

Cobas Asset Management Newsletter

- January 2018 -

Dear investor,

Our January newsletter looks at what is currently going on at Cobas AM and provides information on our funds that may be of interest.

The following topics can be viewed below:



[Statement of position](#)



[Returns and ratios](#)



[Top 5 companies](#)



[Company of the Month](#)



[Cobas AM in the
press](#)



[Blog](#)

Statements of position

Your statement of position for December is now available. You can access and download it from the investor portal. If you have requested a copy by post, you'll receive it in the next few days.

Returns and ratios

Details of the returns, P/E ratios and potential upside for each of Cobas Asset Management's funds are provided in the next section.

Funds and Benchmark Indexes

Funds and Benchmark Indexes	% Return 01/12-31/12	% Return since fund inception	P/E ratio	Upside potential
Cobas Selección (start 31/12/16)	5,39%	10,26%	9x	82%
MSCI Europe Total Net Return	0,79%	10,24%		
Cobas Internacional (start 03/03/17)	5,74%	5,75%	9x	86%
MSCI Europe Total Net Return	0,79%	6,47%		
Cobas Iberia (start 03/03/17)	1,76%	10,19%	11x	39%
75% IGBM & 25% PSI	-0,83%	2,65%		
Cobas Grandes Cías (start 03/03/17)	5,76%	5,81%	8x	60%
MSCI World Net Return	0,64%	2,49%		
Cobas Renta (start 03/03/17)	1,23%	0,57%		

Pension plans and Benchmark Index

	% Return 01/12- 31/12	% Return since plan inception
Cobas Global (start 23/07/17)	5,17%	1,32%
MSCI Europe Total Net Return	0,79%	3,08%
Cobas Mixto Global (start 25/07/17)	3,89%	1,75%

Top 5 companies in our funds

The following tables show the return obtained over December and since the inception of the funds for each of the top five companies in our funds:

Cobas Selección FI

Company and weight in portfolio as of 30/09	Return (%) in December	% Return since fund inception
Aryzta (8.5%)	17,5%	-13,8%
Israel Chemicals (6.2%)	-1,7%	-1,7%
Teekay Corporation (5.4%)	11,9%	16,1%
Teekay LNG (5.2%)	11,6%	39,4%
Dixons Carphone (3.7%)	25,2%	-43,9%

Cobas Internacional FI

Company and weight in portfolio as of 30/09	Return (%) in December	% Return since fund inception
Aryzta (9.4%)	17,5%	20,3%
Israel Chemicals (6.8%)	-1,7%	-6,9%
Teekay Corporation (5.3%)	11,9%	6,2%
Teekay LNG (4.9%)	11,6%	23,2%
Dixons Carphone (4.2%)	25,2%	-34,6%

Cobas Iberia FI

Company and weight in portfolio as of 30/09	Return (%) in December	% Return since fund inception
Elecnor (9.1%)	-3,8%	42,6%
Técnicas Reunidas (8.4%)	3,3%	-28,8%
Telefónica (6.1%)	-5,6%	-22,5%
Vocento (5.5%)	4,8%	7,7%
Galp Energía (4.4%)	-3,3%	8,3%

Cobas Grandes Compañías FI

Company and weight in portfolio as of 30/09	Return (%) in December	% Return since fund inception
Aryzta (9.4%)	17,5%	20,2%
Israel Chemicals (7.3%)	-1,7%	-5,2%
Samsung Elect Pref (5.9%)	-0,3%	30,4%
Babcock (5.0%)	1,2%	-20,0%
Teekay Corp (4.9%)	11,9%	1,9%

Cobas Renta FI

Company and weight in portfolio as of 30/09	Return (%) in December	% Return since fund inception
Teekay LNG (1.9%)	11,6%	14,8%
Teekay Corporation (1.5%)	11,9%	1,9%
Aryzta (1.4%)	17,5%	20,2%
Israel Chemicals (1.3%)	-1,7%	-5,2%
Dixons Carphone (0.6%)	25,2%	-37,3%

Company of the Month: International Seaways



This month we want to take an in-depth look at the North American company International Seaways, one of the largest oil companies in the world, which provides transport services for crude oil and refined petroleum

products in international markets.

Cobas AM has recently shown its strong confidence in the company by increasing its participation to 10.30%. There are several main reasons why we find the company appealing.

In general terms, share prices of oil companies have been under pressure in recent years, mainly due to the drop in oil prices and the high volume of new vessel deliveries, which has had a negative impact on company ratios. In addition, some of these have been forced to stop paying dividends, resulting in sharp drops in their market prices.

International Seaways' trading price is among the lowest in the industry, mostly due to the spin-off of the company in 2016. Our opinion is that the flat trend of its trading price in the New York stock exchange over the last year does not correspond to the company's high upside potential.

The following graph shows the evolution of the trading price in the NYSE index from the end of 2016 to the beginning of 2018.



Source: International Seaways

Other characteristics that make it very attractive are its low degree of leverage and good corporate governance policy. We should also highlight the various partnerships it has with Euronav, the large Belgian oil company and Qatar, at 50% each, under very stable long-term contracts that ensure high stability in the future.

Thus, there are many reasons why we think that International Seaways is a good investment opportunity; we expect the crude oil and refined petroleum product cycle to return to normal levels in coming years, given scrapping of old ships, the absence of large new orders and the continuous increase in demand for crude, among other factors.

Cobas Asset Management in the press

Value Investor Insight: Analysis of the main Cobas AM investments

The prestigious Value Investor Insight magazine has performed an analysis of the companies that the asset management company invests in. Among the most prominent industries are maritime transport, automobile manufacturing, fertilisers and baking products.

Cobas AM launches Cobas Concentrados FIL, a hedge fund with the best ideas for investment

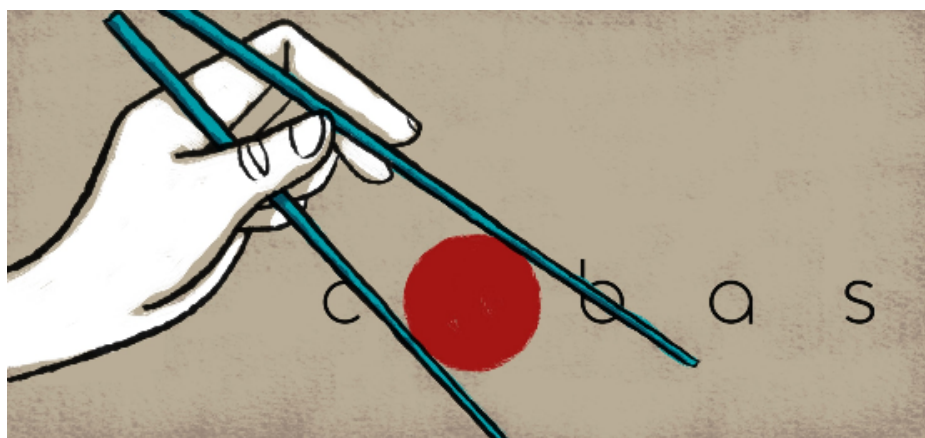
Cobas AM has launched a new hedge fund called Cobas Concentrados, reflecting its ability to manage a portfolio that concentrates on only a few stocks, capable of dedicating up to 20% of the portfolio to a single stock.

Blog

Post from Japan: Why we invest in Asia

In this post, Mingkun Chan explains why Cobas Asset Management invests in Asia, and what benefits it gives us to have a personal presence in that continent to thoroughly analyse their markets. To access it, please click on the link below:

<https://www.cobasam.com/en/post-from-japan-why-we-invest-in-asia/>



A Christmas present that goes on giving

Miguel Portilla, head of communications at Cobas AM, speaks about the decision he made some time ago to invest in long-term "value" for his daughters and how they didn't understand it at the beginning but are now thankful and involved in the savings concept. To access it, please click on the link below:



"We do not measure risk according to volatility, but according to the real possibility of losing money"

– Francisco García Paramés –

We're here to answer any questions you may have. Just call 900151530 or email info@cobasam.com.

Best regards,

Cobas Asset Management Investor Relations Team

