cobas

asset management

Cobas Asset Management Newsletter

- July 2017 -

Dear investor,

We have designed this monthly newsletter to keep you up-to-date with all aspects of Cobas Asset Management. We hope you find it interesting.

Our second newsletter, for the month of July, looks at what is currently going on at Cobas AM and provides information on our funds that may be of interest.

However, we will not take an in-depth look at the portfolio as, in a few weeks' time, we will be publishing our second-quarter 2017 report, which will provide more detailed information on our funds.

The following topics can be viewed below:

I Annual Investor Conference

Returns and ratios

TEEKAY LNG PARTNERS L.P.

Company of the Month

Cobas AM in the press

Suggested reading

I Cobas Asset Management Annual Investor Conference

Our First Annual Investor Conference took place in Madrid, on 27 June, and in Barcelona, on 4 July.

At the Conference, Francisco García Paramés outlined his investment strategy, reported on Cobas AM's present position and presented investment case studies on Aryzta and Teekay LNG, two companies currently included in our portfolio.

You can see the video (in Spanish and soon in English) of the First Annual Investor Conference on our recently created **YouTube channel**, https://www.youtube.com/channel/UCPwyzB-6OSx5IDN7MhM-zMw/featured.

We hope this will encourage you to subscribe to the channel and get access to all the videos we publish.

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.

Spanish Funds

	Return (%) in June	YTD return (%)	P/E ratio	Upside potential
Cobas Selección	0.2%	2.4%	9x	70%
Cobas Internacional	-0.2%	-2.0% (*)	9x	70%
Cobas Iberia	0.2%	9.6% (*)	11x	32%
Cobas Grandes Compañías	-0.5%	-3.5% (*)	9x	62%
Cobas Renta	0.0%	-0.6% (*)		

Figures at 30/06/2017
(*) Since launching date: Cobas Internacional (15/3/17) and Cobas Iberia, Cobas Grandes Compañías & Cobas Renta (1/1/17)

Cobas LUX SICAV Funds

	Return (%) in June	YTD return (%)	P/E ratio	Upside potential
Cobas Global Fund EUR	0.1%	2.2%	9x	70%
Cobas Global Fund USD	0.3%	3.0%	9x	70%
Cobas International Fund EUR	-1.1%	-1.1% (*)	9x	70%
Cobas International Fund USD	-1.2%	-1.2% (*)	9x	70%

Figures at 30/06/2017
(*) Since launching date: 1/6/17

Indexes

	Return (%) in June	YTD return (%)
MSCI Europe Total Net Return	-2.5%	6.7%
MSCI World Net Return	-1.0%	2.3%
IGBM & PSI	-2.6%	12.9%

Figures at 30/06/2017

Company of the Month: TEEKAY LNG

TEEKAY LNG PARTNERS L.P.

Teekay LNG, a subsidiary of Teekay Corporation, is the world's major independent owner and operator of LNG (liquefied natural gas) carriers. Its assets, a fleet of sixty ships, have a useful life of 35 years and it has signed guaranteed charter agreements for an average of 13 years.

Use the following link to see Francisco García Paramés's Teekay LNG investment case study from the First Annual Investor Conference. You can watch the video (in Spanish and soon in English) at: https://www.youtube.com/watch?v=xzx0FV86Czg&feature=youtu.be.

Cobas Asset Management in the press

Cobas Iberia beats the whole of the Spanish industry in its first three months

Cobas Iberia, Paramés's flagship Spanish stock market product, has posted a cumulative return of around 10% since its launch on 3 April: the best of all the funds in its category available in Spain.

From Telefónica to Repsol: Paramés's shopping list in the Spanish market

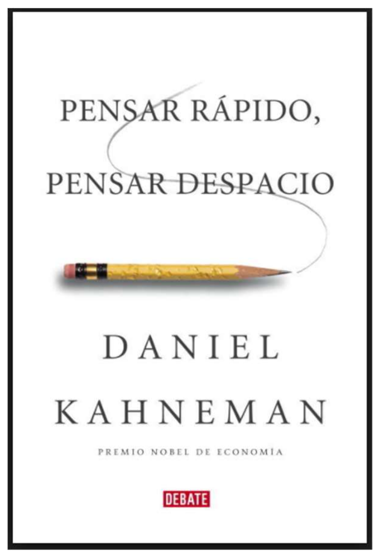
Looks at Cobas Asset Management's portfolio, where companies like Elecnor, Técnicas Reunidas and Vocento stand out. Highlights some of Paramés's comments during the Conference, such as "Europe is expensive" and "in the US it is dangerous to invest in dollars".

Paramés: "For the first time in 20 years we are hedging ourselves against a possible fall in the dollar"

Story related to the reasons for Paramés's currency hedge: based on the dollar being at a 13-year high, uncertainty about its future movements and the current low cost of hedging.

Suggested reading

Finally, we would like to recommend a couple of books that we think make good reading: **"Antifragile"** by Nassim Nicholas Taleb and **"Thinking, Fast and Slow"** by Daniel Kahneman.



"Our work is part of our lives. We enjoy it. Asset management isn't just a job, but a permanent challenge that requires many hours of reading and constant attention to all the factors that could affect a company's valuation".

- Francisco García Paramés –

We're here to answer any questions you may have. Just call +34 91 755 68 00 or email international@cobasam.com.

Best regards

Cobas Asset Management Investor Relations Team