

c o b a s

a s s e t m a n a g e m e n t



Quarterly
Letter **2019**

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After a complicated 2018 in which we saw how our funds obtained negative results, at the beginning of this year we have obtained positive returns supported mainly by the good performance of many of the stocks that performed negatively last year. For example, Arysza went up by +25%, Teekay LNG by +36%, Teekay Corp by +17% and Dixons by +22%; therefore the International Portfolio went up during the first quarter by 10.8%, while the Iberian Portfolio went up by 8.3%.

During the first quarter, most of the companies in which we are invested obtained results in line with expectations, but the rise in share prices was largely due to good market performance, which has not yet revealed their true potential. It is logical that, after several years of a European market with little change, a slight recovery should begin for prices, which are at reasonable levels.

We remain very optimistic with our portfolios because, to the undervaluation mentioned on other occasions, we bring an increasingly detailed knowledge of the companies. In addition, some of them are taking the necessary steps to recognise that value (Teekay LNG repurchases shares, CIR and COFIDE merge and repurchase shares and other similar initiatives).

We remain very optimistic with the potential for reassessment of our portfolios

In this context, in the International Portfolio there have been no major changes and most of them have been of less than 1%. Quite the opposite has happened in the Iberian Portfolio, where we have taken advantage of the volatility to adjust our portfolio, resulting in, for example, the banking sector at the end of March having a significant weight, of around 12.5%.

Why do we have more confidence in target prices in april 2019? As in the December quarterly letter we explained in detail our main investment assumption and there have been hardly any substantial changes in the **International Portfolio** during the first quarter, we want to emphasise in this letter **the confidence we have in the target prices of our portfolios**. This is nothing other than the weighted sum of the target prices of each of the companies that are present in them. As we commented in the previous quarterly letter and in our annual conference in February, with the passage of time (and as a general rule) these target prices end up being reached. For example, in 2011, when **Thales** traded at €28, we thought its value was €56, today **Thales** trades at €107.

This confidence is **supported by the knowledge we have about the companies** in which we invest. This knowledge is the result of the **quality of our analysis process**, a process that we have developed over the years and that we continue to improve day by day. In addition, this knowledge **is reinforced with the passage of time**: The more time we spend analysing a company, the better we know it.

This analysis is carried out prior to the incorporation of a company to the portfolio, when we carry out a very in-depth study of each company. But it is an ongoing process, which never ends, as companies are living entities, subject to continuous change. That's why **we dedicate 90-95% of our time to continuously studying the companies** that we have in our portfolio.

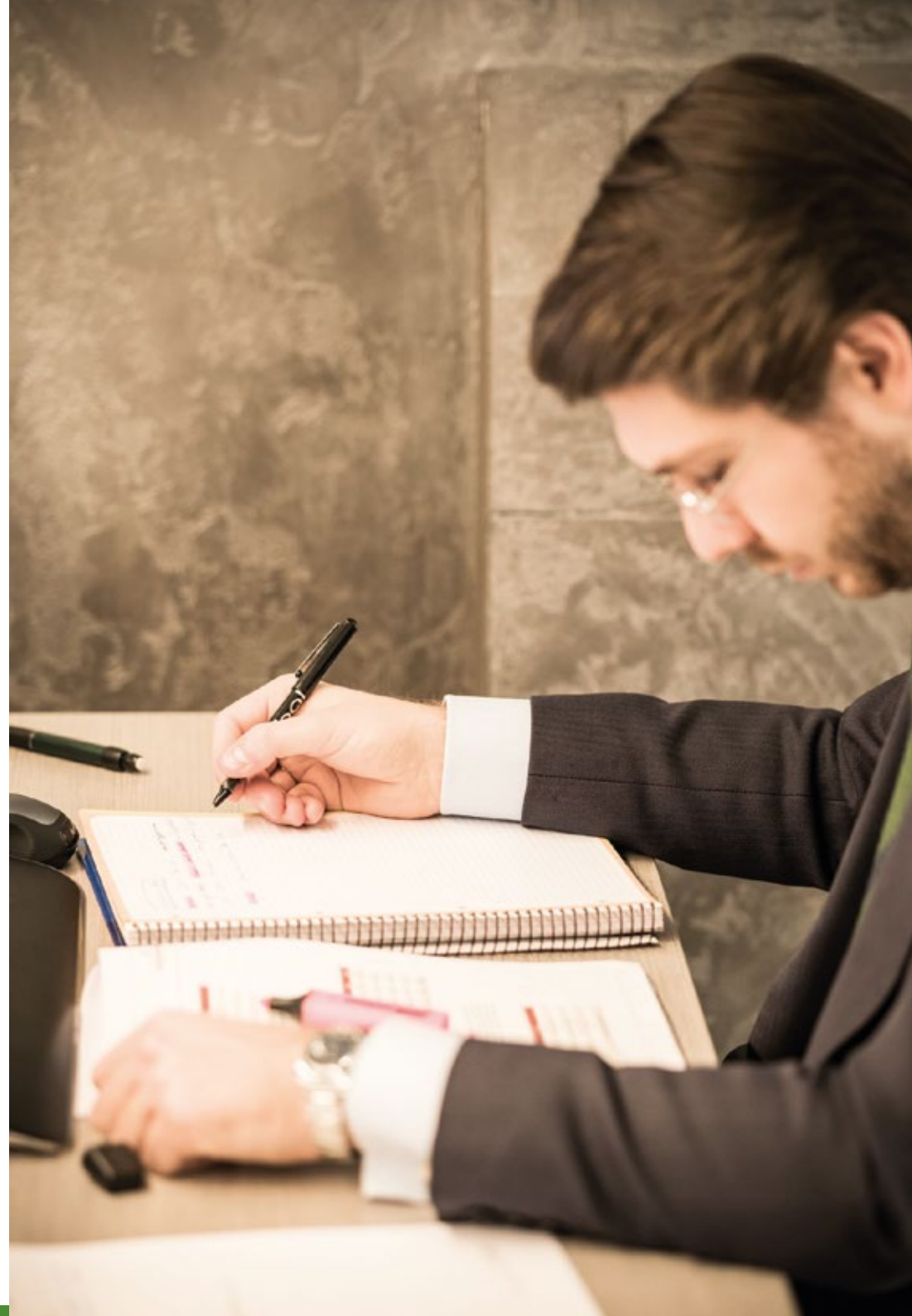
This improvement in knowledge could be compared to a marriage. Normally before we get married we get to know our partners for a while, we go out to dinner, to the cinema, etc. And after that period, we decide to take the leap and get married. Two years later, don't we know our partner much better? Something similar happens with investments, although we have spent a great number of hours getting to know each of the companies before buying them, two years later we know them much better than at the time of purchase.

It is also important to highlight that **this knowledge of companies is the basis of the value investment**. The value investor, by definition, has to swim against the tide, since in order to obtain different/greater yields than

those of the market, it is necessary to do things differently compared to the market. Knowing the companies in which we invest and knowing what they are worth is key to coping with the short-term ups and downs of the market.

That is why we have **our savings invested in Cobas funds** and 50% of our variable remuneration is paid in shares of our funds, as we believe it is a good way to obtain an alignment of interests between you (the investors) and us (the investment management team).

Photo: **Diego Martínez**



PORTFOLIOS

Our portfolios

Spanish domiciled funds

Name	Capitalisation
Internacional FI	426,1 Mn€
Iberia FI	60,1 Mn€
Grandes Compañías FI	21,1 Mn€
Selección FI	805,0 Mn€
Concentrados FIL	27,8 Mn€

Luxembourg domiciled funds

Name	Capitalisation
International Fund	20,5 Mn€
Selection Fund	95,9 Mn€
Concentrated Value Fund SIF	10,3 Mn€

Assets Under Management	Market Capitalisation	Strategies		Number of holdings
		International	Iberian	
446,6 Mn€	Multi Cap	●		57
60,1 Mn€	Multi Cap		●	36
21,1 Mn€	70% ≥ 4Bn€	●	●	32
900,9 Mn€	Multi Cap	●	●	68
38,1 Mn€	Multi Cap	●	●	22

As you are probably aware, at **Cobas AM** we manage three portfolios: the **International Portfolio**, investing in companies worldwide, excluding companies listed in Spain and Portugal; the **Iberian Portfolio**, investing in companies listed in Spain and Portugal or that have their operational core in the Iberian peninsula; and, lastly, the **Large Company Portfolio**, investing in global companies, 70% of which have over €4 billion in market capitalisation. With

these three portfolios, we built and have managed the various equity funds as of 31 March:

**Total assets
under
management**

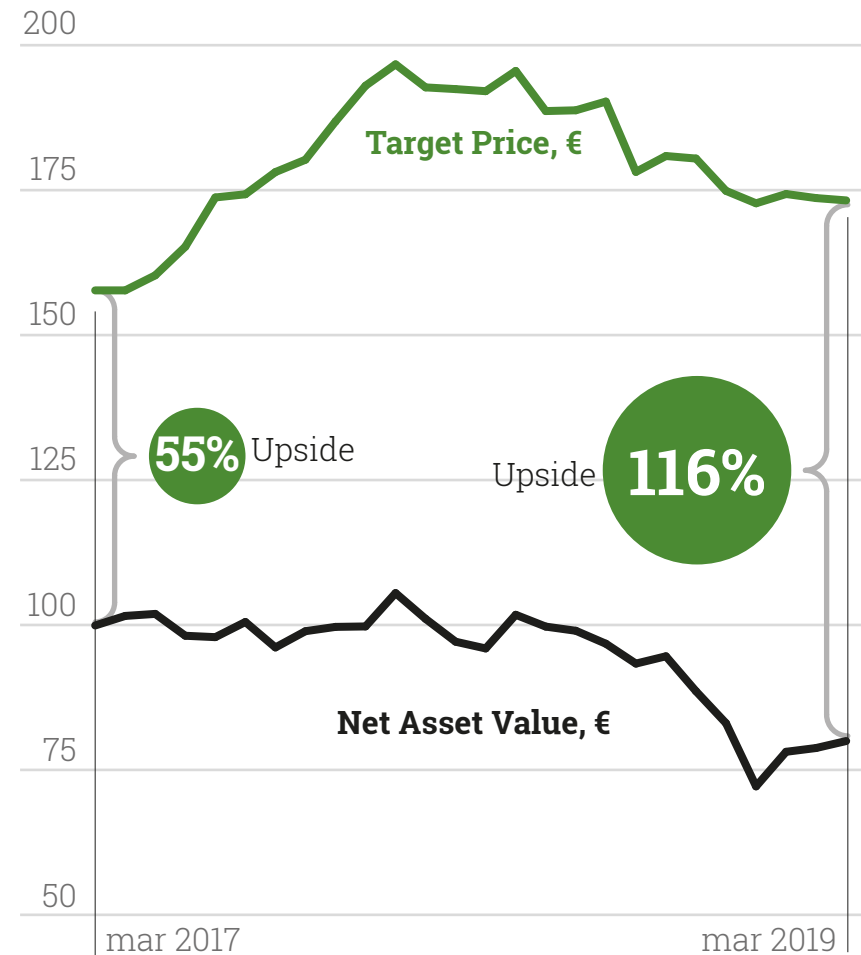
**2,032
Mn€**

International Portfolio

Over the first quarter of 2019, our **International Portfolio** posted a positive return of +10.8% versus the 12.8% profitability posted by its benchmark index, the **MSCI Europe Net Total Return** index. Since the fund **Cobas Internacional FI** began investing in equities in mid-March 2017, it has obtained a return of -19.7%, while its benchmark index has obtained a return of +7.4% for the same period. Obviously, this result is not acceptable, but we will gradually recover thanks to the upside potential and the confidence we have in that potential.

The greatest contribution to the positive returns in the portfolio during the quarter was mainly generated by **Aryzta** (+2.5%), **Teekay LNG** (+1.9%) and **Dixons Carphone** (+1.0%).

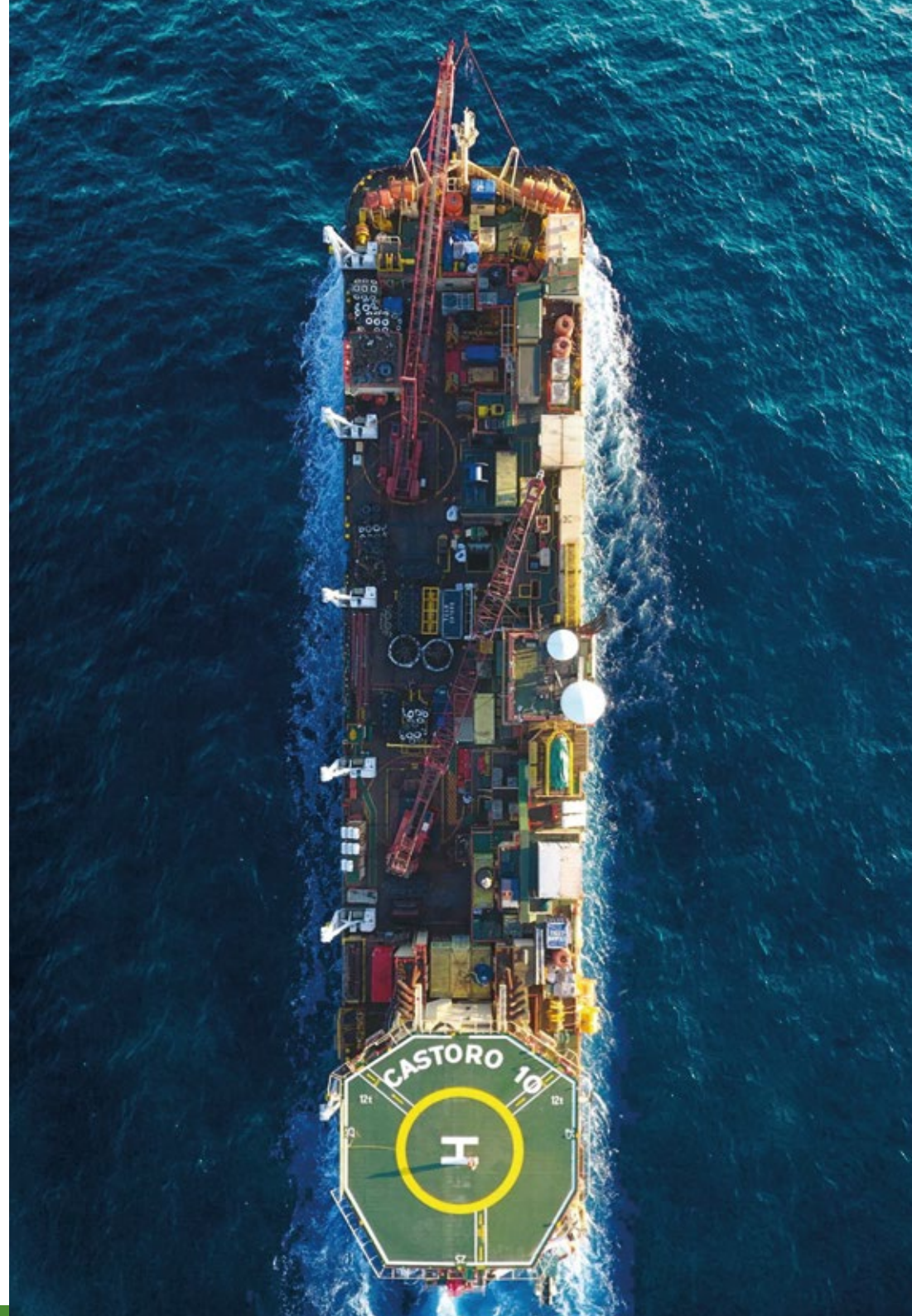
The target price of the **International Portfolio**, 173€/share, implies a revaluation potential of 116%. This target price is similar to the one we had in December 2018, as we have not made major changes in the portfolio's composition.



Obviously, and as a result of this potential, we have invested close to the legal maximum limit of 99%. Overall, the portfolio trades at an estimated 2019 P/E ratio of 7.9x and a ROCE of 25%. If we look at ROCE excluding shipping and raw materials companies, we are at 33%, which means that we have a portfolio made up of very good quality companies.

Below we explain **Saipem** in more detail, which was one of the incorporations made during the first quarter.

Photo: **Saipem**





Saipem

Saipem is one of the world's leading engineering and construction companies in the oil and gas sector. It is present in the refining, petrochemicals, gas liquefaction, development of marine deposits and drilling sectors, among others.

The company has taken advantage of the crisis in the sector to restructure and simplify its internal structure, reducing costs, improving margins and placing it in a

good position for the recovery that is taking place in the oil and gas industry. In addition, the capital increase carried out in 2016 has allowed it to substantially reduce its debt, giving rise to a healthy balance sheet structure with which to face the growing number of projects that its clients want to carry out in the coming years. Its management team is focused on the generation of value and as an example of this they have decided to focus on those businesses in which Saipem is stronger, thinking about valuing those that are not strategic, such as drilling.

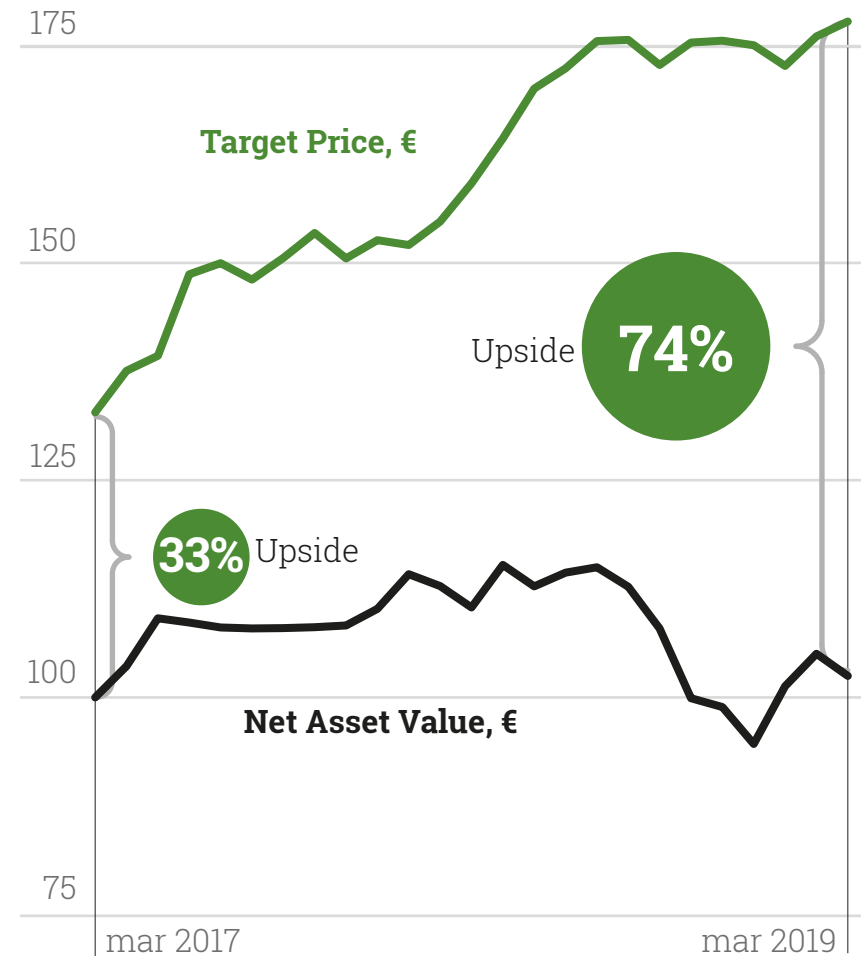
In our standard scenario, **Saipem** is trading at 7x earnings, with a return on capital similar to that of its competitors and a very attractive upside potential.

Iberian Portfolio

The performance of the net asset value during the first quarter of 2019 of the **Iberian Portfolio** was +8.3%, slightly below the performance of its benchmark index, which was +9.1%. However, when expanding the comparison period from its launch to the end of March 2019, the difference with the benchmark index is +2.7% in our favour.

The greatest contribution to the positive returns in the portfolio during the quarter was mainly generated by **Sacyr** (+1.8%), **Técnicas Reunidas** (+1.5%) and **Mota Engil** (+1.3%).

But the most important thing about the first quarter of 2019 is that, thanks to the rotation we have carried out in the portfolio, we have been able to create value. Specifically, we increased our target price by +2% to €178/share, implying a 74% upside potential. It is worth noting that since the launch of the fund, we have increased its target price by 34%.



Like our **International Portfolio**, in the **Iberian Portfolio** we have also invested close to the legal maximum allowed of 99% and, as a whole, the portfolio trades with an estimated 2019 P/E ratio of 9.4x and a ROCE of 28%. This means that we have good quality companies with significant potential.

However, unlike our **International Portfolio**, in the **Iberian Portfolio** there are significant changes. We have incorporated 4 new stocks, the main one **Caixabank** with a weight close to 4%, and we have completely exited from 4 stocks. In addition to these changes, we have increased the weight by more than 1% for 6 stocks and decreased it by more than 1% for 7 stocks.

During this quarter, the highlight of the **Iberian Portfolio** has been the greatest weight we have given to three Spanish banks, which now have a weight of approximately 12.5%. Thanks to the recent falls, they are trading at lows, the margin of safety is higher and, as a result, investing in them is more attractive.

Years before the crisis erupted, we avoided investing in banks because we perceived great risks that eventually materialised. In particular, an expansion of credit that was channelled disproportionately into the real estate market.

Until 2013 we did not invest in banks as we believed that their accounting did not adequately reflect the losses they accumulated. In that year we invested in **Bankinter**, because it had little exposure to the real estate market and, moreover, we were buying the banking business for free, as the valuation of **Linea Directa**, its insurer, alone, justified its price per share. Today **Bankinter** trades at almost three times the price. Also in 2013 we bought **Bankia** after its nationalisation, recapitalisation (cleaning up of losses) and its return to the Stock Exchange with a new president, José Ignacio Goirigolzarri, of whom we had good references. Within a few months, its price more than doubled, and we sold much of our position.- Since the creation of **Cobas** we have invested in three banks: **Bankia**, **Unicaja** and **CaixaBank**. In **Unicaja** we invested for the first time in its IPO in June 2017 at a very

attractive entry price. This occurred shortly after **Banco Popular** was sold to **Banco Santander** for 1 euro, which generated a very negative sentiment towards small banks. In addition, we had very good references regarding its Board, and we were comforted by the evidence of prudence in its accounts. In less than a year, it went up more than 40%. We sold, and we bought back shares when they fell months later.

We would have purchased **CaixaBank** during the fourth quarter of 2016, so we had it ready when we launched our **Cobas Iberia fund**, but for formal reasons we could not launch the fund until April 2017. By then, its share price had risen 40% and it was not so interesting anymore. Fortunately, during the first quarter of 2019 the price has fallen again and the market has given us another opportunity to have a leading bank in Spain in our portfolio.

After 11 years since the crisis, the Spanish banks in our portfolio have improved substantially. They have become bigger, competition is somewhat smaller, they have cleaned up their balance sheets, they have shown that



they are able to adjust their branch network without damaging their business, they have faced adverse lawsuits and judgments, and they have managed to accumulate an excess of regulatory capital. After these efforts, and at lows, we believe that these banks are worth significantly more than they are trading at and that is why they have the weight they have in our Iberian Portfolio.

Parques Reunidos was also clearly undervalued, a company that at the end of March had a weight of close to 4% in our **Iberian Portfolio**, and in which, as the time of writing this letter, we have received an offer for all of our shares with a premium of close to 30%. We thought that investing in **Parques Reunidos** was a good opportunity because it has a business with good assets, and that it was penalised by the market due to temporary problems, trading at approximately 10x normalised earnings compared to the 18-20x of its main competitors.

Elections in Spain

With regard to the elections on Sunday 28 of April, we simply want to comment that we are not excessively concerned about their outcome (we write this before knowing the result), as the Spanish economy is on a path of healthy growth.

But, in any case, if someone were afraid of what could happen in Spain, only 23% of our **Iberian Portfolio** is exposed to Spain's economic cycle.

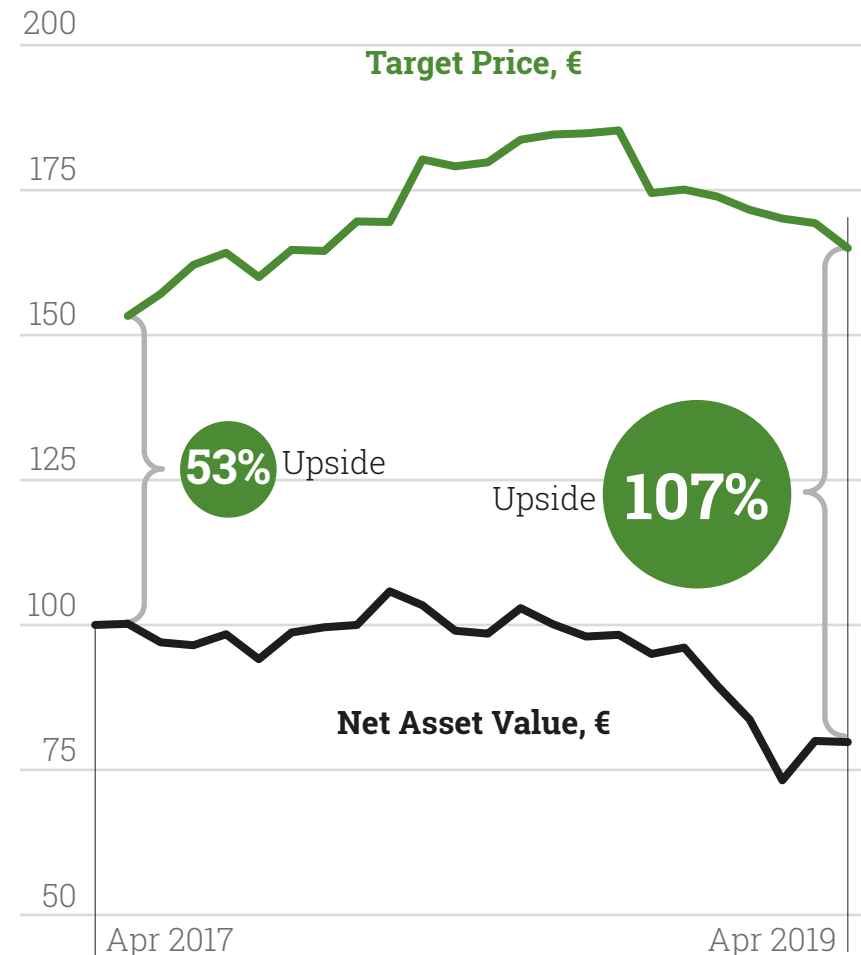
Large Company Portfolio

During the first quarter of 2019, our **Large Company Portfolio** had a return of +9.1% versus a 14.5% rise 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 -20.2%. In that period, the benchmark index rose by 12.5%.

The largest contributors to the positive returns in the portfolio during the quarter were mainly **Aryzta** (+2.4%), **OCI** (+1.6%) and **Teekay LNG** (+1.5%).

The target price for the portfolio is €165/share, a long way above its current net asset value, with potential upside of 107%. Overall, the portfolio trades at an estimated 2019 P/E ratio of 7.3x and has a ROCE of 27%.

In the **Large Company Portfolio** the main incorporation has been **Israel Chemicals**, a company that we had already had in our portfolio and that we sold at the end of last year. Thanks to the decreases in recent months we repurchased this quarter.





Conclusion

In conclusion, we would like to thank the nearly 23,000 co-investors for their confidence in this team and in our management model, including nearly 500 who have invested in our funds over the last quarter.

Also, insist that we are very satisfied with the portfolios that we have, because, as we have said, the degree of knowledge of the companies and our confidence in the target prices is growing. Therefore, we believe that today our portfolios offer us a great investment opportunity and we hope that they will give us great joys sooner rather than later.

Photo: **Aaron Burden, Unsplash**

COBAS NEWS

The objective of the Cobas News section is to give you a preview of our projects and initiatives, and share some of the most important milestones reached in the last quarter.

THIRD ANNUAL INVESTOR CONFERENCE

On 5 and 17 February we held our **Third Annual Investor Conference** in Madrid and Barcelona, respectively, with more than one thousand attendees in total. The event was broadcast live through different channels with a following of more than 6,000 users. During the conference, our Analysis team led by Francisco García Paramés presented its investment strategy and reviewed the portfolios. To close the conference, there was a Q&A session in which our manager and our analysts responded to the questions asked by the attendees in person or through the mobile application that we designed especially for the event.

Photo: **Arturo Lado and Diego Martínez**





MEETING WITH INVESTORS

Cobas AM plans to host events in a number of Spanish cities, as we believe that transferring our investment philosophy and raising awareness of the composition of our investment portfolio amongst all co-investors is key.

As proof of this, **Cobas AM** held two events in the cities of Bilbao and Alicante on 26 February and 20 March, respectively, in order to get closer to our co-investors.

Both meetings were attended by Carlos González, Head of Retail Investor Relations, who explained our key figures, our investment philosophy and products, and Carmen Pérez Báguena, an analyst, who gave a detailed account of the international and Iberian portfolios.

Photos: **Cobas Asset Management**

VALUE INVESTING

During this quarter some of the most important national meetings on Value Investing were held in Madrid. Aware of the importance of these events that bring together investors and managers who share our investment philosophy, **Cobas Asset Management** once again participated in both conferences.

On 5 April, the Value Spain event took place where Andrés Allende, among others, participated and presented the investment thesis of Samsung Electronics. A few days later, on 10 April, at CaixaForum in Madrid, Francisco García Paramés spoke at Iberian Value, an annual landmark event for investors and managers, about our commitment to this Korean company and to Asia, a continent of which we have a great deal of knowledge.



Photo: Samsung

VALUE SCHOOL

Cobas Asset Management collaborates and supports the work of this initiative to promote a financial culture from a neutral and independent perspective.

Value School carries out this training work by helping people learn to make decisions about their savings through conscientious and well thought-out investments. In the end, being a value investor is more than just buying cheap and having patience. Being a value investor is a philosophy of life.

With this objective we continue to hold weekly events at our headquarters with managers, book presentations, masterclasses on financial topics and value talks open to the public. Here are some of the events and projects we have launched during the last quarter.

Viernes Value (Friday Value)

After the success of the summer school and to continue teaching informed investors, Value School is co-organising, alongside other student associations, an open day for the 'Viernes Value' (Friday Value) classroom

workshops for financial classes to be given until 7 June 2019 divided up into 17 sessions, addressing the following topics: The Financial Landscape, Fundamental Analysis, Value Investing, Financial Modelling and Quantitative Analysis. More than 600 students have already passed through its headquarters as part of this initiative.

Economics in 10 lessons.

More than 250 students are enjoying this basic economics course created to learn only what you need to know about economics in order to understand the world around us and make better decisions. No mathematics. No exams. Using real case studies. With questions about the topics they are interested in and that everyone is talking about.

Savings and investment figures in Spain

Value School in collaboration with the think tank Civismo will launch four annual reports that will reveal the real savings and investment data in Spain. In its first report 'The scarcity of family savings' you will discover data such as the fact that, for every 100 euros, Spanish

families do not save even 5 euros. In other words, Spaniards save the least in the Eurozone, with seven percentage points less than the average. Go to the **Value School** page to see the full report.

More users, more initiatives and more content

The **Value School** community continues to grow at a good pace and is approaching 90.000 users. We recommend that you join this outreach initiative and discover more about savings and investment through its events, book recommendations and documentaries, which you can follow through **www.valueschool.es** and its YouTube channel.



ANNEXES

Spanish Funds													
Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹		PER	ROCE	AUM mn€	Equity exposure
				Cobas	Benchmark ²	Cobas	Benchmark ²	Cobas	Benchmark ²				
Selección FI	85.6 €	182 €	113%	10.4%	12.8%	10.4%	12.8%	-14.4%	11.3%	8.0x	27%	805.0	99%
Internacional FI	80.3 €	173 €	116%	10.8%	12.8%	10.8%	12.8%	-19.7%	7.4%	7.9x	25%	426.1	98%
Iberia FI	102.5 €	178 €	74%	8.3%	9.1%	8.3%	9.1%	2.5%	-0.2%	9.4x	28%	60.1	99%
Grandes Compañías FI	79.8 €	165 €	107%	9.1%	14.5%	9.1%	14.5%	-20.2%	12.5%	7.3x	27%	21.1	98%
Renta FI	94.5 €			2.9%		2.9%		-5.5%				16.5	15%
Concentrados FIL	64.3 €			13.6%	12.8%	13.6%	12.8%	-35.7%	0.9%			27.8	100%

Pension Funds														
Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹			PER	ROCE	AUM mn€	Equity exposure
				Cobas		Cobas		Cobas						
				Benchmark ²		Benchmark ²		Benchmark ²						
Global PP	79.2 €	165 €	108%	10.5%	12.8%	10.5%	12.8%	-20.8%	4.7%	7.7x	26%	42.8	98%	
Mixto Global PP	83.8 €	153 €	83%	8.0%		8.0%		-16.2%		7.5x	20%	3.8	74%	

Luxembourg Funds													
Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹		PER	ROCE	AUM mn€	Equity exposure
				Cobas		Cobas		Cobas					
				Benchmarck ²		Benchmarck ²		Benchmarck ²					
International EUR	80.2 €	172 €	115%	10.6%	12.8%	10.6%	12.8%	-19.8%	1.2%	7.7x	25%	19.4	98%
International USD	94.5 \$	203 \$	115%	11.5%	12.8%	11.5%	12.8%	-16.3%	1.7%	7.7x	25%	1.1	98%
Selection EUR	16.564.6 €	34.773 €	110%	10.6%	12.8%	10.6%	12.8%	-19.3%	6.3%	7.5x	26%	84.8	99%
Selection USD	27.989.4 \$	58.756 \$	110%	11.5%	12.8%	11.5%	12.8%	-15.2%	6.3%	7.5x	26%	11.1	99%
Concentrated EUR	64.9 €			13.1%	12.8%	13.1%	12.8%	-35.1%	0.9%			9.2	100%
Concentrated USD	67.0 \$			14.1%	12.8%	14.1%	12.8%	-33.0%	0.9%			1.1	100%

• 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 Selección FI: 31-dec-16; Cobas Internacional FI: 15-march-17; Cobas Iberia FI, Cobas Grandes Compañías FI y Cobas Renta FI: 3-april-17; Cobas Concentrados FI: 31-dec-17; Cobas Global PP and Cobas Mixto Global PP: 18-jul-17.

• **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.

Radiography of our funds

First Quarter 2019

	Cobas Internacional FI ES0119199000	Cobas Iberia FI ES0119184002	Cobas Grandes Compañías FI ES0113728002	Cobas Selección FI ES0124037005	Cobas Renta FI ES0119207001																																																																																																																																																																					
Top 10	<table><tr><th>Company</th><th>Current quarter weight</th><th>Previous quarter weight</th></tr><tr><td>Aryzta</td><td>9.9%</td><td>9.5%</td></tr><tr><td>Teekay LNG</td><td>5.8%</td><td>4.9%</td></tr><tr><td>International Seaways</td><td>4.4%</td><td>4.8%</td></tr><tr><td>Dixons Carphone</td><td>4.4%</td><td>3.7%</td></tr><tr><td>Renault</td><td>4.3%</td><td>4.5%</td></tr><tr><td>Babcock</td><td>4.1%</td><td>4.0%</td></tr><tr><td>Golar</td><td>4.0%</td><td>2.9%</td></tr><tr><td>Teekay Corp</td><td>3.5%</td><td>3.3%</td></tr><tr><td>Porsche</td><td>3.2%</td><td>3.1%</td></tr><tr><td>CIR</td><td>3.1%</td><td>2.6%</td></tr></table>	Company	Current quarter weight	Previous quarter weight	Aryzta	9.9%	9.5%	Teekay LNG	5.8%	4.9%	International Seaways	4.4%	4.8%	Dixons Carphone	4.4%	3.7%	Renault	4.3%	4.5%	Babcock	4.1%	4.0%	Golar	4.0%	2.9%	Teekay Corp	3.5%	3.3%	Porsche	3.2%	3.1%	CIR	3.1%	2.6%	<table><tr><th>Company</th><th>Current quarter weight</th><th>Previous quarter weight</th></tr><tr><td>Elecnor</td><td>9.3%</td><td>10.6%</td></tr><tr><td>Técnicas Reunidas</td><td>9.0%</td><td>8.8%</td></tr><tr><td>Vocento</td><td>6.3%</td><td>5.1%</td></tr><tr><td>Mota Engil</td><td>6.0%</td><td>4.7%</td></tr><tr><td>Semapa</td><td>5.6%</td><td>4.2%</td></tr><tr><td>Bankia</td><td>4.4%</td><td>4.7%</td></tr><tr><td>Sacyr</td><td>4.4%</td><td>5.6%</td></tr><tr><td>Unicaja</td><td>4.1%</td><td>2.8%</td></tr><tr><td>Atalaya Mining</td><td>4.1%</td><td>4.6%</td></tr><tr><td>Melia</td><td>4.0%</td><td>2.0%</td></tr></table>	Company	Current quarter weight	Previous quarter weight	Elecnor	9.3%	10.6%	Técnicas Reunidas	9.0%	8.8%	Vocento	6.3%	5.1%	Mota Engil	6.0%	4.7%	Semapa	5.6%	4.2%	Bankia	4.4%	4.7%	Sacyr	4.4%	5.6%	Unicaja	4.1%	2.8%	Atalaya Mining	4.1%	4.6%	Melia	4.0%	2.0%	<table><tr><th>Company</th><th>Current quarter weight</th><th>Previous quarter weight</th></tr><tr><td>Aryzta</td><td>7.7%</td><td>9.0%</td></tr><tr><td>Porsche</td><td>6.1%</td><td>5.8%</td></tr><tr><td>Renault</td><td>6.0%</td><td>6.2%</td></tr><tr><td>Babcock</td><td>5.8%</td><td>6.2%</td></tr><tr><td>Thyssen-Krupp</td><td>4.8%</td><td>2.6%</td></tr><tr><td>Mylan</td><td>4.7%</td><td>4.6%</td></tr><tr><td>Teekay LNG</td><td>4.5%</td><td>4.0%</td></tr><tr><td>Bollore</td><td>4.3%</td><td>3.4%</td></tr><tr><td>Samsung Electronics</td><td>4.3%</td><td>3.5%</td></tr><tr><td>Inpex Corp.</td><td>4.2%</td><td>4.3%</td></tr></table>	Company	Current quarter weight	Previous quarter weight	Aryzta	7.7%	9.0%	Porsche	6.1%	5.8%	Renault	6.0%	6.2%	Babcock	5.8%	6.2%	Thyssen-Krupp	4.8%	2.6%	Mylan	4.7%	4.6%	Teekay LNG	4.5%	4.0%	Bollore	4.3%	3.4%	Samsung Electronics	4.3%	3.5%	Inpex Corp.	4.2%	4.3%	<table><tr><th>Company</th><th>Current quarter weight</th><th>Previous quarter weight</th></tr><tr><td>Aryzta</td><td>8.9%</td><td>8.6%</td></tr><tr><td>Teekay LNG</td><td>5.3%</td><td>4.3%</td></tr><tr><td>International Seaways</td><td>4.0%</td><td>4.3%</td></tr><tr><td>Dixons Carphone</td><td>4.0%</td><td>3.3%</td></tr><tr><td>Renault</td><td>3.9%</td><td>4.0%</td></tr><tr><td>Babcock</td><td>3.7%</td><td>3.6%</td></tr><tr><td>Golar</td><td>3.6%</td><td>2.5%</td></tr><tr><td>Teekay Corp</td><td>3.2%</td><td>3.0%</td></tr><tr><td>Porsche</td><td>2.9%</td><td>2.8%</td></tr><tr><td>CIR</td><td>2.8%</td><td>2.3%</td></tr></table>	Company	Current quarter weight	Previous quarter weight	Aryzta	8.9%	8.6%	Teekay LNG	5.3%	4.3%	International Seaways	4.0%	4.3%	Dixons Carphone	4.0%	3.3%	Renault	3.9%	4.0%	Babcock	3.7%	3.6%	Golar	3.6%	2.5%	Teekay Corp	3.2%	3.0%	Porsche	2.9%	2.8%	CIR	2.8%	2.3%	<table><tr><th>Company</th><th>Current quarter weight</th><th>Previous quarter weight</th></tr><tr><td>Teekay LNG</td><td>3.7%</td><td>2.6%</td></tr><tr><td>Teekay Corp</td><td>2.0%</td><td>1.9%</td></tr><tr><td>Técnicas Reunidas</td><td>1.3%</td><td>1.0%</td></tr><tr><td>Dixons Carphone</td><td>1.2%</td><td>0.6%</td></tr><tr><td>Aryzta</td><td>1.2%</td><td>1.7%</td></tr><tr><td>Renault</td><td>1.0%</td><td>0.9%</td></tr><tr><td>Babcock</td><td>0.8%</td><td>0.7%</td></tr><tr><td>International Seaways</td><td>0.8%</td><td>0.7%</td></tr><tr><td>Elecnor</td><td>0.6%</td><td>0.6%</td></tr><tr><td>Porsche</td><td>0.5%</td><td>0.5%</td></tr></table>	Company	Current quarter weight	Previous quarter weight	Teekay LNG	3.7%	2.6%	Teekay Corp	2.0%	1.9%	Técnicas Reunidas	1.3%	1.0%	Dixons Carphone	1.2%	0.6%	Aryzta	1.2%	1.7%	Renault	1.0%	0.9%	Babcock	0.8%	0.7%	International Seaways	0.8%	0.7%	Elecnor	0.6%	0.6%	Porsche	0.5%	0.5%
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GEOGRAPHICAL BREAKDOWN (Current Quarter Weight %)	<table><tr><td>Rest of Europe</td><td>31.3%</td></tr><tr><td>Euro Zone</td><td>25.9%</td></tr><tr><td>USA</td><td>25.4%</td></tr><tr><td>Asia</td><td>15.0%</td></tr><tr><td>Liquidity</td><td>2.4%</td></tr></table>	Rest of Europe	31.3%	Euro Zone	25.9%	USA	25.4%	Asia	15.0%	Liquidity	2.4%	<table><tr><td>Spain</td><td>74.2%</td></tr><tr><td>Portugal</td><td>17.1%</td></tr><tr><td>Others</td><td>7.4%</td></tr><tr><td>Liquidity</td><td>1.4%</td></tr></table>	Spain	74.2%	Portugal	17.1%	Others	7.4%	Liquidity	1.4%	<table><tr><td>Euro Zone</td><td>35.1%</td></tr><tr><td>USA</td><td>24.9%</td></tr><tr><td>Rest of Europe</td><td>16.8%</td></tr><tr><td>Asia</td><td>16.4%</td></tr><tr><td>Others</td><td>4.3%</td></tr><tr><td>Liquidity</td><td>2.4%</td></tr></table>	Euro Zone	35.1%	USA	24.9%	Rest of Europe	16.8%	Asia	16.4%	Others	4.3%	Liquidity	2.4%	<table><tr><td>Euro Zone</td><td>32.5%</td></tr><tr><td>Rest of Europe</td><td>28.7%</td></tr><tr><td>USA</td><td>23.1%</td></tr><tr><td>Asia</td><td>13.7%</td></tr><tr><td>Liquidity</td><td>2.0%</td></tr></table>	Euro Zone	32.5%	Rest of Europe	28.7%	USA	23.1%	Asia	13.7%	Liquidity	2.0%	<table><tr><td>Euro Zone</td><td>75.8%</td></tr><tr><td>USA</td><td>11.3%</td></tr><tr><td>Rest of Europe</td><td>8.7%</td></tr><tr><td>Asia</td><td>0.5%</td></tr><tr><td>Liquidity</td><td>3.7%</td></tr></table>	Euro Zone	75.8%	USA	11.3%	Rest of Europe	8.7%	Asia	0.5%	Liquidity	3.7%																																																																																																																			
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CURRENCY BREAKDOWN (% Gross)	<table><tr><td>Euro</td><td>27.6%</td></tr><tr><td>USA Dolar</td><td>26.0%</td></tr><tr><td>Pound</td><td>*</td></tr><tr><td>Korean Won</td><td>14.7%</td></tr><tr><td>Swiss Franc</td><td>10.5%</td></tr><tr><td>The Norwegian Crown</td><td>9.9%</td></tr><tr><td>Japanese Yen</td><td>6.0%</td></tr><tr><td>Others</td><td>3.6%</td></tr><tr><td colspan="2">(*) EUR/USD 100% covered</td></tr></table>	Euro	27.6%	USA Dolar	26.0%	Pound	*	Korean Won	14.7%	Swiss Franc	10.5%	The Norwegian Crown	9.9%	Japanese Yen	6.0%	Others	3.6%	(*) EUR/USD 100% covered		<table><tr><td>Euro</td><td>95.9%</td></tr><tr><td>Pound</td><td>4.1%</td></tr></table>	Euro	95.9%	Pound	4.1%	<table><tr><td>Euro</td><td>39.5%</td></tr><tr><td>USA Dolar</td><td>25.4%*</td></tr><tr><td>Pound</td><td>8.2%</td></tr><tr><td>Korean Won</td><td>10.5%</td></tr><tr><td>Swiss Franc</td><td>7.7%</td></tr><tr><td>Japanese Yen</td><td>4.2%</td></tr><tr><td>Brasilian Real</td><td>1.8%</td></tr><tr><td>Others</td><td>2.7%</td></tr><tr><td colspan="2">(*) EUR/USD 100% covered</td></tr></table>	Euro	39.5%	USA Dolar	25.4%*	Pound	8.2%	Korean Won	10.5%	Swiss Franc	7.7%	Japanese Yen	4.2%	Brasilian Real	1.8%	Others	2.7%	(*) EUR/USD 100% covered		<table><tr><td>Euro</td><td>34.0%</td></tr><tr><td>USA Dolar</td><td>23.6%*</td></tr><tr><td>Pound</td><td>13.6%</td></tr><tr><td>Korean Won</td><td>9.7%</td></tr><tr><td>Swiss Franc</td><td>8.9%</td></tr><tr><td>The Norwegian Crown</td><td>5.4%</td></tr><tr><td>Japanese Yen</td><td>3.3%</td></tr><tr><td>Others</td><td>1.5%</td></tr><tr><td colspan="2">(*) EUR/USD 100% covered</td></tr></table>	Euro	34.0%	USA Dolar	23.6%*	Pound	13.6%	Korean Won	9.7%	Swiss Franc	8.9%	The Norwegian Crown	5.4%	Japanese Yen	3.3%	Others	1.5%	(*) EUR/USD 100% covered		<table><tr><td>Euro</td><td>79.1%</td></tr><tr><td>USA Dolar</td><td>11.5%*</td></tr><tr><td>Swiss Franc</td><td>4.1%</td></tr><tr><td>The Norwegian Crown</td><td>2.6%</td></tr><tr><td>Pound</td><td>2.0%</td></tr><tr><td>Korean Won</td><td>0.5%</td></tr><tr><td colspan="2">(*) EUR/USD 100% covered</td></tr></table>	Euro	79.1%	USA Dolar	11.5%*	Swiss Franc	4.1%	The Norwegian Crown	2.6%	Pound	2.0%	Korean Won	0.5%	(*) EUR/USD 100% covered																																																																																														
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Cobas LUX SICAV
Cobas Selection Fund

LU1372006947 EUR and LU1372007168 USD

Cobas LUX SICAV
Cobas International Fund

LU1598719752 EUR and LU1598719919 USD

Top 10	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	
	Aryzta	9.0%	9.3%	Aryzta	10.0%	10.2%	
	Teekay LNG	5.3%	4.8%	Teekay LNG	5.8%	5.2%	
	International Seaways	4.1%	4.1%	International Seaways	4.4%	4.6%	
	Renault	4.0%	3.9%	Dixons Carphone	4.3%	3.6%	
	Dixons Carphone	3.9%	3.2%	Renault	4.2%	3.9%	
	Babcock	3.7%	3.6%	Babcock	4.1%	4.0%	
	Golar LNG	3.7%	2.6%	Golar LNG	4.0%	2.9%	
	Teekay Corp.	3.2%	3.2%	Teekay Corp.	3.5%	3.5%	
	Porsche	2.9%	2.8%	Porsche	3.2%	3.1%	
	CIR	2.8%	2.2%	CIR	3.1%	2.5%	
GEOGRAPHICAL BREAKDOWN (Current Quarter Weight %)	Euro Zone		32.7%	Rest of Europe		31.2%	
	Rest of Europe		28.8%	Euro Zone		25.6%	
	USA		22.9%	USA		25.1%	
	Asia		14.0%	Asia		14.7%	
	Liquidity		1.5%	Liquidity		3.3%	
CURRENCY BREAKDOWN (% Gross)	Euro		33.2%	Euro		28.0%	
	US Dollar		23.6%*	US Dollar		25.8%*	
	Pound		13.6%	Pound		14.5%	
	Korean Won		10.1%	Korean Won		10.6%	
	Swiss Franc		8.8%	Swiss Franc		10.0%	
	The Norwegian Crown		5.6%	The Norwegian Crown		6.0%	
	Japan Yen		3.3%	Japan Yen		3.5%	
	Others		1.7%	Others		1.6%	
	(*) EUR/USD 100% covered			(*) EUR/USD 100% covered			
PERFORMANCE CONTRIBUTORS (Contribution to return %)	Contributors			Contributors			
	Aryzrta		2.3%	Aryzta		2.5%	
	Teekay LNG		1.8%	Teekay LNG		2.0%	
	Dixons Carphone		0.9%	Dixons Carphone		1.0%	
	OCI		0.8%	OCI		0.9%	
	Teekay Corp.		0.6%	Teekay Corp.		0.7%	
	Detractors			Detractors			
	Exmar		-0.1%	Exmar		-0.1%	
	Elecnor		-0.1%	NS Shopping		-0.1%	
	Dynagas LNG		-0.1%	Dynagas LNG		-0.1%	
	McClatchy		-0.2%	McClatchy		-0.2%	
	Petra Diamonds		-0.6%	Petra Diamonds		-0.6%	
	IN & OUT OF THE PORTFOLIO	In of the portfolio			In of the portfolio		
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Semapa			Cairn Energy				
Melia			Spire Health				
Cairn Energy			Frank's International				
Spire Health							
Out of the portfolio			Out of the portfolio				
Greene King			Greene King				
Fugro			Fugro				
Nos							

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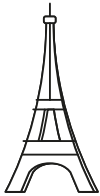
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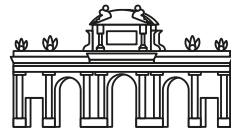
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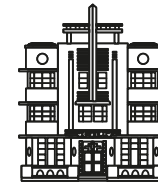
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