



Augustus Capital AM

November 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.

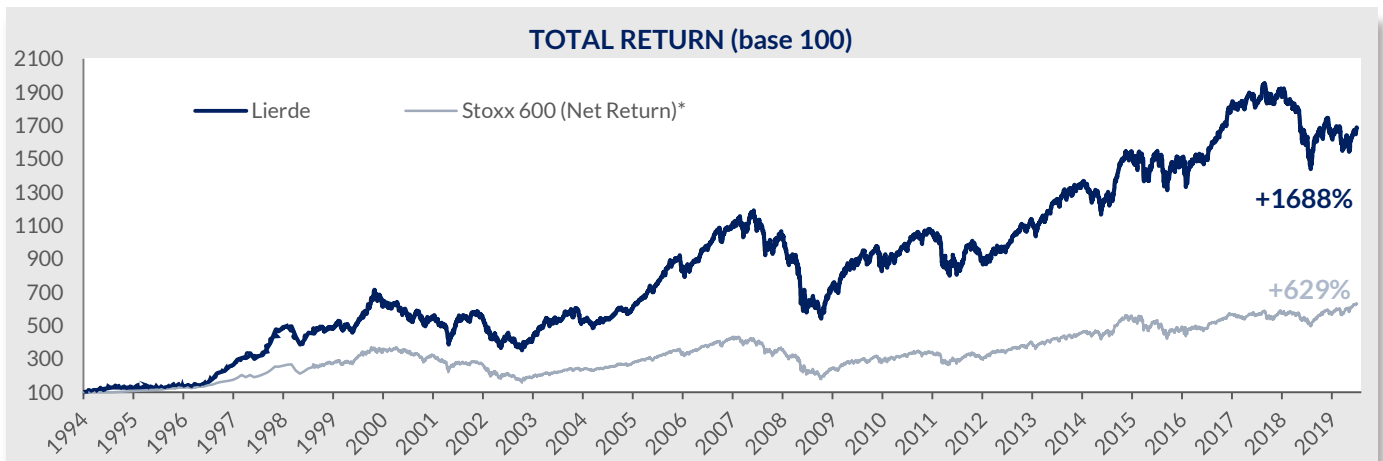
Net Asset Value (30/11/19)	AUM (30/11/19)	MORNINGSTAR® ★★★★★
101,46 €/share	EUR 223 Mn	

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%	18.6%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.91	
Volatility	12.1%	11.5%

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	14.2%	24.2%	-10.0%
Total Return	1588.2%	529.4%	1058.8%
Average	14.5%	9.2%	5.3%



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

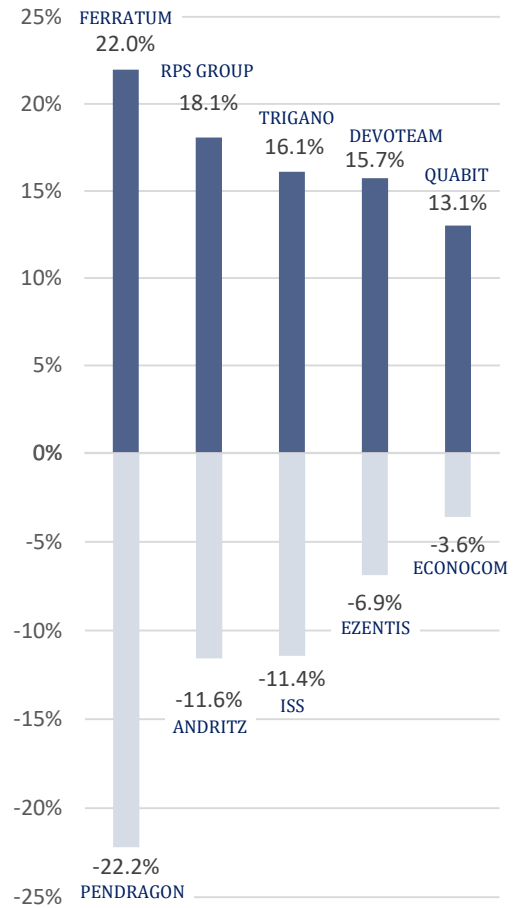


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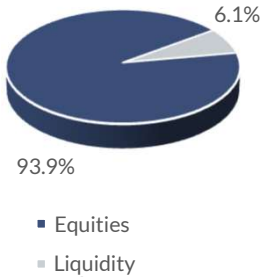
TOP 10 POSITIONS

1	REALIA	4.3%
2	GLOBAL DOMINION	3.5%
3	S&T	3.3%
4	DEVOTEAM	3.3%
5	TINEXTA	3.0%
6	STRABAG	2.6%
7	SAP	2.5%
8	RICHEMONT	2.5%
9	LAR ESPAÑA	2.5%
10	ROCHE	2.3%
TOTAL		29.8%

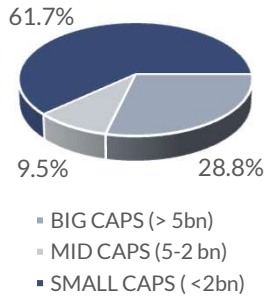
MONTHLY RETURN (the 5 best VS the 5 worst)



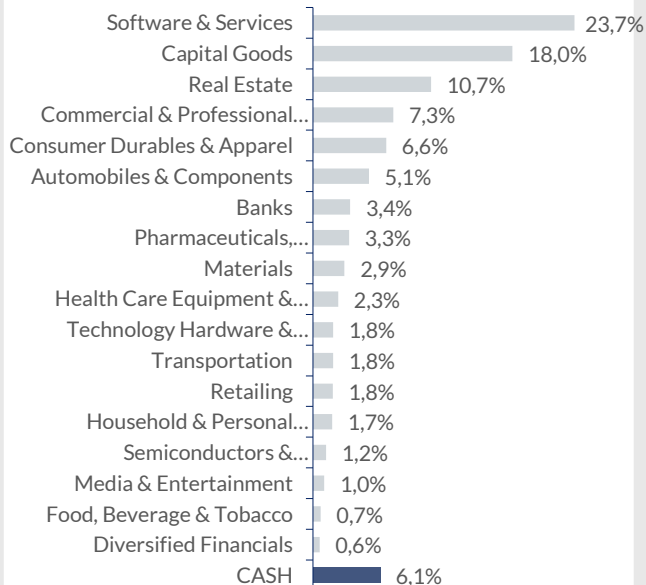
DISTRIBUTION BY ASSET



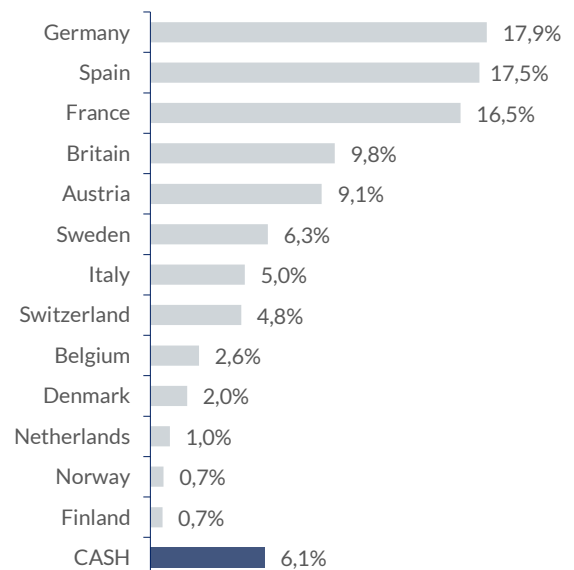
DISTRIBUTION BY MARKET CAP.



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

For the month of November, LIERDE's profitability has increased by +3,2% compared to +2.8% of Eurostoxx 50 and +2.8% of Stoxx 600 (Net Return). LIERDE's shows a profitability YTD of +14.2% vs +23.4 of Eurostoxx 50 and vs +24.2 of Stoxx 600 (Net Return). The Net Asset Value at the end of November has raised up to 101.46 euros/share and the liquidity of the portfolio has been reduced to 6.1%. The twelve-month trading volatility has slightly decreased to 12.1% against 11.5% for Stoxx 600 (Net Return) and 13% for the Eurostoxx 50.

During this month, the economic outlook has not been different compared to 2019 economic outlook. In USA, consumption keeps increasing while unemployment rate has decreased to a new minimum rate. The European economy keeps showing weaknesses, nevertheless, we would like to emphasize the increase of the German GDP, although this boost has been caused partly by a higher public spending.

Most of the companies in our portfolio have published good results during this month, which has favored the good performance of LIERDE's portfolio. One month before the end of the year, we expect a value creation of the portfolio around +11.8%, a similar level of current LIERDE's portfolio return while for 2020 we expect a value creation of +13.6%.

As for the portfolio, we have invested in several new companies this month. We have started building a position in the pharmaceutical Danish **NovoNordisk**, world leader in insulin and medical treatments for obesity. The company has a leading position in a growing market (+6-7% organic growth) with a ROCE of 60% trading at 15 EV/EBIT, which in our opinion, is a fair multiple for the quality of the business.

We have also invested in **Volkswagen**. The company has been punished in the stock market during the last years, offering us a good investment opportunity at the current multiples: 0.7 P/BV and 5.2 EV/EBIT. The company has a margin EBIT of 7.5% and a ROCE of 15%, both above the average of the automobile sector. This is thanks to its famous brand portfolio and a better platform with a unique competitive position. Moreover, the company has been investing heavily for the transition to electric vehicle which will provide them a competitive advantage over its competitors in this new tendency.

A small position in **Royal Norway Salmon** has been built too. It is a Norwegian family business operating in the salmon industry. We see the salmon market as an opportunity. Salmon demand is growing annually (+4-5%) and the salmon supply is limited by geographical and environmental reasons, which will stabilize salmon prices causing higher return to salmon producers than in the past. Royal Norway Salmon has a ROCE of 35%, an EBIT margin of 12% and it is trading at 11,4x EV/EBIT. Currently, the company is under a supply chain integration plan and is developing new projects in Iceland which will increase their future production.

Finally, we have reduced weight in **LAR España** due to the good performance of the value after the rumor of a possible corporate operation. We have also reduced weight in **Cancom** because the company is near our target price and in **Dürr AG** as we have appreciated weakness in the future of the company after a meeting with the IR department of the company. Finally, we have liquidated the position in **Valeo** after the good year performance (+36% YTD) and the position in **Eurotech** as the company has increased 170% YTD and +25% over last month, surpassing our target price.