

c o b a s  
asset management



Comments on  
**Fourth Quarter 2021**

**Dear Investor:**

In the fourth quarter the funds continued the positive performance we already observed in previous quarters, resulting in 2021 revaluations of +34.5% in our **International Portfolio** and +20.9% in our **Iberian Portfolio**, both above their benchmarks.

However, we are not satisfied and believe that there is still some way to go to reach the target value of our funds, which is still 100% above NAV.

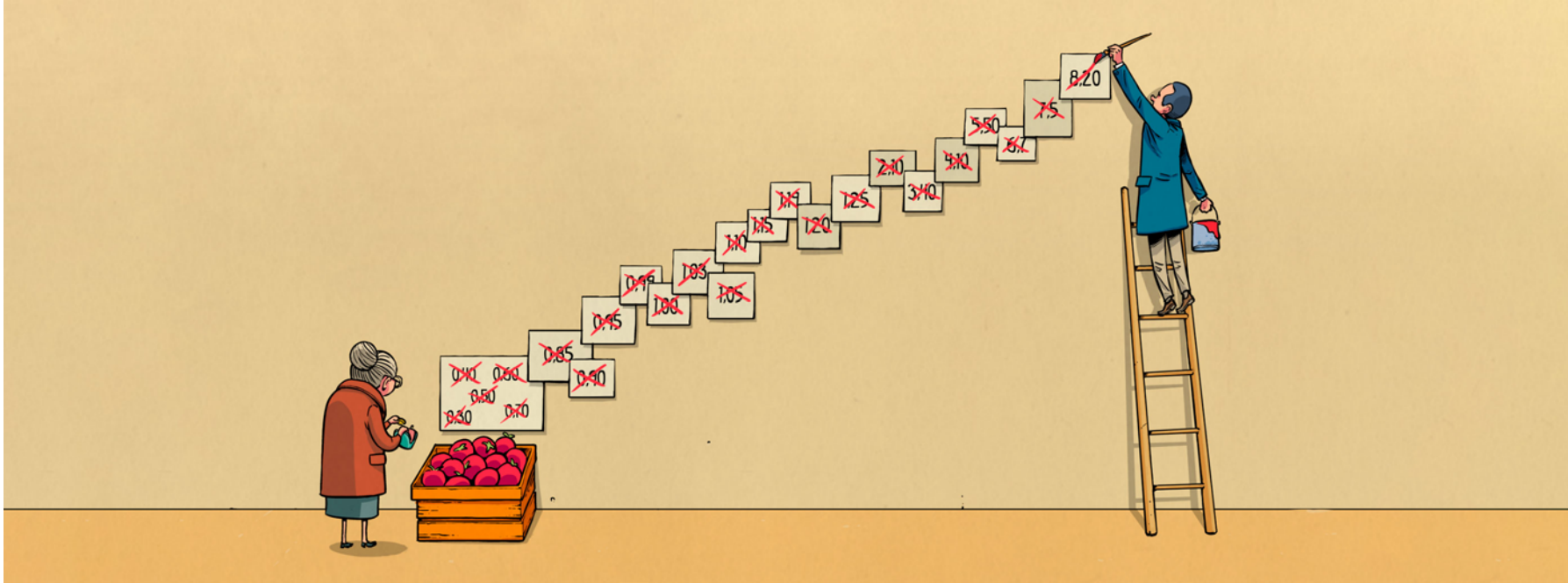
As we have explained before, our job is to increase this target value and wait patiently for the market to recognise it. When the market will recognise the value of our companies is beyond our control, and that is why we devote all our daily efforts to what we can control: the in-depth study of our businesses with the aim of continuing to increase the value of our portfolios.

This level of knowledge we have on the companies makes us confident that patience will pay off and we expect this

to happen sooner rather than later, as the investment thesis of our companies continues to move in the right direction.

This quarter we share our view on inflation, a topic that seems to concern many investors. We have been warning about it before, but now it has become a more obvious problem.

Now we will look at the current situation in the world's major economies, our view on what has brought us to this point, and finish by explaining how our portfolios are structured to cope with an inflationary environment.



## WHERE WE STAND?

At the beginning of 2021, the world's major central banks communicated that inflation was going to be a temporary phenomenon. Given this message, much of the market concluded that price increases would normalise within a few months and that central banks would therefore not have to raise interest rates or end their ultra-expansive monetary policies.

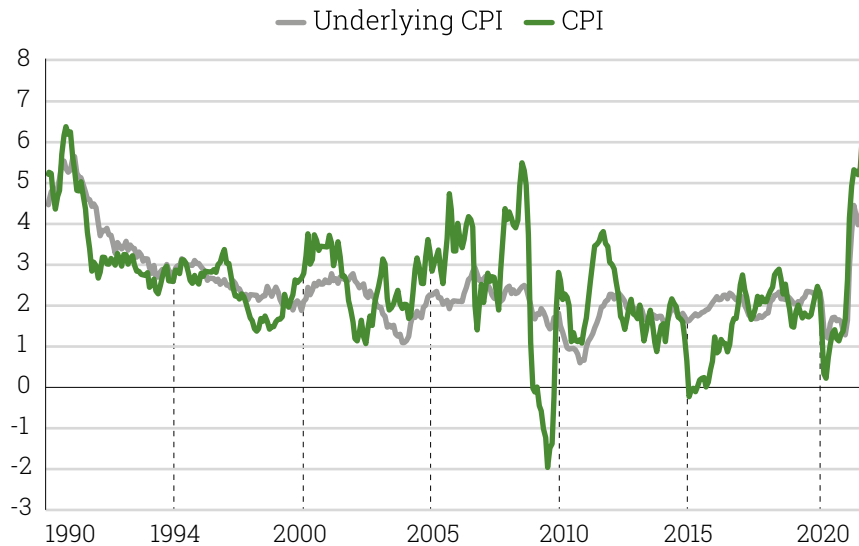
In line with this reasoning that things were not going to change, the main assets that had been performing well

over the last few years, such as fixed income and growth companies, obtained good returns during the year. Thus, the timid rotation from growth to value companies, which started with the announcement of the Covid-19 vaccines at the end of 2020, was not completed in 2021.

However, the data reported over the last few months have raised alarm bells, as they seem to indicate a structural rather than a temporary problem. Central bankers have changed their tune, and there now seems to be some consensus that inflation is not going to disappear in the short term.

**Illustration:** Daniel Gete.

Figure 1. **Evolution of the Consumer Price Index (CPI) in the United States (1990-2021)**



So much so that many of them have already raised official interest rates, and others are planning several hikes during 2022 to try to curb the rise in prices. This increase has reached the highest levels seen over the last 40 years,

Figure 2. **Evolution of the Consumer Price Index (CPI) in Spain (1993-2021)**



with inflation at 7% in the US in December, 5.7% in Germany, 5.4% in the UK and 6.5% in Spain, to name but a few examples.

Source: Economic data from the St. Louis Federal Reserve (FRED) and the Spanish "Instituto Nacional de Estadística" (INE).



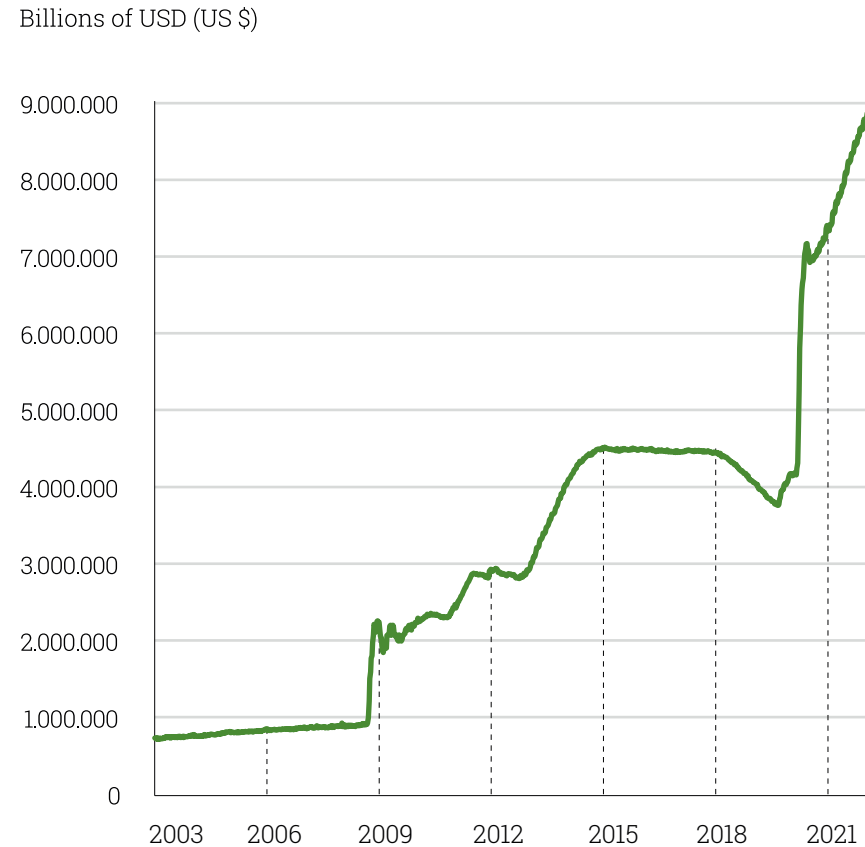
## THE CAUSES

Although it is risky to try to simplify such complex economic phenomena as inflation, we believe that there is one main reason that has led to the current situation: the growth of the overall money supply, i.e. the total amount of money in the economy. The cause of this increase is due to the excessively lax monetary policies that central banks have pursued since the economic crisis of 2009, and which have been aggravated by the emergence of the pandemic.

For example, since January 2020 the US Federal Reserve (FED), the world's largest central bank, has increased its total assets by 110%, to 8.8 trillion dollars, or nearly 7 times the GDP of Spain.

This is coupled with expansionary fiscal policies, such as writing a cheque for \$300 a week to every US citizen during the months of the pandemic (Friedman's famous helicopter money).

Figure 3. **FED Balancesheet**

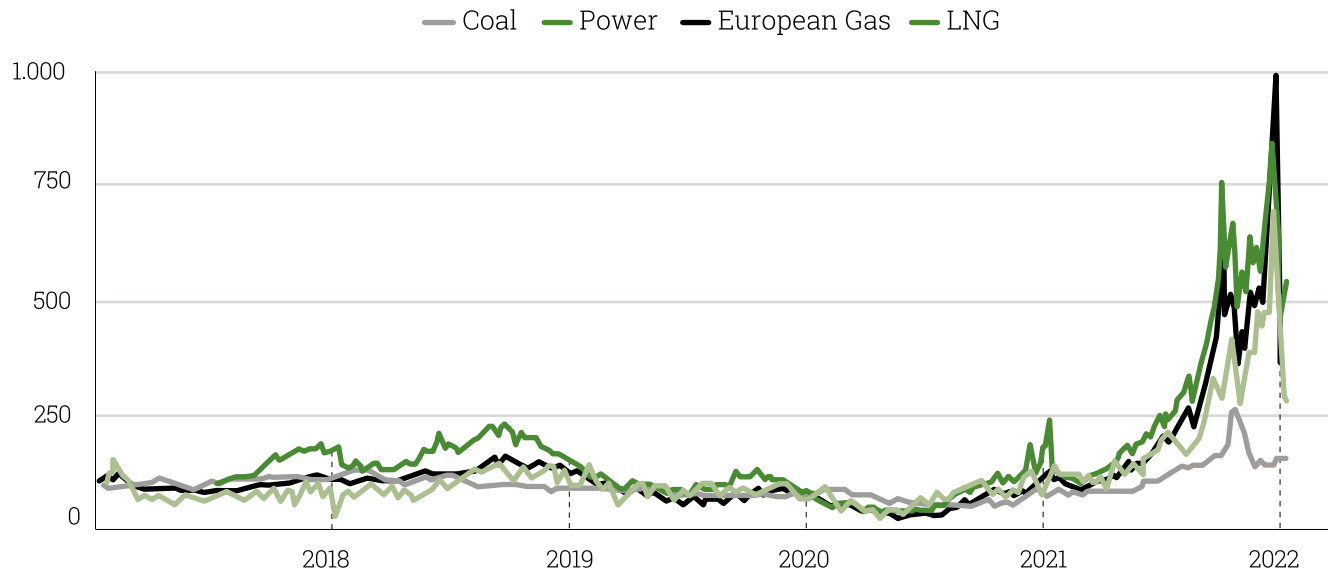


Source: Board of Governors of the Federal Reserve System (US)

Much the same has been done by other central banks and governments around the world, to a greater or lesser extent. What does all this mean? In simplified form, a very large injection of newly created money into the world

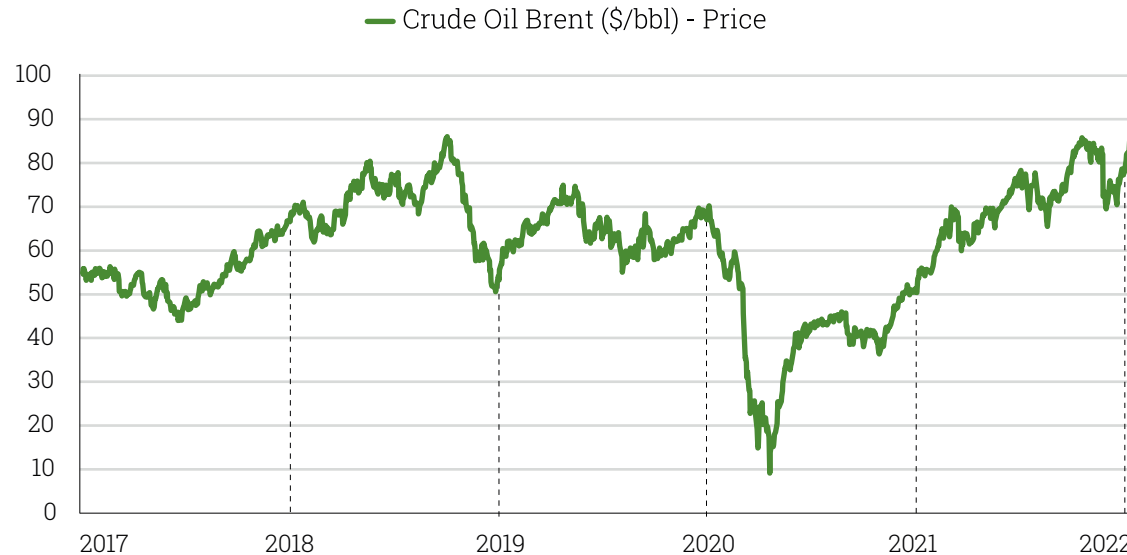
economy. The Austrian School of Economics teaches us that when money is created, sooner or later there will be a generalised rise in the prices of consumer goods and services, which is what we are seeing now. Although all

Figure 4. **European gas price, LNG, electricity and coal evolution over the last 5 years**



Source: Morgan Stanley Research.

Figure 5. **Evolution of the Brent over the last 5 years (\$/barrel)**



prices tend to rise in general, some rise at a faster pace than others. This is the case, for example, for energy prices. We devoted our last two quarterly letters to explain-

ing the reasons why oil and gas prices have risen (see [2Q2021](#), see [3Q2021](#)), which is ultimately due to a structural imbalance between supply and demand, the origin of

Source: Own elaboration. Factset.

which stems from a lack of necessary investment in the sector over the last 5 years.

Another factor that has accelerated price growth has been the rapid revival of economies after the strict confinements during 2020. After several months of being confined to their homes, unable to consume goods and services in the same way as in the past, many people have increased their level of savings resulting in significant pent-up demand.

Added to this is the effect of the expansionary fiscal policies we have explained, which have allowed most workers to continue to receive their wages, at least partially, during the months they have been out of work.

Add to this other government subsidies to the public, and the overall result has been a reasonably stable level of income and a reduction in consumption because of confinement, leading to an increase in savings and potential pent-up demand.

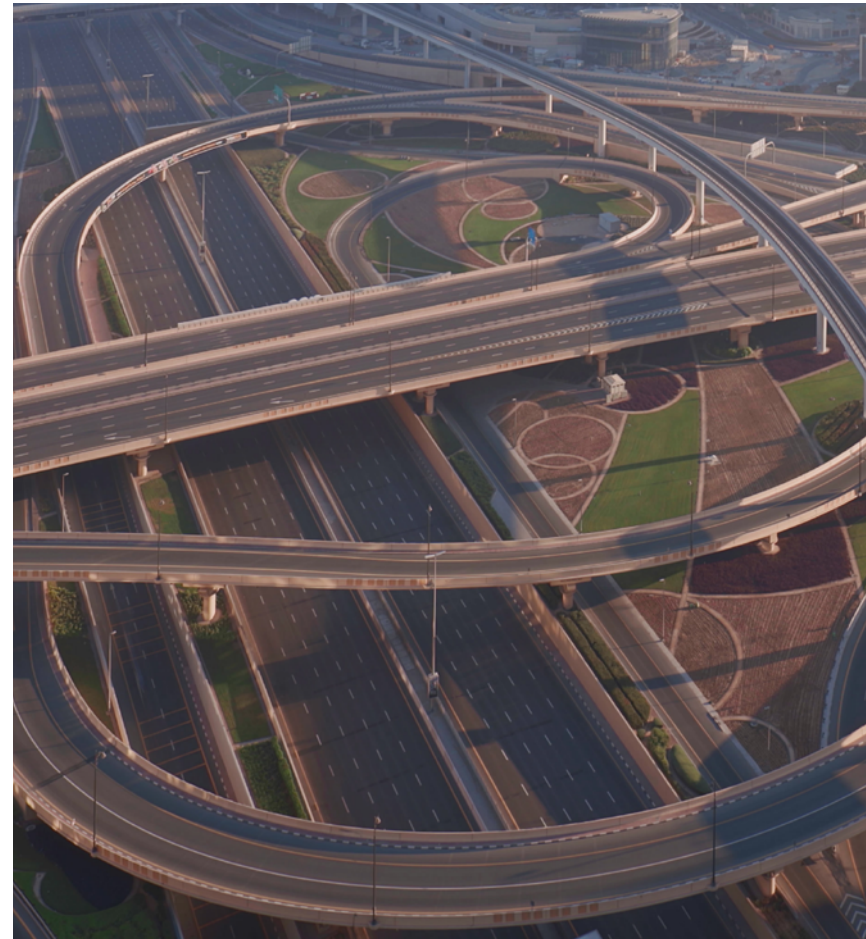


Photo: Kirill Neiezhmakov.



When most of the restrictions have been lifted, this pent-up demand for goods and, above all, services have suddenly returned and supply has not been able to keep pace with growth, creating major bottlenecks in the global economic fabric. Every day we see examples of these bottlenecks in the press, such as the lack of microchips to manufacture cars, or the long queues of cargo ships waiting to unload containers in the main commercial ports.

### TEMPORARY OR STRUCTURAL?

At **Cobas AM** we do not invest based on our view of the macroeconomy. No one has a crystal ball, and it is impossible to know with certainty what will happen in the economy and markets in the future. However, it does seem important to have a view on what is happening to be prepared for what may happen. We believe that there are some compelling reasons why inflation is not going to be transitory.



The expansionary monetary policies of central banks continue, and if official interest rates remain at around 0% and sovereign bonds are bought (quantitative easing), more fuel will continue to be added to the fire, laying the foundations for lasting inflation over time. Bottlenecks along the entire value chain have not yet been resolved and there are signs that they will remain in place in the short term. Moreover, Covid-19 is fully in force and the restrictions applied in some countries continue to impact the rest of the world economy. Particularly relevant is the case of China, the world's factory, where the government has adopted a zero-contagion policy, so that at the slightest warning of a contagion, entire cities are confined and factories are closed, as recently happened in the city of Tianjin.

We are also seeing an increase in workers' wages, albeit with some differences between countries. In the United States, where unemployment is very low, managers are being forced to raise wages to attract labour to their companies. Very recently we have read how the top managers of JP Morgan and Goldman Sachs, two of the largest banks in the country and in the world, have raised staff

costs by double digits, squeezing their companies' margins. It seems inevitable that as the prices of basic goods and services, such as food and electricity, rise, companies will have to increase the wages of their workers to meet the higher cost of living. When this happens, it is then very difficult to bring wages down again, so firms' costs increase structurally, and this tends to be passed on to the prices of products and services.

A common explanation being given to justify the rise in inflation is that it is almost all due to rising energy prices and that when gas, oil and electricity prices normalise then inflation will come down.

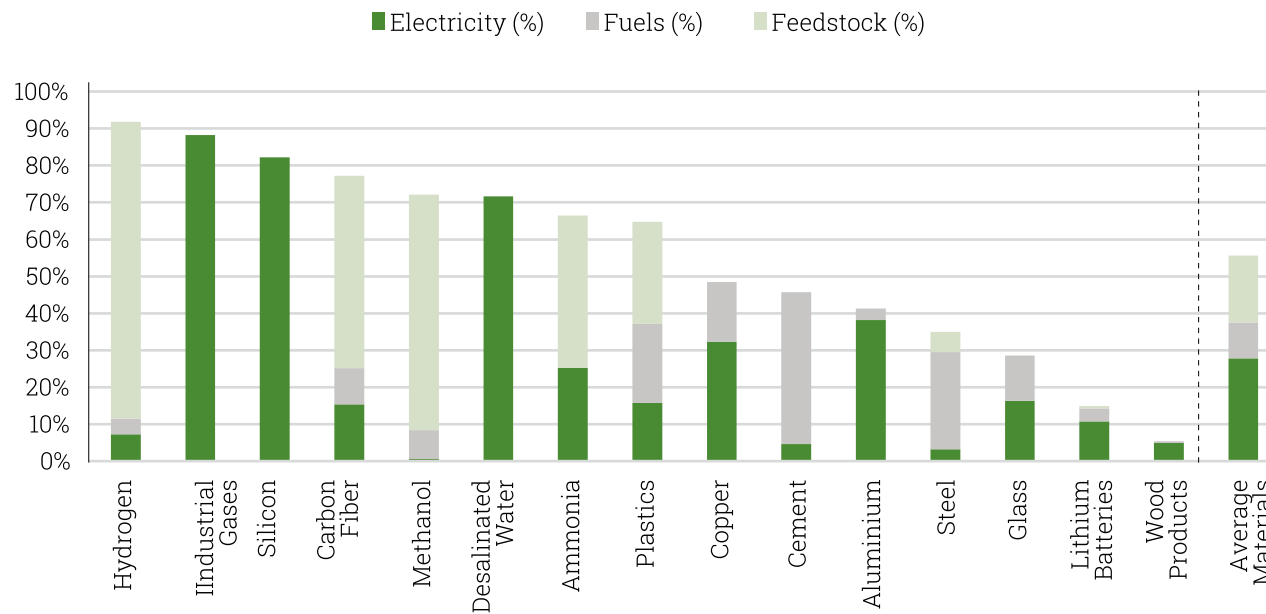
Although it is true that at first the most relevant impact came from the energy and fuel side, the latest published data show that there is already significant inflation in segments as important for the economy as food, housing, and transport. But more importantly, we do not believe that energy prices will fall in the short term. If the price of gas, oil or coal stays high, this generates a cost increase that spreads across the whole industry. Just look at the

Photo: Shutterstock.

most widely used basic materials segment, such as copper, cement, or aluminium, where energy (be it electrici-

ty, fuels or inputs) accounts for around 50% of the cost of the final product.

Figure 6. **Energy as Percent of Cash Cost (%)**



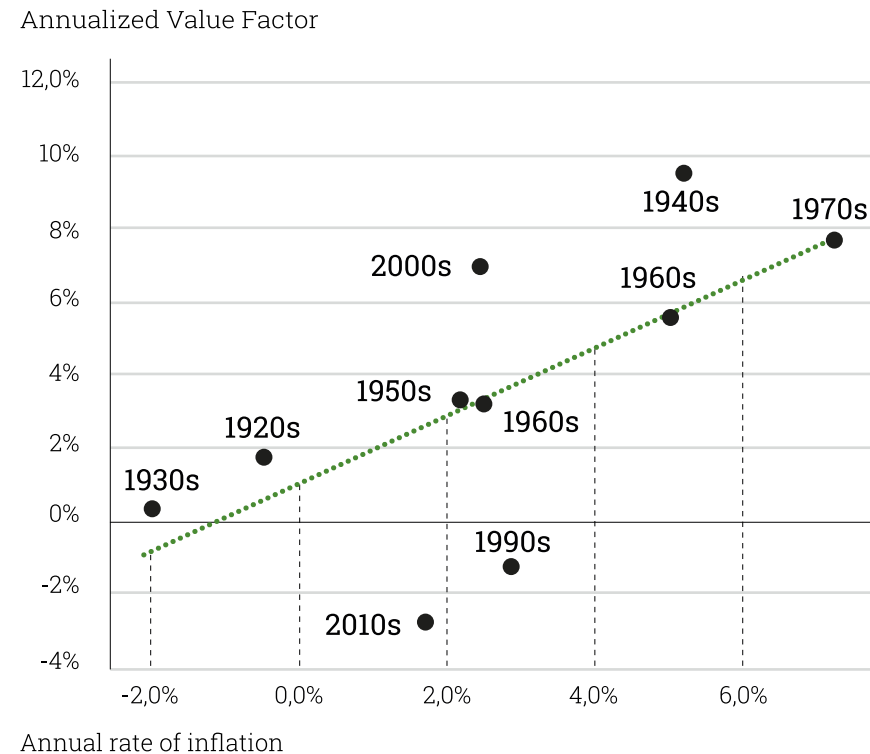
Source: Thunder Said Energy. Consultancy specialising in the energy sector.

## HOW PREPARED ARE OUR PORTFOLIOS?

In an inflationary environment, it is best to own real assets, which will reasonably maintain their purchasing power, and more specifically company shares. Within equities, we believe that good businesses that generate cash flows today and are trading at a discount to their estimated real value, i.e. value companies, are more attractive. In contrast to these, there are other so-called growth companies, where most of the value lies in the estimated cash flows that these companies will generate in the distant future. In an inflationary period, future earnings lose value compared to present earnings, increasing the attractiveness of value companies compared to growth companies. Historically, and as a rule value stocks have generally performed well in inflationary periods.

We believe that our portfolios are prepared for a more prolonged inflation scenario, or even a potential stagflation scenario - economic stagnation and inflation - that could occur if the world's major economies go into recession.

Figure 7. **Relationship between inflation and Value per decade from the 1920s to the 2010s**



Source: Euclidean Technologies.



While it may seem far-fetched, we should not forget that the last four major periods of sustained high inflation have been followed by periods of economic recession: after the 2008 financial crisis and in the early 1990s, 1980s and 1970s.

The protection of our portfolios is concentrated in three main groups of companies.

Firstly, those related to the commodities and energy sector, which have a natural hedge against inflation, as the product or service sold tends to adjust automatically with rising prices. Secondly, companies with the ability to pass

on inflation to their customers, either because they enjoy competitive advantages or because they are fully or partially protected by contracts.

Finally, defensive businesses that should perform well in almost any economic scenario. any type of economic scenario.

## International Portfolio Allocation

### Commodities / Energy

~17% Portfolio Weight



### Inflation transfer

~50% Portfolio Weight



### Defensive

~10% Portfolio Weight



## Iberian Portfolio Allocation

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### Commodities / Energy

~23% Portfolio Weight



### Inflation transfer

~45% Portfolio Weight



### Defensive

~15% Portfolio Weight



For the reasons explained above, at **Cobas AM** we are confident in the strength of our portfolios and at the same time we continue to identify interesting investment opportunities. We would like to thank you once again for your confidence for the trust you have placed in us.

#### PERFORMANCE OF COBAS AM FUNDS

We make available to you the  
**Commentary of the 4th Quarter 2021**  
in different formats



[Watch video](#)



[Listen audio](#)



# PORTFOLIO

## Our portfolios

Data as of 31/12/21

### Spanish domiciled funds

Name	AUM
<b>Internacional</b> FI	467.9 Mn€
<b>Iberia</b> FI	37 Mn€
<b>Grandes Compañías</b> FI	20.9 Mn€
<b>Selección</b> FI	686.4 Mn€

### Luxembourg domiciled funds

Name	AUM
<b>International</b> Fund	22 Mn€
<b>Large Cap</b> Fund	10.7 Mn€
<b>Selection</b> Fund	72 Mn€

AUM	Market Cap	Strategies		Number of holdings
		International	Iberian	
489.9 Mn€	Multi Cap	●		48
37 Mn€	Multi Cap		●	32
31.6 Mn€	70% ≥ 4Bn€	●	●	40
758.4 Mn€	Multi Cap	●	●	58

At **Cobas AM** we manage three portfolios: the **International Portfolio**, which invests in companies worldwide excluding those listed in Spain and Portugal; the **Iberian Portfolio**, which invests in companies listed in Spain and Portugal or have their core operations in the Iberian Peninsula; and the **Large Companies Portfolio**, which invests in companies listed in Spain and Portugal or have their core operations in the Iberian Peninsula, and, finally, the **Large Companies Portfolio**, which invests in companies at a global level and in which at least 70% are companies with a market capitalisation of more than 4 billion in market capitalisation.

These three portfolios are used to construct the various equity funds we manage on 31 December 2021. We would like to remind you that the value of our funds is based on internal estimates and **Cobas AM** does not guarantee that their calculation is correct or that they will be achieved. Investments are made in securities that the managers believe to be undervalued. However, there is no guarantee that these securities are actually undervalued or, if they are, that their prices will perform in the way that the managers expect.

**Total assets  
under management**

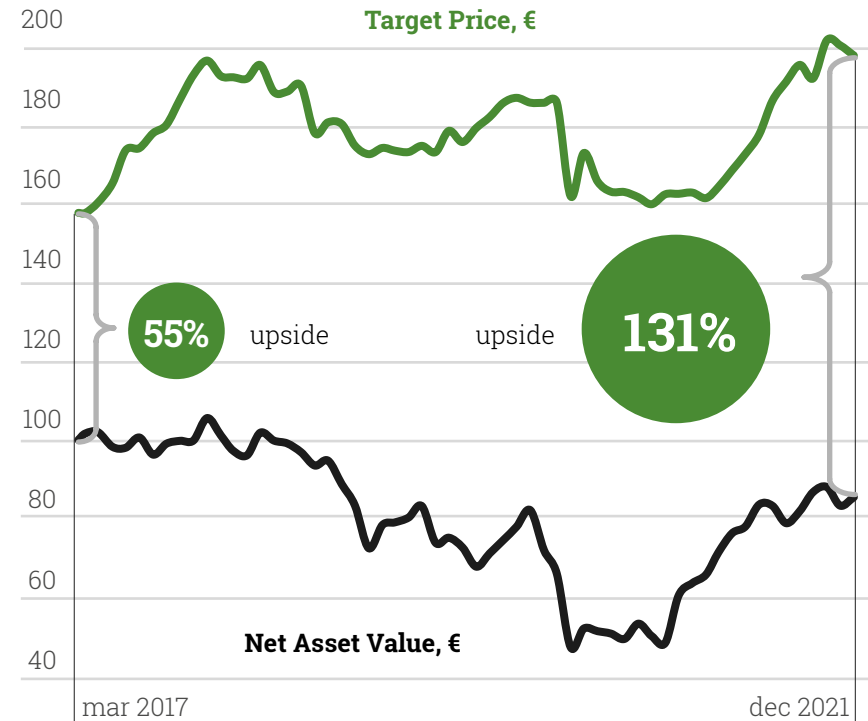
**1.585  
Mn€**

## International Portfolio

During the fourth quarter of 2021 our **International Portfolio** returned<sup>1</sup> -1.5% versus a return of +7.7% for its benchmark, the **MSCI Europe Total Return Net**. The overall result for 2021 for the Cobas International FI is a return of +34.5% versus a benchmark return of +25.1%. Since the **Cobas Internacional** FI began investing in equities in mid-March 2017 it has returned -14.4%, while its benchmark has returned +44.5% for the same period.

During the fourth quarter we made few changes to the **International Portfolio** in terms of purchases and sales. We exited **Teekay LNG**, **SOL Spa** and **OCI**, which in September had a combined weighting below 6%, and entered:

- Equinox Gold**, gold miner.
- Energean**, an oil and gas producer.
- TGS ASA**, provider of geological information to the oil and gas industry.
- VTech**, producer of computers and educational toys for children and landline telephony devices.



**Note:** For more information on the ratios see page 26.

(1) International Portfolio: Performance obtained by Cobas Internacional FI - Class C, ISIN: ES0119199000

-**AVIO Spa**, space propulsion engineering.

All these companies at the end of December had a combined weight of slightly more than 5%. In the rest of the portfolio the most important movements were on the buy side **Curry's (ex-Dixons)** and **Babcock International**, while on the sell side **Maire Tecnimont** and **OVS**.

During the fourth quarter we increased the target value of the **International Portfolio** by 3% to **€198/share**, which implies that the upside **potential**<sup>1</sup> stands at **131%**.

Obviously, because of this potential and the confidence in the portfolio, we are invested at 98%, close to the legal maximum allowed. Overall, the portfolio trades at an estimated PER<sup>1</sup> 2022 of 6.3x versus 15.4x its benchmark and has a ROCE<sup>1</sup> of 31%, but if we look at the ROCE<sup>1</sup> excluding shipping and commodity companies, we are close to 41%, which shows the quality of the portfolio.

(1) For more information on the ratios see page 26.



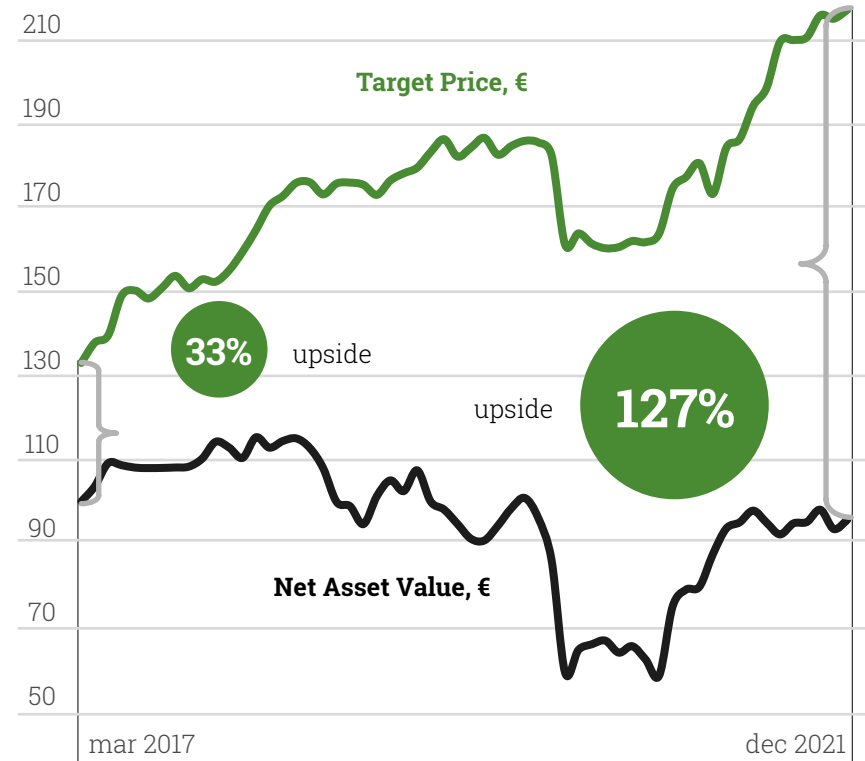
Photo: Ververidis Vasilis.



## Iberian Portfolio

The **Iberian Portfolio's** net asset value performance in the fourth quarter of 2021 was +0.5% compared to +0.8% for its benchmark. The overall result for 2021 for the **Cobas Iberia FI** was a return<sup>1</sup> of +20.9% versus a return of +12.0% for the benchmark. If we extend the comparison period from when we started investing in equities to the end of December 2021, it returned -4.4%, while its benchmark returned +13.9% for the same period.

During the fourth quarter we made few changes in terms of portfolio purchases and sales. We exited **Corp. Fin. Alba**, **Mota Engil** and **Global Dominion** which at the end of September had a combined weight of close to 3% and we have entered **ENCE**, **CAF**, **Mediaset España**, **Almirall** and **Catalana Occidente**, all of which are “old acquaintances” of Cobas and at the end of December had a combined weight of slightly more than 6%. In the rest of the portfolio the most important movements were on the buy side **Elecnor** and **Inmobiliaria del Sur**, while on the sell side **Atalaya** and **Indra**.



**Note:** For more information on the ratios see page 26.

(1) Iberian Portfolio: Performance obtained by the Cobas Iberia FI - Class C, ISIN: ES0119184002

During the quarter we increased the target value of the **Iberian Portfolio** by nearly 3% to **€217/share**, bringing the **potential<sup>1</sup>** for appreciation to **127%**.

We are 98% invested in the **Iberian Portfolio**, and the portfolio trades at an estimated P/E 2022<sup>1</sup> of 7.0x versus 14.3x its benchmark and has a ROCE<sup>1</sup> of 29%.



(1) For more information on the ratios see page 26.

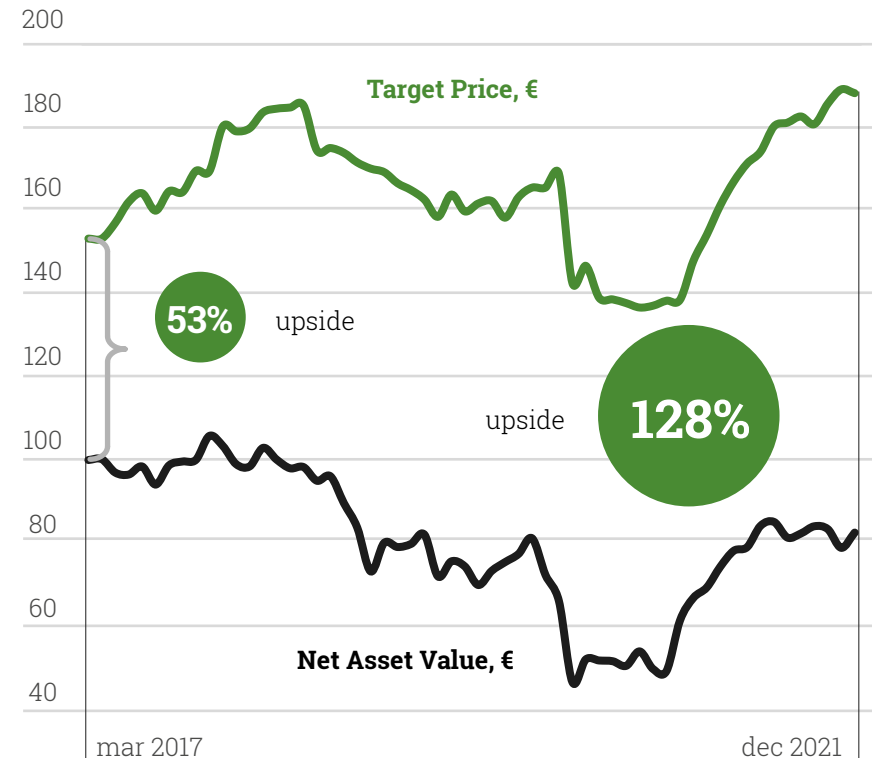
Photo: Leolintang.

## Large Cap Portfolio

During the fourth quarter of 2021 our **Large Cap Portfolio** returned<sup>1</sup> -1.8% versus +9.8% for the benchmark index, the **MSCI World Net**. The overall result for 2021 for the **Cobas Grandes Compañías FI** was a return of +23.6% versus a benchmark return of +31.1%. Since the Cobas Grandes Compañías FI C began investing in equities at the beginning of April 2017, the fund has returned -17.5%. In that period the benchmark index appreciated +76.7%.

Over the last quarter we have barely rotated the Large Cap portfolio. We exited **Mapfre** and **Teekay LNG**, which at the end of September had a combined weighting of just under 4%, and we entered the following companies:

- Bayer AG**, pharmaceuticals.
- Lyondellbasell**, one of the world's largest plastics, chemicals, and refining companies
- Wilhelmsen Holding**, world leader sea carrier of cars, and heavy machinery. We recently talked about it in our youtube channel. [Watch video](#)



**Note:** For more information on the ratios see page 26.

(1) Large Cap Portfolio: Performance obtained by the Cobas Grandes Compañías FI - Class C fund, ISIN: ES0113728002



All these companies had a combined weight of close to 4% at the end of December. In the rest of the portfolio the most important movements were: on the buy side **Samsung C&T** and **Golar**, while on the sell side **Maire Tecnimont** and **Inpex**.

During the quarter, the target value of the **Large Cap Portfolio** increased by 4% to **€188/share**, representing an upside of **128%**.

We are 97% invested in the **Large Cap Portfolio**. Overall, the portfolio<sup>1</sup> trades at an estimated 2022 P/E<sup>1</sup> of 6.7x versus 19.5x its benchmark and has a ROCE<sup>1</sup> of 32%.



(1) For more information on the ratios see page 26.

Photo: Unikyluckk.

## Spanish Funds

Fund	NAV	Target Value	Upside Potential	Q4 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Selección FI Class C	88.6 €	208 €	135%	-1.3%	7.7%	32.0%	25.1%	-11.4%	60.6%	6.2x	32%	15%	676.9	99%	
Selección FI Class D	130.9 €	307 €	135%	-1.4%	7.7%	30.9%	25.1%	30.9%	25.1%	6.2x	32%	15%	9.6	99%	
Internacional FI Class C	85.6 €	198 €	131%	-1.5%	7.7%	34.5%	25.1%	-14.4%	44.5%	6.3x	31%	16%	456.9	98%	
Internacional FI Class D	133.3 €	309 €	131%	-1.6%	7.7%	33.3%	25.1%	33.3%	25.1%	6.3x	31%	16%	10.9	98%	
Iberia FI Class C	95.6 €	217 €	127%	0.5%	0.8%	20.9%	12.0%	-4.4%	13.9%	7.0x	29%	11%	36.3	98%	
Iberia FI Class D	114.0 €	258 €	127%	0.5%	0.8%	14.0%	7.2%	14.0%	7.2%	7.0x	29%	11%	0.7	98%	
Grandes Compañías FI Class C	82.5 €	188 €	128%	-1.8%	9.8%	23.6%	31.1%	-17.5%	76.6%	6.7x	32%	13%	20.6	97%	
Grandes Compañías FI Class D	115.1 €	263 €	128%	-1.8%	9.8%	15.1%	31.1%	15.1%	31.1%	6.7x	32%	13%	0.3	97%	
Renta FI	98.8 €			0.1%	-0.1%	7.7%	-0.8%	-1.2%	-2.3%				13.8	15%	

## Pension Funds

Fund	NAV	Target Value	Upside Potential	Q4 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Global PP	82.4 €	193 €	134%	-1.3%	7.7%	32.0%	25.1%	-17.6%	39.8%	6.2x	32%	15%	64.1	98%	
Mixto Global PP	87.6 €	176 €	101%	-1.0%	3.8%	24.1%	11.8%	-12.4%	18.8%	6.2x	24%	11%	4.7	74%	

Data as of 31/12/21

- The **target value** of our funds is based on internal calculations and estimates and Cobas AM does not guarantee that its calculation is correct or that they will be reached.
- **Inception of the funds.** Cobas International Fund EUR: 1-jun-17 ; Cobas International Fund USD: 6-jun-17 ; Cobas Selection Fund EUR and USD: 18-apr-17 Cobas Iberian EUR and Cobas Large Cap EUR: 14-oct-19.
- **Benchmark.** MSCI Europe Total Return Net for Cobas Selection Fund, Cobas International Fund and Cobas Concentrated Fund IGBM Total 80% and PSI 20 Total Return 20% for Cobas Iberian Fund EUR MSCI World Net EUR for Cobas Large Cap Fund EUR.
- **Ratios.** Upside potencial: Best scenario: it is the difference between the target value and the aggregate market price of the portfolio. To calculate the target value, we apply a multiple to the normalized cash flow based on our estimate of each company. VAR: Maximum expected monthly loss. Calculated with the Value at Risk methodology 2.32 sigmas, 99% confidence level at the normal distribution at one month. PER: It is calculated by dividing the market capitalization of each company by its normalized cash flow based on our estimates. ROCE: We calculate it by dividing the normalized operating result based on our own estimates, after taxes, by the capital employed (ex - goodwill) in order to get the business profitability.

## Luxembourg Funds

Fund	NAV	Target Value	Upside Potential	Q4 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
<b>International</b> EUR	79.5 €	176 €	121%	-1.8%	7.7%	33.6%	25.1%	-20.5%	36.8%	6.3x	31%	16%	21.3	98%	
<b>International</b> USD	\$99.0	\$219	121%	-1.6%	7.7%	34.8%	25.1%	-12.3%	37.5%	6.3x	31%	16%	0.9	98%	
<b>Selection</b> EUR	16,820.8 €	39,361 €	134%	-1.7%	7.7%	31.3%	25.1%	-18.0%	43.6%	6.2x	32%	15%	58.1	98%	
<b>Selection</b> USD	\$29,994.8	\$70,188	134%	-1.5%	7.7%	32.5%	25.1%	-9.2%	43.6%	6.2x	32%	15%	15.8	98%	
<b>Large Cap</b> EUR	107.7 €	247 €	129%	-1.7%	9.8%	23.4%	31.1%	7.7%	48.8%	6.7x	32%	13%	10.7	98%	

Data as of 31/12/21

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- **Ratios.** Upside potential: Best scenario: it is the difference between the target value and the aggregate market price of the portfolio. To calculate the target value, we apply a multiple to the normalized cash flow based on our estimate of each company. VAR: Maximum expected monthly loss. Calculated with the Value at Risk methodology 2.32 sigmas, 99% confidence level at the normal distribution at one month. PER: It is calculated by dividing the market capitalization of each company by its normalized cash flow based on our estimates. ROCE: We calculate it by dividing the normalized operating result based on our own estimates, after taxes, by the capital employed (ex - goodwill) in order to get the business profitability.



# Radiography of our funds

	<b>Cobas Internacional FI</b> Class C - ES0119199000 Class D - ES0119199018	<b>Cobas Iberia FI</b> Class C - ES0119184002 Class D - ES0119184010	<b>Cobas Grandes Compañías FI</b> Class C - ES0113728002 Class D - ES0113728010	<b>Cobas Selección FI</b> Class C - ES0124037005 Class D - ES0124037013	<b>Cobas Renta FI</b> ES0119207001	<b>COBAS LUX SICAV</b> <b>COBAS SELECTION FUD</b> LU1372006947 EUR LU1372007168 USD	<b>COBAS LUX SICAV</b> <b>COBAS INTERNATIONAL FUD</b> LU1598719752 EUR LU1598719919 USD	<b>COBAS LUX SICAV</b> <b>COBAS LARGE CAP FUND</b> LU1598720172 EUR																
<b>Top 10</b>	<b>Company</b> Golar LNG CIR Currys Plc Babcock Maire Tecnimont Wilhelmsen Kosmos Energy Danieli Aryzta International Seaways	<b>Current quarter weight</b> 8.3% 6.1% 5.5% 5.4% 5.2% 4.7% 4.4% 4.4% 4.2% 3.9%	<b>Previous quarter weight</b> 8.3% 5.8% 5.4% 5.3% 5.7% 3.6% 3.8% 4.3% 4.8% 4.4%	<b>Company</b> Elecnor Semapa Vocento Técnicas Reunidas Sacyr Miquel y Costas Inmobiliaria del Sur Atalaya Mining Metrovacesa Ibersol	<b>Current quarter weight</b> 9.1% 8.9% 8.0% 7.6% 4.9% 4.7% 4.6% 4.6% 4.2% 4.0%	<b>Previous quarter weight</b> 4.5% 8.6% 8.7% 8.4% 3.3% 4.9% 3.4% 8.9% 4.3% 3.3%	<b>Company</b> Golar LNG Dassault Aviation CK Hutchison Energy Transfer Viatrix Samsung C&T Renault Inpex Corp. Currys Plc Aryzta	<b>Current quarter weight</b> 8.0% 4.8% 4.1% 4.0% 3.9% 3.8% 3.8% 3.7% 3.4% 3.1%	<b>Previous quarter weight</b> 7.8% 5.4% 3.6% 4.3% 3.7% 3.6% 3.6% 5.0% 3.1% 3.5%	<b>Company</b> Golar LNG CIR Currys Plc Babcock Maire Tecnimont Wilhelmsen Kosmos Energy Danieli Aryzta International Seaways	<b>Current quarter weight</b> 7.3% 5.4% 4.9% 4.7% 4.5% 4.1% 3.9% 3.9% 3.7% 3.5%	<b>Previous quarter weight</b> 7.5% 5.3% 4.9% 4.8% 5.2% 3.3% 3.4% 3.9% 4.3% 4.0%	<b>Company</b> Golar LNG Kosmos Energy International Seaways Babcock Currys Plc Técnicas Reunidas CIR Semapa Vocento Maire Tecnimont	<b>Current quarter weight</b> 2.8% 1.5% 1.2% 1.2% 1.1% 0.9% 0.9% 0.9% 0.9% 0.8%	<b>Previous quarter weight</b> 3.2% 1.4% 0.5% 1.2% 0.9% 1.2% 0.9% 0.7% 0.9% 0.9%	<b>Company</b> Golar LNG CIR Currys Plc Babcock Maire Tecnimont Wilhelmsen Kosmos Energy Danieli Aryzta International Seaways	<b>Current quarter weight</b> 7.3% 5.3% 4.9% 4.8% 4.6% 4.1% 3.9% 3.9% 3.7% 3.5%	<b>Previous quarter weight</b> 7.6% 5.3% 4.9% 4.8% 5.2% 3.3% 3.4% 3.9% 4.3% 4.0%	<b>Company</b> Golar LNG CIR Currys Plc Babcock Maire Tecnimont Wilhelmsen Kosmos Energy Danieli Aryzta International Seaways	<b>Current quarter weight</b> 8.3% 6.1% 5.6% 5.4% 5.2% 4.7% 4.5% 4.4% 4.2% 4.0%	<b>Previous quarter weight</b> 8.3% 5.8% 5.4% 5.3% 5.7% 3.6% 3.8% 4.3% 4.8% 4.4%	<b>Company</b> Golar LNG Dassault Aviation Samsung C&T Inpex Corp. CK Hutchison Energy Transfer Viatrix Renault Currys Plc Aryzta	<b>Current quarter weight</b> 8.0% 4.8% 4.4% 4.3% 4.1% 4.0% 4.0% 3.8% 3.4% 3.1%	<b>Previous quarter weight</b> 7.8% 5.4% 3.7% 5.0% 3.6% 4.3% 3.7% 3.6% 3.1% 3.5%
<b>Geographical breakdown</b>	Rest of Europe USA Eurozone Asia	35.5% 28.2% 26.7% 9.6%	Spain Portugal Other	74.8% 20.7% 4.6%	Eurozone USA Asia Rest of Europe	34.6% 33.4% 18.1% 13.9%	Eurozone Rest of Europe USA Asia	84.0% 31.9% 24.8% 8.4%	Eurozone Rest of Europe	84.0% 10.9% 5.1%	Eurozone Rest of Europe USA Asia	34.8% 32.1% 24.7% 8.4%	Rest of Europe USA Eurozone Asia	35.7% 28.0% 26.7% 9.6%	USA Eurozone Asia Rest of Europe	33.1% 32.7% 20.3% 13.9%								
<b>Sector breakdown</b>	<b>Region</b> Oil & Gas Storage & Transportation Oil & Gas Exploration & Products Industrial Conglomerates Retailing Energy Equipment & Services Aerospace & Defense Machinery Transportation Other	<b>Current quarter weight</b> 21.2% 13.5% 10.2% 8.1% 7.3% 7.3% 5.5% 4.7% 22.4%	<b>Region</b> Construction & Engineering Real Estate Media & Entertainment Industrial Conglomerates Energy Equipment & Services Metals & Mining Transportation Paper & Forest Products Other	<b>Current quarter weight</b> 16.5% 10.3% 9.6% 8.9% 7.6% 7.4% 7.2% 6.6% 26.0%	<b>Region</b> Oil & Gas Storage & Transportation Industrial Conglomerates Automobiles & Components Pharmaceuticals, Biotechnology Aerospace & Defense Oil & Gas Exploration & Products Retailing Food, Beverage & Tobacco Other	<b>Current quarter weight</b> 14.5% 13.0% 11.3% 10.7% 7.6% 6.7% 6.2% 5.5% 24.5%	<b>Region</b> Oil & Gas Storage & Transportation Oil & Gas Exploration & Products Industrial Conglomerates Energy Equipment & Services Retailing Aerospace & Defense Machinery Transportation Other	<b>Current quarter weight</b> 18.6% 11.9% 10.6% 8.0% 7.1% 6.4% 4.8% 4.1% 28.5%	<b>Region</b> Government Oil & Gas Storage & Transportation Industrial Conglomerates Energy Equipment & Services Oil & Gas Exploration & Product Aerospace & Defense Cash Retailing Other	<b>Current quarter weight</b> 77.5% 11.2% 1.9% 1.8% 1.5% 1.2% 1.2% 1.1% 2.7%	<b>Region</b> Oil & Gas Storage & Transportation Oil & Gas Exploration & Products Industrial Conglomerates Energy Equipment & Services Retailing Aerospace & Defense Machinery Transportation Other	<b>Current quarter weight</b> 18.8% 12.0% 10.6% 8.1% 7.1% 6.4% 4.9% 4.1% 28.1%	<b>Region</b> Oil & Gas Storage & Transportation Oil & Gas Exploration & Products Industrial Conglomerates Retailing Energy Equipment & Services Aerospace & Defense Machinery Transportation Other	<b>Current quarter weight</b> 21.3% 13.6% 10.3% 8.1% 7.3% 7.3% 5.5% 4.7% 22.0%	<b>Region</b> Oil & Gas Storage & Transportation Industrial Conglomerates Automobiles & Components Pharmaceuticals, Biotechnology Aerospace & Defense Oil & Gas Exploration & Products Retailing Food, Beverage & Tobacco Other	<b>Current quarter weight</b> 14.6% 13.7% 11.9% 10.7% 7.7% 7.4% 6.6% 5.5% 22.1%								
<b>Performance contributors</b>	<b>Contributors</b> Maire Tecnimont Atalaya Mining Kosmos Energy Wilhelmsen - A Teekay LNG  <b>Detractors</b> Petrofac Babcock Aryzta Currys Plc International Seaways	<b>Current quarter weight</b> 1.2% 0.8% 0.7% 0.5% 0.4%	<b>Contributors</b> Atalaya Mining Elecnor Miquel y Costas Indra Sacyr  <b>Detractors</b> Grifols Prosegur Galp Vocento Técnicas Reunidas	<b>Current quarter weight</b> 3.2% 0.5% 0.4% 0.4% 0.3%	<b>Contributors</b> Inpex Corp. Maire Tecnimont Atalaya Mining Affiliated Managers Teekay LNG  <b>Detractors</b> Babcock Currys Plc Teva Pharmaceutical Energy Transfer Aryzta	<b>Current quarter weight</b> 0.8% 0.6% 0.5% 0.3% 0.3%	<b>Contributors</b> Maire Tecnimont Atalaya Mining Kosmos Energy Wilhelmsen - A Teekay LNG  <b>Detractors</b> Petrofac Babcock Aryzta Currys Plc International Seaways	<b>Current quarter weight</b> 1.1% 1.1% 0.7% 0.5% 0.4%	<b>Contributors</b> Maire Tecnimont Atalaya Mining Kosmos Energy Wilhelmsen - A Teekay LNG  <b>Detractors</b> Petrofac Currys Plc Babcock Aryzta International Seaways	<b>Current quarter weight</b> 1.1% 1.0% 0.7% 0.5% 0.4%	<b>Contributors</b> Maire Tecnimont Atalaya Mining Kosmos Energy Wilhelmsen - A Teekay LNG  <b>Detractors</b> Petrofac Currys Plc Babcock Aryzta International Seaways	<b>Current quarter weight</b> 1.3% 0.8% 0.8% 0.5% 0.4%	<b>Contributors</b> Maire Tecnimont Kosmos Energy Atalaya Mining Wilhelmsen - A Teekay LNG  <b>Detractors</b> Petrofac Babcock Currys Plc Aryzta International Seaways	<b>Current quarter weight</b> 1.3% 0.8% 0.8% 0.5% 0.4%	<b>Contributors</b> Inpex Corp. Atalaya Mining Maire Tecnimont Affiliated Managers Teekay LNG  <b>Detractors</b> Babcock Currys Plc Teva Pharmaceutical Energu Transfer Aryzta	<b>Current quarter weight</b> 0.8% 0.7% 0.6% 0.3% 0.3%								
<b>In &amp; out of the portfolio</b>	<b>In the portfolio</b> Equinox Energean TGS VTech Avio Spa  <b>Out of the portfolio</b> Teekay LNG Sol Spa OCI  (* EUR/ USD 80% hedged)	<b>In the portfolio</b> Ence CAF Mediaset España Almirall Catalana Occ.  <b>Out of the portfolio</b> CF Alba Mota Engil Global Dominion	<b>In the portfolio</b> Lyondellbasell Wilhelmsen Bayer  <b>Out of the portfolio</b> Teekay LNG Mapfre  (* EUR/ USD 79% hedged)	<b>In the portfolio</b> Equinox Energean Ibersol Sacyr TGS  <b>Out of the portfolio</b> Teekay LNG Sol Spa OCI  (* EUR/ USD 80% hedged)	<b>In the portfolio</b> Equinox Energean Ibersol Sacyr TGS  <b>Out of the portfolio</b> Teekay LNG Sol Spa OCI  (* EUR/ USD 76% hedged)	<b>In the portfolio</b> Equinox Energean Ibersol Sacyr TGS  <b>Out of the portfolio</b> Teekay LNG Sol Spa OCI  (* EUR/ USD 80% hedged)	<b>In the portfolio</b> Equinox Energean TGS VTech Avio Spa  <b>Out of the portfolio</b> Teekay LNG Sol Spa OCI  (* EUR/ USD 81% hedged)	<b>In the portfolio</b> Lyondellbasell Wilhelmsen Bayer  <b>Out of the portfolio</b> Teekay LNG Mapfre  (* EUR/ USD 81% hedged)																

The positions of Maire Tecnimont, CIR and Wilhelmsen bring together the joint exposure to the different types of portfolio shares of these companies, whose ISINs are shown below:  
- Maire Tecnimont: IT0004931058 and IT0005105231 - CIR: XXITV0000180 and IT0000070786 - Wilhelmsen: NO0010571698 and NO0010576010 Information broken down by ISIN code is available in the report available on the CNMV website.

**NEWS**

In our **Cobas AM** news section, the aim is to give a preview of the fund manager's projects and initiatives, as well as the most important milestones in the last quarter.

### Cobas 100 Employment Plan

We ended the year with the incorporation of several companies in our employment plan launched in the third quarter of 2021.

**Cobas AM** offers companies a financial planning product with a long-term vision, based on investment through equities from a Value Investing approach, so that they can collaborate with their employees in their pursuit of the goal of having a capital or income at the time of retirement.

Together with **Value School** we offer you free financial education training for your employees.

For more information visit [www.cobasempleo.com](http://www.cobasempleo.com)

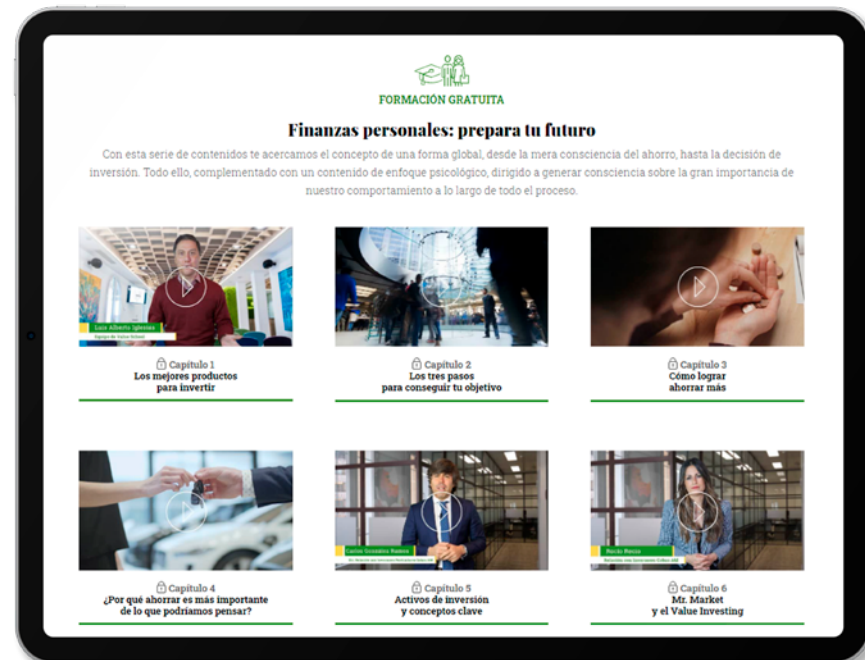


Photo: [www.cobasempleo.com](http://www.cobasempleo.com)

### We launched BrainVestor

A free app that aims to accompany investors in their different stages of investment and provide them with tools and techniques from the field of financial psychology, as well as mentoring during the investment process. Find out more about the app in the [video](#) below.

Download the app for [App Store](#)

Download the app for [Google Play](#)

### VII Edition of the Investment and Financial Markets Forum in Oviedo

On 30 September **José Belascoáin**, from the Investor Relations department, participated in the Investment and Financial Markets Forum in Oviedo.

### Ben Graham Centre's 1st European Value Investing Conference

On 1 October Francisco García Paramés participated in the event organised by the Ben Graham Centre for Value Investing in collaboration with the Greek Centre for Value Investing. [Watch video](#)

Photo: BrainVestor, Cobas AM.



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### **Speech at XTB Opportunities**

**Rocío Recio** from the Investor Relations department participated last 13th November in the event organised by XTB where she presented our thesis on **Semapa**.

[Watch vídeo](#)

### **Participation in the Aspain 11 Family Office podcast**

**Francisco Burgos**, head of the Institutional business, participated in the Aspain 11 Family Office podcast where he spoke about the **Cobas International** and **Cobas Selección** strategies. To listen to his participation, click on this [link](#).

### **Interview at the Forbes Funds Special event**

On 28 November **Francisco García Paramés** was interviewed at the Forbes Funds Special event. You can read the interview in the following [link](#).

### **Participation in the Santander Economic Forum**

On 15 December **Francisco García Paramés** participated in the Economic Forum organised by the newspaper El Diario Montañés. Read his speech in the following [link](#)

Photo: BrainVestor, Cobas AM.



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A LARGO PLAZO**

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### **Invirtiendo a Largo Plazo Podcast**

The **Cobas AM** podcast was created with the aim of bringing the philosophy of value investing to all its listeners.

This quarter's new episodes are now available:

Episode 10: [Evolución de los fondos 3er Trimestre 2021](#)

Episode 11: [Vocento](#)

Episode 12: [Cómo proteger tus ahorros frente a la inflación](#)

Episode 13: [BrainVestor](#)

Episode 14: [La importancia de ahorrar con un plan de pensiones](#)

Episode 15: [Wilhelmsen](#)

Visit our profile to listen to the rest of the episodes at the following [link](#).

Photo: Invirtiendo a Largo Plazo, Cobas AM.

### Participation in the radio programme **Tu Dinero Nunca Duerme**

During this quarter, **José Belascoain** from the Investor Relations team, **Carmen Pérez** from the **Cobas AM** Investments team and **Carlos González**, Head of Retail Investor Relations have participated in the radio programme **Tu Dinero Nunca Duerme**, the first programme of financial culture programme on the Spanish generalist radio station **esRadio** in collaboration with **Value School**.

**Jose Belascoain**, talked about the advantages that companies can now take advantage of and what workers can do with business plans, in the edition of the programme that took place on 7 November. The audio of the podcast is available at the following [link](#).

**Carmen Pérez**, analysed the characteristics of the Retail sector, in the edition of the programme that took place on 26 December. The audio of the podcast is available at the following [link](#).

**Carlos González** analysed the performance of the **Cobas**

**Iberia portfolio** in the edition of the programme that took place on 9 January. The audio of the podcast is available at the following [link](#).

### Collaboration with **Value School**

**Cobas Asset Management** and **Value School** are launching together the programme “12 months, 12 biases”, a series of pills in video format, where we review the most influential biases and show you how to control them to mitigate their effects on your investment decisions.

The following videos have been published this quarter:

¿Cómo evitar el Sesgo de Afinidad? [Watch video](#)

¿Cómo defendernos del sesgo de disponibilidad? [Watch video](#)

¿Cómo evitar el sesgo de retrospectiva? [Watch video](#)

¿Cómo funciona el sesgo de ilusión de control? [Watch video](#)



Other initiatives of



**SANTA  
COMBA**

## valueschool

**Cobas AM** collaborates with **Value School** to promote financial literacy from an independent perspective and help savers make informed investment decisions. After all, being a value investor is more than buying cheap and being patient. It is a philosophy of life.

### **5+1: The steps to financial security.**

Monday 17/1 saw the start of the new advanced personal finance course designed by **Value School** with **Sergi Torrens**. Everyday thousands of people make expensive and painful mistakes because of their poor financial literacy. You don't have to be one of them.

### **New graphical summaries of investment books**

New graphical summaries of investment books wouldn't it be great to have all the main ideas of the best investment books in infographics that you can understand immediately? Well, that's exactly what **Value School** is doing in collaboration with One Page Knowledge. You can

**Photo:** Winter Summit, Value School.





now download free downloads of the books [Invertir con John Neff](#) and [Rendimientos del capital](#).

### Videos from the Winter Summit 2021 on YouTube

You can find the videos from the Winter Summit 2021 on the [Value School YouTube channel](#). They will be made available at a later date, together with the slideshows and audios (mp3), as a free course from Value Academy.

### Season 4 of Tu Dinero Nunca Duerme begins

A programme about investment and personal finance starts a new season with changes in the format and the same informative purpose as when we started. **Value School** thanks you for continuing to listen and learn with its guests.



In the last quarter of 2021 **Global Social Impact** completed a first closing of its second Fund, **GSIF Spain**: a social im-

pact venture capital fund that seeks to obtain, in addition to a measurable positive impact, an attractive financial return. It has an expected return of 10%-12%.

The fund, with a FESE (European Social Entrepreneurship Fund) structure, registered with the CNMV and classified as Article 9 under the Sustainable Finance Disclosure Regulation (SFDR), will focus on unlisted Spanish companies that contribute to the economic and social inclusion of vulnerable groups in Spain.



During the fourth quarter of 2021, the **Open Value Foundation** has continued to develop various initiatives and activities, including:

- From the projects area, projects and companies with so-



Photo: Ana Palacios. Proyecto Beyond Suncare.

cial impact have been promoted with the aim of improving the livelihoods of the most vulnerable people. The last two milestones have been:

The financing, through a loan, of UMOA, a social enterprise that will sell first class cosmetics to finance part of the [Beyond Suncare Foundation](#)'s projects to improve the quality of life of people with albinism in Tanzania.

In addition, a donation was made to the [Nostos](#) project, which will be used to test a model for the repatriation of migrants through the entrepreneurship of business projects by the migrants themselves in their countries of origin.

- In the area of training, we continue to support the [master's degree in Impact Investment of the Autonomous University of Madrid](#), which has launched its second edition, and the Chair of Social Impact of the Comillas University, which has inaugurated the Higher [Programme in Management and Measurement of Social Impact](#) and a [Think Tank](#) made up of almost 50 organisations.

The second edition of the [‘Foundations Fund’](#) training programme has ended and 10 new foundations join the investment vehicle created in 2020 to continue learning about Venture Philanthropy.

They have launched the 3rd edition of the [Acumen Fellows Programme](#) to which more than 300 candidates have applied.

- From the communication area, they continue to organise [inspiring meetings](#) and participate in key events in the impact ecosystem such as the [VIII S2B Impact Forum](#), [disseminating publications and content](#) and promoting various initiatives to contribute to generating social impact.

It is worth highlighting the latest publications in which they have participated, the [“Toolkit for Foundations that want to move towards impact investment”](#) led by Spain-NAB, the Advisory Council for Impact Investment, and the report [“Proposals for the measurement and management of social impact. In search of a common language”](#) by the Think Tank of the Chair of Social Impact at Comillas University.

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