Comments on
Second Quarter 2021

Dear Investor:

The second quarter continued the positive performance we have been seeing in our funds since the discovery of the Covid vaccines. We have been saying that our companies, and the value sector in general, have little to do with the opening of economies, but this is the reality we have to live with in the short term.

We expect this positive evolution to continue, as historically, when stocks trading at low multiples start to perform positively, they do so for a long period of time. This is reflected in the table below, where both the average duration of the relative positive performance versus growth companies, 62 months, and the degree of that performance, +138%, are very strong.

Table 1. **Favourable periods for Value Investing, last 50 years**

Cycle	Value[1]	Market [2]	Relative Return	Months
Jul. 73 - Mar. 78	143.8%	7.6%	127.2%	57
Dec. 80 - Aug. 88	414.7%	150.3%	264.4%	93
No. 90 - Aug. 95	248.4%	117.1%	131.3%	58
Mar. 00 - Feb. 07	190.6%	13.7%	176.9%	84
Dec. 08 - Jun. 14	250.3%	142.8%	107.5%	67
Feb. 16 - Jan. 17	40.2%	19.6%	20.6%	12
Average	**213.2%**	**75.2%**	**138.0%**	**62**

Source: Sanford C. Bernstein & Co., Pzena analysis.
Notes: 1. Cheapest quintile by price - book value of approximately the 1,000 largest companies in the US market (equally weighted data). **2.** Data weighted by capitalization.

As always, we do not know for sure if this will be the case this time, but we are optimistic about this evolution, as we understand that in the end cash generation is the only factor that counts in the long-term evolution of share prices. In our case, this quarter we had more opportunities to rotate the portfolios (we sold companies that have performed well, replacing them with others with greater upside) which, together with the good performance of the companies, has allowed us to increase the target value of the funds, placing the estimated value of the **Iberian Portfolio** at historical highs, and the **International Portfolio** close to those highs.

Illustration: **Daniel Gete.**

This quarter we comment on the evolution of the oil sector, an essential sector for our lives in 2021 and possibly in 2040, despite its continued demonization. (In this regard, we recommend the latest book published by **Value School**: "**The Moral Question of Fossil Fuels**", by **Alex Epstein**, which gives us an interesting and accurate perspective on the subject). We have slightly increased our exposure to it, accounting for just over 11% of the **International portfolio** and 15% of the **Iberian portfolio**.

OIL (& GAS)

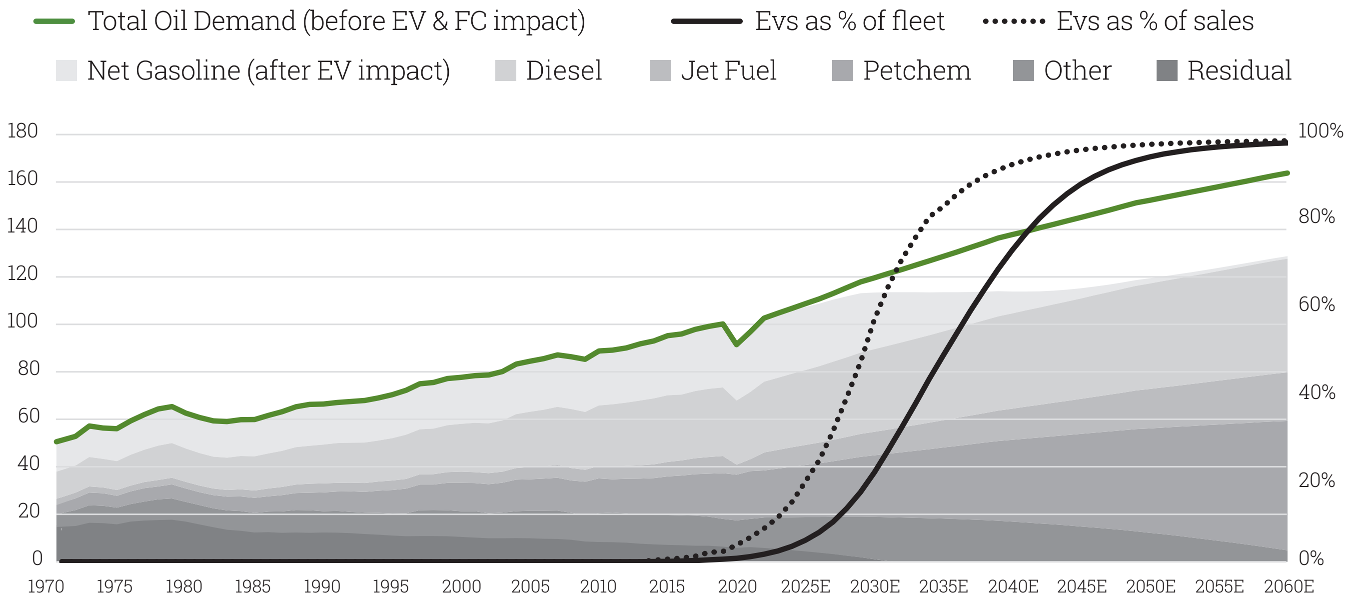
Demand

Demand before Covid was 100mn barrels/day (growing by more than 1mn barrels/day each year), levels that are expected to be reached again during 2022. Thereafter, continued growth is expected, probably less than seen in previous years, but growth nonetheless.

The most likely scenario in the medium term is that the sector's demand will continue to increase at least until the end of the decade, supported by the increase in population and economic growth, due to the development of emerging economies (for example, experts from the Bernstein analysis house suggest around 108mn barrels in 2030). It should be remembered that, although consumption for transport will be reduced in developed countries, certain industries (petrochemicals, for example) will maintain sustained growth over the coming decades. In transport, although it is foreseeable that the increased penetration of the electric car will reduce its demand from the second part of this decade onwards, it does not seem feasible that it can be replaced in ships or aircraft

Photo: **James Jones, Shutterstock.**

Figure 1. **Long term oil demand (EV scenario)**



Source: Bernstein Global Metals & Mining Rapid Adoption Unit Share EV scenario; IEA; IMF; World Bank; OECD; BP; OICA; EEA; BTS; Bernstein analysis and estimates

over the next few years. Diesel is not only consumed by some cars, but mainly by heavy-duty vehicles, such as trucks, industrial machinery, mining, construction, etc., where a massive substitution by another technology is not foreseeable in the coming years. Any alternative, and its mass use, will take more years, or at least that is what we foresee today. To conclude, even in more conservative scenarios than the one outlined above, it seems likely that demand will be reasonably stable at around 100Mn barrels/day by the end of this decade.

Supply

The last ten years have been characterised by the increase in production from US shale oil, which has been covering a large part of the increases in demand that have occurred during this period (1 million barrels per day).

In 2014 - 2015 there was a greater increase in supply than in demand, due to the intensification in the supply of shale oil production, which caused the price of oil to fall (from around $100/bbl to $30/bbl in 2016). OPEC, to protect itself, instead of defending prices and lowering production, decided to increase production to defend its market share, as it had a much lower marginal production cost. Faced with this scenario, oil companies began to reduce investment in exploration and production of new oil fields and a period of "drought" in oil, and gas investment began from 2015 to mid-2018.

In 2019 and early 2020, after a downward adjustment of its costs, the sector showed some stabilisation and improvement.

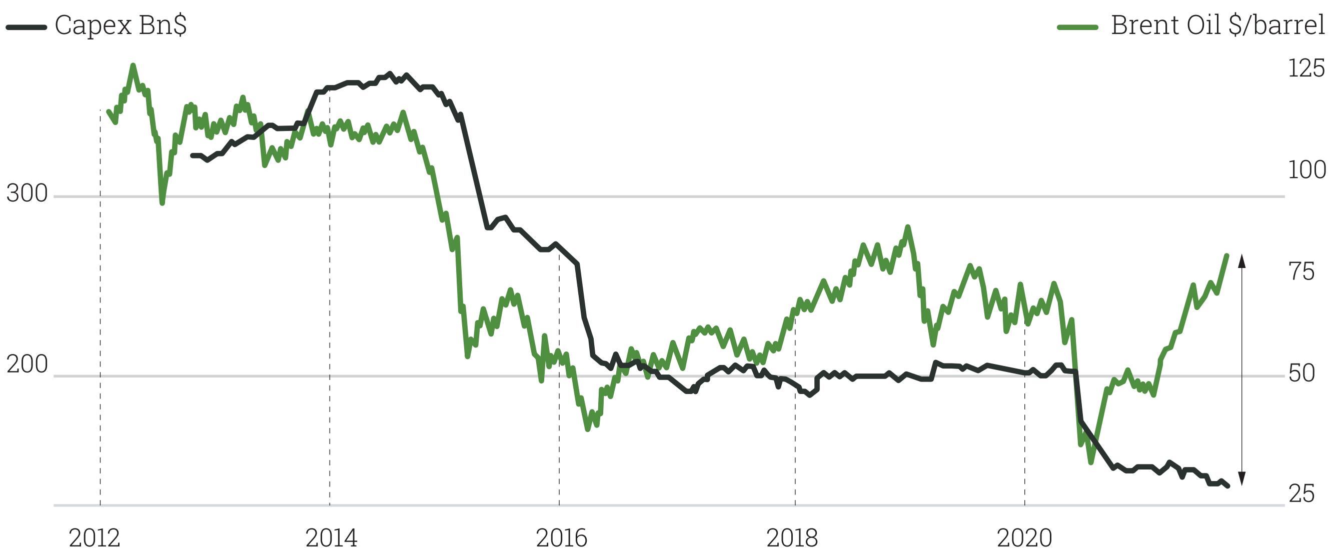
In this context, Covid burst in and overnight the economies were closed, and the demand for oil fell sharply, in an efficient market, the price also fell rapidly. In the short term, there was this gap between supply and demand, which further exacerbated the trend of falling investment that had already been occurring in the sector.

From now on, the lack of investment may lead to supply problems in the medium term:

- Demand will grow again, as we have seen.
- Funding for new investment has been drastically reduced, especially in the US shale, where despite the recent rise in oil prices, 60% fewer wells are being drilled than two years ago. This decline in the number of wells drilled has meant a drop in production of around 2Mn barrels this year (13mn barrels/day produced in 2019 vs 11Mn barrels/day in 2021) and today there are not enough indications that US oil companies are strongly increasing the number of wells being drilled. There is some doubt as to whether US operators will maintain the discipline shown so far, but they seem to have a more rational strategy focused on cash generation. The modification of the incentive systems of their management teams away from the constant pursuit of growth of the past is another example of this.

Figure 2. **Oil prices and Consensus Capex**

112 largest listed oil companies globally



Note: Consensus capex reflects rolling, next 12-months. **Source:** Bloomberg, Morgan Stanley Research.

• In addition to the expected growth in demand over the next few years, it is worth remembering that oil supply loses around 4-5% of its annual production (around 2mn bbls/day, excluding OPEC and the US) due to the natural decline rate of oil wells which is an unavoidable geological fact. If we stop investing (as has been happening, especially in the offshore part) and no new oil fields are discovered or developed, we will not be able to compensate for the natural decline of the fields that are already active.

Therefore, we could end up with a shortfall of 3mn barrels per day: 2mn due to the natural decline of the fields, which are no longer covered due to the drought of investment in the sector over the last 5 years, and a slower growth of the US Shale, plus 1mn of increased demand when the economy returns to its growth path after Covid, which is already occurring. As the necessary prior investment has not been made, when demand is reactivated in a normalised way, the price will have to reflect this. On the other hand, we believe that OPEC should have the capacity to increase production in a disciplined way.

Let's remember that it takes, on average, 4-5 years to develop an oil field, so investments should have been made in 2015-2016, which was not done, to be able to face the structural problems we are facing now.

In addition to all the above, there is the recent rejection of oil and gas companies by the market for reasons of sustainability. In fact recently the International Energy Agency called for no new investment projects in the sector. To a large extent, the market considers these companies to be uninvestable, in fact, despite the strong recovery in the price of crude oil, the companies have lagged in their share prices.

For the reasons we have explained, at **Cobas AM** we are detecting good investment opportunities in the sector: in companies with low risk, thanks to a healthy balance sheet, producers with low costs (breakeven cash flow around $30-35/barrel) and good management teams. All these companies are trading at 3x-5x earnings, which gives us a high margin of safety.

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PORTFOLIOS

Comments on **Second Quarter 2021**

Our portfolios

Data as of 30/06/2021

Spanish domiciled funds Name	AUM	Luxembourg domiciled funds Name	AUM	AUM	Market Cap	Strategies International	Strategies Iberian	Number of holdings
Internacional FI	461.8 Mn€	**International** Fund	22 Mn€	483.8 Mn€	Multi Cap	●		46
Iberia FI	39.2 Mn€	**Iberian** Fund	5.7 Mn€	44.9 Mn€	Multi Cap		●	30
Grandes Compañías FI	19.4 Mn€	**Large Cap** Fund	7.4 Mn€	26.8 Mn€	70% ≥ 4Bn€	●	●	37
Selección FI	697. Mn€	**Selection** Fund	73.1 Mn€	770.5 Mn€	Multi Cap	●	●	55

In **Cobas Asset Management** 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 Cap 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 of 30 June 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 undervalued or that, even if they are, their price will move in the direction expected by the managers.

Total assets under management

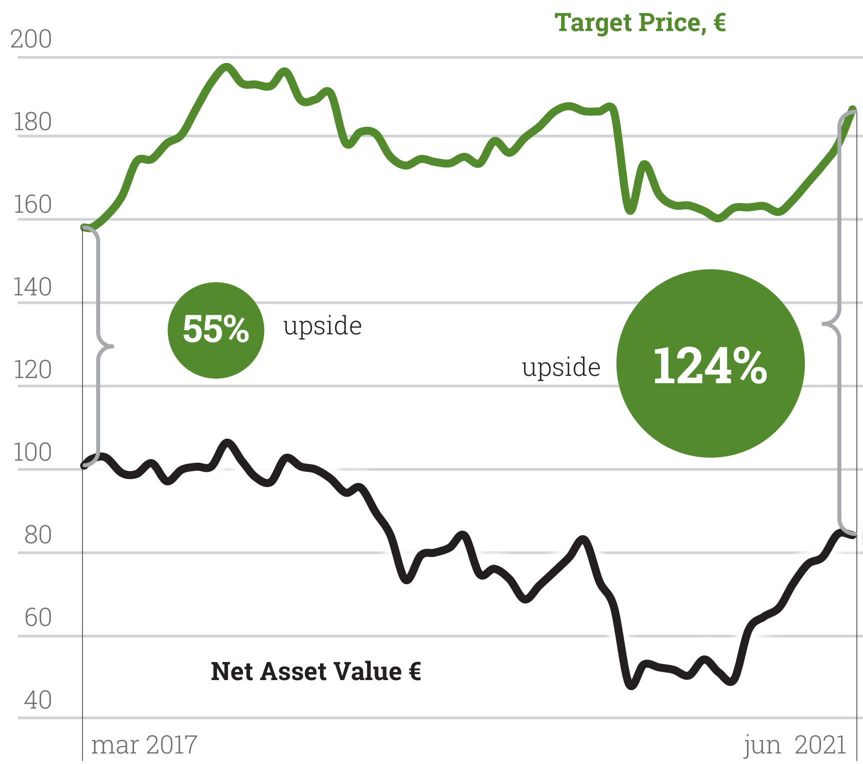
1,590 Mn€

International Portfolio

During the second quarter of 2021 our **International Portfolio** returned +9.2% compared to a return of +6.5% for its benchmark, the **MSCI Europe Total Return Net**. Since the **Cobas International FI** fund began investing in equities in mid-March 2017 it has returned -16.7%, while its benchmark has returned 33.2% for the same period.

During the second quarter we exited **GS Home Shopping**, **Matas**, **Israel Chemicals**, **Saipem,** and **Hoegh LNG** which in March had a combined weighting below 6% and entered **CK Hutchison**, **Inpex**, **Panoro, Caltagirone**, **BW Energy**, and **Okamoto** with a combined weighting close to 4%. Elsewhere in the portfolio, the main movements were: on the buy side, we increased our weighting in **Golar LNG,** and **Babcock International**, while on the sell side, we lowered our weighting in **AMG**.

During the quarter we increased the **target value of the International Portfolio** by more than 10% to **€186/share**, implying an appreciation **upside**[1] of **124%**. This has been



Note: For more information on the ratios go to page 29.

made possible by the fact that we have already started to rotate the portfolio, as price movements have allowed us to do so.

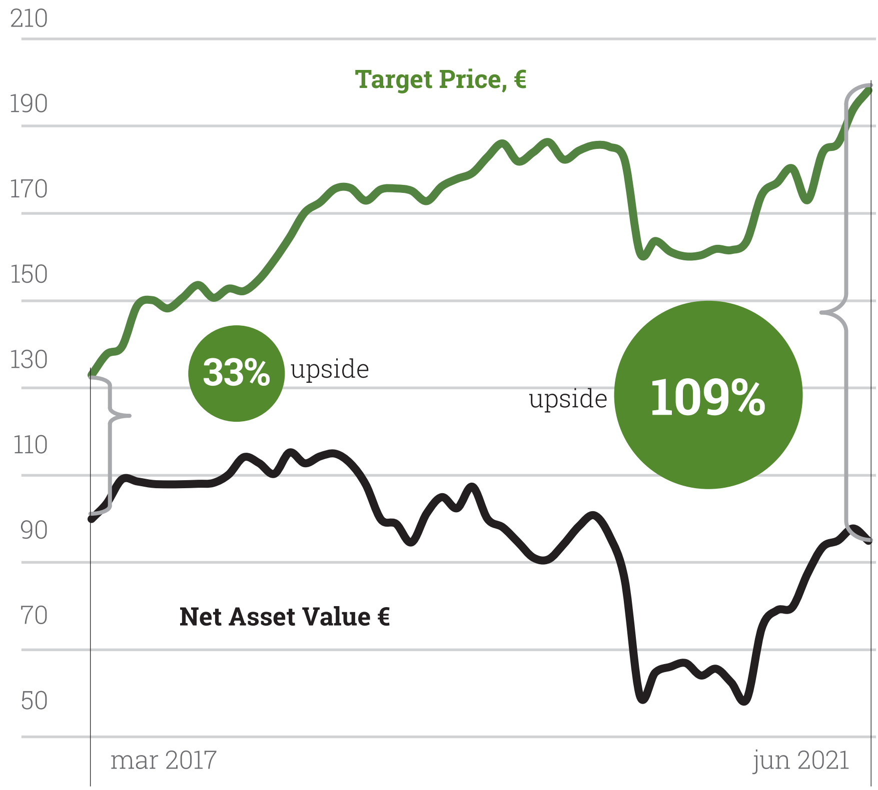
Obviously, because of this potential and the confidence in the portfolio, we are invested at 98%, close to the legal maximum allowed. The whole portfolio trades at an estimated 2021 P/E[1] of 7.6x versus 16.3x its benchmark and has a ROCE[1] of 28%, but if we look at the ROCE[1] excluding shipping and commodity companies, we are close to 38%, which demonstrates the quality of the portfolio.

(1) For more information on the ratios see page 29.

Iberian Portfolio

The **Iberian Portfolio**'s net asset value performance during the second quarter of 2021 was +1.5%, compared to +4.2% for its benchmark. If we extend the comparison period from when we started investing in equities to the end of March 2021, it returned -5.0%, while its benchmark returned +11.4% for the same period.

The takeover bid for **Semapa** ended in June, which we decided not to take part in as we considered the price offered was far from what we thought the company was worth, as we explained in the previous quarterly letter. During the quarter we made few changes in terms of portfolio entries and exits. We completely exited 2 companies **Quabit** (now **Neinor**), and **Almirall** which had a weighting close to 1.5% at the end of March as they had a potential below the portfolio average. In terms of entries, we re-entered **Prisa** with a weight of close to 0.5%. In the rest of the portfolio, we increased our weighting mainly in **Galp,** and **Indra**; and decreased it in **Tubacex,** and **Metrovacesa**.



Note: For more information on the ratios go to page 29.

During the quarter we increased the **target value of the Iberian Portfolio** by nearly 8% to **€198/share**, which brings the **upside** for revaluation to **109%**.

We are 98% invested in the **Iberian Portfolio**, and the portfolio trades at an estimated 2021 P/E[1] of 7.2x versus 16.0x for its benchmark and has a ROCE[1] of 31%.

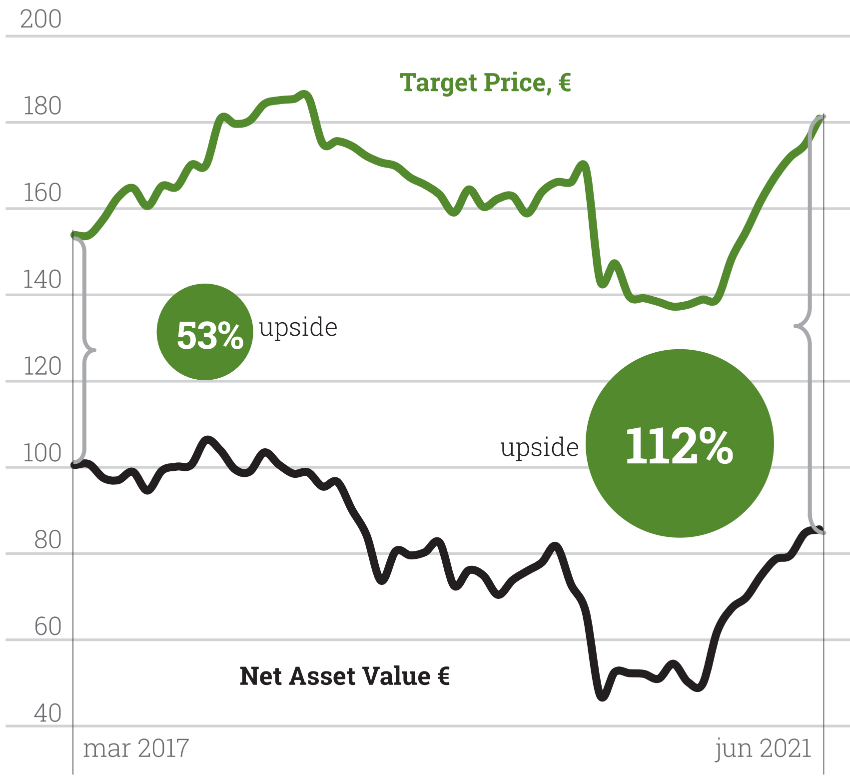
(1) For more information on the ratios see page 29**.**

Large Cap Portfolio

During the second quarter of 2021 our **Large Cap Portfolio** returned +8.9% versus +6.8% for the benchmark, the **MSCI World Net**. Since the **Cobas Large-Cap Fund** began investing in equities in early April 2017, it has returned -14.9%. In that period the benchmark index appreciated by 57.2%.

During the second quarter we continued the rotation initiated in the first quarter in the **Large Cap Portfolio**. We sold our entire positions in **Exor**, **Catcher**, **Technip,** and **Israel Chemicals**, which at the end of March had a combined weighting of close to 6%. With these sales we financed the purchase of **Qurate**, **Organon,** and **Galp**, which have an aggregate weighting of close to 5%.

In the rest of the portfolio, we mainly increased our positions in **Inpex,** and **Golar LNG**, although in the latter case it was largely helped by the share appreciation (+30% during the quarter); while, on the sell side, we reduced our positions in **Viatris,** and **Aryzta**.



Note: For more information on the ratios go to page 29.

During the quarter, thanks to the rotation we were able to make, the **target value of the Large Cap Portfolio** increased by 8% to **€180/share**, representing an **upside** of **112%**.

We are 98% invested in the **Large Cap Portfolio**. Overall, the portfolio trades at an estimated 2021 P/E[1] of 7.1x versus 19.8x its benchmark and has a ROCE[1] of 32%.

(1) For more information on the ratios see page 29**.**

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NEWS

Comments on **Second Quarter 2021**

In our Cobas Asset Management 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.

Fifth Annual Investor Conference

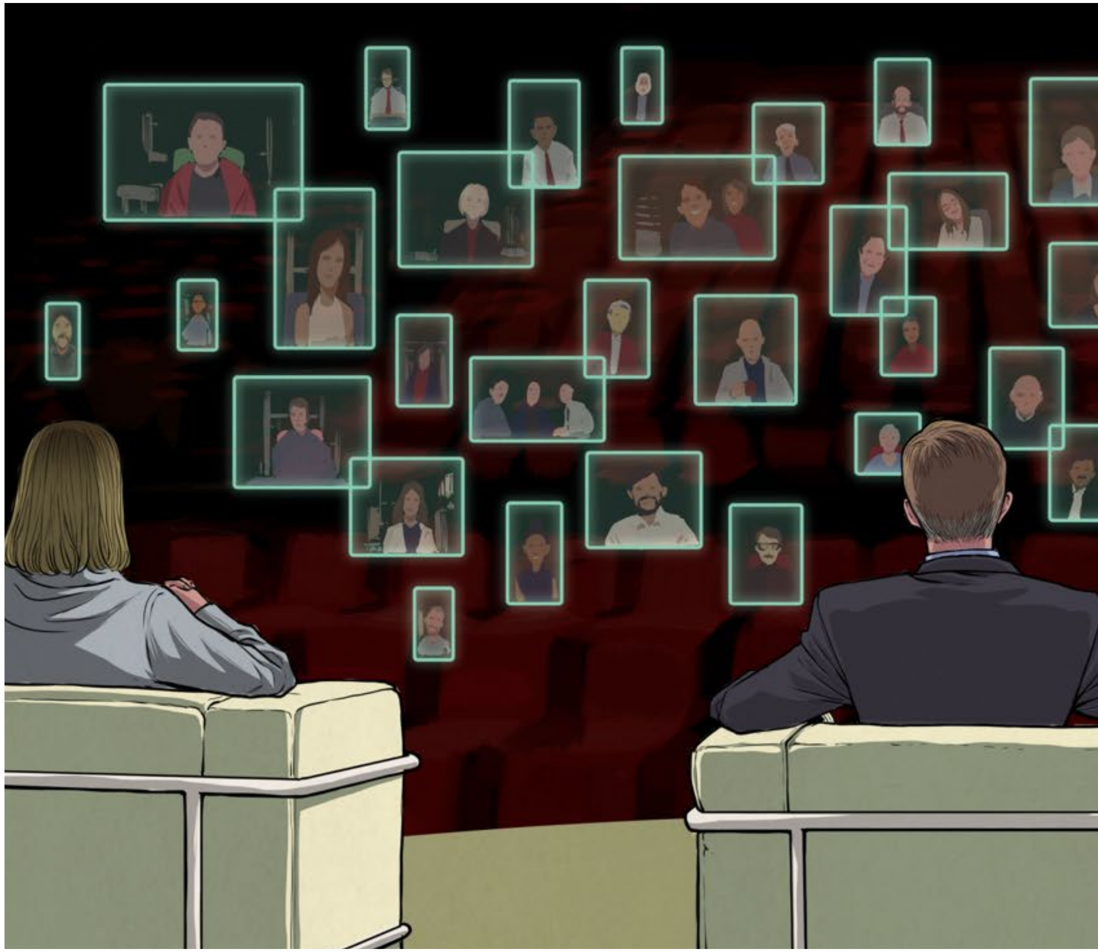
On 5 May we held our Fifth Annual Investor Conference in Madrid.

During the meeting, our investment team led by Francisco García Paramés presented its investment strategy and reviewed the current situation of the fund manager and our portfolios.

We provide the link to watch the full conference, as well as a summary of the conference.

Pension Plans

Discover on our web the importance of having a pension plan to complete our future retirement. www.cobaspensiones.com.



Fifth Annual Investor Conference. Illustration: **Daniel Gete**

Intervention at the Ben Graham Center for Value Investing event in Toronto of Ivey Business School

On 14 April, Francisco Garcia Paramés took part in the Virtual Value Investing Conference, which was also attended by other renowned investors. During his speech he commented on our investment thesis on Dixons Carphone.

You can watch the speech here.

Poster Ben Graham Centre for Value Investing. Photo: **Shutterstock.**

Premiere of the podcast "Invirtiendo a Largo Plazo"

Cobas AM's new podcast aims to bring the philosophy of value investing to all its listeners.

The first episodes on the Annual Conference, inflation, and the commodities sector are now available. Visit our profile to listen to them here.

Participation in La Vanguardia's Bolsillo podcast

On 21 June, **Gonzalo Recarte**, **Commercial Director of Cobas AM**, took part in Raquel Quelart's talk show on the importance of broadening our financial culture to be a good investor. You can listen to the program here.

Participation in the Masdividendos podcast

Carmen Pérez, from the Cobas AM Investment Team, answered listeners' questions in the **Masdividendos forum,** focusing on the retail and telecoms sectors, as well as the day-to-day life of a fund manager. You can listen to the full episode here.

Participation in the Negocio TV programme

On 21 June, **Negocios TV** interviewed **Carlos González Ramos**, **Head of Retail Investor Relations at Cobas Asset Management** and Luis García Álvarez, Equity Portfolio Manager at Mapfre to talk about the close relationship between investment and psychology, which are much more closely linked than we usually think. You can watch the video here.

On 5 July, **Negocios TV** interviewed **Juan Huerta de Soto, from Cobas Asset Management's Investment Team**, and Xavier Brun, Head of Equity Europe at Trea Asset Management, to explain the history of value investing, its evolution, its method, and approaches and where to learn how to invest in this way. You can watch the video here.

Participation in the Tu Dinero Nunca Duerme radio programme

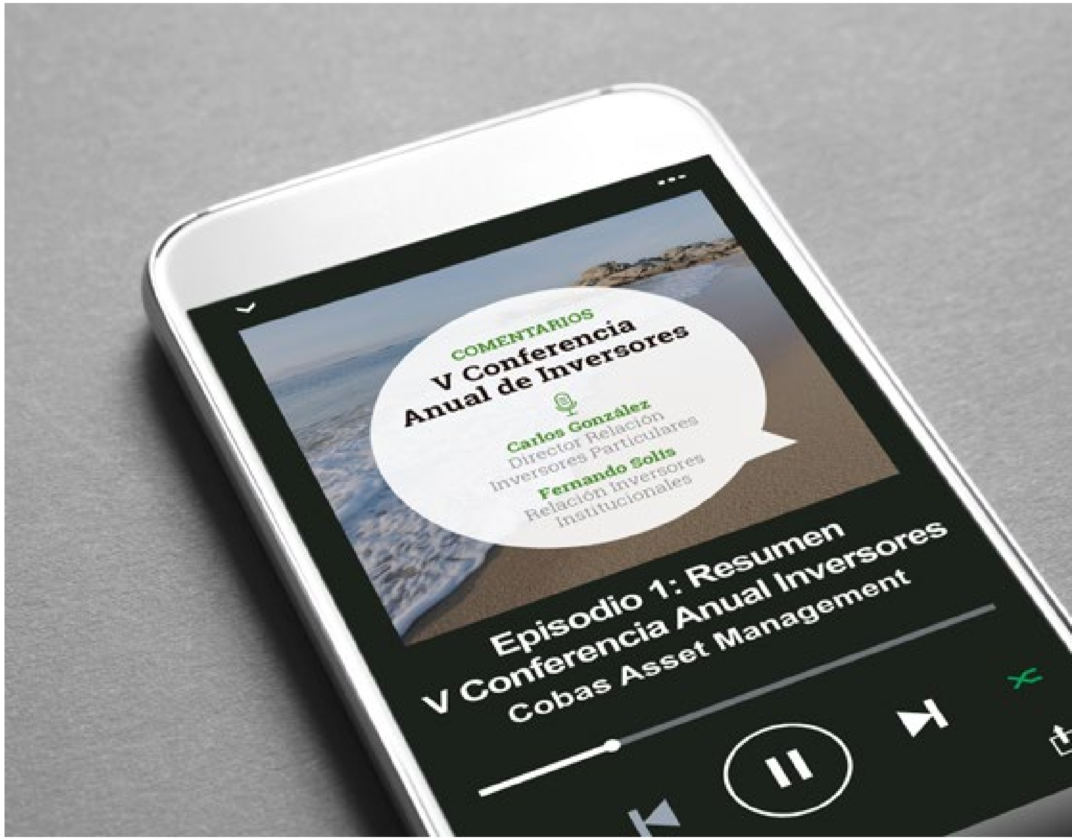
During this quarter, **José Belascoáin, Luis Silva and Verónica Llera from the Cobas AM Investor Relations Team**,

Carlos González, Head of Retail Investor Relations and Francisco Burgos, Head of Institutional Business, participated in the radio program **Tu Dinero Nunca Duerme**, the first financial culture program on the Spanish general radio station **esRadio** in collaboration with **Value School**.

Jose Belascoáin, spoke about the market niches where to find investment opportunities and how to analyse them, in the edition of the programme that took place on 18 April. The audio of the podcast is available here.

For his part, **Carlos González** analysed two of the most dangerous biases for investors: the confidence bias and the anchoring bias, in the edition of the programme that took place on 25 May. The audio of the podcast is available here.

Luis Silva talked about pension plans and other products that can be used to save for retirement, in the edition of the programme that took place on 30 May. The audio of the podcast is available here



Listening to the first episode of the Cobas AM "Invirtiendo a Largo Plazo" podcast. Photo: **Shutterstock.**

Verónica Llera explained to listeners the investment in commodities and the current situation of this sector in the markets, in the edition of the programme that took place on 20 June. The audio of the podcast is available here.

Francisco Burgos discussed the characteristics of investing in Luxembourg, in the edition of the programme that took place on 4 July. The audio of the podcast is available here.

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 decision making.

The following videos have been published this quarter:

How to deal with the herd effect when investing in the stock market? Watch video

How to avoid hyperbolic discounting? Watch video

Other initiatives of

SANTA COMBA

Gestion Group

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.

Investing with John Neff

New title in our collection of modern investment classics. **John Neff** beat the market twenty-two times, at every conceivable market juncture, while multiplying the value of the initial holding by 57 times. See book file

The investor's library

The June issue of **Value School**'s book magazine is now available. Javier Ruiz, Partner and Chief Investment Officer at Horos AM, offers us an excellent selection of his favourite books. Go to the investor library

Alice returns to Wall Street

We bring back a coveted classic of value investing. The famous book by the investor **Luis Allué**, in a digital edition, revised and greatly expanded. All the keys to invest successfully and be happy. A book that young and old will love. You will love it. Read it. Give it as a gift. See book file

The moral question of fossil fuels

In this new essay in the collection, we edit with the **Juan de Mariana Institute, Alex Epstein** refutes all the myths surrounding fossil fuels. Drawing on the latest research, he argues that fossil fuels must be used and defended as a fundamental resource for transforming and improving our lives. See book file

El Foco. The Value School program on Negocios TV

"**El Foco**" is your weekly appointment with the principles of conscious investment. Recently, **Daniel Tello** and **Gabriel Castro** explained the keys to their work in the programme dedicated to "**Small caps e inversión en crédito**". You will find all the programmes broadcast to date in the "**El Foco**" playlist on [Value School´s YouTube Channel](#).

Cover of the programme El foco. Photo: **NegociosTV**

Global Social Impact Investments (GSI)

Has submitted for CNMV approval **Global Social Impact II**, its second Impact Investment Fund with a target return of 10% per annum and a direct and measurable contribution to the economic and social integration of vulnerable groups (as defined in the Fund's theory of change), particularly in the post Covid-19 context.

The fund aims to invest €40MM between 10 and 15 business models in Spain with high social impact, which have a theory of change developed hand in hand with the **Open Value Foundation,** and **GSI**. The Fund's success criteria are directly linked to both financial performance and social impact and will be reported at least semi-annually.

Open Value Foundation

During the second quarter of 2021, the **Open Value Foundation** has continued its work, developing multiple initiatives, and activities, including:

- From the projects area, they continue to open opportunities so that all people can develop their full potential. The latest milestone has been the granting of a loan of 30,000 euros to the social enterprise **RobinGood**, which trains people at risk of social exclusion to make artisan food products.

-From the training area:

- Impact investment training was provided to **Repsol** and its foundation with more than 40 participants.
- The **Acumen Fellows** program continues with the second cohort of 25 members, who have had the opportunity to meet face-to-face in June.
- The second edition of the Impact Foundations Fund

program brought together 11 foundations to learn about impact investing, and venture philanthropy.

From the communications area, they continue to organise regular inspirational meetings and participate in key events of the impact ecosystem in Spain, such as the annual event of SpainNAB, the National Advisory Board for Impact Investing.

In addition, the publication of four reports on impact investment and social entrepreneurship has been promoted and are available on the foundation's web:

- Impact Investment: Capitalism and Sustainability with the PWC Spain Foundation.
- Alternatives to state social policy together with the Juan de Mariana Institute
- Financing needs of social enterprises in Spain together with the Esade Center for Social Impact
- Impact investment in Spain: Capital supply, segmentation, and characteristics together with SpainNAB and ESADE Entrepreneurship Institute.

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ANNEXES

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Luxembourg Funds

Fund	NAV	Target Value	Upside potential	Q2 Performance Fund	Q2 Performance Benchmark	Performance YTD Fund	Performance YTD Benchmark	Perf. since inception Fund	Perf. since inception Benchmark	PER	ROCE	VaR	AUM mn€	Equity exposure
International EUR	78.0 €	174 €	123%	9.0%	6.5%	30.9%	15.4%	-22.1%	26.1%	7.1x	28%	20%	21.1	98%
International USD	$96.6	$216	123%	9.3%	6.5%	31.5%	15.4%	-14.5%	26.7%	7.1x	28%	20%	0.9	98%
Selection EUR	16.607.0 €	37.065 €	123%	8.1%	6.5%	29.6%	15.4%	-15.2%	38.6%	7.0x	28%	20%	62.2	97%
Selection USD	$29.492.5	$65.823	123%	8.4%	6.5%	30.3%	15.4%	-6.0%	38.6%	7.0x	28%	20%	10.9	97%
Iberian EUR	103.2 €	215 €	109%	1.6%	4.2%	20.3%	9.9%	3.2%	4.2%	7.2x	31%	15%	5.7	98%
Large Cap EUR	110.8 €	235 €	112%	8.7%	6.8%	27.0%	16.6%	10.8%	32.5%	7.2x	32%	21%	7.4	98%

Data as of 06/30//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.** 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:Maximun 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.

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Spanish Funds

Fund	NAV	Target Value	Upside Potential	Q2 Performance Fund	Q2 Performance Benchmark	Performance YTD Fund	Performance YTD Benchmark	Perf. since inception Fund	Perf. since inception Benchmark	PER	ROCE	VaR	AUM Mn€	Equity exposure
Selección FI Class C	86.9 €	195 €	125%	8.1%	6.5%	29.4%	15.4%	-13.1%	48.1%	7.0x	29%	20%	692.5	98%
Selección FI Class D	128.5 €	289 €	125%	8.0%	6.5%	28.5%	15.4%	28.5%	15.4%	7.0x	29%	20%	4.9	98%
Internacional FI Class C	83.3 €	186 €	124%	9.2%	6.5%	31.1%	15.4%	-16.7%	33.2%	7.6x	28%	20%	456.2	98%
Internacional FI Class D	130.0 €	291 €	124%	9.1%	6.5%	30.0%	15.4%	30.0%	15.4%	7.6x	28%	20%	5.6	98%
Iberia FI Class C	95.0 €	198€	109%	1.5%	4.2%	20.1%	9.5%	-5.0%	11.4%	7.2x	31%	15%	38.7	98%
Iberia FI Class D	113.4 €	237 €	109%	1.4%	4.2%	13.4%	4.8%	13.4%	4.8%	7.2x	31%	15%	0.5	98%
Grandes Compañías FI Class C	85.1 €	180 €	112%	8.9%	6.8%	27.4%	16.6%	-14.9%	57.2%	7.1x	32%	21%	19.3	98%
Grandes Compañías FI Class D	118.7 €	251 €	112%	10.0%	6.8%	18.7%	16.6%	18.7%	16.6%	7.1x	32%	21%	0.1	98%
Renta FI	98.2 €			1.7%	-0.1%	7.1%	-0.2%	-1.8%	-1.8%				11.5	15%

Pension Funds

Fund	NAV	Target Value	Upside Potential	Q1 Performance Fund	Q1 Performance Benchmark	Performance YTD Fund	Performance YTD Benchmark	Perf. since inception Fund	Perf. since inception Benchmark	PER	ROCE	VaR	AUM Mn€	Equity exposure
Global PP	80.9 €	181 €	124%	8.2%	6.5%	29.6%	15.4%	-19.1%	28.9%	7.0x	28%	20%	62.2	98%
Mixto Global PP	86.4 €	167 €	94%	6.1%	3.2%	22.4%	7.4%	-13.6%	14.3%	7.0x	21%	15%	4.5	74%

06/30//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.** 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: Maximun 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.

cobas

asset management

Radiography of our funds

Cobas Internacional FI
Class C - ES0119199000
Class D - ES0119199018

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	8.6%	6.6%
CIR	6.3%	6.5%
Marie Tecnimont	5.7%	5.3%
Dixons Carphone	5.4%	6.2%
Aryzta	5.3%	5.9%
Babcock	4.4%	3.3%
Teekay LNG	4.3%	4.7%
Danieli	4.0%	3.9%
Kosmos Energy	3.9%	3.3%
Wilhelmsen	3.7%	3.8%

Geographical breakdown (Current Quarter Weight %)

USA	32.5%
Eurozone	30.9%
Rest of Europe	27.9%
Asia	7.7%

Currency breakdown (% Gross)

US Dollar	32.5%
Euro	30.9%
Pound Sterling	15.4%
South Korean Won	5.4%
Norwegian Krone	5.3%
Swiss Franc	5.3%
Yen	2.2%
Swedish Krona	2.2%
Other	1.1%

(*) EUR/ USD 65% hedged

Performance contributors (Contribution to return %)

Contributors	
Golar LNG	2.1%
Maire Tecnimont	1.5%
Aryzta	1.2%
Babcock	0.9%
International Petroleum	0.7%

Detractors	
Teva Pharmaceutical	-0.2%
Renault	-0.2%
Cairn Energy	-0.3%
CGG SA	-0.4%
Dixons Carphone	-0.6%

In & out of the portfolio

In the portfolio: BW Energy, Caltagirone, CK Hutchison, Inpex Corp., Okamoto, Panoro

Out of the portfolio: GS Home Shopping, Israel Chemicals, Matas, Saipem, Hoegh LNG

Cobas Iberia FI
Class C - ES0119184002
Class D - ES0119184010

Top 10

Company	Current quarter weight	Previous quarter weight
Vocento	9.0%	8.9%
Semapa	8.3%	9.0%
Técnicas Reunidas	8.2%	8.6%
Atalaya Mining	8.1%	8.3%
Elecnor	5.1%	4.5%
Miquel y Costas	4.9%	4.5%
Indra	3.9%	2.8%
Metrovacesa	3.9%	4.6%
Ibersol	3.4%	3.0%
Sonae	3.3%	3.6%

Geographical breakdown (Current Quarter Weight %)

Spain	68.5%
Portugal	23.4%
Other	8.1%

Currency breakdown (% Gross)

Euro	91.9%
Sterling Pound	8.1%

Performance contributors (Contribution to return %)

Contributors	
CTT Correios de Portugal	1.4%
Ibersol	0.3%
Miquel y Costas	0.3%
Sonae	0.3%
Inmobilaria del Sur	0.3%

Detractors	
Atalaya Mining	-0.2%
Galp Energia	-0.2%
Metrovacesa	-0.2%
Tubacex	-0.5%
Técnicas Reunidas	-1.3%

In & out of the portfolio

In the portfolio: Prisa

Out of the portfolio: Almirall, Quabit (Neinor)

Cobas Grandes Compañías FI
Class C - ES0113728002
Class D - ES0113728010

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	7.6%	6.3%
Dassault Aviation	6.1%	6.2%
Energy Transfer	4.6%	3.9%
Inpex Corp.	4.5%	3.8%
Samsung C&T	4.1%	4.2%
Renault	3.9%	3.8%
Viatris	3.7%	5.1%
Bolloré	3.7%	3.3%
CK Hutchison	3.1%	2.8%
Aryzta	3.0%	4.1%

Geographical breakdown (Current Quarter Weight %)

Eurozone	36.7%
USA	29.4%
Rest of Europe	26.1%
Asia	7.1%

Currency breakdown (% Gross)

US Dollar	36.3%
Euro	33.6%
South Korean Won	9.4%
Pound Sterling	8.9%
Yen	4.5%
Hong Kong Dollar	4.3%
Swiss Franc	3.0%

(*) EUR/ USD 64% hedged

Performance contributors (Contribution to return %)

Contributors	
Energy Transfer LP	1.5%
Golar LNG	1.5%
Aryzta	0.8%
Maire Tecnimont	0.6%
Fresenius	0.5%

Detractors	
Catcher Technology	-0.1%
Galp Energia	-0.1%
Dixons Carphone	-0.4%
Renault	-0.4%
Teva Pharmaceutical	-0.5%

In & out of the portfolio

In the portfolio: Galp Energia, Organon, Qurate Retail

Out of the portfolio: Israel Chemicals, Catcher Technology, Technip FMC, Exor

Cobas Selección FI
Class C - ES0124037005
Class D - ES0124037013

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	7.8%	5.9%
CIR	5.7%	5.8%
Marie Tecnimont	5.1%	4.7%
Dixons Carphone	4.9%	5.6%
Aryzta	4.7%	3.0%
Babcock	4.0%	3.0%
Teekay LNG	3.9%	4.2%
Danieli	3.6%	3.0%
Kosmos Energy	3.5%	3.0%
Wilhelmsen	3.4%	3.5%

Geographical breakdown (Current Quarter Weight %)

Eurozone	36.7%
USA	29.4%
Rest of Europe	26.1%
Asia	7.8%

Currency breakdown (% Gross)

Euro	36.7%
US Dollar	29.4%
Pound Sterling	14.8%
South Korean Won	4.9%
Norwegian Krone	4.8%
Swiss Franc	4.7%
Yen	2.0%
Swedish Krona	1.8%
Hong Kong Dollar	1.0%

(*) EUR/ USD 68% hedged

Performance contributors (Contribution to return %)

Contributors	
Golar LNG	1.9%
Maire Tecnimont	1.3%
Aryzta	1.0%
Babcock	0.8%
International Petroleum	0.6%

Detractors	
Renault	-0.2%
Técnicas Reunidas	-0.2%
Cairn Energy	-0.3%
CGG SA	-0.4%
Dixons Carphone	-0.5%

In & out of the portfolio

In the portfolio: BW Energy, Panoro, Caltagirone, CK Hutchison, Inpex Corp., Miquel y Costas, Okamoto

Out of the portfolio: GS Home Shopping, Israel Chemicals, Matas, Saipem, Hoegh LNG

Cobas Renta FI
ES0119207001

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	3.4%	1.8%
Teekay Corp.	1.9%	1.7%
Babcock	1.2%	0.7%
Maire Tecnimont	1.2%	1.0%
CIR	1.1%	1.0%
Vocento	1.1%	1.0%
Dixons Carphone	1.0%	0.9%
Atalaya Mining	1.0%	0.9%
Técnicas Reunidas	0.9%	1.1%
Teekay LNG	0.8%	0.8%

Geographical breakdown (Current Quarter Weight %)

Eurozone	83.0%
USA	11.5%
Rest of Europe	5.4%

Currency breakdown (% Gross)

Euro	83.0%
US Dollar	11.5%
Pound Sterling	3.3%
Norwegian Krone	2.2%

(*) EUR/ USD 65% hedged

Cobas LUX SICAV Cobas Selection Fund
LU1372006947 EUR
LU1372007168 USD

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	7.7%	5.9%
CIR	5.6%	5.8%
Maire Tecnimont	5.1%	4.7%
Dixons Carphone	4.8%	5.5%
Aryzta	4.7%	5.2%
Babcock	3.9%	2.9%
Teekay LNG	3.9%	4.2%
Danieli	3.5%	3.5%
Kosmos Energy	3.5%	3.0%
Wilhelmsen	3z3%	3.4%

Geographical breakdown (Current Quarter Weight %)

Eurozone	37.6%
USA	28.8%
Rest of Europe	25.8%
Asia	7.8%

Currency breakdown (% Gross)

Euro	37.6%
US Dollar	28.8%
Pound Sterling	14.6%
South Korean Krone	4.8%
Norwegian Krone	4.7%
Swiss Franc	4.7%
Yen	2.0%
Swedish Krona	1.8%
Hong Kong Dollar	0.9%

(*) EUR/ USD 67% hedged

Performance contributors (Contribution to return %)

Contributors	
Golar LNG	1.9%
Aryzta	1.0%
Babcock	0.8%
Marie Tecnimont	0.7%
International Petroleum	0.6%

Detractors	
Renault	-0.2%
Técnicas Reunidas	-0.2%
Cairn Energy	-0.3%
CGG SA	-0.4%
Dixons Carphone	-0.5%

In & out of the portfolio

In the portfolio: BW Energy, Panoro, Caltagirone, CK Hutchison, Inpex Corp., Miquel y Costas, Okamoto

Out of the portfolio: GS Home Shopping, Israel Chemicals, Matas, Saipem, Hoegh LNG

Cobas LUX SICAV Cobas International Fund
LU1598719752 EUR
LU1598719919 USD

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	8.6%	6.6%
CIR	6.3%	6.5%
Marie Tecnimont	5.7%	5.3%
Dixons Carphone	5.4%	6.2%
Aryzta	5.2%	5.8%
Babcock	4.3%	3.3%
Teekay LNG	4.3%	4.7%
Danieli	3.9%	3.9%
Kosmos Energy	3.9%	3.3%
Wilhemsen	3.7%	3.8%

Geographical breakdown (Current Quarter Weight %)

USA	32.1%
Eurozone	31.5%
Rest of Europe	27.7%
Asia	8.7%

Currency breakdown (% Gross)

US Dollar	32.1%
Euro	31.5%
Pound Sterlig	15.2%
South Korean Won	5.4%
Norwegian Krone	5.2%
Swiss Franc	5.2%
Yen	2.2%
Swedish Krona	2.0%
Hong Kong Dollar	1.1%

(*) EUR/ USD 66% hedged

Performance contributors (Contribution to return %)

Contributors	
Golar LNG	2.1%
Aryzta	1.2%
Marie Tecnimont	1.0%
Babcock	0.9%
International Petroleum	0.7%

Detractors	
Teva Pharmaceutical	-0.2%
Renault	-0.2%
Cairm Energy	-0.3%
CGG SA	-0.5%
Dixons Carphone	-0.6%

In & out of the portfolio

In the portfolio: BW Energy, Caltagirone, CK Hutchison, Inpex Corp., Okamoto, Panoro

Out of the portfolio: GS Home Shopping, Israel Chemicals, Matas, Saipem, Hoegh LNG

Cobas LUX SICAV Cobas Iberian Fund
LU1598721493 EUR

Top 10

Company	Current quarter weight	Previous quarter weight
Vocento	9.0%	8.9%
Semapa	8.3%	9.0%
Técnicas Reunidas	8.2%	8.6%
Atalaya Mining	8.1%	8.3%
Elecnor	5.2%	4.5%
Miquel y Costas	4.9%	4.5%
Indra	3.9%	2.9%
Metrovacesa	3.9%	4.6%
Ibersol	3.4%	3.0%
Sonae	3.3%	3.5%

Geographical breakdown (Current Quarter Weight %)

Spain	68.4%
Portugal	23.5%
Other	8.1%

Currency breakdown (% Gross)

Euro	91.9%
Pound Sterling	8.1%

Performance contributors (Contribution to return %)

Contributors	
CTT Correireos de Portugal	1.4%
Miquel y Costas	0.3%
Ibersol	0.3%
Sonae	0.3%
Inmobiliaria del Sur	0.3%

Detractors	
Atalaya Mining	-0.2%
Galp Energía	-0.2%
Metrovacesa	-0.2%
Tubacex	-0.5%
Técnicas Reunidas	-1.4%

In & out of the portfolio

In the portfolio: Prisa

Out of the portfolio: Almirall, Quabit

Cobas LUX SICAV Cobas Large Cap
LU1598720172 EUR

Top 10

Company	Current quarter weight	Previous quarter weight
Golar LNG	7.6%	6.3%
Dassault Aviation	6.2%	6.2%
Energy Transfer	4.6%	3.9%
Inpex Corp.	4.6%	3.8%
Samsung C&T	4.1%	4.2%
Renault	4.0%	3.8%
Viatris	3.7%	5.1%
Bolloré	3.7%	3.3%
CH Hutchison	3.1%	2.8%
Aryzta	3.0%	4.1%

Geographical breakdown (Current Quarter Weight %)

USA	36.0%
Eurozone	33.7%
Asia	18.4%
Rest of Europe	11.9%

Currency breakdown (% Gross)

US Dollar	36.0%
Euro	33.7%
South Korean Won	9.5%
Pound Sterling	8.9%
Yen	4.6%
Hong Kong Dollar	4.3%
Swiss Franc	3.0%

(*) EUR/ USD 65% hedged

Performance contributors (Contribution to return %)

Contributors	
Golar LNG	1.8%
Energy Transfer LP	1.5%
Aryzta	0.9%
Marie Tecnimont	0.6%
Fresenius	0.5%

Detractors	
Catcher Technology	-0.1%
Galp Energía	-0.1%
Renault	-0.3%
Dixons Carphone	-0.4%
Teva Pharmaceutical	-0.5%

In & out of the portfolio

In the portfolio: Galp Energia, Organon, Qurate Retail

Out of the portfolio: Israel Chemicals, Catcher Technology, Technip FMC, Exor

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, IT0005241762 and IT0000070786 - Wilhelmsen: NO0010571698 and NO0010576010 Information broken down by ISIN code is available in the report available on the CNMV wbesite.

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c o b a s

asset management

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