



# Augustus Capital AM

## Lierde Equities, F.I.

## November 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  
(30/11/23)

11.23  
€/share

AUM  
(30/11/23)

3.8 Mn €

### RISK INDICATOR

1 2 3 **4** 5 6 7

### TOTAL RETURNS

Since Inception	Lierde Equities, F.I.	Stoxx 600 NR**
Month	9.6%	6.6%
YTD* 2023	12.8%	11.5%
1 year	8.9%	7.8%
Since inception (2022)	0.8%	-0.3%
Since inception (annual average)	1.1%	0.4%

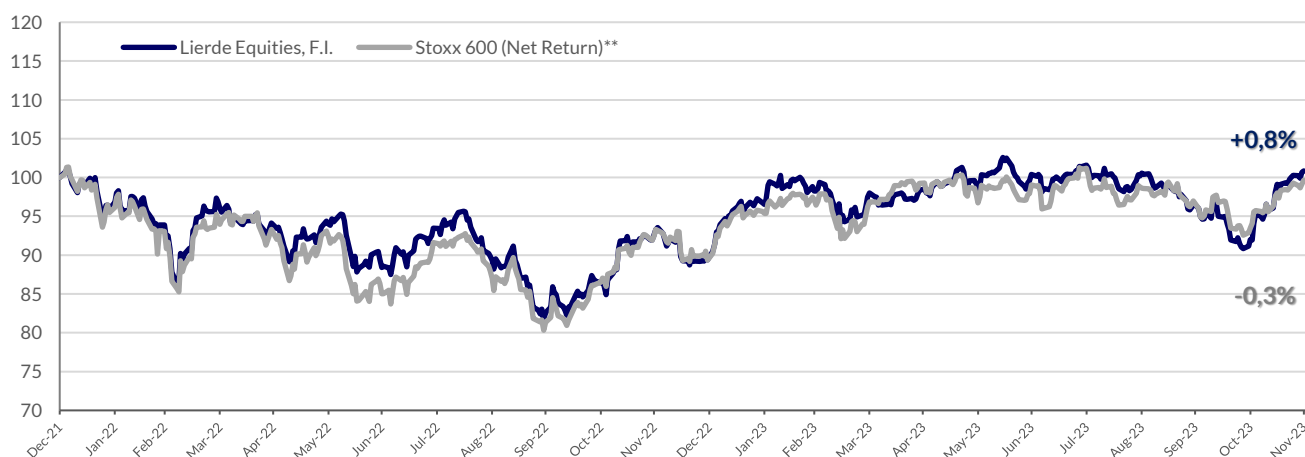
\*YTD (year-to-date)

### HISTORICAL RETURNS

Year	Lierde Equities, F.I.	Stoxx 600 NR**	Difference
2022	-10.6%	-10.6%	0.0%
YTD* 2023	<b>12.8%</b>	<b>11.5%</b>	<b>1.3%</b>

\*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	5.0%
2	AALBERTS INDUSTRIES	4.1%
3	ROVI	3.9%
4	ASSA ABLOY	3.6%
5	NEURONES	3.1%
6	ANDRITZ	3.1%
7	DANIELI	3.0%
8	FERROVIAL	2.9%
9	MERLIN PROPERTIES	2.8%
10	VONOVIA	2.8%
<b>TOTAL TOP 10</b>		<b>34.3%</b>

## MONTHLY RETURN (5 best vs. 5 worst)

5 BEST		
1	INFINEON	+29.8%
2	AALBERTS INDUSTRIES	+23.3%
3	MERLIN PROPERTIES	+20.6%
4	DOMETIC	+20.2%
5	FRESENIUS	+20.1%
5 WORST		
1	MARLOWE	-32.2%
2	ALIBABA	-12.1%
3	PERNOD RICARD	-3.8%
4	THALES	-1.6%
5	COATS	-1.4%

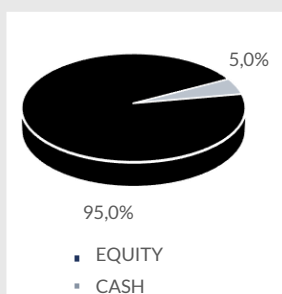
## RISK DATA \*\*

Since Inception	LIERDE	Stoxx 600 NR*
Annual Alpha	4.63	
Sharpe Ratio	0.56	
Beta	0.83	
Volatility	17.2%	18.6%
12 months	LIERDE	Stoxx 600 NR*
Beta	0.88	
Volatility	11.6%	11.7%

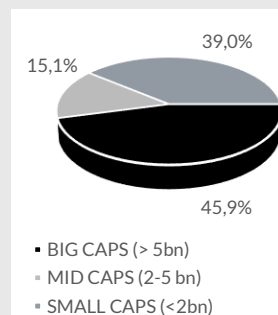
\*Stoxx 600 NR (Net Return). Dividends included.

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

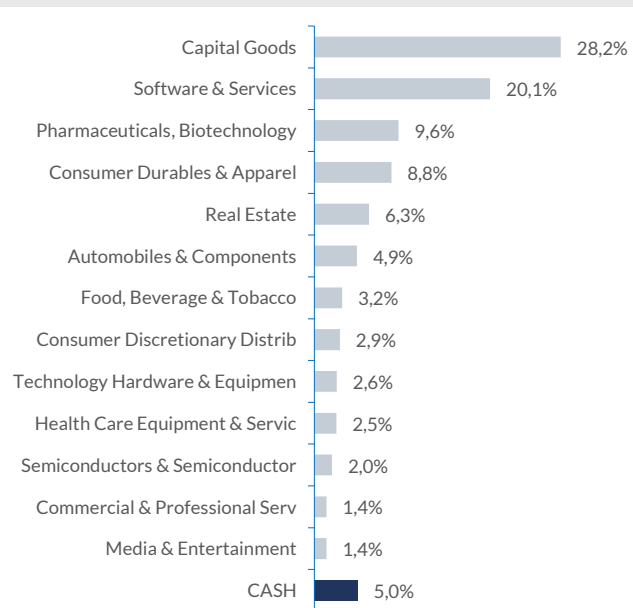
## DISTRIBUTION BY ASSET CLASS



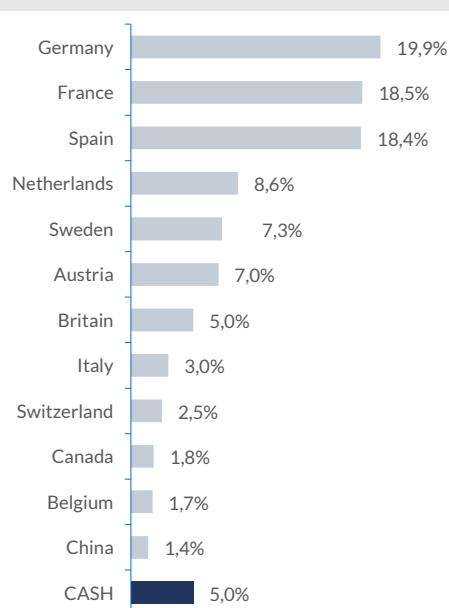
## DISTRIBUTION BY MARKET CAP.



## SECTOR DISTRIBUTION



## COUNTRY DISTRIBUTION





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## GENERAL INFORMATION

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

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## MONTHLY REVIEW

In two decades, we closed the best November for equities, driven by inflation that surprises sharply downward and that seems to stop worrying central banks. Regarding growth, the global economy seems to be hitting bottom thanks to high employment rate levels and the completion of the inventory adjustment process in many sectors of the economy, thus pointing to a soft landing. For the first time in months, some of the most restrictive FED and ECB bankers advocate to a pause in the monetary cycle on both sides of the Atlantic. In both geographies, the market begins to anticipate declines of interest rates towards the middle of 2024.

Stock markets' internal performance continues to reflect an incipient rotation towards very penalized stocks that benefit from a scenario of monetary easing such as the real estate sector, small caps and in general companies more sensitive to the cycle. This change is necessary to support the bullish trend.

Geographically, investors' positioning continues to be highly exposed to the US and highly underweight in Europe where investors appear to be discounting a long period of stagnation. However, we believe that in this environment of accelerated reduction of inflation and monetary easing, European stock markets should perform better than the American market. As for valuation, Europe vs USA trades with a 33% discount vs 13% historical average. Regarding dividend yields, Europe trades at 3.4% vs US at 1.6% with a similar level of Buybacks (2.1% Europe vs 2.4% US), after a major generalization of share buybacks in Europe. If Europe does not finally enter into recession and achieves soft landing, the P/E should tend toward the 14x historical average, implying an upward potential of 12% from current levels.

We initiated a position in **Rightmove**, the largest real estate website in the UK with +90% market share over the last decade. Rightmove is a real estate website where agents in the UK pay to advertise their properties so that users looking for housing can easily find it. Rightmove benefits from what is known as network effects, the more real estate agents using the website, the more housing there will be, attracting more consumers given that larger offer which will encourage more agents to post on the portal, this process is continuously repeated creating a non-replicable ecosystem by a new competitor. Historically, the company has grown steadily at +9% in revenue along with margin expansion thanks to operational leverage. In November, the CEO presented the new strategic plan until 2028. The company aims to expand into new areas such as Commercial Real Estate, Mortgages and Data & Analytics, without neglecting its traditional advertising business. With this new strategy, the company expects growth acceleration to reach sales of 600 million pounds by 2028 (+10% annualized) with an operating margin of 70%. Thanks to the low capital intensity of the business, almost all the company's profit ends up becoming free cash flow despite its growth, allowing Rightmove to give high remuneration to shareholders through dividends and share buybacks.