

Cobas Asset Management Newsletter

- November 2018 -

Dear investor,

Our November Newsletter recaps recent news and developments at Cobas AM, with key figures regarding our funds, details on the characteristics of our portfolios and other matters of interest.

As the end of the year approaches, we would also like to remind you of the operating procedure for the pension plans and the deadlines for processing contributions in fiscal year 2018, which will depend on your chosen method:

- **Cheque contribution:** must reach Cobas Asset Management by Friday, 21 December 2018.
- **Standard transfer contribution:** must be made by 2 p.m. on Thursday, 27 December 2018.

The following topics can be viewed below:



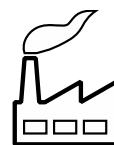
[Statements of position](#)



[3Q Commentary](#)



[Our product range](#)



[Contribution to funds](#)



[Geographical and sector distribution](#)



[Seville Event and Value School](#)



[Blog](#)



[Investor Q&A](#)



[Cobas AM on social media](#)

[Statements of position](#)

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

Third quarter commentary

The following section entails commentary on the 2018 third quarter report where we recap the main characteristics of the portfolio. Click on the image below to access:



Our product range

Ratios and returns

This section contains the returns, P/E ratios and upside for all Cobas Asset Management investment funds and pension plans

Fund/Plan	NAV 31/10/18	Upside	PER	Performance in October		Upside in October		Upside from the beginning (1)	
				Cobas	Benchmark (2)	Cobas	Benchmark (2)	Cobas	Benchmark (2)
Cobas Selección FI	93.53 €	100%	7.6x	-6.27%	-5.31%	-15.01%	-4.51%	-6.47%	5.27%
Cobas Internacional FI	88.87 €	103%	7.6x	-6.32%	-5.31%	-15.96%	-4.51%	-11.13%	1.66%
Cobas Iberia FI	99.91 €	76%	8.6x	-7.41%	-5.25%	-9.33%	-7.35%	-0.09%	-4.95%
Cobas Grandes Compañías FI	89.63 €	94%	7.5x	-6.72%	-5.02%	-15.29%	3.53%	-10.37%	6.11%
Cobas Renta FI	95.95 €			-1.00%		-4.60%		-4.05%	
Cobas Global PP	86.26 €			-6.14%	-5.31%	-14.85%	-4.51%	-13.74%	-1.58%
Cobas Mixto Global PP	89.40 €			-4.77%		-12.10%		-10.60%	
Cobas Concentrados FIL	76.38 €			-4.29%	-5.31%	-23.62%	-4.51%	-23.62%	-4.51%
(1) Start of the funds	Cobas Selección FI: 31-dic-16 Cobas Internacional FI: 15-mar-17 Cobas Iberia FI, Cobas Grandes Compañías FI and Cobas Renta FI: 3-abr-17 Cobas Global PP: 23-jul-17 Cobas Mixto Global PP: 25-jul-17								
(2) Benchmark	MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI, Cobas Concentrados FIL and Cobas Global PP MSCI World Net EUR for Cobas Grandes Compañías FI IGBM Total and PSI 20 Total Return (75%-25% until the 31/12/17; 80%-20% from 01/01/18) for Cobas Iberia FI								

Fund factsheets

The monthly factsheets for all Cobas Asset Management investment funds in October are given below. To access them, click on the following links:

Cobas Selección FI

Cobas Internacional FI

Cobas Iberia FI

Cobas Grandes Compañías FI

Cobas Renta FI

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asset management

Cobas Selección FI

Octubre 2018

INFORMACIÓN GENERAL

Gestora del fondo:
Cobas AM
Depositaria:
Banco Inversis SA
Estructura legal:
UCIV
País de registro:
España
Fecha de creación: 14/09/2016
Carrer de años (mes): Diciembre
Hora de corte: 14:00 Hora Española
Valoración VL: Diario
Comisión gestión: 1,33%
Otros Gastos Corrientes: 0,04%
ISIN: ES024401006
Bloomberg: CSBSEFI

DATOS TÉCNICOS

VL: 0,653
Tamaño (mill. €): EUR 955.74
Rest. 1 mes: -3,30%
Rest. año: -35,02%
Número de posiciones: 65
*) Datos cuatrimestrales a septiembre 2018

INDICADOR RIESGO

1 | 2 | 3 | 4 | 5 | 6 | 7

5 POSICIONES PRINCIP.

Aryzta AG 5,80%
Teekay LNG Partners LP 4,95%
Teekay Corp. 4,82%
International Seaways Inc 3,91%
Hubstock International Group 3,67%
Datos a septiembre 2018

DIST. GEOGRÁFICA

Europa 30,28%
Otros Europa 24,30%
EEUU 23,92%
Asia 15,44%
Líquidos 5,49%
Otros 3,57%
Datos a septiembre 2018

OBJETIVO INVERSIÓN

El fondo busca preservar y generar crecimiento sobre el capital invertido con una visión de largo plazo.

ESTRATEGIA DE INVERSIÓN

El objetivo del equipo de inversión es encontrar una cartera "long only" diversificada, un apalancamiento fuertemente limitado y una oportunidad de inversión con un ratio de rentabilidad/riesgo atractivo.

La filosofía de inversión se basa en las juicios del valor (inversión) compra de buenos pagadores con ventajas competitivas, duraderas, garantizadas por un buen equipo profesional y que la acción esté cotizada por un gran descuento respecto a su valor intrínseco.

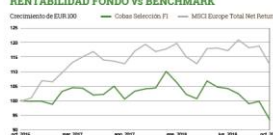
GESTOR

Cobas AM fue fundada en el año 2017 por Francisco García Paramés, un gestor de cartera abanzado respaldado con más de 25 años de extraordinario historial. El Sr.

CONTACTO INVERSOR

Madrid
Relación con Inversores
José Abascal, 45. 3ª planta
28003 Madrid (España)
+34 91 796 66 00
info@cobasam.com

RENTABILIDAD FONDO vs BENCHMARK



Contribution to investment funds

The following tables show the main contributing companies and detractors of the return obtained in each equity fund during the third quarter of 2018.

3rd Quarter Cobas Selección FI

Main Contributors

Company	Price Var.(%)	Cont. to Performance (%)
ICL	32,93%	1,08%
OCI	19,02%	0,39%
Nevsun	27,67%	0,27%

Main Detractors

Company	Price Var.(%)	Cont. to Performance (%)
Aryzta	-37,38%	-2,86%
Teekay Corp.	-13,03%	-0,59%
International S	-13,48%	-0,56%

3rd Quarter Cobas Internacional FI

Main Contributors

Company	Price Var.(%)	Cont. to Performance (%)
ICL	32,93%	1,20%
OCI	19,02%	0,43%
Nevsun	27,67%	0,30%

Main Detractors

Company	Price Var.(%)	Cont. to Performance (%)
Aryzta	-37,38%	-3,18%
Teekay Corp.	-13,03%	-0,65%
International S	-13,48%	-0,62%

Octubre 2018

3rd Quarter Cobas Iberia FI

Main Contributors

Company	Price Var.(%)	Cont. to Performance (%)
Nos	10,02%	0,43%
CTT Correios	12,29%	0,39%
Bankia	5,30%	0,38%

Main Detractors

Company	Price Var.(%)	Cont. to Performance (%)
Duro Felguera	-66,66%	-3,00%
Mota Engil	-29,33%	-0,99%
Elecnor	-9,26%	-0,68%

3rd Quarter Cobas Grandes Compañías FI

Main Contributors

Company	Price Var.(%)	Cont. to Performance (%)
ICL	32,93%	1,39%
Inpex Corp	23,27%	0,65%
Kroton	22,32%	0,60%

Main Detractors

Company	Price Var.(%)	Cont. to Performance (%)
Aryzta	-37,38%	-3,24%
Babcock	-11,59%	-0,79%
Teekay Corp	-13,03%	-0,55%

Geographical and sector distribution of Cobas AM funds

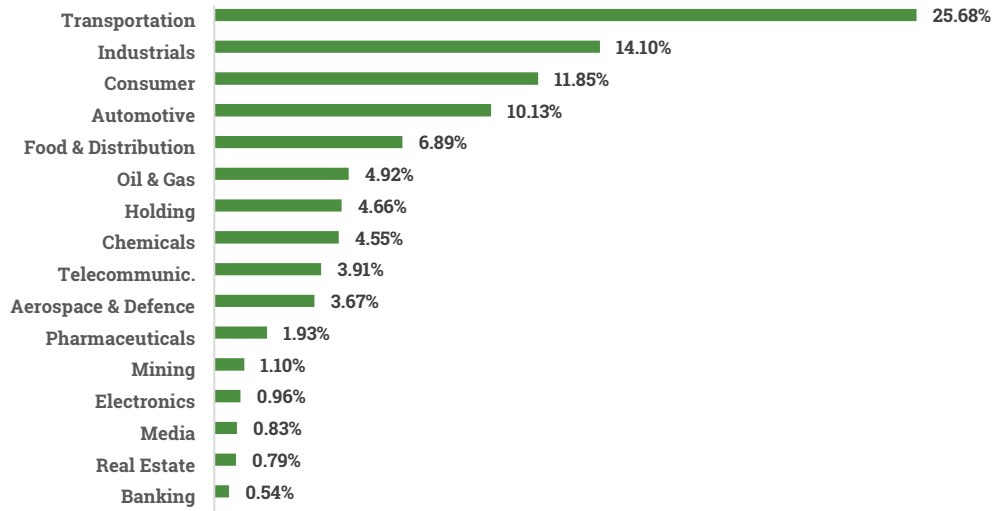
The geographic distribution of the funds has not changed significantly over the third quarter and maintained a strong exposure to companies outside Europe and the Eurozone.

In terms of sector distribution, the principal sectors are aligned with the main fund positions: transport, raw materials, automotive, and food and distribution.

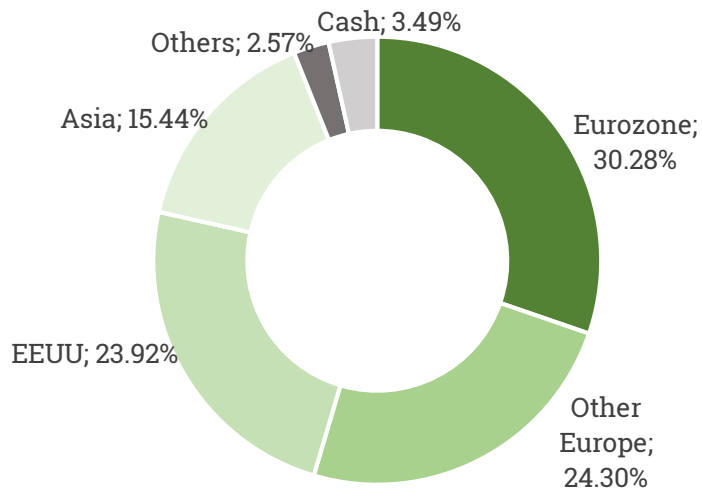
The geographical and sector distribution of the funds at the end of September.

Cobas Selección FI

Sector Breakdown

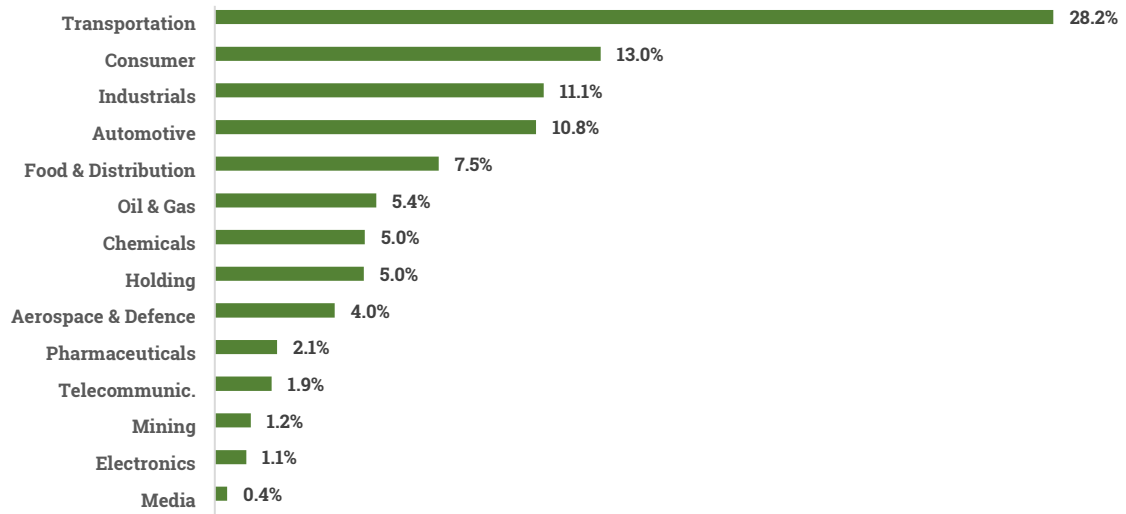


Geographical Breakdown

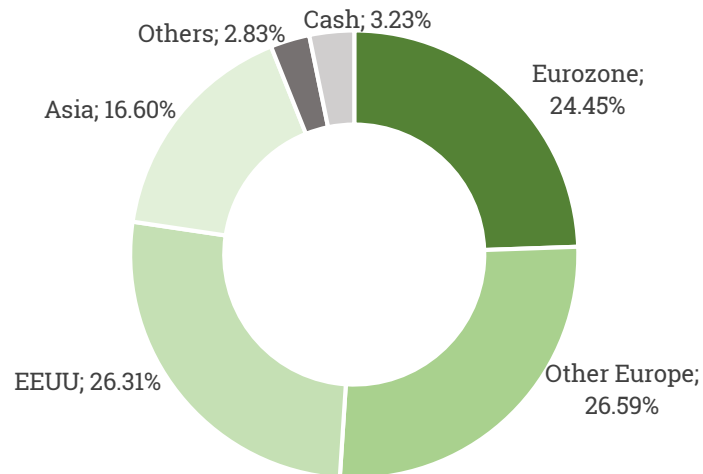


Cobas Internacional FI

Sector Breakdown

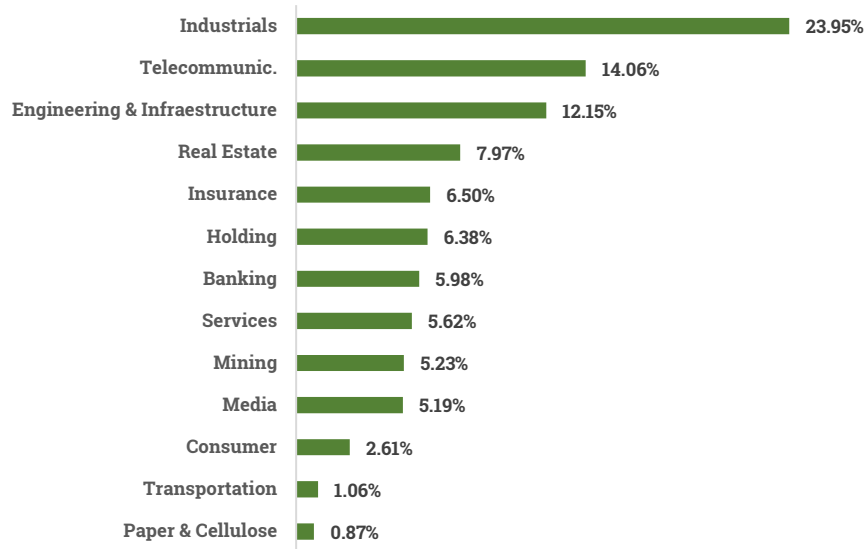


Geographical Breakdown

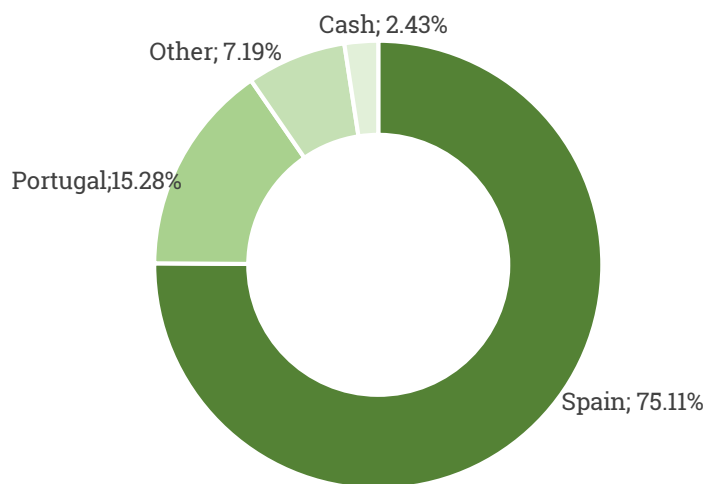


Cobas Iberia FI

Sector Breakdown

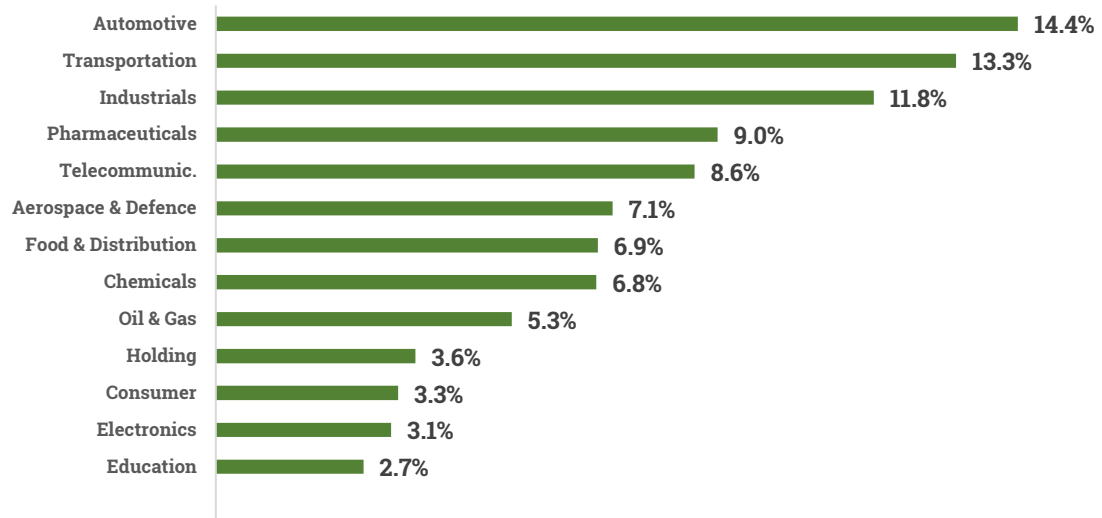


Geographical Breakdown

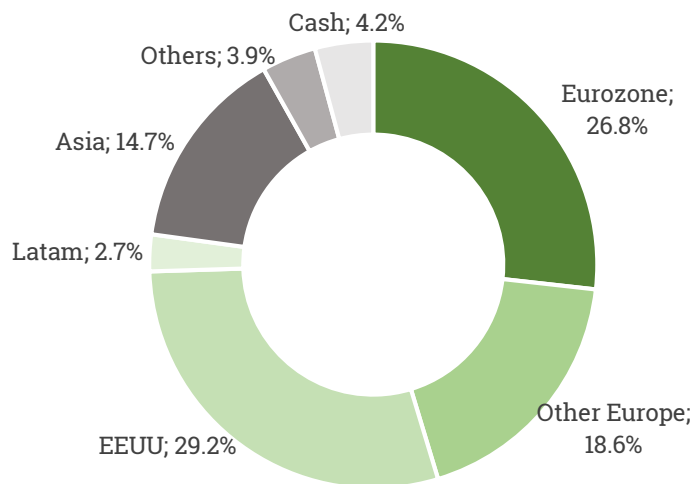


Cobas Grandes Compañías FI

Sector Breakdown

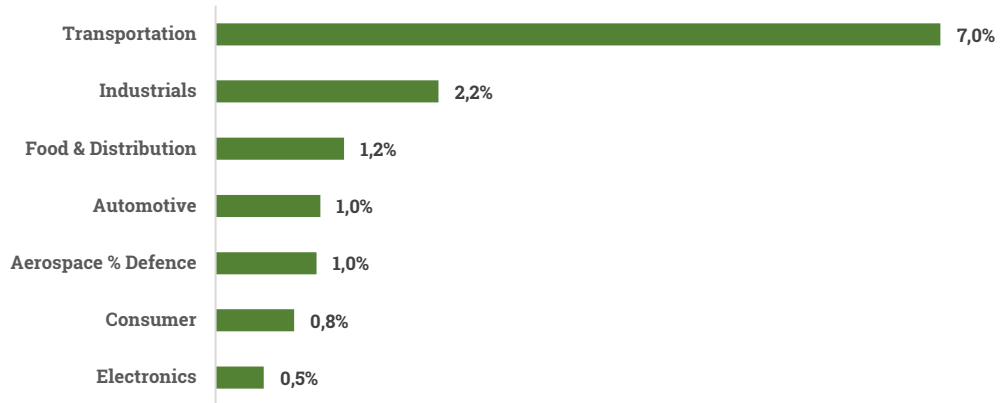


Geographical Breakdown

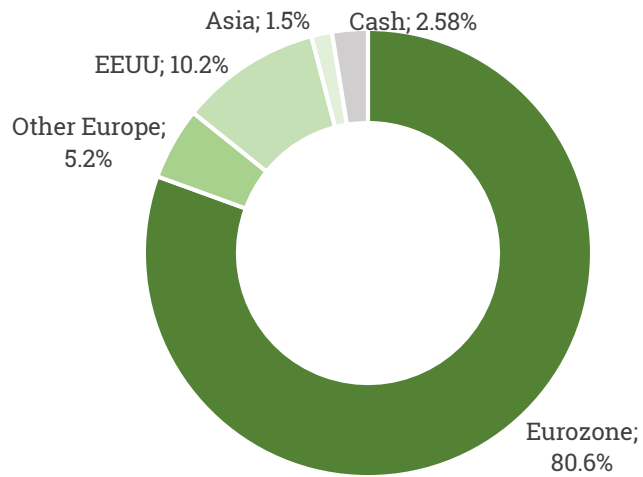


Cobas Renta FI

Sector Breakdown



Geographical Breakdown



Cobas AM Event in Seville

On 29 October, Cobas AM organised an event in Seville with a view to reaching out to our coinvestors.

Investor Relations Director Santiago Cortezo explained our key figures, investment philosophy and products while analyst team member Iván Chvedine explored the international and Iberian portfolios in detail.

Here are some images from the event:



As we mentioned in our last newsletter, whenever possible, our events are attended by a member of the analysis team to provide further details of the investment process so that investors can discover our investment ideas first hand.

Value School Events



All major investors concur that we are our own biggest obstacles to achieving extraordinary returns. Our brain sets traps and leads us to unknowingly act irrationally. How is that possible? And most importantly, what can we do to avoid it?

Francisco Capella, founding member of the Juan de Mariana Institute, has given us some insight. Click on the image to watch the video.

Blog

Click on the links below to read blog entries posted in the past month.

Euphoria and panic

Carlos González's article invites us to reflect on the moments of euphoria and panic that sweep across markets, during which we must remain patient and resist getting carried away by our human emotions and biases.



Fear, a value investor's worst travelling companion

Miguel Portilla talks about how the dread of losses in terms of investment is the worst enemy of value investors. Withdrawing investments during low points means losing out on a great opportunity to recoup expected returns.



Investor Q&A

This month, we would like to share a few important features of our day-to-day, which most investors may find interesting.

Where do investment ideas come from?

Generating ideas is a very extensive and varied process. While we don't rely on a single method to get ideas or use some of the most popular screenings in the industry, most of our ideas come from the knowledge base we have been cultivating over time in specific sectors, in which case experience and seasoning do indeed provide an added value.

We like to peer into sectors not basking in popularity that the market is penalising with a view to ascertaining if the underlying reasons for such pessimism is justified or, on the contrary, exaggerated. As we are all well aware, the market is irrational in the short term and often punishes sectors excessively, especially when there is medium-term uncertainty.

Some ideas are born from seeds of conversations with companies regarding competitors, suppliers or customers who may later go public and in which we can then invest. We also discover ideas during our frequent meetings with sector experts and, albeit to a lesser extent, with financial analysts at investment banks or independent analyst firms.

And reading, regardless of the format, including the news, books, trade magazines or sector reports, is also fertile ground for ideas.

"Volatility is our friend; the more there is, the better our long-term results will be"

– Francisco García Paramés –

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

Best regards,

Cobas Asset Management Investor Relations Team