



# Augustus Capital AM

February 2020

## 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  
(28/02/20)  
92 €/share

AUM  
(28/02/20)  
EUR 182 Mn



## RISK INDICATOR

1 2 3 4 **5** 6 7

## RISK DATA

From Inception	LIERDE	Stoxx 600 NR*
Alfa anual	5.35	
Ratio Sharpe	0.55	
Beta	0.83	
Volatility	17.1%	18.5%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.87	
Volatility	12.5%	12.6%

## 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%
2019	16,3%	26,8%	-10,5%
YTD2020	-10,9%	-9,4%	-1,5%
Total Return	1430,7%	482,3%	948,4%
Average	14,5%	9,3%	5,2%

## TOTAL RETURN (base 100)



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

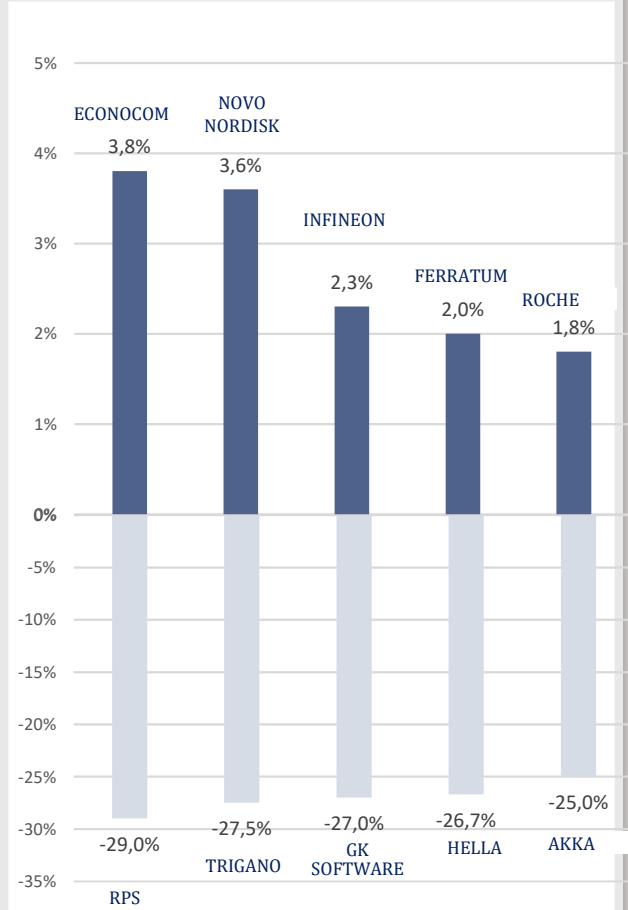


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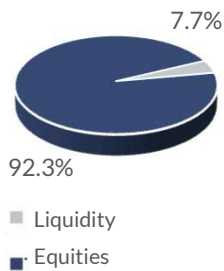
## TOP 10 POSITIONS

1	GLOBAL DOMINION	4.4%
2	REALIA	3.9%
3	DEVOTEAM	3.5%
4	CANCOM	3.1%
5	TINEXTA	3.1%
6	SAP	2.7%
7	STRABAG	2.7%
8	S&T	2.6%
9	RICHEMONT	2.4%
10	NEURONES	2.4%
<b>TOTAL</b>		<b>30,8%</b>

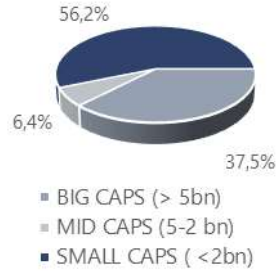
## MONTHLY RETURN ( the 5 best VS the 5 worst)



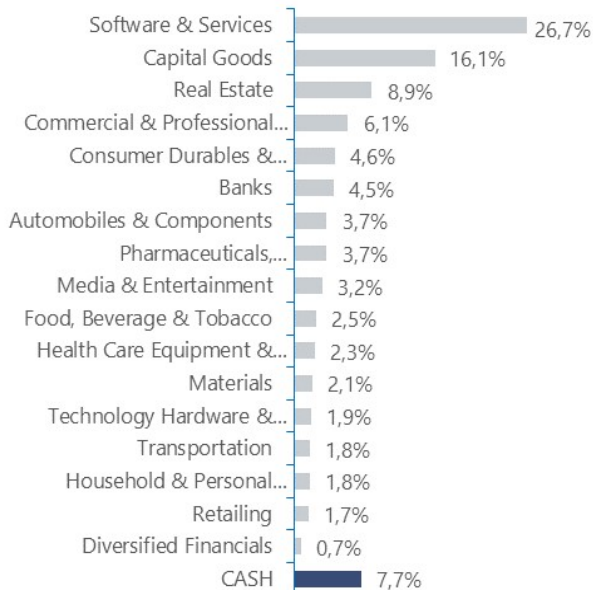
## DISTRIBUTION BY ASSET



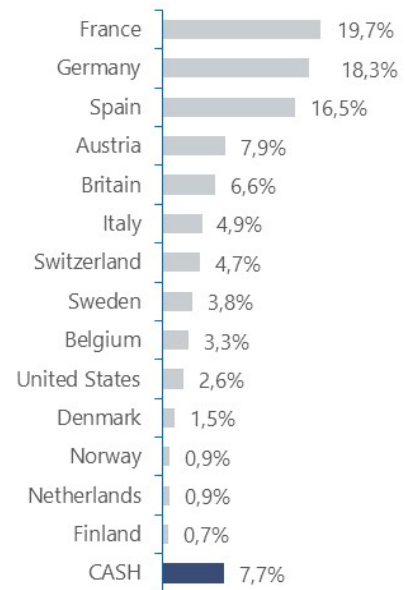
## DISTRIBUTION BY MARKET CAP.



## DISTRIBUTION BY SECTOR



## DISTRIBUTION BY COUNTRY





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## GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	2467
Liquidity	Daily liquidation 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 February, LIERDE's profitability has decreased by -8.6% compared to -8.6% of Eurostoxx 50 and -8.5% of Stoxx 600 (Net Return). LIERDE s shows a profitability YTD of -10.9% vs -11.1% of Eurostoxx 50 and vs -9.4% of Stoxx 600 (Net Return). The Net Asset Value at the end of February has been decreased to 91.99 euros/share and the liquidity of the portfolio has been increased up to 7.7%. The twelve-month trading volatility has slightly increased to 12.5% against 12.6% for Stoxx 600 (Net Return) and 14.1% Eurostoxx 50.

During February, we would like to emphasize the panic generated by the coronavirus COVID-19. Markets have ended up the month with falls of around -8.5%. In our opinion, this situation offers us a buy opportunity as we do not expect the world going into a recession for it. However, experience tells us that these strong corrections do not revert fast, so we ask for prudence and patience to the investors in the short term. If Coronavirus reverts in some months, economy will recover and come back to normality during the second semester of the year.

During the month, companies in our portfolio have kept publishing results in line with our expectations. We estimate an average value creation for the portfolio of 13.2% for 2020.

As of the portfolio, we have invested in the Dutch bank **ING Group**. ING is a bank which we owned in the past; thus, we know its value well. ING is one of the most digitalized banks in Europe, which allows it to be more efficient in costs and data management in commercial decisions. We think that bank regulators have taken a more hands-off approach about the capital requirement of commercial banks. We estimate that in 2021, ING will have an excess of capital that could be distributed via dividends or share buybacks that will act as a catalyser to the stock price. The bank is trading at a P/E of 7.8, with a ROTE of 10.8% and 0.8x P/TBV.

On the other hand, we have sold several companies we had in the portfolio. We decided to sell **Etteplan** as the stock has reached our target price and has decreased its liquidity. Moreover, we have sold **ISS** and **RPS** because both companies have published weak results, cutting their growth guidance for next year.

Finally, we have kept reducing the weight in **Dometic** after publishing weaker results than we expected last month.