



Augustus Capital AM

December 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.

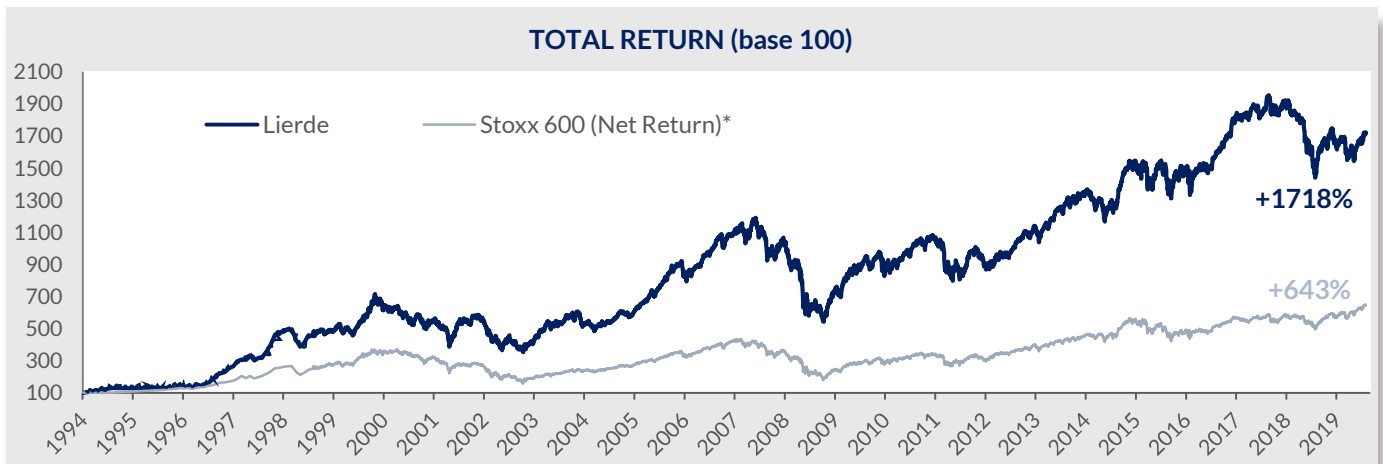
Net Asset Value (31/12/19)	AUM (31/12/19)	MORNINGSTAR® ★★★★★
103,28 €/share	EUR 220 Mn	

RISK INDICATOR						
1	2	3	4	5	6	7

RISK DATA		
From Inception	LIERDE	Stoxx 600 NR*
Alfa anual	5.17	
Ratio Sharpe	0.64	
Beta	0.83	
Volatility	17.1%	18.6%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.89	
Volatility	11.4%	11.0%

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	16.3%	26.8%	-10.5%
Total Return	1618.4%	542.8%	1075.6%
Average	14.6%	9.4%	5.2%



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

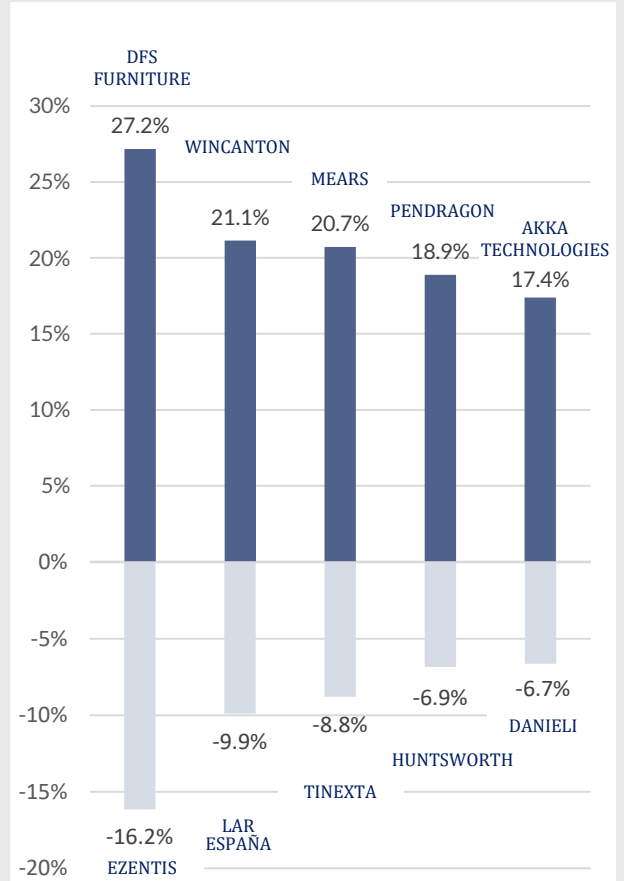


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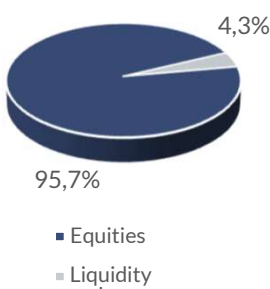
TOP 10 POSITIONS

1	REALIA	4.0%
2	S&T	3.6%
3	GLOBAL DOMINION	3.4%
4	DEVOTEAM	3.4%
5	TINEXTA	3.0%
6	CANCOM	2.9%
7	RICHEMONT	2.5%
8	STRABAG	2.5%
9	SAP	2.4%
10	ROCHE	2.4%
TOTAL		30.1%

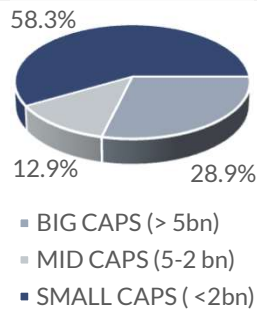
MONTHLY RETURN (the 5 best VS the 5 worst)



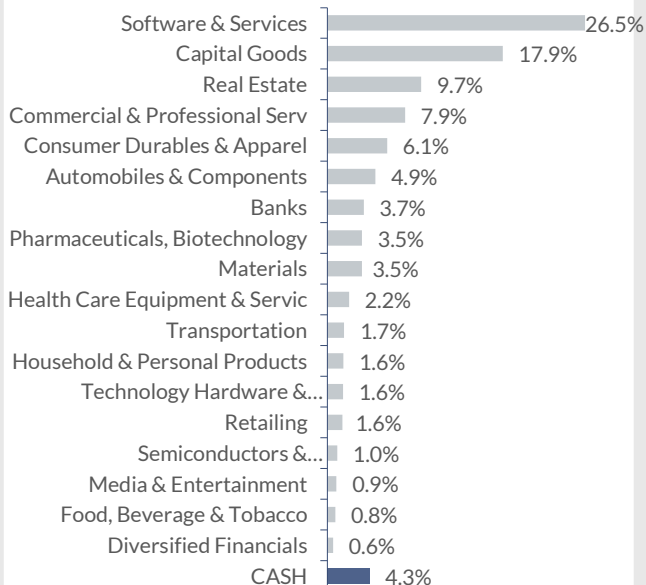
DISTRIBUTION BY ASSET



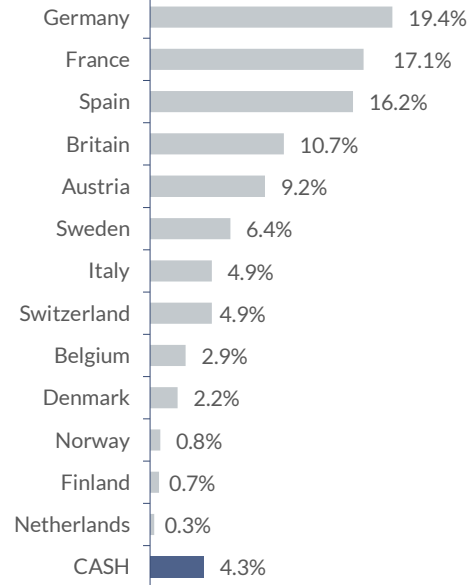
DISTRIBUTION BY MARKET CAP.



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 - Depositary 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 December, LIERDE's profitability has increased by +1.8% compared to +1.1% of Eurostoxx 50 and +2.1% of Stoxx 600 (Net Return). LIERDE shows a profitability in 2019 of +16.3% vs +24.8% of Eurostoxx 50 and vs +26.8% of Stoxx 600 (Net Return). The Net Asset Value at the end of the year has raised up to 103.28 euros/share and the liquidity of the portfolio was reduced to 4.3%. The twelve-month trading volatility has slightly decreased to 11.4% against 11.0% for Stoxx 600 (Net Return) and 12.6% for Eurostoxx 50.

The economic outlook for December has not been very different from the macroeconomic environment of 2019, with the main economic indicators showing slow growth even though the ECB has improved the economic growth expectations from 1.1% to 1.2% for 2020. In USA, Donald Trump has announced a commercial deal with China to eliminate duties and tariffs in some products, moreover, both of them claimed their intention to keep negotiating during 2020.

As for the portfolio, in December we have invested in **Thales**, the French defense, aerospace and security company. The company experienced a de-rating after reducing their guidance last year for 2019. Once the valuation has been adjusted to the new guidance, we consider that the possibility of a positive surprise is high because the company operates in growing industries such as defense and civil aviation. We think that the company can grow again organically in 2020 within the range of +3/+5% as has been the case in the past. Additionally, the possible sale of low margin divisions (as transportation) would be positive for the stock price.

We have also increased the weight in the portfolio of **Avast**, the British cybersecurity company. The consensus expects double digit growth for the company during next years and the management feels confident in keeping their current EBITDA margin of 55%. Its platform has more than 430 Mn users, which gives Avast a big competitive advantage. The company is currently trading at 14x EV/EBIT, which we consider an attractive multiple for the growth profile of the company.

On the other hand, we have sold the small holding we had in the French ophthalmologic company, **Essilor Luxottica**. Over last months the stock has performed well in the stock market until achieving our target price.

Finally, we have reduced weight in the Spanish real estate sector (**Melin Properties** and **LAR España**) as we considered that we were overexposed to the sector.