

c o b a s

asset management



Comments on
First Quarter 2021

Dear investor,

Another positive quarter in terms of the net asset value of our funds (+20% in the **International Portfolio** Another positive quarter in terms of the net asset value of our funds (+20% in the **Iberian Portfolio**) continuing the good progress initiated on 1 November 2020 with the approval of the first COVID-19 vaccines. We still have a long way to go, but we believe we are on the right track.

The most interesting development in the last five months is that it seems that value investing is starting to turn around the poor performance of the last few years. As we have repeated many times, we believe that the ability to generate profits is the sole determinant of long-term share prices. Finally, thanks to inflationary expectations, interest rates are starting to rise, making companies that will only generate profits many years from now, or perhaps never, less attractive. Fortunately, our companies generate profits and free cash flows, and comparatively benefit from this normalisation of interest rates.

In this quarter, corporate transactions affecting undervalued companies have intensified, with two significant

takeover bids having been received, **Hoegh LNG** and **Semapa**. Both are opportunistic and below our valuation but are indicative of the value of our portfolio. Three major transactions in four companies in the **International Portfolio** are also noteworthy. The sale by **Golar** of its subsidiary **Hygo**, which was a significant event in an important holding for us. There was also the sale of the North America division by **Aryzta** and the merger between **International Seaways** and **Diamond S Shipping**. In the next section we will go into these operations in depth.

Finally, we will review the investments made in Asia over the last four years, as they have added value to the funds through their relative outperformance.

CORPORATE TRANSACTIONS

During the first quarter, we had significant corporate transactions in companies with a significant weight in our portfolios, which we have grouped into two blocks:

1. Takeover bids



Hoegh ~2% of the International Portfolio

Hoegh LNG is one of the world's leading floating liquefied natural gas regasification infrastructure companies, in which we have ~2% of the **International Portfolio** invested. In March the **Hoegh** family, main shareholder (~50%) of the company, and **Morgan Stanley Infrastructure Partners**, launched a delisting tender offer at NOK 23.5/share, which implied a 36% premium over the last trading price before the announcement of the takeover bid. However, we consider that this price does not reflect the company's true value, and therefore decided to vote against the offer.

However, given the weight that the **Hoegh** family has in

the shareholding, the takeover bid was approved at the extraordinary shareholders' meeting, and we are forced to sell the shares at the indicated price. Even though this is lower than our valuation, we will reinvest the money in the rest of the portfolio which has equally interesting potential



Semapa ~9% of the Iberian portfolio

On 19 February, the Queiroz Pereira family, through its holding company (**Sodim**), launched a takeover bid for the 28% it does not control in **Semapa** at €11.4/share, which it subsequently raised to €12.17/share. In **Cobas AM** we consider the offer price to be low. By only taking into account objective issues such as the market value of Navigator (where Semapa has 69%) and the debt of **Semapa**, we reached a value of ~€14/share. To which we believe the following should be added: i) the value of Secil, a cement company that has obtained an average EBITDA close to €90 million in the last six years and ii) the difference between the target value of **Navigator** and

its market value. With all this, we reached a higher value per share of € 20, far from the €12.17/share offered by **Sodim**.

It would not be the first takeover bid that we would not take part in because we consider that the price offered is well below our target value. From our previous stage we highlight the case of **Camaieu**, in which we received three takeover bids between 2006 and 2007, each one at an increasingly higher price than the previous one. We finally agreed to the third one because the price offered was close to our valuation.

1. Mergers and Acquisitions



Golar ~7%

Golar is one of the main operators in the liquefied natural gas value chain, owning production infrastructures and LNG carriers. Several developments in the first quarter reaffirmed that the investment assumption continues to develop well. In January the company announ-

ced the sale of **Hygo**, its natural gas-fired power generation infrastructure division, to **New Fortress Energy (NFE)**, its main American competitor. At the same time, it was also announced that it was selling its stake in **GMLP**, owner of gas transport and regasification ships, also to **NFE**.

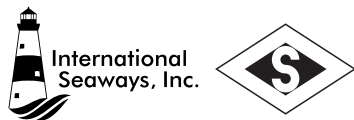
The price offered by **NFE** is reasonable, similar to our valuation, and this transaction will help simplify the company's structure and crystallise the underlying value of the business. Once the sale has been executed, Golar has received close to \$950 million in cash and shares from **NFE**, while its market capitalisation is currently around \$1bn. Looking at these numbers, we can conclude that the market considers the rest of the company's businesses to be worth practically zero. In our opinion, the business that **Golar** maintains, floating natural gas liquefaction and transport infrastructure businesses are worth far more than the share price reflects. This market inefficiency presents us with a very interesting opportunity, precisely at a time when the company's main owner and management team are more focused on executing the strategy of simplifying

and crystallising the value of their assets.



Aryzta ~6%

The announcement of the sale of the North American business confirms that the change in the management team was a turning point in the history of **Aryzta**, as referred to in our letter from the third quarter of last year. This sale will allow the company to have a simpler strategy and focus on optimising the best businesses: Europe and Asia where they create the most value. Over the coming months, as there are increasing vaccinations in its main markets in Europe, the reopening of the economy is expected to lead to a recovery in sales and margins due to increased sales to hotels and restaurants.



International Seaways ~3% & Diamond S Shipping ~1%

On 31 March, two of our tanker companies, **International Seaways (INSW)** and **Diamond S Shipping (DSSI)** announ-

ced their merger. Following the merger the shareholders of **INSW** and **DSSI** will hold ~56% and 44% respectively of the resulting company. We consider this to be a fair deal as the swap equation is more or less in line with the value of their assets.

The deal will create the second largest US-listed company by number of tankers (more than 100), the third largest by cargo capacity and with a balanced crude/product mix (70/30).

We like the deal for three reasons: i) there is a complementarity of their fleets, which allows for a broader offer to their customers, while at the same time allowing for cost efficiency. In fact, cost synergies of \$23 million are expected, which, capitalised at 10x, represent more than 20% of the market value of the resulting company. ii) being a share swap, it does not add financial leverage, iii) the resulting company will have a higher market capitalisation, greater liquidity, which together with the track record of the management team of **INSW**, should help to reduce the discount at which it trades on its net asset value relative to comparable companies.



Ultimately, we believe that all these corporate transactions will help to crystallise the value of the companies. Even takeover bids at a price below our valuation are

nothing more than the recognition of the mismatch between price and value that some shareholders want to take advantage of.

Roll paper production factory, production stages. Photo: **Ilyas Yasin, Shutterstock**

ASIAN PORTFOLIO

Our presence in Asia dates back to the summer of 2008, when Mingkun Chan joined the team to be our eyes and ears there, because of China's weight in the world economy and the fact that many of our portfolio companies either had a presence there or their main competitors were Chinese.

We consider that having an analyst in Shanghai, who was initially intended to analyse subsidiaries of our companies and competitors, has been of paramount importance all these years, and most especially last year. A year in which he helped us to better understand how the pandemic was evolving and what we could expect in the West. It has also allowed us to learn first-hand about many companies and invest directly in the region, broadening our investment universe. This situation would not have been possible otherwise.

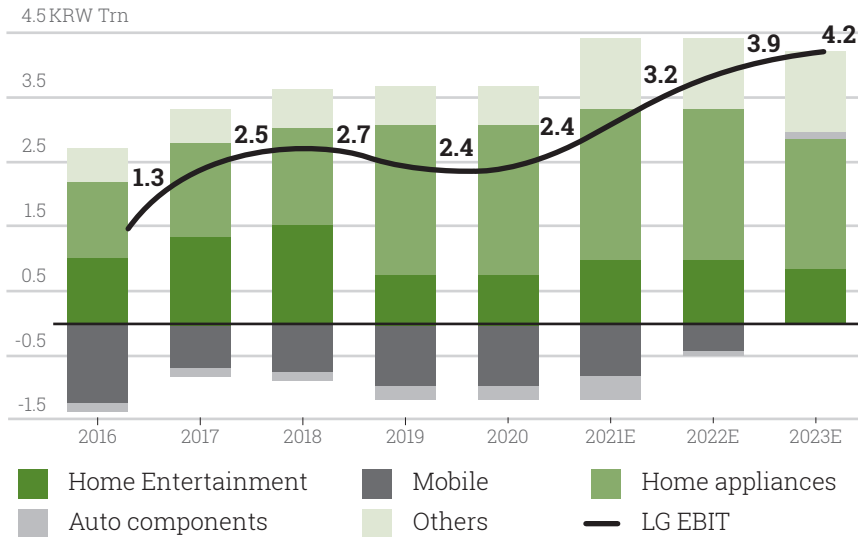
Since the launch of **Cobas AM** the Asian portfolio has represented on average about 13% of the **International Portfolio**, but due to the good performance of recent quarters, this weight at the end of March fell to around 7%, which is

invested in eight companies. Companies with very good businesses (average ROCE ~39%)¹, solid balance sheets (seven companies with net cash), trading at an attractive valuation (3-4x PER21)¹ and all with a family as the controlling shareholder.

A clear example is **LG Electronics** preferred shares (**LG**). We have been analysing this company for years in order to benchmark our investment in Samsung, which is also present in the mobile and household appliance businesses. The highlights of LG are that it has: i) a home appliances and **OLED TV** business, which generate a stable cash flow with a leading technology; ii) a loss-making mobile phone business, which, after years of studying Samsung, we consider uncompetitive; iii) finally, a **Vehicle Components** business that contributes a significant part of the value to **General Motors' electric car**. The latter provides a high growth potential even though it is still in the investment phase.

1. For more information on the ratios go to page 28.

LG. EBIT Evolution



Despite the fact that **LG** capitalised at close to €20 billion, we believe it is not well covered by analysts. **LG** is covered by technology analysts and has long been priced at a discount compared to its technology competitors due to its poor mobile business. The market has exaggerated mobile losses, while it has underestimated the stable

cash flow of the other businesses. After all, the household appliance division is too "boring" a business for technology analysts/investors. This situation gave us the opportunity to buy good businesses at a discount. In addition, preferred shares trade at a significant discount (50%) to common shares, giving us an additional safety margin.

An important moment in **LG's** history came in 2018, when the current chairman inherited the empire due to the sudden death of his father and began to review **LG's** broad portfolio of businesses, with the aim of focusing on profitable businesses by exiting those in which they were not competitive.

In fact, **LG** recently (December 2020) announced the creation of a JV with **Magna** for the electric vehicle components business, and last April **LG** decided to exit the mobile phone business. These decisions will bring to the surface the value of **LG**, for which they have been applauded by the market and have appreciated by more than 100% since the announcement last December.

PORTFOLIOS

Comments on **First Quarter 2021**

Our portfolios

Data as of 31/03/2021

Spanish domiciled funds

Name	Capitalisation
Internacional FI	417.6 Mn€
Iberia FI	38.9 Mn€
Grandes Compañías FI	18.6 Mn€
Selección FI	659.5 Mn€

Luxembourg domiciled funds

Name	Capitalisation
International Fund	19.2 Mn€
Iberian Fund	5.6 Mn€
Large Cap Fund	6.4 Mn€
Selection Fund	61.5 Mn€

Assets Under Management	Market Capitalisation	Strategies		Number of holdings
		International	Iberian	
436.8 Mn€	Multi Cap	●		45
44.5 Mn€	Multi Cap		●	31
25 Mn€	70% ≥ 4Bn€	●	●	38
721 Mn€	Multi Cap	●	●	53

In **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 that have their operational hub on the Iberian Peninsula; and, last but not least, the **Large Company Portfolio** that invests in global companies, 70% of which at least have over 4 billion euros in stock market capitalisation.

With these three portfolios we built the various equity funds under management as at 31 March 2021: We remind

you that the target value of our funds is based on internal estimates by applying multiples to normalized cash flows based on estimates of each company. **Cobas AM** does not guarantee that its calculation is correct or that they will be reached. We invest in assets that the managers deem to be undervalued. However, there is no guarantee that these assets are actually undervalued or that, even if they are, their price will move in the direction expected by the managers.

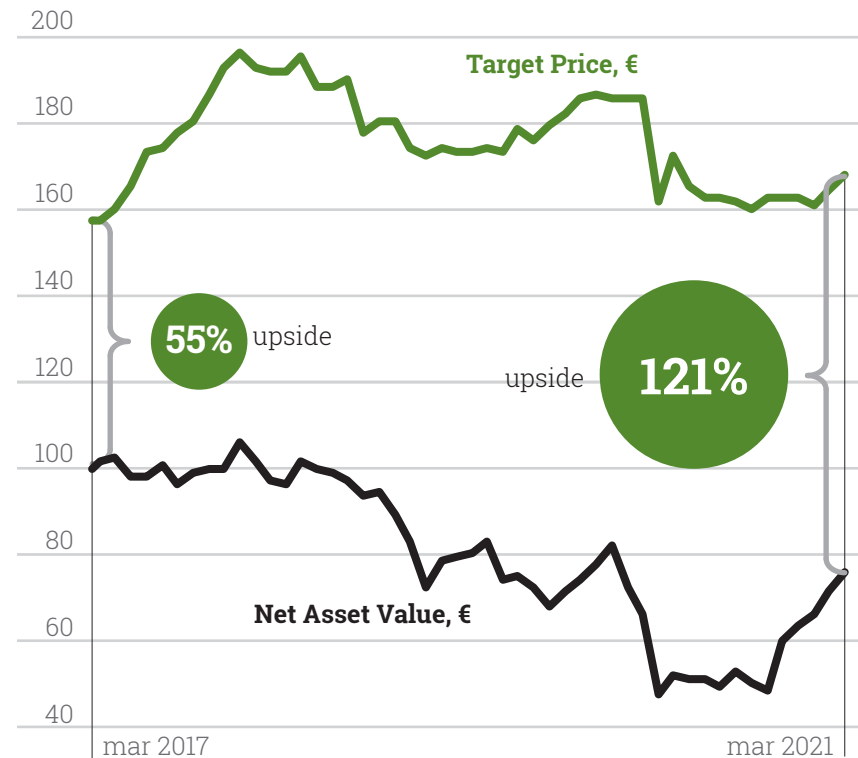
**Total assets
under
management**

**1,468
Mn€**

International Portfolio

Over the first quarter of 2021, our **International Portfolio** posted a positive return of +20.0% versus the +8.4% profitability posted by its benchmark index, the **MSCI Europe Net Total Return index**. Since the **Cobas Internacional FI** fund began investing in equities in mid-March 2017, it has obtained a return of -23.7%, while its benchmark index has obtained a return of +25.1% for the same period.

During the first quarter, we made few changes in the **International Portfolio** in terms of purchases and sales. We only came out of **BMW** and **Golar LNG Partners** completely, which in December had a combined weight of less than 1% and we entered into **Dassault Aviation**, **Energy Transfer**, **TEVA** and **CGG** with a weight of around 4.5% in total. In the rest of the portfolio the main changes were: on the purchase side, we increased the weighting in **Dixons** and **Atalaya**, mainly, while, on the sales side, we lowered our weighting in G-III and ICL due to the good performance of their share prices.



Note: For more information on the ratios go to page 28.

During the first quarter we increased the **target value of the International Portfolio** by about 5%, to **€169/share**, as a result of which the **upside potential** stands at **121%**.

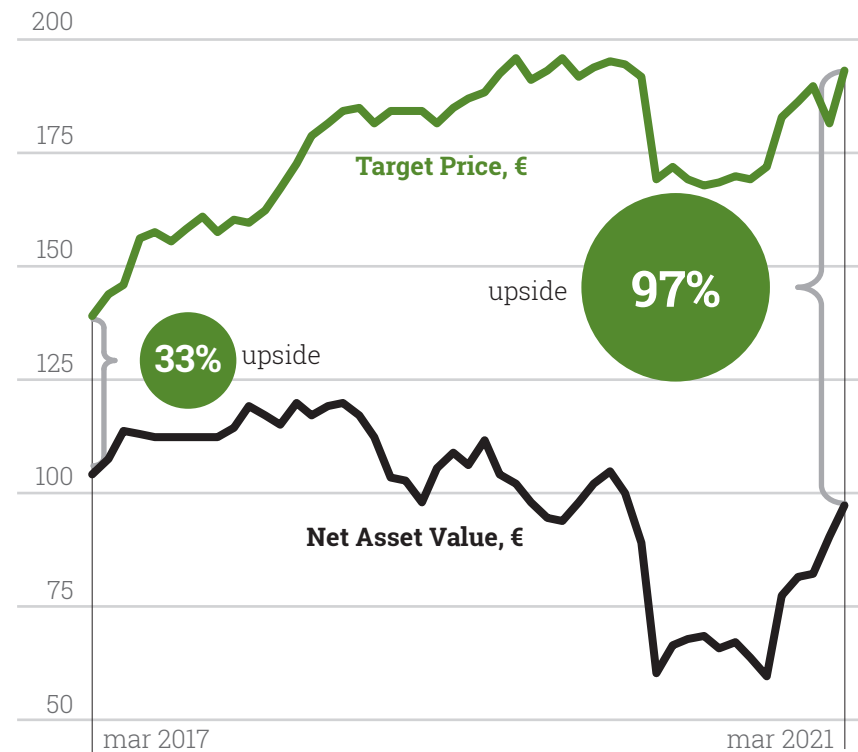
Obviously, as a result of all this potential and our confidence in the portfolio, we are invested at 99%, close to the legal maximum. The whole portfolio trades at an estimated 2021 P/E of 6.8x versus 16.9x its benchmark and has a ROCE¹ of 28%, but if we look at the ROCE¹ excluding shipping and commodity companies, we are close to 38%, which demonstrates the quality of the portfolio.

(1) For more information on the ratios see page 28.

Iberian Portfolio

The net asset value of our **Iberian Portfolio** in the first quarter of 2021 was +18.3%, compared with +5.1% for its benchmark index. If we extend the comparison period since we started investing in equities until the end of March 2021, it has obtained a return of -6.4%, while its benchmark index has obtained a return of +6.9% for the same period.

During the first quarter we have done some rotation in terms of portfolio inflows and outflows. We completely left four companies (**Acerinox**, **Catalana Occidente**, **Prisa** and **Gestamp**) which had a weighting of close to 5.5% at the end of December, all of them for their good performance, and we entered **Galp** and **Grifols B** with a combined weighting of around 2.5%. In the remainder of the portfolio we increase the weighting mainly in **Mapfre** and **Tubacex**, although in the latter the increase in the weighting has been greatly helped by the increased share price; and we have lowered it in **Alba** and **Meliá** due to the good performance of the stock in recent quarters.



Note: For more information on the ratios go to page 28.

During the quarter we increased the **target value of the Iberian Portfolio** by about 4%, to **€184/share**, as a result of which the **upside potential** stands at **97%**.

In the **Iberian Portfolio**, we have invested 98% and, as a whole, the portfolio trades with an estimated 2021 P/E ratio of 7.5x, compared to the 17.1x of its benchmark index, and with a ROCE¹ of 29%.

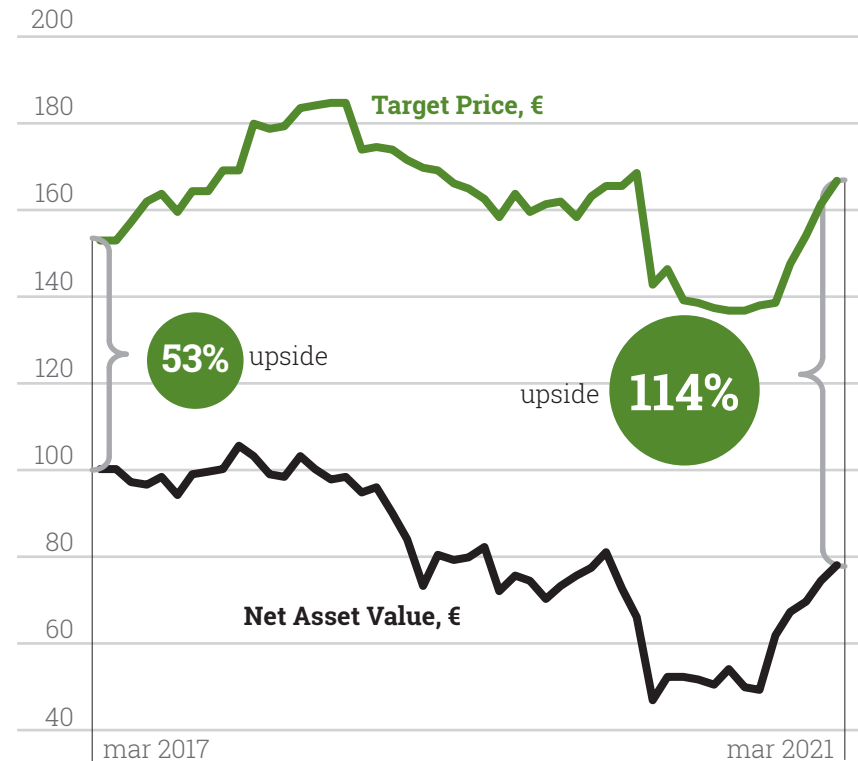
(1) For more information on the ratios see page 28.

Large Cap Portfortolio

During the first quarter of 2021, our **Large Company Portfolio** had a return of +17.0% versus +9.2% in the benchmark index, **MSCI World Net**. Since the **Cobas Grandes Compañías FI** fund began investing in equities in early April 2017, the return has been -21.9%. In that period, the benchmark index rose by 47.2%.

Over the first quarter, the **Large Cap Portfolio** is the portfolio we have rotated the most. We completely sold our position in **BMW, Glencore, LEAR, Capri, OCI, ThyssenKrupp** and **Arcelor**, which at the end of December had a combined weighting of close to 15%, all of them with significant recoveries during the quarter. With these sales, we have financed the purchase of **AMG, CIR, Grifols B, Fresenius, Mapfre, China Mobile, Hyundai Mobis** and **Energy Transfer**, which have an aggregate weighting of approximately 16%.

In the rest of the portfolio, on the buy side, we mainly



Note: For more information on the ratios go to page 28.

increased our position in **BAT** and **Aryzta**, although in the latter case this was largely helped by the share price appreciation (+54% during the quarter); while on the sell side, we have lowered our position in **ICL** and **Porsche** due to the good performance of their respective shares during the quarter.

During the quarter, thanks to the rotation that we have been able to carry out, the target value of the **Large Cap Portfolio** increased by about 13%, to **€167/share**, which represents an **upside** potential of **114%**.

In the **Large Cap Portfolio** we are 99% invested. Overall, the portfolio trades at an estimated 2021 P/E ratio of 6.7x, versus 20.3x for its benchmark index, and with a ROCE¹ of 29%.

(1) For more information on the ratios see page 28.

NEWS

Comments on **First Quarter 2021**

Our **Cobas AM** news section aims to give you a preview of the asset management projects and initiatives, while sharing some of the most important milestones to have been reached in the last quarter.

Fifth Annual Investor Conference

On 5 May we will be holding our **5th Annual Investor Conference** in Madrid at the Eurostars Tower Hotel at 6 p.m.

During the conference, our Investor team led by Francisco García Paramés will present its investment strategy and review the current situation of the manager and of our portfolios.

We are providing [the link](#) to follow the event online.

New Pension Plans website

We have revamped our Pension Plans website, which you can visit at the following [link](#).



Fifth Shareholders Annual Meeting. Photo: **Arturo Lado**

ESG integration policy

On 10 March we published our ESG integration policy. At **Cobas Asset Management** we approach this regulation from three different perspectives:

1. ESG approach in our investment process (Investments).
2. ESG approach as a Collective Investment Institution (Management Company, MCCII).
3. ESG approach as a **Santa Comba** business group.

If you want to find out more, please click on the following [link](#).

Mayte Juárez Awards

These awards are in recognition of the work and delivery of Mayte Juárez. We also want to promote the numerous private initiatives that promote financial education in Spain. One of the motivations that always drove our beloved and longed-for Mayte.

More information and applications in the following [link](#).

Mayte Juárez Awards

CATEGORIES

- Best Project
- Best Schollar Initiatives
- Best communicator/promoter
- Best author

For more information
www.premiosmaytejuarez.com



Participation in the programme Tiempo de inversión (Investment Time)

On 9 March, Juan Huerta de Soto, a member of our management company's investment team, participated along with Juan Cruz of Cygnus Funds in the Independent Management Talks of Tiempo de Inversión. They analysed the current context of the oil sector and its supply and demand dynamics, the OPEC strategy, the price that a barrel of crude oil could reach and the investment opportunities they see in this sector. You can listen to the programme at the following [link](#).

Participation in the programme Negocio TV

On 17 February, Negocios TV interviewed Juan Huerta de Soto, a member of our investment team, who shared his views on the sectors to invest in this year and details of Cobas AM's portfolios.

You can watch the video at the following [link](#).

Participation in the radio programme "Tu Dinero Nunca Duerme" (Your Money Never Sleeps)

During this quarter, Verónica Llera, Cobas AM Investor Relations team, Gonzalo Recarte, Commercial Director, Carlos González, Head of Retail Investor Relations and Juan Huerta de Soto, Cobas AM Investment team, participated in the radio programme Tu Dinero Nunca Duerme, the leading financial literacy programme of the Spanish generalist radio esRadio in collaboration with Value School.

Verónica Llera explained to listeners the effect of central banks on investment in the episode of the programme that was aired on 10 January. The audio of the podcast is available at the following [link](#).

Gonzalo Recarte, reviewed the main drawbacks that appear in the first steps of investment for individuals and how to overcome them, in the episode of the programme that was aired on 17 January. The audio of the podcast is available at the following [link](#).

Carlos González analysed how the portfolios have performed in recent months in the episode of the programme that was aired on 17 March. The audio of the podcast is available at the following [link](#).

Juan Huerta de Soto spoke about commodities, cyclical companies and the current market situation in the episode of the programme that was aired on 21 March. The audio of the podcast is available at the following [link](#).

Cobas Asset Management and Value School are launching the programme "12 months, 12 biases" together, which is 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 decision making.

The following videos have been published during this quarter:

How to beat the market? The financial psychology revolution. [Click to watch video](#)

How to overcome anchoring bias when investing in the stock market? [Click to watch video](#)

How to deal with the herd effect when investing in the stock market? [Click to watch video](#)

Other initiatives of



**SANTA
COMBA**

Gestion Group

~~value~~school

Cobas AM collaborates with [Value School](#) to promote financial literacy from an independent perspective and help savers make conscientious investment decisions. At the end of the day, being a value investor is more than just buying cheap and then being patient. It is a philosophy of life.

Graphics of investment books

The new series of graphical summaries of our investment books are now available. Start this new series with the summary of Capital Returns by Edward Chancellor. All his essential ideas condensed in one infographic!

The investor's library

New issue of Value School's book review. In March, Daniel Tello, investment director at Azagala Capital, gave us his recommendations classified by category: Disney, Nike,

The Outsiders, Joel Greenblatt and many more!

[More info](#)

Dividend investment basics

New investment course for the Value School community. From 5 April to 7 June, 325 students will learn about this investment strategy through live sessions on Value Academy, Value School's online learning platform.

174,000 subscribers to the Value School YouTube channel!

Value School continues to grow and consolidates its position as the channel "where the Internet learns to save and invest". 20 webinars in the first four months of 2021 and 333 videos in the channel, and very soon: VS Summer Summit 2021!



Global Social Impact Investments (GSI)

The first fund managed by **GSI, Global Social Impact Fund**, achieves Article 9 categorisation under the SFDR regulation following due diligence by Pictet and CSSF.

They are in final approval processes for two additional investments by April 2021. Impact KPIs will include job creation in rural Africa and improving the livelihoods of smallholder farmers, with a focus on women and youth.

Forty million investment fund for Spain to invest in high-impact companies that generate employment for the most vulnerable groups, with a focus on postCOVID-19 recovery.



Open Value Foundation (OVF)

During the first quarter of 2021, Open Value Foundation:

- Prepared the research report 'Taxation of social impact investments' along with Fundación Civismo. [More info](#)

- Has already trained more than 500 people during 2020 and last March it launched a new online course on 'Introduction to Venture Philanthropy'. [More info](#)

The first fruits of the research conducted by University Chairs supported by Universidad Pontificia Comillas and Universidad Autónoma de Madrid have already been reaped: White Paper on Impact Investing and Notebook on ESG Principles and Value Chain. [More info](#)

Finally, the second cohort of change agents from the leadership programme Acumen Fellows Spain has been



One Acre Fund beneficiary farmer. Photo: OAF

formed. [More info](#)

-Through one of the loans to the initiative I4SD, solar panels have been completed in the Nakivale refugee camp in Uganda to power a health centre, institutional buildings and a technology and vocational training centre. [More info](#)

-The FdF Impacto S.L has been set up. This is a venture philanthropy vehicle formed by eleven different foundations that will invest in high social impact initiatives in Spain. [More info](#)

ANNEXES

Comments on **First Quarter 2021**

Luxembourg Funds

Fund	Net Asset Value	Target Value	Upside potential	Q1 Performance		Performance YTD		Perf. since inception			PER	ROCE	VaR	AUM mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
International EUR	71.5 €	157 €	120%	20.1%	8.4%	20.1%	8.4%	-28.5%	18.5%	6.6x	28%	29%	18.8	98%	
International USD	\$88.3	\$195	120%	20.3%	8.4%	20.3%	8.4%	-21.8%	19.1%	7.0x	27%	29%	0.4	98%	
Selection EUR	15,360.5 €	33.397 €	117%	19.9%	8.4%	19.9%	8.4%	-24.3%	18.5%	6.7x	28%	28%	52.7	98%	
Selection USD	\$27,203.7	\$59.147	117%	20.1%	8.4%	20.1%	8.4%	-16.8%	18.5%	6.7x	28%	28%	10.1	98%	
Iberian EUR	101.6 €	199 €	96%	18.5%	5.5%	18.5%	5.5%	1.6%	0.0%	7.5x	29%	24%	5.6	98%	
Large Cap EUR	102.5 €	219 €	114%	16.8%	9.2%	16.8%	9.2%	1.9%	24.0%	6.7x	29%	29%	6.4	98%	

Data as of 03/31/2021

- 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: 1-jul-17; Cobas Concentrated Fund EUR and USD: 31-dec-17; Cobas Iberian EUR and Cobas Large Cap EUR: 14-oct-19.
- **Benchmark.** MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI, Cobas Concentrados FI and Cobas Global PP; MSCI World Net EUR for Cobas Grandes Compañías FI; IGBM Total 80% and PSI 20 Total Return 20% for Cobas Iberia FI.
- **Ratios.** PER: It is calculated by dividing the market capitalization of each company by its normalized cash flow based on our current estimates; ROCE: We calculate it by dividing the normalized operating result based on our own estimates, after taxes, by the capital employed; FCF Yield Unleveraged: It is the result of dividing the normalized cash flow, based on our estimates, by the Enterprise Value; Upside potential: 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 Value at Risk methodology 2.32 sigmas, confidence level of 99% of the normal distribution at 1 month.

Spanish Funds

Fund	Net Asset Value	Target Value	Upside Potential	Q1 Performance		Performance YTD		Perf. since inception			PER	ROCE	VaR	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Selección FI Class C	80.4 €	176 €	119%	19.7%	8.4%	19.7%	8.4%	-19.6%	39.1%	6.7x	28%	28.9%	657.6	99%	
Selección FI Class D	118.9 €	260 €	119%	18.9%	8.4%	18.9%	8.4%	18.9%	8.4%	6.7x	28%	28.9%	1.9	99%	
Internacional FI Class C	76.3 €	169 €	121%	20.0%	8.4%	20.0%	8.4%	-23.7%	25.1%	6.8x	28%	29.5%	415.8	99%	
Internacional FI Class D	119.2 €	263 €	121%	19.2%	8.4%	19.2%	8.4%	19.2%	8.4%	6.8x	28%	29.5%	1.8	99%	
Iberia FI Class C	93.6 €	184 €	97%	18.3%	5.1%	18.3%	5.1%	-6.4%	6.9%	7.5x	29%	24.7%	38.6	98%	
Iberia FI Class D	111.8 €	220 €	97%	11.8%	0.6%	11.8%	0.6%	11.8%	0.6%	7.5x	29%	24.7%	0.3	98%	
Grandes Compañías FI Class C	78.1 €	167 €	114%	17.0%	9.2%	17.0%	9.2%	-21.9%	47.2%	6.7x	29%	30.6%	18.6	99%	
Grandes Compañías FI Class D	107.9 €	231 €	114%	7.9%	9.2%	7.9%	9.2%	7.9%	9.2%	6.7x	29%	30.6%	0.02	99%	
Renta FI	96.6 €			5.3%	-0.1%	5.3%	-0.1%	-3.4%	-1.6%			4.6%	11.8	14%	

Pension Funds

Fund	Net Asset Value	Target Value	Upside Potential	Q1 Performance		Performance YTD		Perf. since inception			PER	ROCE	VaR	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Global PP	74.8 €	163 €	118%	19.8%	8.4%	19.8%	8.4%	-25.2%	21.1%	6.7x	28%	28.8%	56.3	98%	
Mixto Global PP	81.4 €	154 €	89%	15.4%	1.5%	15.4%	1.5%	-18.6%	5.8%	4.9x	21%	21.8%	4.3	74%	

Data as of 03/31/2021

- 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: 1-jul-17; Cobas Concentrated Fund EUR and USD: 31-dec-17; Cobas Iberian EUR and Cobas Large Cap EUR: 14-oct-19.
- **Benchmark.** MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI, Cobas Concentrados FI and Cobas Global PP; MSCI World Net EUR for Cobas Grandes Compañías FI; IGBM Total 80% and PSI 20 Total Return 20% for Cobas Iberia FI.
- **Ratios.** PER: It is calculated by dividing the market capitalization of each company by its normalized cash flow based on our current estimates; ROCE: We calculate it by dividing the normalized operating result based on our own estimates, after taxes, by the capital employed; FCF Yield Unleveraged: It is the result of dividing the normalized cash flow, based on our estimates, by the Enterprise Value; Upside potential: 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 Value at Risk methodology 2.32 sigmas, confidence level of 99% of the normal distribution at 1 month.

Radiography of our funds

First Quarter 2021

	Cobas Internacional FI Class C - ES0119199000 Class D - ES0119199018	Cobas Iberia FI Class C - ES0119184002 Class D - ES0119184010	Cobas Grandes Compañías FI Class C - ES0113728002 Class D - ES0113728010	Cobas Selección FI Class C - ES0124037005 Class D - ES0124037013	Cobas Renta FI ES0119207001	Cobas LUX SICAV Cobas Selection Fund LU1372006947 EUR LU1372007168 USD	Cobas LUX SICAV Cobas International Fund LU1598719752 EUR LU1598719919 USD	Cobas LUX SICAV Cobas Iberian Fund LU1598721493 EUR	Cobas LUX SICAV Cobas Large Cap LU1598720172 EUR																		
Top 10	Company Golar LNG CIR Dixons Carphone Aryzta Maire Tecnimont Teekay LNG Danieli Wilhelmsen International Seaways Babcock	Current quarter weight 6.6% 6.5% 6.2% 5.9% 5.3% 4.7% 3.9% 3.8% 3.4% 3.3%	Previous quarter weight 6.8% 6.9% 4.5% 5.5% 4.6% 4.3% 3.5% 4.1% 3.0% 3.8%	Company Semapa Vocento Técnicas Reunidas Atalaya Mining Metrovacesa Tubacex Elecnor Miquel y Costas CTT Sonae	Current quarter weight 9.0% 8.9% 8.6% 8.3% 4.6% 4.5% 4.5% 4.5% 3.7% 3.6%	Previous quarter weight 8.2% 9.4% 8.8% 8.6% 4.1% 2.2% 4.6% 3.0% 2.9% 3.1%	Company Golar LNG Dassault Aviation Viatriis Samsung C&T Aryzta Maire Tecnimont Teekay LNG Danieli Wilhelmsen Atalaya Mining International Seaways	Current quarter weight 6.3% 6.2% 5.1% 4.2% 4.1% 3.9% 3.8% 3.8% 3.5% 3.2% 3.1%	Previous quarter weight 7.5% 4.4% 6.1% 4.9% 4.1% 0.0% 2.9% 4.2% 1.9% 2.9%	Company Golar LNG CIR Dixons Carphone Aryzta Maire Tecnimont Teekay LNG Danieli Wilhelmsen Atalaya Mining Dixons Carphone Aryzta	Current quarter weight 5.9% 5.8% 5.6% 5.3% 4.7% 4.2% 3.5% 3.5% 0.9% 0.9% 0.8%	Previous quarter weight 6.0% 6.2% 4.0% 4.8% 4.1% 3.9% 3.1% 3.6% 0.8% 0.4% 0.0%	Company Golar LNG Teekay Corp. Técnicas Reunidas Vocento CIR Semapa Maire Tecnimont Atalaya Mining Dixons Carphone Aryzta	Current quarter weight 1.8% 1.7% 1.1% 1.0% 1.0% 1.0% 1.0% 0.9% 0.9% 0.8%	Previous quarter weight 3.3% 1.6% 1.0% 0.8% 1.0% 1.0% 0.8% 0.8% 0.4% 0.0%	Company Golar LNG CIR Dixons Carphone Aryzta Maire Tecnimont Teekay LNG Danieli Wilhelmsen Atalaya Mining International Seaways	Current quarter weight 5.9% 5.8% 5.5% 5.2% 4.7% 4.2% 3.5% 3.4% 3.2% 3.0%	Previous quarter weight 6.1% 6.2% 4.1% 4.9% 4.1% 3.9% 3.1% 3.6% 3.2% 2.7%	Company Golar LNG Vocento Dixons Carphone Aryzta Maire Tecnimont Teekay LNG Danieli Wilhelmsen International Seaways Babcock	Current quarter weight 6.6% 6.5% 6.2% 5.8% 5.3% 4.7% 3.9% 3.8% 3.4% 3.3%	Previous quarter weight 6.8% 7.1% 4.5% 5.6% 4.7% 4.3% 3.5% 4.1% 3.0% 3.8%	Company Semapa Vocento Técnicas Reunidas Atalaya Mining Metrovacesa Tubacex Miquel y Costas Elecnor CTT Sonae	Current quarter weight 9.0% 8.9% 8.6% 8.3% 4.6% 4.5% 4.5% 4.5% 3.7% 3.5%	Previous quarter weight 9.0% 7.7% 7.0% 4.4% 4.1% 2.2% 3.1% 10.1% 1.5% 2.5%	Company Golar LNG Dassault Aviation Viatriis Samsung C&T Aryzta Energy Transfer Inpex Corp. Renault Dixons Carphone Bolloré	Current quarter weight 6.3% 6.2% 5.1% 4.2% 4.1% 3.9% 3.8% 3.8% 3.5% 3.3%	Previous quarter weight 7.5% 4.4% 6.0% 4.9% 2.4% 0.0% 2.9% 4.2% 1.9% 2.9%
Geographical breakdown (Current Quarter Weight %)	Eurozone USA Rest of Europe Asia	32.2% 30.3% 29.8% 7.7%	Spain Portugal Other	69.2% 22.6% 8.3%	Eurozone USA Asia Rest of Europe	33.3% 32.2% 21.1% 13.3%	Eurozone USA Rest of Europe Asia	37.7% 28.1% 27.3% 6.9%	Eurozone Rest of Europe USA Rest of Europe	83.9% 10.0% 6.1%	Eurozone Rest of Europe USA Asia	38.7% 27.8% 26.7% 6.8%	Eurozone Rest of Europe USA Asia	33.0% 22.5% 29.6% 7.5%	Spain Portugal Other	69.2% 22.5% 8.3%	Eurozone USA Asia Rest of Europe	33.7% 31.9% 21.1% 13.3%									
Currency breakdown (% Gross)	Euro US Dollar Sterling Pound Norwegian Krone Swiss Franc South Korean Won Swedish Krona Yen Other	32.2% 30.3% 14.7% 6.7% 5.9% 5.4% 1.6% 1.3% 1.9%	Euro Sterling Pound	91.7% 8.3%	Euro US Dollar* South Korean Won Sterling Pound Norwegian Krone Swiss Franc Yen Hong Kong Dollar New Israeli Shekel Taiwan Dollar	33.3% 32.2% 9.3% 9.2% 4.1% 3.8% 3.8% 1.2% 1.2%	Euro US Dollar* Sterling Pound Norwegian Krone Swiss Franc South Korean Won Swedish Krona Yen Other	37.7% 27.3% 14.5% 6.1% 5.3% 4.8% 1.5% 1.2% 1.8%	Euro USD Dollar Norwegian Krone Sterling Pound Swiss Franc	83.9% 10.0% 2.7% 2.5% 0.8%	Euro US Dollar Sterling Pound Norwegian Krone Swiss Franc South Korean Won Swedish Krona Yen Other	38.7% 26.7% 14.4% 6.0% 5.2% 4.7% 1.4% 1.1% 1.7%	Euro US Dollar Sterling Pound Norwegian Krone Swiss Franc South Korean Won Swedish Krona Yen Other	33.0% 29.9% 14.7% 6.7% 5.8% 5.2% 1.6% 1.2% 1.9%	Euro Sterling Pound	91.7% 8.3%	Euro US Dollar* South Korean Won Sterling Pound Swiss Franc Yen Hong Kong Dollar New Israeli Shekel Taiwan Dollar	33.7% 31.9% 9.3% 9.2% 4.1% 3.8% 3.0% 1.2%									
	(*) EUR/ USD 68% hedged		(*) EUR/ USD 68% hedged	(*) EUR/ USD 68% hedged	(*) EUR/ USD 68% hedged	(*) EUR/ USD 68% hedged	(*) EUR/ USD 68% hedged	(*) EUR/ USD 68% hedged	(*) EUR/ USD 70% hedged	(*) EUR/ USD 67% hedged																	
Performance contributors (Contribution to return %)	Contributors Aryzta Maire Tecnimont Dixons Carphone Teekay LNG Teekay Corp.	2.7% 1.8% 1.6% 1.4% 1.4%	Contributors Atalaya Mining Semapa Vocento Técnicas Reunidas CTT Correios de Portugal	3.5% 2.8% 1.9% 1.5% 1.4%	Contributors Porsche Aryzta Golar LNG Israel Chemicals Thyssenkrupp	2.2% 1.6% 1.3% 1.2% 1.2%	Contributors Aryzta Maire Tecnimont Dixons Carphone Teekay LNG Teekay Corp.	2.5% 1.6% 1.5% 1.3% 1.3%	Contributors Aryzta Teekay LNG Dixons Carphone Atalaya Mining Teekay Corp.	2.6% 1.4% 1.4% 1.2% 1.2%	Contributors Aryzta Teekay LNG Dixons Carphone Porsche Teekay Corp.	2.9% 1.6% 1.6% 1.3% 1.3%	Contributors Aryzta Teekay LNG Dixons Carphone Porsche Teekay Corp.	2.9% 1.6% 1.6% 1.3% 1.3%	Contributors Atalaya Mining Semapa Vocento Técnicas Reunidas CTT Correios de Portugal	3.5% 2.7% 1.9% 1.5% 1.4%	Contributors Porsche Aryzta Golar LNG Israel Chemicals Mylan	2.3% 1.7% 1.4% 1.3% 1.2%									
	Detractors CGG SA Cairn Energy Petrofac Viatriis Babcock	-0.2% -0.3% -0.3% -0.4% -0.6%	Detractors Mota Engil Ibersol Prosecur Cash Inmobiliaria del Sur Elecnor	0.0% 0.0% 0.0% 0.0% -0.2%	Detractors Technip Energies Continental Babcock Samsung C&T Viatriis	-0.1% -0.3% -0.2% -0.4% -1.4%	Detractors CGG SA Cairn Energy Petrofac Viatriis Babcock	-0.2% -0.3% -0.3% -0.4% -0.5%	Detractors CGG SA Cairn Energy Viatriis Petrofac Babcock	-0.2% -0.3% -0.3% -0.4% -0.6%	Detractors CGG SA Cairn Energy Viatriis Petrofac Babcock	-0.2% -0.3% -0.4% -0.4% -0.7%	Detractors CGG SA Cairn Energy Viatriis Petrofac Babcock	-0.2% -0.3% -0.4% -0.4% -0.7%	Detractors Prisa Mota Engil Elecnor Prosecur Cash Inmobiliaria Del Sur	0.0% 0.0% 0.0% -0.1% -0.1%	Detractors Technip Energies Continental Babcock Samsung C&T Viatriis	-0.1% -0.1% -0.3% -0.4% -1.2%									
In & out of the portfolio	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio Galp Grifols B	In the portfolio Affiliated Managers China Mobile CIR Energy Transfer Fresenius Grifols B	In the portfolio Hyundai Mobis Mapfre	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio Galp Grifols B	In the portfolio Affiliated Managers China Mobile CIR Energy Transfer Fresenius Grifols B	In the portfolio Hyundai Mobis Mapfre	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical	In the portfolio CGG SA Dassault Aviation Energy Transfer Teva Pharmaceutical								
	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio Acerinox Catala Occidente Gestamp Grupo Prisa	Out of the portfolio Arcelormittal BMW Pref. Capri Holdings Glencore Lear OCI	Out of the portfolio Thyssenkrupp	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio Acerinox Catala Occidente Gestamp Grupo Prisa	Out of the portfolio Acerinox Catala Occidente Gestamp Grupo Prisa	Out of the portfolio Arcelormittal BME Pref. Capri Holdings Glencore Lear OCI	Out of the portfolio Thyssenkrupp	Out of the portfolio BMW Pref. Golar LNG Partners	Out of the portfolio BMW Pref. Golar LNG Partners								

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 XXITV0000107; CIR: XXITV0000180 and IT0000070786; Wilhelmsen: NO0010571698 and NO0010576010. Information broken down by ISIN code is available in the report available on the CNMV website.

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c o b a s
a s s e t m a n a g e m e n t

José Abascal, 45. Third floor
28003 Madrid (Spain)
T +34 91 755 68 00

info@cobasam.com
www.cobasam.com



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