



Augustus Capital AM

LIERDE sicav

August 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
(31/08/20)**

91.79 €/share

**AUM
(31/08/20)**

EUR 153 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	0.88	
Volatility	24.6%	26.6%

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	-11.1%	-10.3%	-0.8%
Total Return	1427.2%	476.6%	950.6%
Average	14.0%	8.9%	5.1%

TOTAL RETURN (base 100)



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

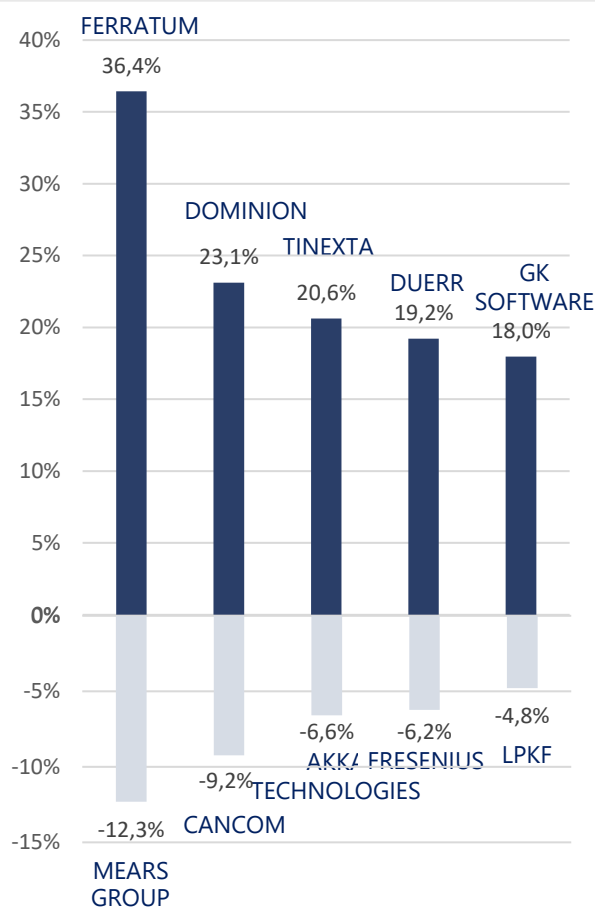


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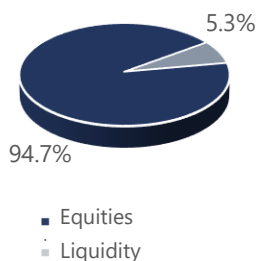
TOP 10 POSITIONS

1	GLOBAL DOMINION	4.0%
2	FACEBOOK	3.5%
3	REALIA	3.5%
4	SAP	3.5%
5	PROSUS	3.0%
6	TINEXTA	2.9%
7	ADIDAS	2.8%
8	STRABAG	2.7%
9	FRESENIUS	2.6%
10	INFOTEL	2.4%
TOTAL		30.9%

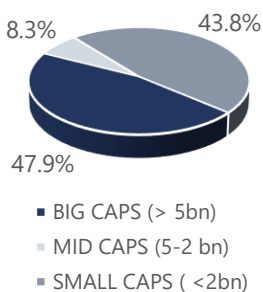
MONTHLY RETURN (the 5 best VS the 5 worst)



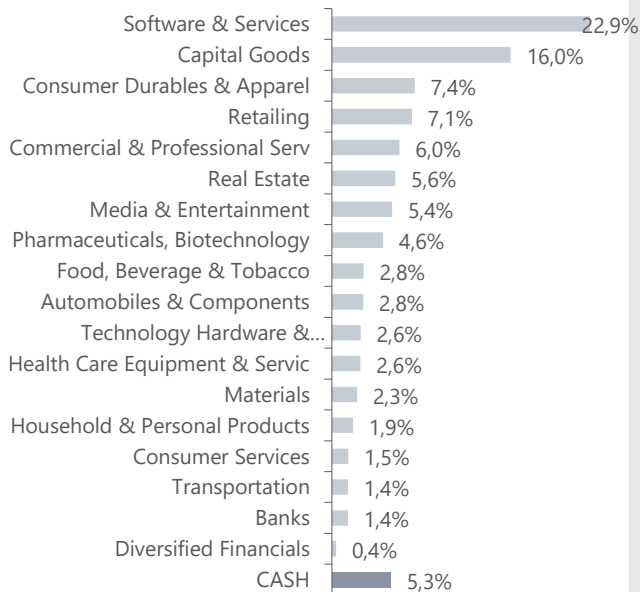
DISTRIBUTION BY ASSET



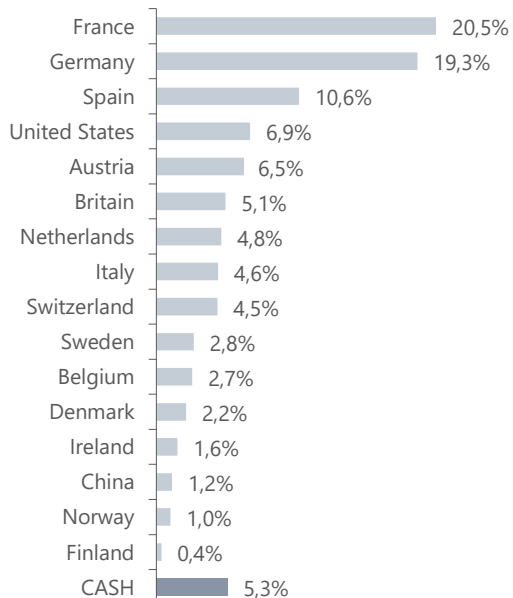
DISTRIBUTION BY MARKET CAP.



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

MONTH IN REVIEW

During the month of August, LIERDE's profitability has increased by 4.9% compared to 3.1% of Stoxx 600 (Net Return) and 3.1% of Eurostoxx 50. This year, LIERDE has accumulated a profitability of -11.1% vs -12.6% of Eurostoxx 50 and vs -10.3% of Stoxx 600 (Net Return). The Net Asset Value at the end of the August was 91.79 euros/share and the liquidity of the portfolio 5.3%. The twelve-month trading volatility was 24.6% against 26.6% of Stoxx 600 (Net Return) and 30.1% of Eurostoxx 50.

For the month of August, we highlight the global recovery of macroeconomic data, as well as the expansive behavior of Central Banks. The target change of inflation by the FED is a clear indicator of trying to maintain interest rates reduced, even when recovery is evident (obvious). The recovery's sustainability gains strength as more vaccines advance in their development (8 between Phase II and Phase III). The stock markets are cheaper than bonds, excluding some in the technology field, the ratings aren't a bubble. At LIERDE, the average generation of value is +7/+8% for year 2020 and +13% for year 2021.

Regarding the portfolio in August, we have bought a small position in **Alibaba**. It is the largest online commerce in China. Alibaba operates on various platforms such as TaoBao, T Mall, Aliexpress, etc., with a total of 742 million active users, resulting in a network effect that is impossible to replicate for the competitors. Unlike Amazon, Alibaba only connects consumers with vendors through their platform. They do not offer logistic services, so their margins are higher and they employ less capital. We hope that the company grows around +30/25% during the following years (during the past years Revenue has increased +40/+50% annually). Besides the potential as an e-commerce, Alibaba has other great sources of growth like Cloud Computing, which is the online marketing inside their platform, or Digital Entertainment.

Finally, on the sales side, we have reduced the weight in **LAR España** to increment it in **Merlin Properties**, as we consider that the second one trades at a greater discount, is more diversified, has a better management team, and has higher quality assets.

Finally, we decided to sell the small position in **Alimak** after the recovery in value in the recent months.

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