



Augustus Capital AM

April 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
(30/04/20)

80,9 €/share

AUM
(30/04/20)

EUR 143 Mn



RISK INDICATOR

1 2 3 4 **5** 6 7

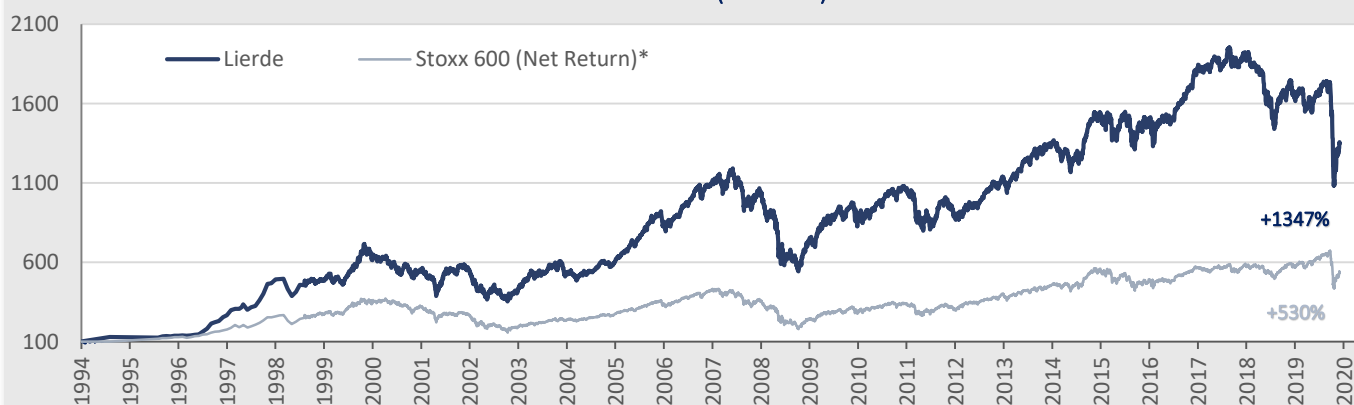
RISK DATA

From Inception	LIERDE	Stoxx 600 NR*
Alfa anual	4.68	
Ratio Sharpe	0.52	
Beta	0.83	
Volatility	16.3%	17.6%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.89	
Volatility	21.8%	22.9%

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	-21,6%	-17,5%	-4,1%
Total Return	1246,7%	430,1%	816,6%
Average	14,1%	9,3%	5,1%

TOTAL RETURN (base 100)



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

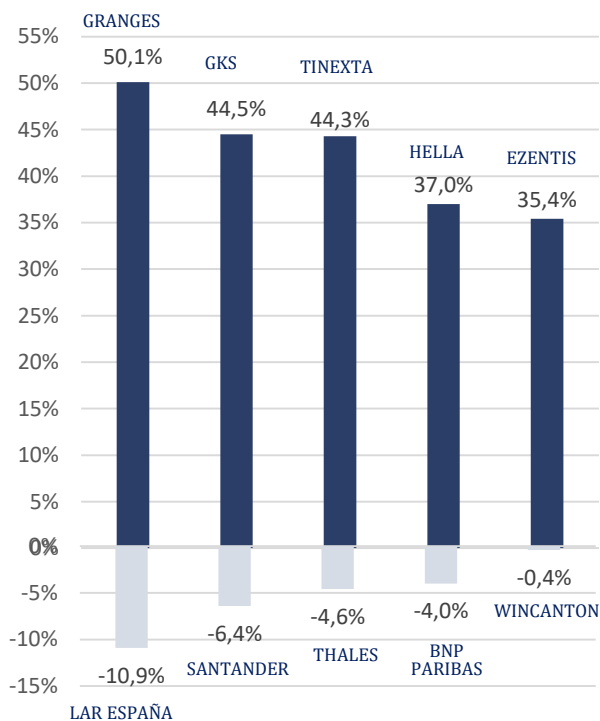


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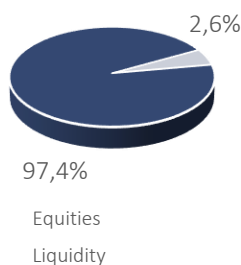
TOP 10 POSITIONS

1	GLOBAL DOMINION	4.3%
2	REALIA	4.3%
3	ROCHE	3.2%
4	DEVOTEAM	3.1%
5	S&T	3.1%
6	FACEBOOK	3.1%
7	SAP	3.0%
8	CANCOM	3.0%
9	STRABAG	2.9%
10	FRESSENIUS	2.7%
TOTAL		29.6%

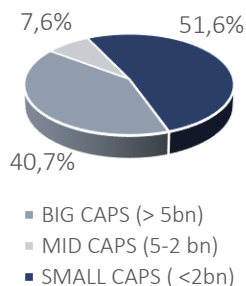
MONTHLY RETURN (the 5 best VS the 5 worst)



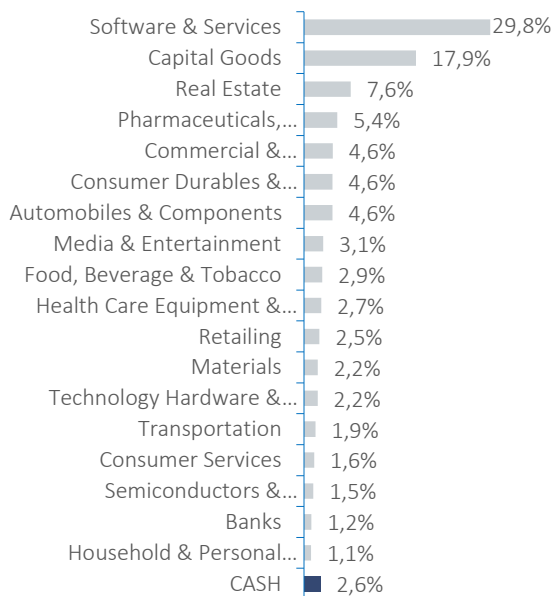
DISTRIBUTION BY ASSET



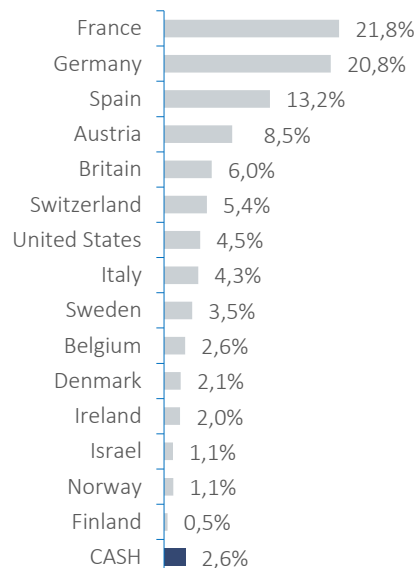
DISTRIBUTION BY MARKET CAP.



DISTRIBUTION BY SECTOR



DISTRIBUTION BY COUNTRY





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GENERAL INFORMATION

Inception Date	1994
CNMV Nº 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 April, LIERDE's profitability has increased by +11% compared to +5.2% of Eurostoxx 50 and +6.5% of Stoxx 600 (Net Return). Until April LIERDE's had a profitability of -21.6% vs -21.8% of Eurostoxx 50 and vs -17.5% of Stoxx 600 (Net Return). The Net Asset Value at the end of April was 80.9 euros/share and the liquidity of the portfolio has been decreased to 2.6%. The twelve-month trading volatility has slightly decreased to 21.8% against 22.9% for Stoxx 600 (Net Return) and 25.6% Eurostoxx 50.

Over April, the global stock markets have started to recover part of the losses occurred during the past month. Our portfolio has recovered faster than the market. In general, the earnings reported of our holdings have been better than expected in every sector, either industrial, technological or pharmaceutical. When we face tough times, good companies, which are able to keep good returns (high RoCe), differentiate from the market tendency. Despite the weak economic environment, we estimate an average value creation for the portfolio of +7%/+8% for 2020.

We have incorporated two quality companies thanks to the opportunity that the market has provided us. The first company is **Wix.com**. Wix is a company founded in Tel Aviv in 2006. The company provides a digital platform to create and manage websites from the cloud. Wix has more than 165 million registered users and 4.4 million premium users over 190 countries. The barriers of entry are high providing Wix with a good pricing power due to: a high switching cost, a scalable business model and a huge amount of data that Wix can provide to their users for a continuous innovation. Nowadays, Wix subscribers are growing +15%/+16% and its revenues are growing +20%/+30%. We estimate that the company will be able to grow at +20%/+30% over the next 5 years. The company trades under demanding multiples, nonetheless, the DCF valuation offers us a 40% upside when we started the position.

The second company is **Airbus**. The company has been extremely punished (-60%) due to the covid impact to its industry. The company is divided in three divisions (aviation, helicopter and defence), emphasizing aviation business (73% of revenues and 87% of operating profit) as the company is the first aeroplane producer of the industry. The company operates in an oligopolistic market with the American company Boeing, whose situation is worse due to their financial situation and their problems with their model 737 Max. This sector has high barriers of entry as replicating the scale of any of both companies is impossible. In the short run, orders can slow or some can even be cancelled. But thanks to Airbus solid financial position and its 7 years backlog, the company will survive the crisis and will keep growing in a sector which will experiment a structural growth. In a normalized scenario the company achieve a high RoCe of 30%.

As of sales, in April we have sold all our holding in **DFS Furniture** because the furniture industry in UK is in risk after the lockdown. Moreover, the company had one of the weakest balance sheets of LIERDE's portfolio.