



Augustus Capital AM

June 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.

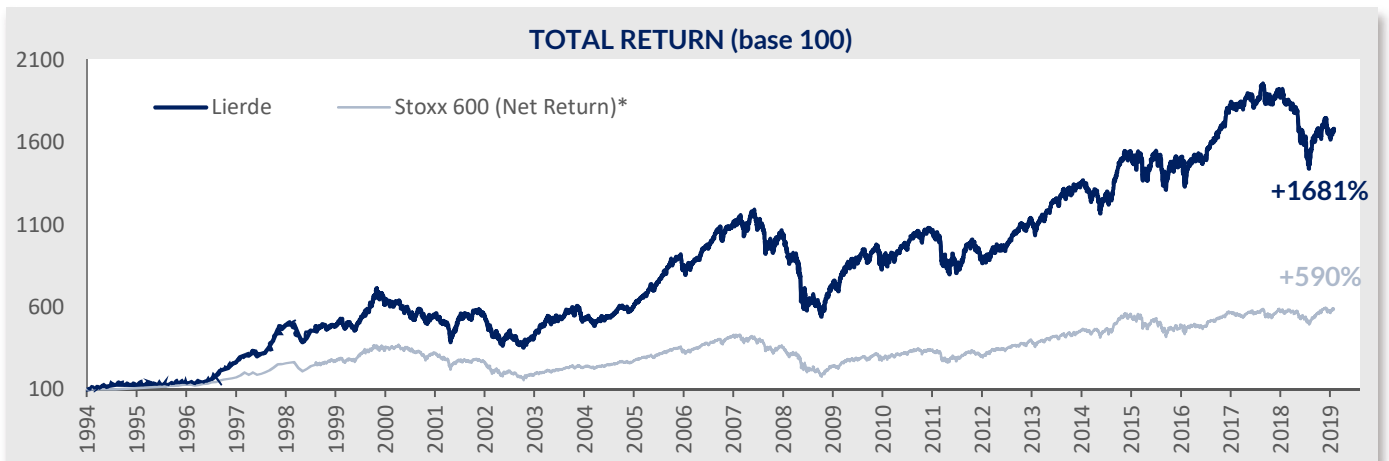
Net Asset Value (30/06/19)	AUM (30/06/19)	MORNINGSTAR® ★★★★★
101.00€/share	EUR 282.3 Mn	

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	17.2%	18.7%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.97	
Volatility	12.5%	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	13.7%	16.5%	-2.7%
Total Return	1580.6%	490.3%	1090.3%
Average	14.5%	8.8%	5.7%



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

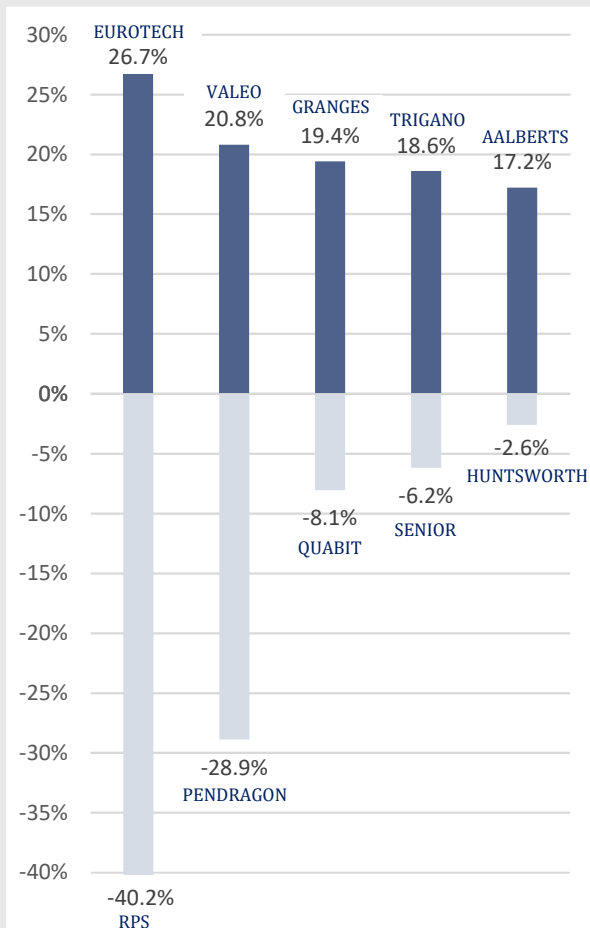


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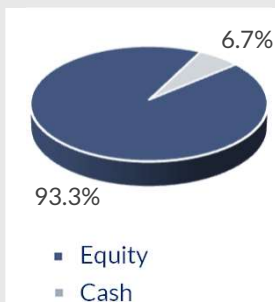
TOP 10 POSITIONS

1	REALIA	3.9%
2	GLOBAL DOMINION	3.3%
3	DEVOTEAM	3.3%
4	S&T	3.3%
5	CANCOM	3.1%
6	LAR ESPAÑA	2.8%
7	TINEXTA	2.6%
8	RICHEMONT	2.5%
9	COATS	2.4%
10	DOMETIC	2.3%
TOTAL		29.5%

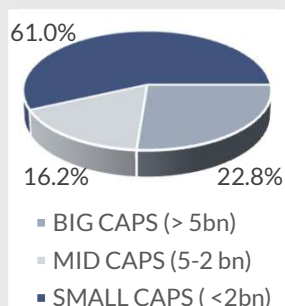
MONTHLY RETURN (the 5 best VS the 5 worst)



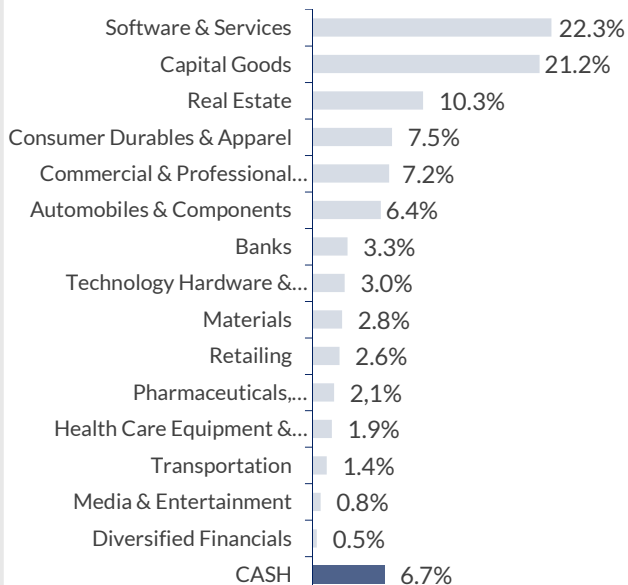
DISTRIBUTION BY ASSET



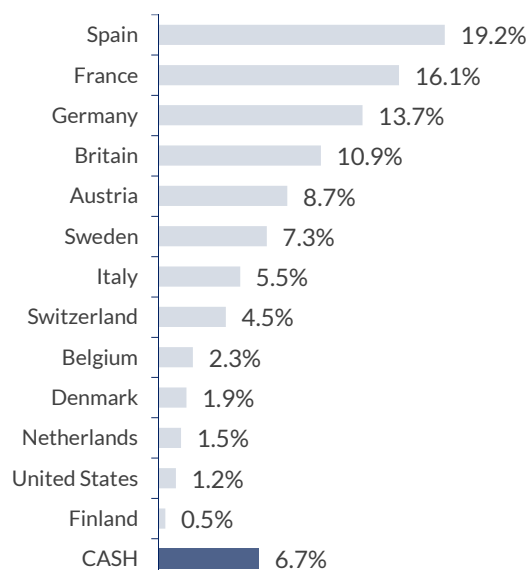
DISTRIBUTION BY MARKET CAP.



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 June, LIERDE's profitability increased +3.4% compared to +5.9% for the Eurostoxx 50 and +4.5% for the Stoxx 600 (Net Return). LIERDE's profitability YTD remained at +13.7% vs +15.7% of the Eurostoxx 50 and vs +16.5% of the Stoxx 600 (Net Return). LIERDE's Net Asset Value at the end of June stood at 101.00 euros/share and the liquidity of the portfolio increased slightly to 6.7%. The twelve-month trailing volatility remained at 12.5% vs 11.7% for the Stoxx 600 (Net Return) and 13.1% for the Eurostoxx 50.

During the month of June LIERDE's portfolio has had a positive behavior despite the profit warnings of two companies: the consultant **RPS**, and the leading company in the UK for the sale of used vehicles, **Pendragon**. It is essential to understand that uncertainty is an inevitable factor when investing in equities. Therefore, the prudent diversification of the portfolio makes it highly protected against this type of unpredictable events. In fact, there are 25 companies that have risen more than +5%, of which, 9 have risen more than one +10%, and 2 more than +20%. LIERDE's portfolio is made up of leading companies in the markets in which they operate, with growth capacity (exposed to structural trends), and with healthy balance sheets (net debt/EBITDA of 0.36x). In addition, after adjusting valuations, we continue to estimate double-digit 2019 value creation, so we feel positive for the future.

As for the movements in the portfolio in the month, we have completely liquidated the positions in **Danone**, **SAP**, **ING** and **Spie**. Both Danone (+60.7% since its incorporation in 2014), and SAP (+45% since its incorporation in January 2019), are high quality companies, but were trading at demanding multiples. As for Spie, we talked to the CFO and the future prospects are less positive than we expected. This coupled with the good performance of the stock in the year and its high indebtedness, we decided to liquidate the position. Lastly, as we had already anticipated in May's monthly report, we completely liquidated the position in **ING**.

On the other hand, we have reduced weight in **Santander**, **Hella**, **Vinci**, **Smiths Group**, **BNP Paribas**, **Software AG** and **Assa Abloy**. In addition, we have decided to reduce the exposure in **Dometic** and **Tinexta** after the excellent price performance during the year (+73.8% and +114.3% respectively).

On the purchasing side, we have increased weight in the company for cloud computing **Cancom**, and in **S&T**, **Trigano** and **SII**.

Lastly, we have incorporated **Eurotech** to the portfolio, an Italian company for IoT. The best way to describe the activity of the company is through a phrase that your financial director used in our first meeting: "We are the FedEx of the data". On the one hand, the company manufactures hardware for IoT, that is, embedded computers (to endow intelligence to the machines) and gateways (devices for the machines to connect). On the other hand, has developed a software so that all the data generated by these machines (for predictive maintenance, for instance) can travel to any data analysis platform (such as Software AG, ADAMOS). The company has focused on higher added value segments, where its products play a critical role. In addition, one of the key reasons why they have signed with important customers such as Fresenius, John Deere or DB Cargo, is its cybersecurity solution. No wonder the growing importance of cybersecurity when we talk about all the data generated by all machines in a factory. As with S&T, we believe that the company's potential is very high.