



Augustus Capital AM

LIERDE sicav

December 2022

OBJECTIVE AND INVESTMENT STRATEGY

LIERDE's objective is to generate value with 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
(31/12/22)

113.05 €/share

AUM
(31/12/22)

EUR 126 Mn



RISK INDICATOR

1 2 3 4 5 **6** 7

TOTAL RETURNS

PERIOD	LIERDE	Stoxx 600 NR*
Month	-3.4%	-3.4%
YTD* 2022	-10.2%	-10.6%
1 year	-10.2%	-10.6%
Since inception (1994)	1,780.9%	603.2%
Since inception (annual average)	13.5%	8.8%

*YTD (year-to-date)

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%
2020	-3.3%	-2.0%	-1.3%
2021	26.1%	24.9%	1.2%
YTD* 2022	-10.2%	-10.6%	0.4%
Total Return	1,780.9%	603.2%	1,177.7%
Average	13.5%	8.8%	4.7%

*YTD (year-to-date)

NET ASSET VALUE EVOLUTION (base 100)



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



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TOP 10 POSITIONS

1	GLOBAL DOMINION	4.6%
2	NEURONES	3.9%
3	ANDRITZ	3.4%
4	RICHEMONT	3.3%
5	SII	3.2%
6	AALBERTS	3.2%
7	DUERR	3.1%
8	INFOTEL	3.0%
9	DANIELI	3.0%
10	KONTRON	2.6%
TOTAL TOP 10		33.3%

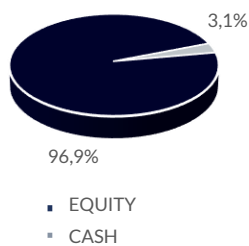
MONTHLY RETURN (5 best vs. 5 worst)

5 BEST		
1	MEARS	+7.0%
2	CHERRY	+6.9%
3	ADIDAS	+4.3%
4	BUCHER	+3.9%
5	GRIFOLS	+3.2%
5 WORST		
1	AMAZON	-16.0%
2	ALPHABET	-15.6%
3	DOMETIC	-10.9%
4	WINCANTON	-10.6%
5	GERRESHEIMER	-10.5%

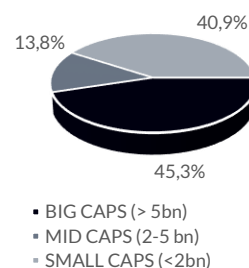
RISK DATA

Since Inception	LIERDE	Stoxx 600 NR*
Annual Alpha	4.69	
Sharpe Ratio	0.55	
Beta	0.83	
Volatility	17.3%	18.8%
12 months	LIERDE	Stoxx 600 NR*
Beta	0.86	
Volatility	17.5%	18.9%

DISTRIBUTION BY ASSET CLASS

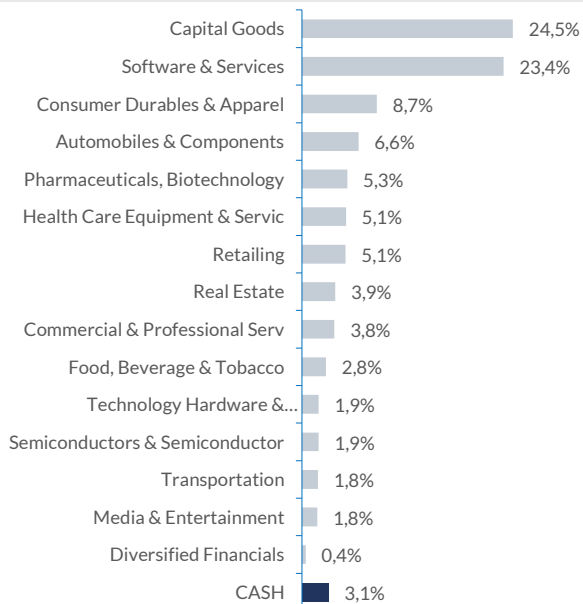


DISTRIBUTION BY MARKET CAP.

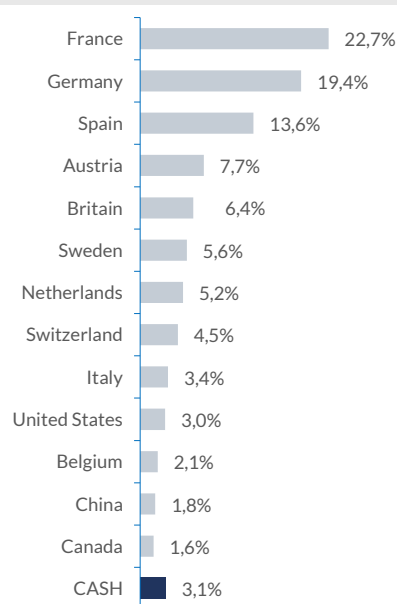


*Stoxx 600 NR (Net Return). Dividends included.

SECTOR DISTRIBUTION



COUNTRY DISTRIBUTION





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	2467
Settlement	Daily. Settlement d + 1
Fees	<ul style="list-style-type: none">• Management fee 1.40% annual• Depository fee 0.07% annual
Asset Manager	Augustus Capital, A.M.
Depository Institution	Bnp Paribas S.A., Sucursal en España
Auditor	Deloitte, S.L.
Currency	EUR
ISIN Code	ES0158457038
Bloomberg Ticker	LIE SM Equity

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MONTHLY REVIEW

When we started 2022, we thought it was going to be the year of recovery from the pandemic. However, with the invasion of Ukraine, energy prices soared, and inflation rose to levels not seen since the 70's. Central banks panicked and accelerated rate hikes, triggering a sharp economic slowdown. As if that were not enough, China bet on a very restrictive policy (Covid-Zero) to contain the pandemic, preventing the normalization of global supplies and slowing both the growth of its economy and the global one. However, economies have remained afloat and recession has been avoided. The markets, which at first discounted a strong recession, have recovered some of the losses in the final part of the year due to the economies' resistance.

For 2023, the most likely scenario is that inflation will continue to slowdown, supply chains will normalize, China's economy will regain traction and interest rate hikes will moderate to a period of pause. In short, we have the feeling that much of the adjustment has been left behind and the environment seems more favorable. Companies are real assets that should behave well in low inflation and moderate growth environments. In any case, for sure there will be new contingencies and reality will not adjust to the forecasts we now have.

Therefore, it is important to have a strong portfolio capable of dealing with what eventually comes. In Lierde, more than half of the companies have positive net cash, 60% of them have a reference shareholder with at least 10% of the stockholders' equity and 90% have more than 10 years of history. For 2023, the expected value creation (increase in book value per share plus dividend yield) is 12% and the valuation is very attractive, trading at 6.6% free cash flow yield with a RoCE of 50%, so we are optimistic about the expected return for the year. In addition, Europe is very cheap both in absolute terms (PE 12.5x) and in relative terms, trading at 30-year low against the American stock exchange (P/E 17.3x).

Regarding the portfolio, in December we have started a position in the Swedish company **NOTE**, dedicated to the manufacture of hardware and electronic components with a high focus on electrification and green energies. The company is benefiting from two structural trends in the industry such as the outsourcing of manufacturing and the approach to Europe of manufacturing processes. The growth of the business allows strong efficiency benefits so the companies that grow the most, as in the case of Note, are immersed in a virtuous circle in which the higher volume of manufacturing leads them to win new contracts that contribute to growth and profitability. Note estimates that they will be able to grow in sales at least +10% annually over the next few years plus acquisitions.