

Augustus Capital AM



LIERDE,
Creating value since 1994

August 2021

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1. HISTORY

FAMILY INVESTMENT VEHICLE

ACTIVE DISTRIBUTION

1994
Family
AUM: 2.5Mn €
NAV: 6.0 €

October 2013
120 investors
AUM: 37 Mn €
NAV: 71.3 €

YTD 2021
838 investors
AUM: 163 Mn €
NAV: 126.44 €



TOTAL RETURN 2,003.9% (14.2% annual return)



2. DESCRIPTION

- Well-diversified portfolio: 50-60 high quality companies
- Average position 2%-3%
- Target price is established ex-ante

**ACTIVELY MANAGED
SINCE 1994**



- Investment exposure: min. 80% - max. 100%
- Global with European bias
- Proximity to companies

- Without index benchmark
- No size restriction
- Own valuation models based on Return on Capital Employed



3. AFTER 27 YEARS... What makes LIERDE different?



TRACK-RECORD



“It’s easier to look back than to look into the future.”

WARREN BUFFETT



3.1. TRACK-RECORD: 27 years beating the indices



27 years with the **SAME STRATEGY** reinforces the investment model

LOWER RISK vs. market



SINCE INCEPTION	LIERDE	STOXX 600 NR*
Beta	0.84	
Volatility	17.4%	18.9%
12 MONTHS	LIERDE	STOXX 600 NR*
Beta	0.84	
Volatility	13.0%	13.4%



ONLY 4 years with negative returns over 5%!!!

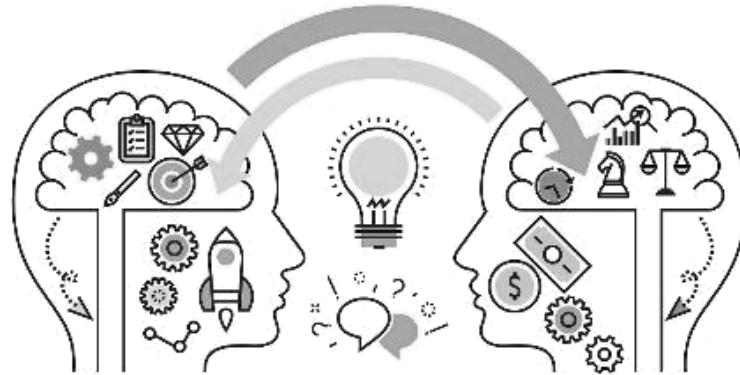
HISTORICAL RETURNS

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%	-9.00%
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%
2020	-3.3%	-2.0%	-1.3%
YTD2021	26.6%	20.1%	6.5%
Total Return	2,003.9%	656.5%	1,347.4%
Average	14.2%	9.2%	5.0%

Source: Bloomberg. Data as of 31/08/2021

* Includes net dividends

METHOD



“Growth and Value are not opposed to each other.

Growth is an input to the calculation of value.”

BILL MILLER, CIO Legg Mason Capital Management



3.2. METHOD

COMPETITIVE ADVANTAGE

- Market leader
- Sustainable competitive advantage
- Economies of scale
- Innovation
- Goal: high and sustainable RoCE

GOOD TEAM

- Good capital allocation
- Long term vision
- Understandable accounting
- Leading auditing firms
- Aligned interests with shareholders
- Adequate and well-defined bonuses

GOOD INDUSTRIES

- Strong entry barriers
- Well positioned industries
- Structural growth
- Price discipline

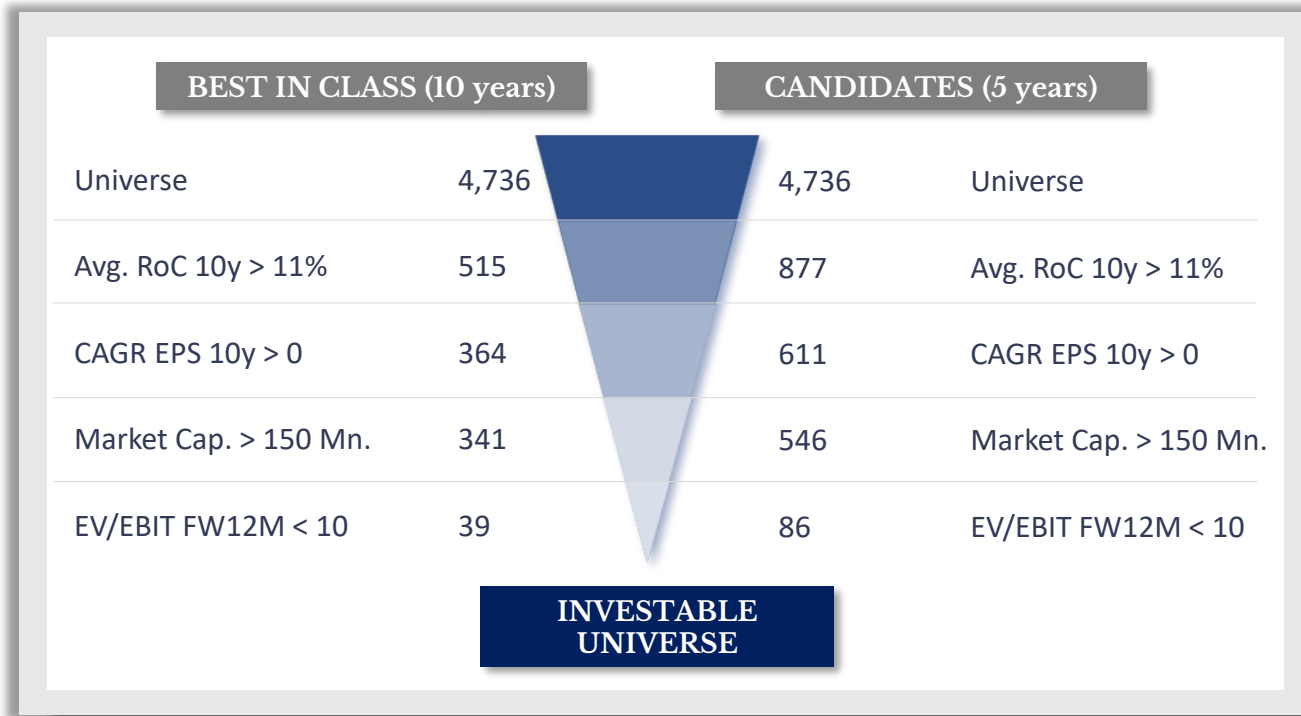
FINANCIAL POSITION

- Strong balance sheet
- Resilience during crisis
- Good cash flow generation
- Inorganic growth capacity

*“We invest in **businesses** that **generate value** on a sustainable basis, that are **able to grow and well managed.**”*



3.2. METHOD: Investment Universe



IN-HOUSE SCREENING (bottom-up)

- Best-in-class
- Value Creation

SCREENING TO LOOK FOR MARKET INEFFICIENCIES

- Laggards
- Small becoming Big
- Under the Radar

BE FOCUSED !!



4. THE OUTCOME, a high quality portfolio ...



Family origin or
with a reference
shareholder



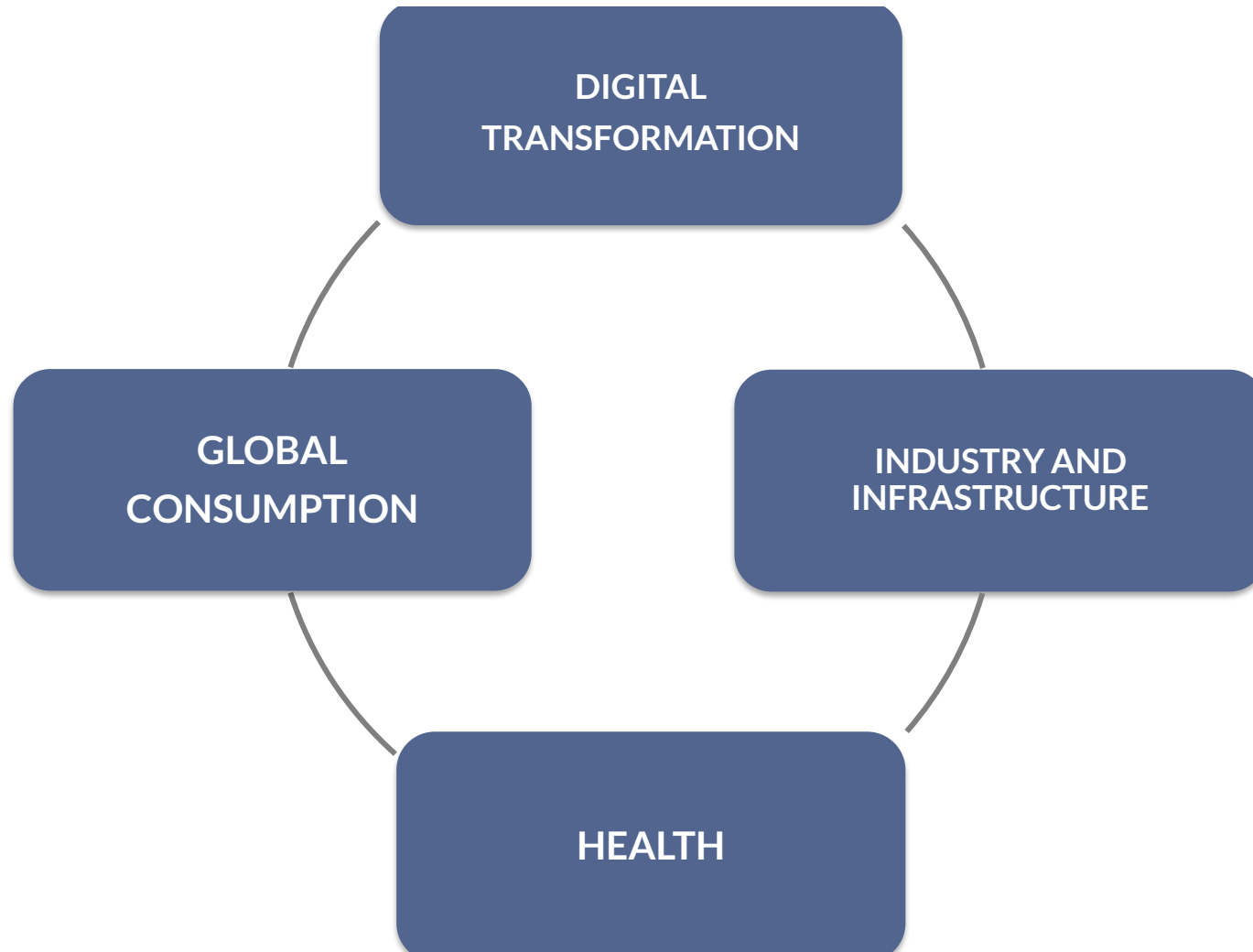
Low leverage
companies
(net cash)



Companies with
more than 10 years
of track-record



4. ... PORTFOLIO – STRUCTURAL TRENDS



4. ... PORTFOLIO – STRUCTURAL TRENDS

DIGITAL TRANSFORMATION

- Pandemic –increases innovation and product demand
- Search for leaders with competitive advantage, scale and network effect
- Strong growth perspective in e-commerce, digitalization, cyber security, payment methods, video games, etc.

INDUSTRY AND INFRASTRUCTURE

- Industry 4.0, automatization, electrification
- Productivity and efficiency improvement
- Larger infrastructure investment



4. ... PORTFOLIO – STRUCTURAL TRENDS

GLOBAL CONSUMPTION

- More expenditure both in developed and emerging markets
- Structural trend towards “premium”, “personalization”, “sustainable” and “healthy”
- E-commerce and digitalization

HEALTH

- Increase in health spending
- Aging of population
- Larger expenditure in emerging countries



4. ... COMPOSITION – Countries & Structural Trends

COUNTRIES

COUNTRY	WEIGHT
CASH	9 %
FRANCE	22 %
GERMANY	14 %
SPAIN	14 %
UNITED KINGDOM	9 %
USA	7 %
AUSTRIA	7 %
ITALY	6 %
BELGIUM	3 %
SWITZERLAND	3 %
NETHERLANDS	2 %
DENMARK	2 %
CHINA	1 %
SWEDEN	1 %
TOTAL	100 %

STRUCTURAL TRENDS

TREND	WEIGHT
CASH	9 %
DIGITAL	28 %
INDUSTRIAL NICHE LEADERS	17 %
HEALTHCARE	13 %
URBANISM & INFRASTRUCTURE	12 %
LEISURE/E-COMMERCE	11 %
GLOBAL CONSUMPTION	10 %
TOTAL	100 %

5. ... with HIGH POTENTIAL in the long-term...

VALUE CREATION OF LIERDE VS MARKET PERFORMANCE OF LIERDE

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e
Value Creation	14.9%	17.4%	19.6%	17.5%	13.7%	18.0%	11.4%	12.0%	7.8%	11.5%	14.4%
Market Performance	16.4%	27.4%	-0.1%	18.6%	4.2%	18.2%	-20.8%	16.3%	-3.3%	YTD 26.6%	
	✓	✓	✗	✓	✗	✓	✗	✓	✗		

VALUE CREATION OF LIERDE VS INDICES

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021e	2022e
LIERDE	14.9%	17.4%	19.6%	17.5%	13.7%	18.0%	11.4%	12.0%	7.8%	11.5%	14.4%
STOXX 600	5.2%	1.4%	14.6%	7.6%	5.4%	4.1%	4.7%	6.3%	7.8%	8.4%	8.6%
EUROSTOXX 50	5.1%	-1.8%	9.7%	3.9%	2.3%	5.6%	1.9%	5.1%	6.9%	8.9%	9.0%
S&P 500	11.0%	9.5%	3.8%	3.9%	5.9%	10.0%	5.3%	7.00%	8.6%	12.0%	12.0%
	✓	✓	✓	✓	✓	✓	✓	✓	✓		

$$\text{VALUE CREATION} = \text{BOOK VALUE INCREASE PER SHARE} + \text{CASH DIVIDEND YIELD}$$

5. ... and great capability to CREATE VALUE

LIERDE's POTENTIAL in 4 years*

VALUE CREATION

67.0%
(13.7% annualized)

- Depends on the business
- Recurrent

+

UNDERVALUATION

(re-rating)

13.7%

- Depends on the market
- One-off

Data as of 31/08/2021

*2021-2024, based on our RoCE's models



6. GENERAL INFORMATION

Inception Date	31/05/1994
AUM	EUR 163 Million
CNMV n° of Registration	2467
Liquidity	Daily
Fees	Management fee 1.40% annual Depository fee 0.07% annual
Asset Manager	Grupo RD Sistemas
Custodian	Bnp Paribas Securities Services, Sucursal en España
Auditor	Deloitte
Currency	EUR
ISIN Code	ES0158457038
Bloomberg Ticker	LIE SM Equity

7. TEAM



**Juan Uguet
de Resayre,**

FOUNDER & PORTFOLIO MANAGER

Juan began his career at Beta Capital Fortis where he worked for 8 years. He was Head of the Analysis Team before being appointed CIO in 1998. From 2000 - 2007, he worked as CIO at Ibercaja Gestión, managing over EUR9.500MM AUM. Later, he joined BBVA & Partners, where he became Partner in 2007. During this period, Juan managed Augustus Equity Fund and Augustus Neutral Plus, Total Return. Juan holds a Bachelor's degree in Economics and Business Administration by the University of Zaragoza (Spain) and was awarded with an MBA Degree by the University of San Francisco (California).



**Francisco
Tajada,**

FUND MANAGER

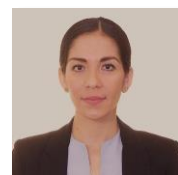
Before joining Augustus Capital AM, Francisco was a Partner at Preon Capital. He is also Chairman of Investivity Swiss regulated Private Investment Office. Before this, he was Partner at ONEtoONE Corporate Finance, working in Investment Banking and M&A roles. From 2008 to 2011, he worked as buy-side analyst for Strategic Investment Advisors in Geneva. Previously, Francisco worked as Business Manager in adidas and as strategic consultant and financial advisor. Francisco holds an MSc degree in Mechanical Engineering by the University of Zaragoza and an MBA by IESE in Barcelona.



**Daniel
Porte,**

ANALYST

Prior to joining Augustus Capital AM, Daniel began his career as junior analyst at GAR Investment Advisors EAFI where he worked for 1 year. Daniel holds a Bachelor's degree in Economics and Business Administration from CEU Abad Oliba University of Barcelona.



**María Elena
Morales,**

BUSINESS DEVELOPMENT & INVESTOR RELATIONS

In 2002, Maria Elena began her career in the auditing industry working for KPMG (USA) and Deloitte (Mexico). In 2008, she moved to the finance industry, working as Data Analyst for Bloomberg (Mexico) and later in 2010 as Relationship Manager for HSBC Private Banking. Before joining Augustus Capital AM, Maria Elena was part of the Wells Fargo Advisors' team (USA). Maria Elena holds a Bachelor's degree in Accounting and Finance by ITESM (Mexico) and a Master's degree in Finance and Banking by Universidad de Alcalá de Henares (Spain).



**Alicia
Casasús,**

INTERNAL CONTROL

Before joining Augustus Capital AM, Alicia worked in the accounting department of Aramón, Montañas de Aragón.

Before that, she was part of the finance team at Schindler Supply Chain Europe AG.

After college, Alicia started her career in a small company as head of accounting and finance.

Alicia holds a Bachelor's degree in Economics and Master's degree in Accounting and Finance by Universidad de Zaragoza.