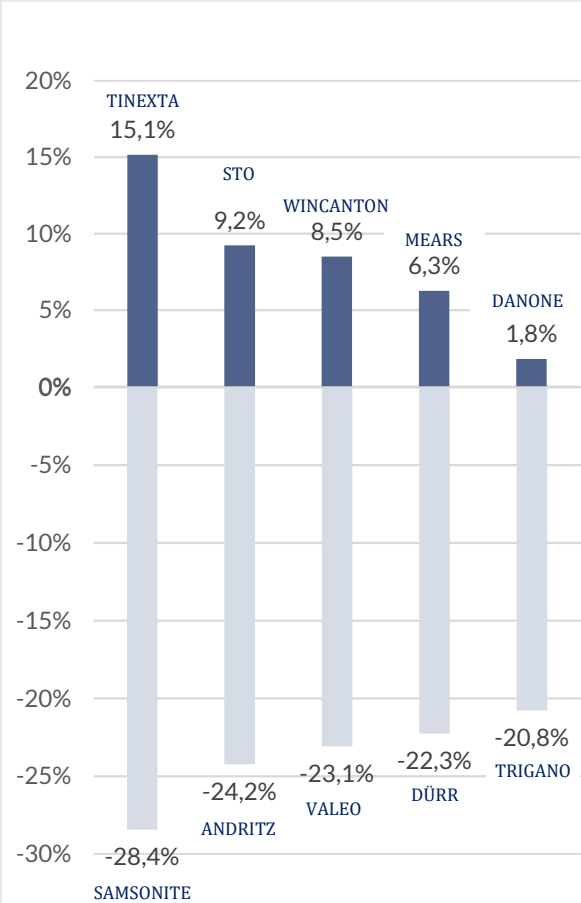


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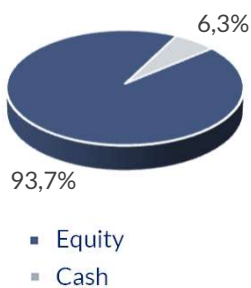
TOP 10 POSITIONS

1	REALIA	3,8%
2	GLOBAL DOMINION	3,1%
3	DEVOTEAM	3,0%
4	CANCOM	2,8%
5	S&T	2,8%
6	TINEXTA	2,8%
7	LAR ESPAÑA	2,6%
8	DOMETIC	2,6%
9	VINCI	2,4%
10	RICHEMONT	2,3%
TOTAL		28.2%

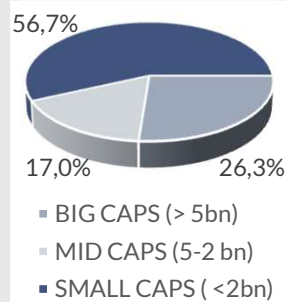
MONTHLY RETURN (the 5 best VS the 5 worst)



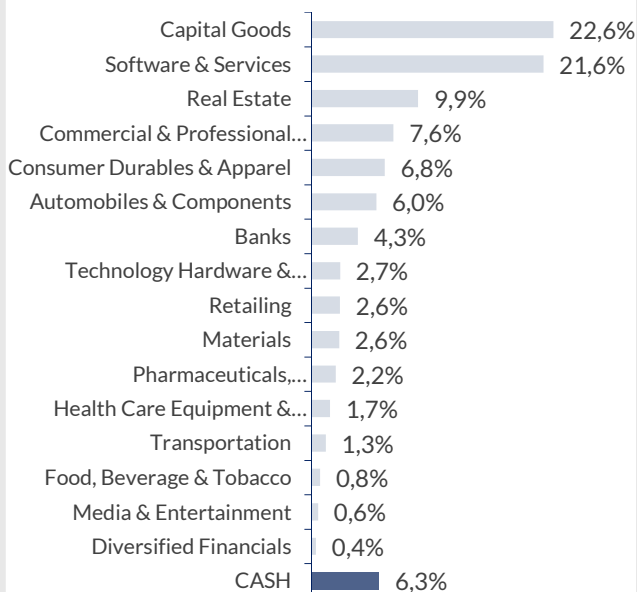
DISTRIBUTION BY ASSET



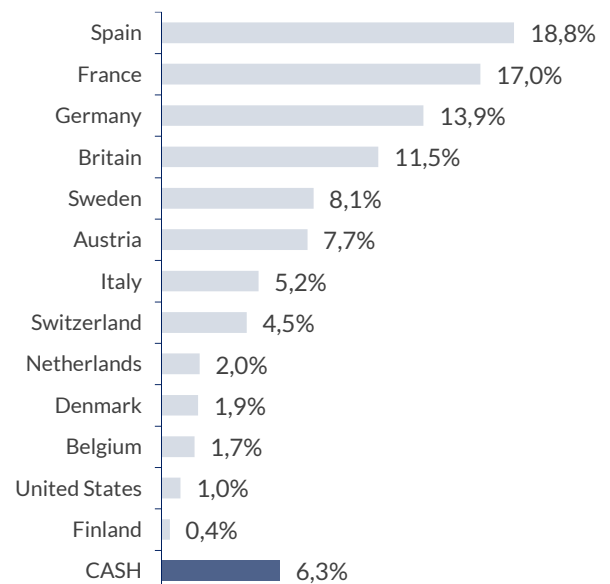
DISTRIBUTION BY MARKET CAP.



DISTRIBUTION BY SECTOR



DISTRIBUTION BY COUNTRY





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	2467
Liquidity	Daily liquidatio d + 1
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 May, LIERDE's profitability decreased -6.9% compared to -6.7% for the Eurostoxx 50 and -4.9% for the Stoxx 600 (Net Return). LIERDE's profitability YTD remained at +10.0% vs +9.3% of the Eurostoxx 50 and vs +11.5% of the Stoxx 600 (Net Return). LIERDE's Net Asset Value at the end of May stood at 97.66 euros/share and the liquidity of the portfolio increased slightly to 6.3%. The twelve-month trailing volatility increased slightly to 12.5% vs 12.0% for the Stoxx 600 (Net Return) and 13.4% for the Eurostoxx 50.

The month of May leave us strong corrections in the stock markets with falls of 5-7% in the main European indices. The uncertainty about the final outcome of the negotiations between the United States and China has once again been the main reason (or justification) for the corrections. The most striking cases are those of **Valeo** and **Dürr**, two of the portfolio companies that have fallen the most in the month. In the case of Valeo, the price reached more than 34 euros/share after the results, however, the news about the commercial war pushed back the price until the beginning of the year (24 euros/share). In the case of Dürr, we think that investors have also extrapolated the somewhat weaker results from the first quarter to the whole year, however, the company has already advanced the improvement of both margins and the order book as the year progresses. The reality is that car manufacturers (BMW, Daimler, etc.) need to continue investing to stay competitive, and both companies are on the investment side. For example, each year Valeo sells more components per car.

As for changes in the portfolio, we have reduced weight in **Danone** and in the Swedish vertical solutions company **Alimak**, both for valuation reasons. In the latter, we decided to start selling as it approached 160 euros/share. We have also reduced weight in **ING** in view of completely liquidating the position. It is a high-quality bank, well capitalized with returns that beat its cost of capital, however, the fear of the possible acquisition of Commerzbank invalidates our investment thesis, both due to the lack of synergies of its businesses, as well as an excessive increase in the costs. Additionally, we have reduced our position in the suitcase manufacturer, **Samsonite**. Although we believe that the results will improve in the future, it published figures for the first quarter that confirmed that the company is being affected by the commercial conflict between China and the United States. Due to the weakness of the results, this year will close with a leverage of close to 3x net debt and EBITDA, which is why we feel more comfortable with a lower position. Another company in which we have decided to reduce the weight is **Spie**. We talk to the CFO and future prospects are less positive than we expected. In addition, the good evolution of the stock in the year (+35%) and its high indebtedness (2.6x net debt / EBITDA) made us take the decision to reduce the position. We prefer to be in **Dominion**, a company of higher quality, with better growth prospects and managed by managers with an excellent business vision.

On the buying side, we are again building a position in the leading French company for the motorhome market, **Trigano**. The company's message is still not optimistic for the very short term, which has recently dragged down the price. However, during the last week the company has begun to buy back its shares, so, like us, they see value at current levels. Trigano is a family company, leader in a sector of structural growth, that the short-term situation give us a very good entry point.

On the other hand, we have increased weight in **Richemont** and in the cybersecurity company **S&T**, after the divergence between the weakness of the action and the smooth running of your business.

Finally, after having presented results practically all the companies in the portfolio, the businesses continue to evolve well operationally, sales continue to grow, many continue to improve margins and are becoming more leaders in the markets in which they operate. Therefore, after adjusting the valuations, the estimated annual value creation for the next 4 years is 13%.