



Augustus Capital AM

LIERDE sicav

February 2024

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
(29/02/24)

136.65 €/share

AUM
(29/02/24)

EUR 139 Mn



AAA rated

RISK INDICATOR

1 2 3 **4** 5 6 7

TOTAL RETURNS

PERIOD	LIERDE	Stoxx 600 NR**
Month	1.3%	2.0%
YTD* 2024	1.4%	3.5%
1 year	10.4%	10.2%
Since inception (1994)	2,173.6%	742.6%
Since inception (annual average)	13.6%	9.0%

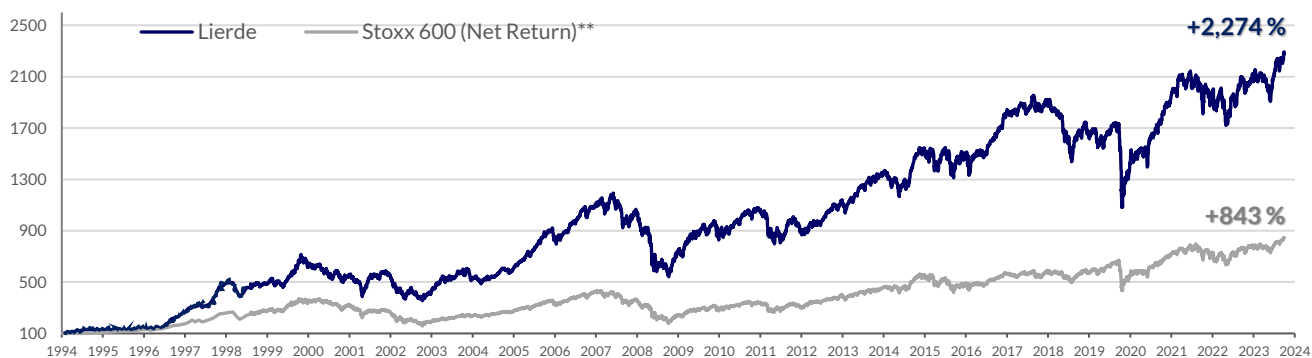
*YTD (year-to-date)

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%
2022	-10.2%	-10.6%	0.4%
2023	19.2%	15.8%	3.4%
YTD* 2024	1.4%	3.5%	-2.1%
Total Return	2,173.6%	742.6%	1,431.0%
Average	13.6%	9.0%	4.6%

*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	4.2%
3	AALBERTS INDUSTRIES	4.0%
4	ASSA ABLOY	3.3%
5	FERROVIAL	3.2%
6	RICHEMONT	3.1%
7	ANDRITZ	2.9%
8	NEURONES	2.8%
9	DANIELI	2.8%
10	VONOVIA	2.6%
TOTAL TOP 10		33.8%

MONTHLY RETURN (5 best vs. 5 worst)

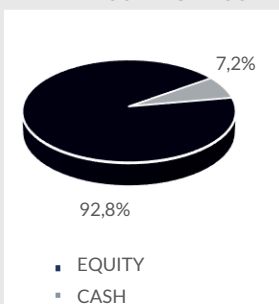
5 BEST		
1	MARLOWE	+32.9%
2	MERCEDES-BENZ	+17.2%
3	ROVI	+15.6%
4	SCHNEIDER	+14.7%
5	GERRESHEIMER	+14.2%
5 WORST		
1	GRIFOLS SA - B	-31.5%
2	INFOTEL	-15.8%
3	ECONOCOM	-13.4%
4	VONOVIA	-11.2%
5	MERLIN PROPERTIES	-7.9%

RISK DATA

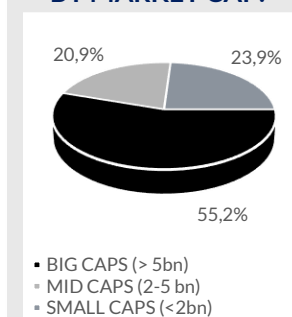
Since Inception	LIERDE	Stoxx 600 NR*
Annual Alpha	4.63	
Sharpe Ratio	0.57	
Beta	0.83	
Volatility	17.1%	18.5%
12 months	LIERDE	Stoxx 600 NR*
Beta	0.91	
Volatility	10.7%	10.2%

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

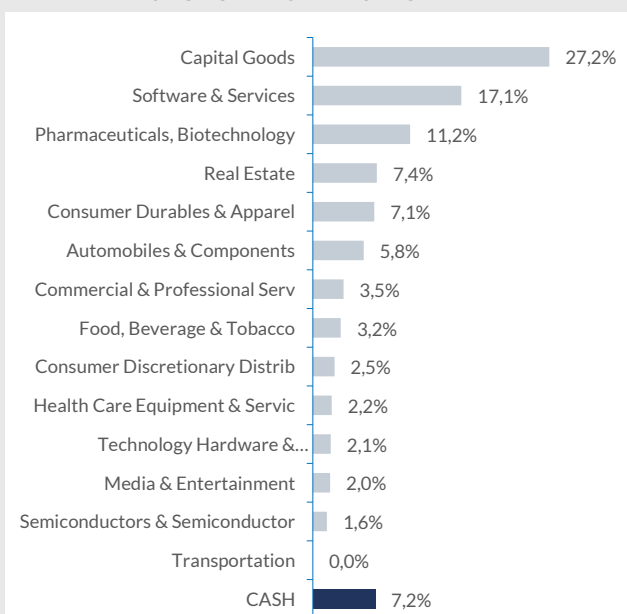
DISTRIBUTION BY ASSET CLASS



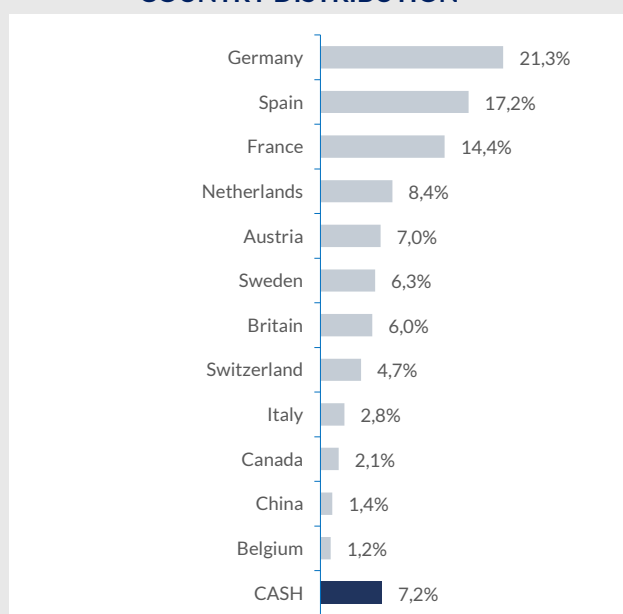
DISTRIBUTION BY MARKET CAP.



SECTOR DISTRIBUTION



COUNTRY DISTRIBUTION





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GENERAL INFORMATION

Inception Date	1994
CNMV N° of Registration	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

We continue with a good stock market basis supported by business results, macro strength in the US and a possible trough in the European macro, all this supported by greater clarity on interest rates after statements from the ECB and the FED, with interest rates cuts to begin in June. Stock indices are breaking the resistance levels that we commented on previous weeks, which leaves the indices with no close reference of where to head within a generalized upward trend. The S&P, Nasdaq and Stoxx600 made new historic highs last week. In Lierde we have also reached a new peak.

Business results are supporting the stock market with positive surprises within the most recent earnings being released which continue to beat expectations both in the US and Europe, although much stronger in the other side of the Atlantic. The expected profit growth by 2024 has been adjusted, following upward revisions by analysts, to +10% for the US and +5% for Europe. From results, we draw two positive consequences: 1) Sales show acceleration compared to the previous quarter and 2) Profit momentum improves with more upward than downward revisions. The biggest improvements are in the industrial, banking and media sectors, while the biggest downward revisions are in chemical, energy and consumer goods.

On the macro side, the ECB lowered 2024 inflation expectations from 2.7% to 2.3% and from 2.1% to 2% for 2025, which is the mid-term target. On the growth side, also GDP estimates were lowered from growing +0.8% in 2024 to +0.6% and in 2025 kept them stable at +1.5%. In short, better inflation forecast and worse economic growth for next year, which would justify easing monetary policy as anticipated at the meeting.

The European stock market is still trading with a 9% discount against its historic average at a time when the worst seems to be left behind regarding profit revisions. We insist on the attractiveness of the small caps segment whose relative performance is already 25% worse vs the main stock indices and with valuations not seen since the 2011 euro crisis (P/E 12.0x). It is also surprising that performance does not improve with better global economic data. The increased sensitivity to economic growth for small caps should begin to reflect on its valuations although investors might need effective confirmation of the shift in interest rate bias to begin recovery.

On the negative side, we are concerned about the excessive concentration of index performance in few companies. We believe that interest rate cuts will be the trigger for reverting this situation and benefiting active management vs passive indexing.

We are investing once again in the Swiss pharma company Roche. Pessimism about the product portfolio and its low visibility in the short term, have led Roche's stock price to trade in 10-year minimums. At current price levels, any positive news related to a better evolution will make the stock price to react very positively. For 2024, the company gave conservative guidance of growing both in sales and in operating profit at mid-digits because of the still negative impact that both Covid and the biosimilars' competition will have on the annual results. Also the Swiss franc strength has had an adverse effect on the company's accounts in recent years. The company's product portfolio includes hopeful treatments for breast cancer, lupus, alzheimer and parkinson that could boost sentiment on the stock if the data continue to evolve positively. It trades at historically low valuation ratios considering that the company's cash generation capacity continues to be better than its competitors.