



Augustus Capital AM

Lierde Equities, F.I.

October 2023

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
(31/10/23)

10.24
€/share

AUM
(31/10/23)

3.5 Mn €

RISK INDICATOR

1 2 3 **4** 5 6 7

TOTAL RETURNS

Since Inception	Lierde Equities, F.I.	Stoxx 600 NR**
Month	-4.9%	-3.6%
YTD* 2023	2.9%	4.6%
1 year	6.4%	8.0%
Since inception (2022)	-8.0%	-6.5%
Since inception (annual average)	-3.9%	-3.0%

*YTD (year-to-date)

HISTORICAL RETURNS

Year	Lierde Equities, F.I.	Stoxx 600 NR**	Difference
2022	-10.6%	-10.6%	0.0%
YTD* 2023	2.9%	4.6%	-1.7%

*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	4.9%
2	ROVI	4.6%
3	AALBERTS INDUSTRIES	3.4%
4	KONTRON	3.1%
5	ASSA ABLOY	3.1%
6	DANIELI	3.1%
7	NEURONES	3.0%
8	RICHEMONT	3.0%
9	SII	2.9%
10	ANDRITZ	2.9%
TOTAL TOP 10		34.0%

MONTHLY RETURN (5 best vs. 5 worst)

5 BEST		
1	NEINOR HOMES	+7.8%
2	DANONE	+7.4%
3	PERNOD RICARD	+6.1%
4	THALES	+4.6%
5	KONTRON	+3.6%
5 WORST		
1	DUERR	-24.6%
2	FRESENIUS	-17.7%
3	MERCEDES-BENZ	-15.9%
4	AALBERTS INDUSTRIES	-15.2%
5	GRIFOLS	-12.8%

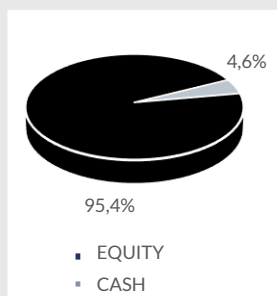
RISK DATA **

Since Inception	LIERDE	Stoxx 600 NR*
Annual Alpha	4.47	
Sharpe Ratio	0.54	
Beta	0.83	
Volatility	17.2%	18.6%
12 months	LIERDE	Stoxx 600 NR*
Beta	0.86	
Volatility	11.4%	12.0%

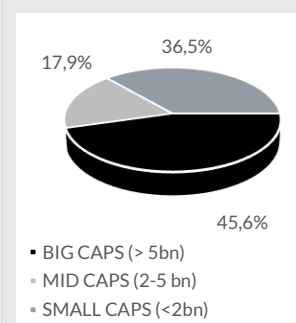
*Stoxx 600 NR (Net Return). Dividends included.

** Risk data corresponds to Lierde sicav, replicated by Lierde Equities, F.I.

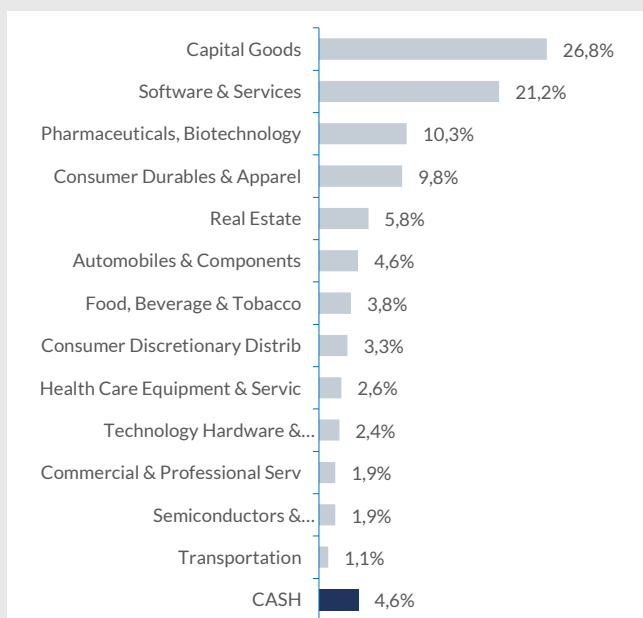
DISTRIBUTION BY ASSET CLASS



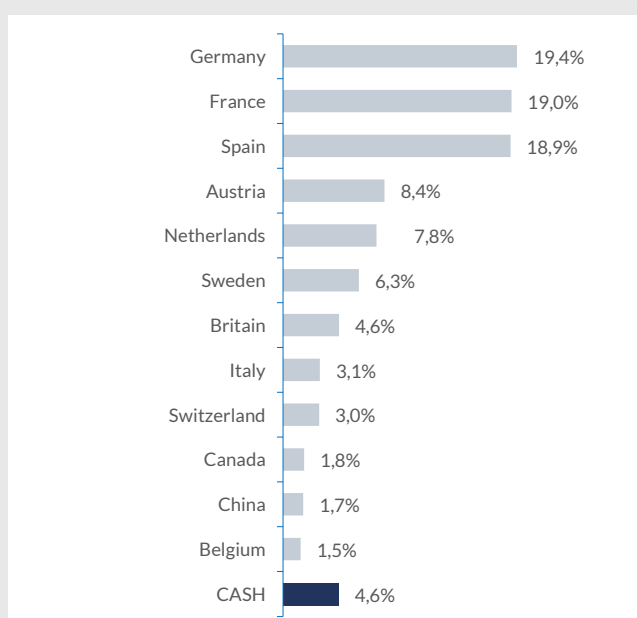
DISTRIBUTION BY MARKET CAP.



SECTOR DISTRIBUTION



COUNTRY DISTRIBUTION





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	5484
Settlement	Daily. Settlement d + 1
Fees	<ul style="list-style-type: none">• Management fee 1.60% annual• Depository fee 0.08% annual
Asset Manager	Augustus Capital, A.M.
Depository Institution	Bnp Paribas S.A., Sucursal en España
Auditor	Deloitte, S.L.
Currency	EUR
ISIN Code	ES0118591009
Bloomberg Ticker	CERVING SM Equity

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MONTHLY REVIEW

During October, stock markets continued in correction mode with the 10y US bond yield as reference for the rest of the financial markets. During the month, the American 10y bond reached new highs during the cycle, almost at 5%, driven by the increase in crude oil prices and the war in Israel. However, in the early days of November, markets have bounced back given the FED's shift in tone, with a message implying that interest rate hikes could have ended after weaker employment and inflation data. In Europe, after the sharp drop in inflation data, interest rates might have hit the ceiling as well, triggering speculation about whether it may be Europe the first one to pivot.

The question we ask ourselves now is how close we are for the pivot, not only for debt but also for equities. Regarding debt, it seems that yields have found an important ceiling, so we expect some stabilization. After consolidation in recent months, stable interest rates are the basis for equities to start recovering. On the economic cycle side, of the various indicators that are being published, it is observed that the cycle of inventories in companies is changing, and companies seem to have ended destocking to begin restocking. This would allow us to temporarily set aside the debate on the entry of recession, "eternal recession," and boost equity markets, whose valuation levels are historically low.

Regarding the portfolio, we started a position in **LVMH**, French luxury conglomerate owner of multiple premium brands such as Louis Vuitton, Moët, Fendi, Hublot, Tiffany., leveraging the recent -30% stock price decrease that the company has experienced. Although most of the brands owned by this company have decades of history (some even centuries like Louis Vuitton), the holding company we know today was founded in 1984 when its current CEO and largest shareholder (Bernard Arnault), decided to use the capital of his family business to buy Bussac (owner of the Dior brand). Since then, Bernard Arnault has been acquiring a whole series of luxury companies in different verticals so that they continue to operate in a decentralized way. Owning brands with great standing associated with high status, give LVMH broad competitive advantages related to customer loyalty and the inability to replicate its business. In addition, as most of its customers have high purchasing power, the company's capability to increase prices is very high. We think that LVMH will grow in the future somewhat less than it did in recent years (double digit), but in any case, it will maintain growth of +6 %/+8% organic thanks to the price fixing capacity and the tailwinds that the Asian market will offer over the next decade. With the latest falls, Bernard Arnault has been buying stocks in the stock market, which has reinforced our conviction.