



# Augustus Capital AM

## LIERDE sicav

## June 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  
(30/06/20)**

**86.46 €/share**

**AUM  
(30/06/20)**

**EUR 147.8 Mn**



### RISK INDICATOR

1 2 3 4 **5** 6 7

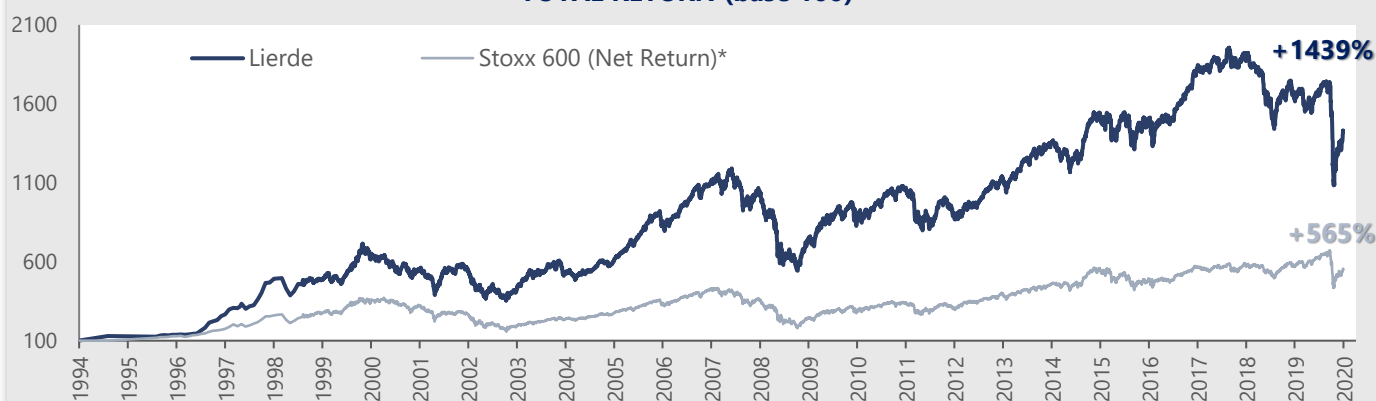
### RISK DATA

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	25.2%	27.0%

### 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%
2019	16.3%	26.8%	-10.5%
<b>YTD2020</b>	<b>-16.2%</b>	<b>-12.1%</b>	<b>-4.0%</b>
<b>Total Return</b>	<b>1338.7%</b>	<b>464.9%</b>	<b>873.8%</b>
<b>Average</b>	<b>14.0%</b>	<b>8.9%</b>	<b>5.1%</b>

### TOTAL RETURN (base 100)



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

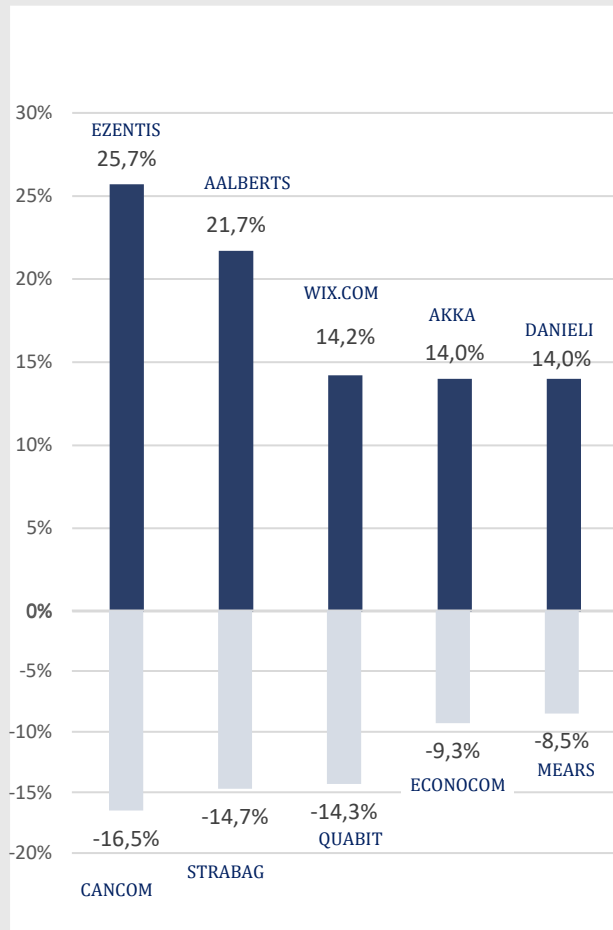


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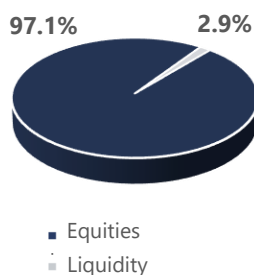
## TOP 10 POSITIONS

1	REALIA	3.7%
2	GLOBAL DOMINION	3.5%
3	SAP	3.3%
4	FRESENIUS	3.0%
5	DEVOTEAM	2.9%
6	ROCHE	2.6%
7	STRABAG	2.5%
8	FACEBOOK	2.5%
9	VINCI	2.4%
10	NOVO NORDISK	2.3%
<b>TOTAL</b>		<b>28.7%</b>

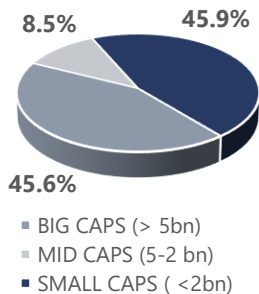
## MONTHLY RETURN ( the 5 best VS the 5 worst)



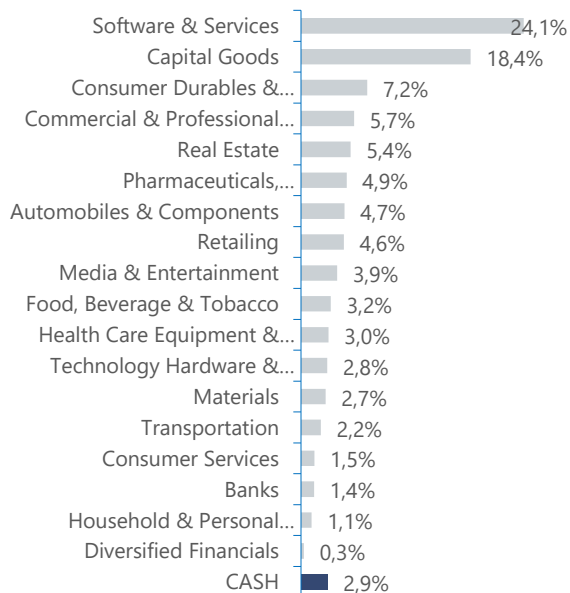
## DISTRIBUTION BY ASSET



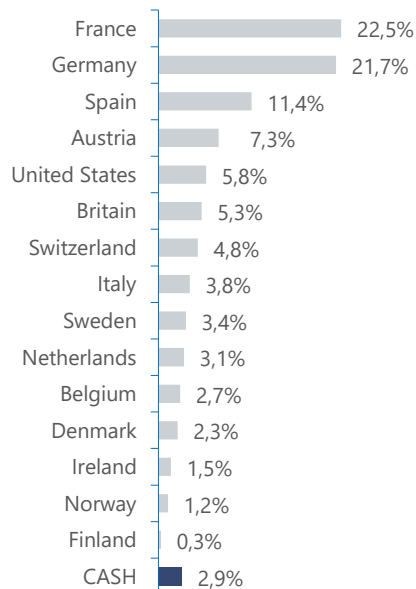
## DISTRIBUTION BY MARKET CAP.



## DISTRIBUTION BY SECTOR



## DISTRIBUTION BY COUNTRY





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## GENERAL INFORMATION

<b>Inception Date</b>	1994
<b>CNMV N° of Registration</b>	2467
<b>Liquidity</b>	Daily liquidation d + 1
<b>Fees</b>	- Management fee 1.40% annual - Depositary fee 0,125% annual
<b>Asset Manager</b>	Augustus Capital, A.M.
<b>Custodian Institution</b>	Banco de Sabadell, S.A.
<b>Auditor</b>	Deloitte, S.L.
<b>Currency</b>	EUR
<b>ISIN Code</b>	ES0158457038
<b>Bloomberg Ticker</b>	LIE SM Equity

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*Past returns do not guarantee future returns.*

## MONTH IN REVIEW

During the month of June, LIERDE's profitability has increased by +1.2% compared to +3.1% of Stoxx 600 (Net Return) and 6.0% of Eurostoxx 50. Until June, LIERDE had a profitability of -16.1% vs -13.6% of Eurostoxx 50 and vs -12.1% of Stoxx 600 (Net Return). The Net Asset Value at the end of June was 86.46 euros/share and the liquidity of the portfolio has been increased to 2.9%. The twelve-month trading volatility has increased to 25.2% against 27.0% for Stoxx 600 (Net Return) and 30.5% Eurostoxx 50.

Despite the weak economic environment, the macroeconomic indicators have improved in the USA, Europe, and China after the economic reopening. We estimate an average value creation for the portfolio of +7%/+8% for 2020 and +13% in 2021.

As of the portfolio, we have added several companies. We bought the airport operator **Aena**. It is one of the most efficient operators (highest margins and RoCE). The company operates all the Spanish airports, Luton in London, and another in Brazil. Operating an airport is a very profitable business since airport concessions have long-term contracts and it is not economically viable opening another airport near yours. Moreover, Aena is going to increase its commercial area by 15%. In the short term the touristic sector will still be damaged, but once the pandemic is over, it will keep growing again.

On the other hand, we have taken advantage of the market weakness to buy **Alphabet**, Google's parent company. Google is the biggest internet searcher, with a global market share of 80%. Google is also the owner of other famous platforms as Android, Youtube, Google Maps, Google Cloud, etc. Its competitive advantage is impossible to replicate and this has allowed them to achieve a RoCE of over 60%/70% for more than a decade. The stock is currently trading at an attractive price given the quality and the future double-digit growth.

**Prosus** has been another incorporation. It is a holding with technology investments in emerging countries in the sector of videogames, electronic payments, advertising and food delivery. Its main asset is Tencent, the biggest technology company in China. Prosus trades in the Netherlands, after a spin-off of the South African company Naspers. Tencent is the owner of the app WeChat, which has more than 12,000 million users each month. Tencent grows +20% annually and has one of the biggest competitive advantages of the country. At current prices, Prosus is trading with a 30% discount over its NAV. Moreover, the management has proven to be great capital allocators, as Prosus NAV has grown +20% annually from 2008 to 2019. Due to its market cap, the company will join the Eurostoxx50 index, giving the company more visibility.

The last company we have bought is **Bureau Veritas**, a company we know well as we have been shareholders in the past. It is a testing, inspection, and certification company. Bureau Veritas operates in a growing industry, but due to the pandemic its activity has been stopped and the share price has decreased dramatically. The company has progressively reduced its exposure in more cyclical sectors and increasing its presence in more stable sectors such as the certification, food, or infrastructure industries, allowing it to become less cyclical. Before the pandemic, the company had the guidance of increasing its revenues +5-7% organically, plus acquisitions and margin improvement.

As of the sales side, we have sold all our stake in **Airbus** after increasing +46% in two months, we have also sold **Wix.com** after a huge revalorization of +120% since April and surpassing our target price for the year.