



Augustus Capital AM

July 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.

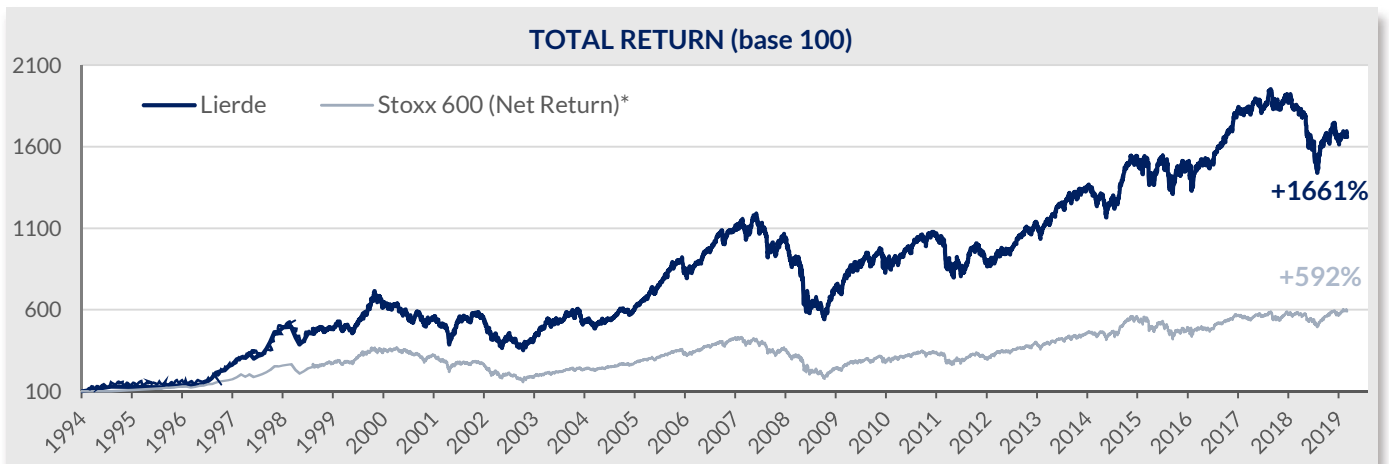
Net Asset Value (31/07/19)	AUM (31/07/19)	
99.81€/share	EUR 272.6 Mn	

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	12.7%	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	12.4%	16.8%	-4.4%
Total Return	1560.6%	492.1%	1068.5%
Average	14.4%	8.8%	5.6%



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

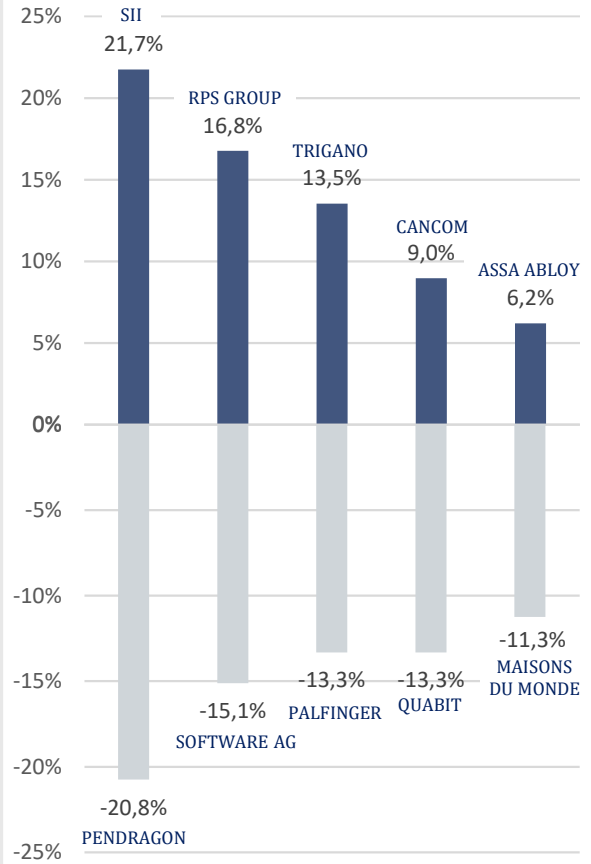


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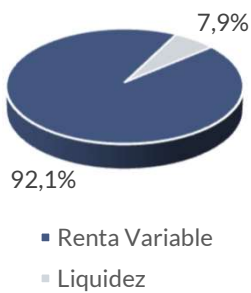
TOP 10 POSITIONS

1	REALIA	4.5%
2	GLOBAL DOMINION	3.2%
3	S&T	3.0%
4	LAR ESPAÑA	3.0%
5	DEVOTEAM	3.0%
6	TINEXTA	2.9%
7	CANCOM	2.7%
8	RICHEMONT	2.5%
9	ROCHE	2.4%
10	VINCI	2.3%
TOTAL		29.5%

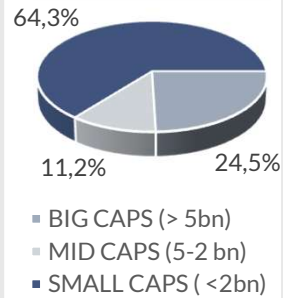
MONTHLY RETURN (the 5 best VS the 5 worst)



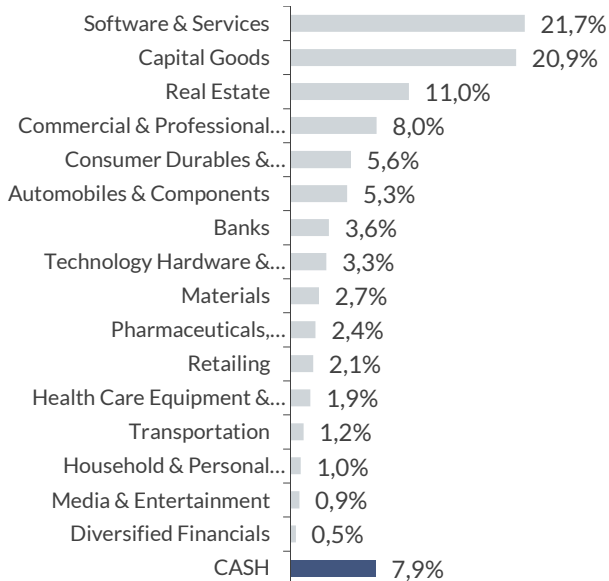
DISTRIBUTION BY ASSET



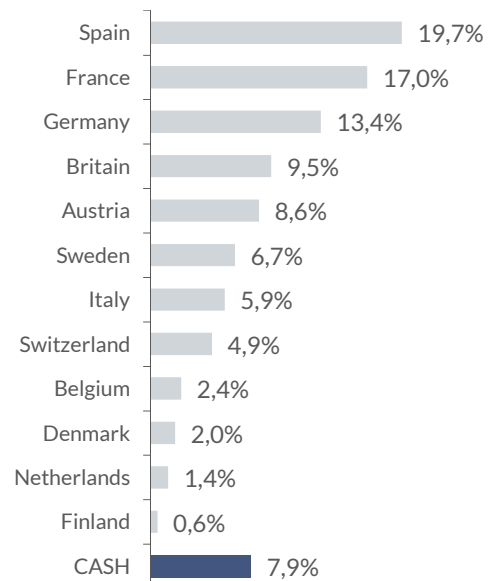
DISTRIBUTION BY MARKET CAP.



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 July, LIERDE's profitability decreased -1.2% compared to -0.2% for the Eurostoxx 50 and +0.3% for the Stoxx 600 (Net Return). LIERDE's profitability YTD remained at +12.4% vs +15.5% of the Eurostoxx 50 and vs +16.8% of the Stoxx 600 (Net Return). LIERDE's Net Asset Value at the end of June stood at 99.81 euros/share and the liquidity of the portfolio increased slightly to 7.9%. The twelve-month trailing volatility remained at 12.7% vs 11.7% for the Stoxx 600 (Net Return) and 13.0% for the Eurostoxx 50.

July has been a month with many results and without much movement of the markets. On the contrary, the last days of July and what we have been in August we are seeing as the macro continues to dictate the movement of the markets. As we have explained on numerous occasions, the fundamental thing is to be able to identify good (and well-managed) businesses, since those will protect us in difficult times ... in Warren Buffett words "when the tide goes down it is known who was swimming naked". Despite the macroeconomic uncertainty, there are always companies whose businesses remain oblivious to this noise, such as Tinexta, SII, Cancom or S&T. Or companies that, unlike their competitors, know how to weather the weather better in the face of difficulties (such as Trigano in the motorhome sector, or Hella in the car sector). In aggregate terms of the portfolio, after having presented almost all of the companies and adjusting the valuations, we continue to estimate an average value creation for LIERDE of + 13.1% per year for the next 4 years.

As for the movements in the portfolio, on the buying side, we have again increased weight in the French IT company specialized in services and software for data processing Infotel. Quoting at 6.5x EV / EBITA is one of the cheapest best-in-class companies (very high RoCEs, double digit value generation, founder still shareholder, and 30% of the market cap in cash) in the portfolio. On the other hand, in Palfinger everything indicates that we are already at the end of the restructuring, so we decided to accumulate shares in the fall. Additionally, we also increased weight in SII and Tinexta. Finally, we decided to incorporate Akka Technologies, a French engineering company with exposure to the aerospace and automobile sector, into the portfolio. The lack of engineers globally together with the continuous outsourcing of processes by companies, makes this sector one of the most attractive for the medium term. In addition, we are seeing a convergence between the digitalization of operations (Operations Technology) and the digitalization of IT systems (ERP, CRM ...) of companies. In this regard, the acquisition of Capgemini (IT Services consultant) to Altran (OT company) was revealing. Both trends, together with the excellent growth prospects that the company presents in its strategic plan make us trust its great potential.

On the selling side, we have reduced weight in Dürr, a German company of capital goods for the automobile and furniture manufacturing sector. We think that the weakness of the Homag (furniture) division is going to be more severe than expected and we prefer to have less exposure. In addition, we decided to reduce the position in Software AG due to the weakness shown by one of its divisions in the USA. Although the company explains that it is not a product quality problem (they continue signing new partners such as Microsoft, Adobe, T-Systems, ...), but of an underinvestment in the sales / marketing team, we find it difficult to evaluate the "severity" of the problem and its resolution in the short / medium term (customer relationships take time). Finally, comment that we have also reduced weight in Cancom, Devoteam and S&T after the excellent performance of the shares to avoid having an excessive weight, as well as in the Smiths Group, Wincanton, Dominion, Coats Group and Dometic.