



Augustus Capital AM

LIERDE sicav

May 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
(31/05/20)**

85,47 €/share

**AUM
(31/05/20)**

EUR 147 Mn



RISK INDICATOR

1 2 3 4 **5** 6 7

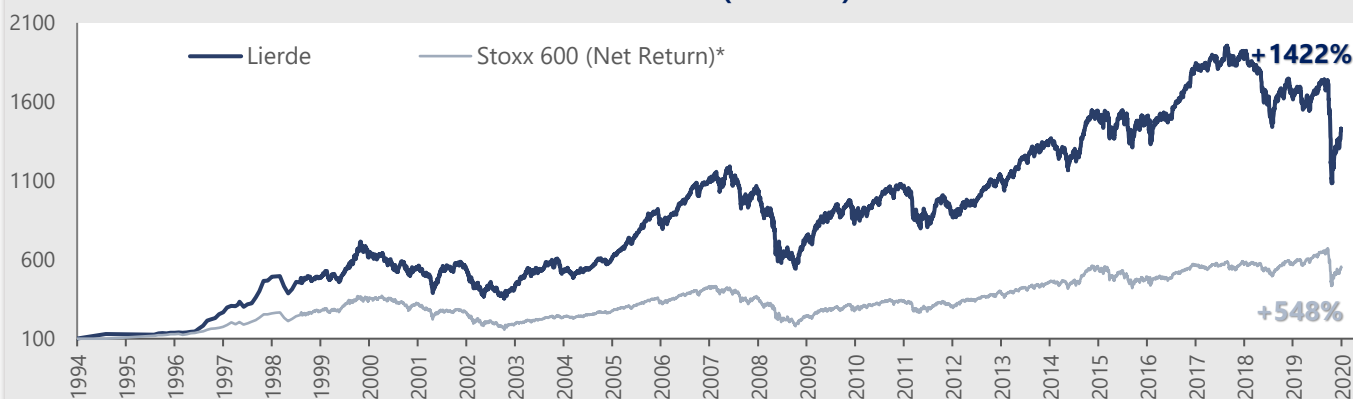
RISK DATA

From Inception	LIERDE	Stoxx 600 NR*
Alfa anual	4.68	
Ratio Sharpe	0.52	
Beta	0.83	
Volatility	17.6%	19.1%
12 Months	LIERDE	Stoxx 600 NR*
Beta	0.89	
Volatility	23.2%	24.4%

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	-17,2%	-14,7%	-4,1%
Total Return	1322,0%	448,2%	873,8%
Average	14,1%	9,0%	5,1%

TOTAL RETURN (base 100)



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

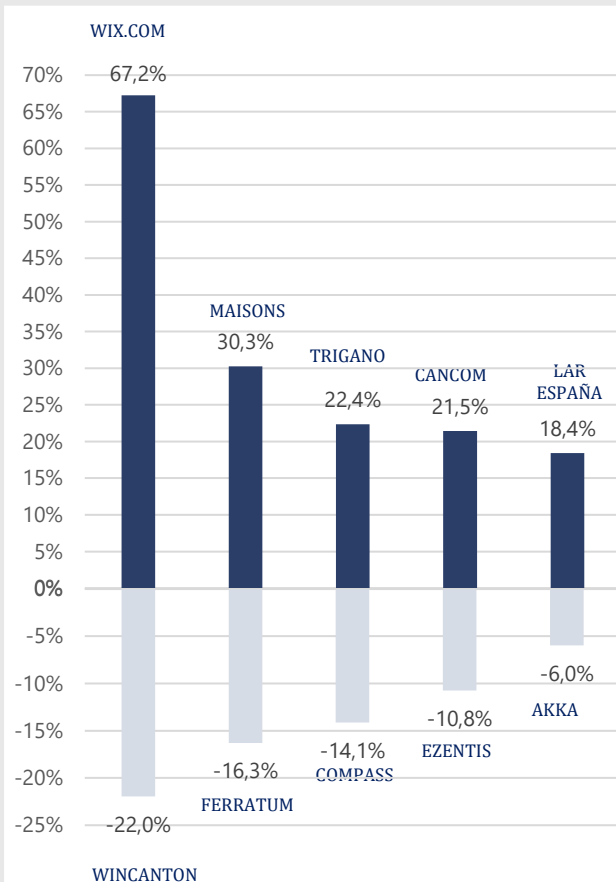


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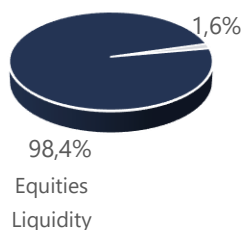
TOP 10 POSITIONS

1	GLOBAL DOMINION	4.0%
2	REALIA	3.7%
3	SAP	3.1%
4	DEVOTEAM	2.9%
5	FRESENIUS	2.9%
6	STRABAG	2.9%
7	FACEBOOK	2.8%
8	ROCHE	2.5%
9	VINCI	2.4%
10	ADIDAS	2.3%
TOTAL		29.5%

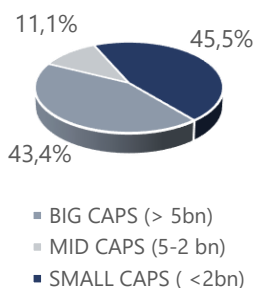
MONTHLY RETURN (the 5 best VS the 5 worst)



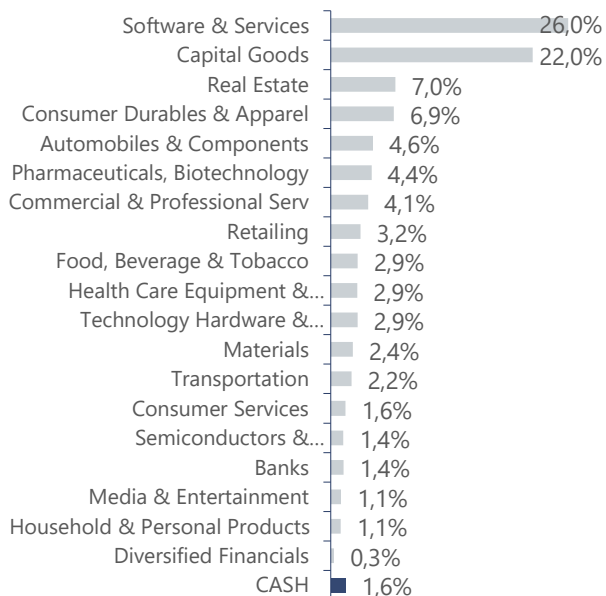
DISTRIBUTION BY ASSET



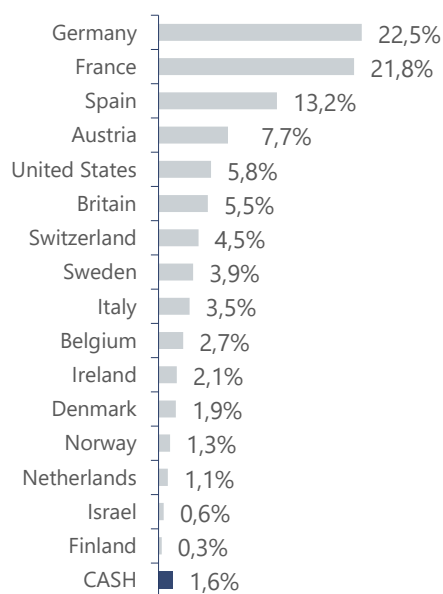
DISTRIBUTION BY MARKET CAP.



DISTRIBUTION BY SECTOR



DISTRIBUTION BY COUNTRY





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	2467
Liquidity	Daily liquidation 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

MONTH IN REVIEW

During the month of May, LIERDE's profitability has increased by +5.6% compared to +4.2% of Eurostoxx 50 and +3.4% of Stoxx 600 (Net Return). Until May LIERDE's had a profitability of -17.2% vs -18.6% of Eurostoxx 50 and vs -14.7% of Stoxx 600 (Net Return). The Net Asset Value at the end of May was 85.47 euros/share and the liquidity of the portfolio has been decreased to 1.6%. At day 08/06/2020 the Net Asset Value is 92.02 euros/share, current annual profitability is -10.9%. The twelve-month trading volatility has slightly increased to 23.2% against 24.4% for Stoxx 600 (Net Return) and 27.5% Eurostoxx 50.

Over May, the global stock markets have kept recovering as in April. For the second consecutive month, LIERDE has recovered faster than the benchmarks. As we have mentioned several times, during economic crises it is vital owning good companies (high RoCe) and with a good balance sheet, as these companies are the ones which differentiate from the market in the long run. Despite the weak economic environment, we estimate an average value creation for the portfolio of +7%/+8% for 2020 and +13% in 2021.

During this month, we have added to our portfolio two quality companies, Adidas and Aalberts Industries. We know perfectly both companies as we have been shareholders in the past.

The German **Adidas** operates in a semi-oligopolistic market with Nike. This company offers us exposition to a global growing industry (Asian consumption, sport and healthy life) with a progressive margin improvement. The company share price has increased 16% annually due to their expansion plans. At our initial purchasing price, we expect annual returns higher than +15% over the next 5 years. Moreover, Adidas trades with a 25% discount compared to Nike which, in our opinion, it is not justified either by growth or profitability.

Aalberts Industries is a Dutch multinational company specialised in manufacturing high quality industrial products. Due to a -60% stock price decline we have revised the investment case. Aalberts has grown 10% annually in sales and profits over the last 20 years thanks to the combination of organic and inorganic growth. It is true than they operate in a cyclical industry, but thanks to its quality we think the company can perfectly resist the present economic environment. Also, we think that its current valuation is expecting an excessive pessimistic scenario for a company which has always been reinforced by past crises.

Over the month we have not sold any company, but we have reduced weight in some defensive companies as we think they have less upside (**Roche**, **Tinexta**, **Wix.com** and **Cancom**). At the same time, we have increased weight in extremely punished companies with higher potential such as **Airbus**, **Compass** or **LPKF**.

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