

Cobas Asset Management Newsletter

- October 2017 -

Dear investor,

In our October Newsletter, we provide an update on our latest news as well as key data relating to our funds, going into greater detail regarding the characteristics of our portfolios and other matters of interest.

We remind you that from 2 October until the 9th of this month (both inclusive), it was not possible to subscribe, transfer or reimburse shares from the Cobas Selección FI, Cobas Internacional FI y Cobas Grandes Compañías FI funds as a result of the public holiday in the South Korean stock market, and having more than 5% of the equity in that market in their portfolios, as set forth in the fund's brochures.

The following topics can be viewed below:



Statement of position



Returns and ratios



Top 5 companies

AMORE PACIFIC
GROUP

Company of the Month



**Cobas AM in the
press**



Blog

Statements of position

Your statement of position for September 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

	% Return 01/09-30/09	% Return since fund inception	P/E ratio	Upside potential
Cobas Selección (start 02/01/17)	2.4%	3.3%	8x	79%
MSCI Europe Total Net Return	3.3%	9.6%		
Cobas Internacional (i. 15/03/17)	2.6%	-0.8%	8x	82%
MSCI Europe Total Net Return	3.3%	5.3%		
Cobas Iberia (i. 03/04/17)	-0.4%	8.0%	12x	40%
IGBM & PSI	2.6%	7.8%		
Cobas Grandes Cías. (i. 03/04/17)	4.5%	-1.3%	8x	65%
MSCI World Net Return	2.4%	-1.5%		
Cobas Renta (i. 03/04/17)	0.3%	-0.4%		
Eonia	-2.2%	-1.1%		

Pension plans and Benchmark Index

	% Return 01/09- 30/09	% Return since plan inception
Cobas Global (start 18/07/17)	2.5%	-3.8%
MSCI Europe Total Net Return	3.3%	1.9%
Cobas Mixto Global (start 18/07/17)	2.2%	-2.4%
50% MSCI Europe & 50% Eonia	3.3%	1.9%

Top 5 companies in our funds

The following tables show the return obtained over September 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 30/06	% Return 01/09-30/09	% Return 01/01-30/09
Aryzta (8.2%)	-1.4%	-33.7%
Israel Chemicals (6.6%)	1.8%	8.0%
Teekay LNG (5.5%)	4.1%	23.2%
Teekay Corporation (4.9%)	-0.7%	11.2%
Samsung pref (3.6%)	8.2%	43.9%

Cobas Internacional FI

Company and weight in portfolio as of 30/06	% Return 01/09-30/09	% Return 15/03-30/09
Aryzta (9.1%)	-1.4%	-4.0%
Israel Chemicals (7.2%)	1.8%	1.6%
Teekay LNG (5.4%)	4.1%	6.9%
Teekay Corporation (5.0%)	-0.7%	-0.6%
Samsung pref (3.9%)	8.2%	27.7%

Cobas Iberia FI

Company and weight in portfolio as of 30/06	% Return 01/09-30/09	% Return 03/04-30/09
Elecnor (8.2%)	-1.2%	26.5%
Vocento (6.5%)	-6.5%	1.4%
Unicaja Banco (6.3%)	-3.8%	18.2%
Telefónica (6.0%)	1.4%	-12.4%
Técnicas Reunidas (4.5%)	-8.4%	-28.0%

Cobas Grandes Compañías FI

Company and weight in portfolio as of 30/06	% Return 01/09-30/09	% Return 03/04-30/09
Aryzta (8.8%)	-1.4%	-7.5%
Israel Chemicals (7.9%)	1.8%	4.2%
Teekay Corporation (5.2%)	-0.7%	-2.4%
Teekay LNG (5.1%)	4.1%	1.4%
BMW Pref (4.3%)	7.9%	2.5%

Cobas Renta FI

Company and weight in portfolio as of 30/06	% Return 01/09-30/09	% Return 03/04-30/09
Teekay Corporation (1.2%)	-0.7%	-2.4%
Aryzta (1.1%)	-1.4%	-7.5%
Israel Chemicals (1.1%)	1.8%	4.2%
Teekay LNG (1.1%)	4.1%	1.4%
BMW Pref (1.1%)	7.9%	2.5%

Company of the Month: Amorepacific Group

AMOREPACIFIC
GROUP



Founded in 1945, Amorepacific Group is a successful South Korean company belonging to the beauty and cosmetics industry. Its products are high quality and it bases its balanced experience on tradition and modern science thanks to its high investment in R&D.

Amorepacific operates thirty-three health, beauty and personal care brands around the world, including the successful companies Sulwhasoo, Laneige and Innisfree. It is also the fourteenth largest cosmetics company in the world.

The cosmetics industry in general is experiencing a boom, although the growth potential is greater if we refer to the corresponding industry in the Asian market. The greater purchasing power of an increasing number of countries in the area consolidates the sector in these regions, allowing consumers to increase consumption in more selective and high-cosmetic brands and reduce it in low-cost products.

Amorepacific shares are listed with a better P/E ratio than its competitors: 7x compared to 19x-22x, respectively. We prefer Amorepacific preferential shares in our portfolio, as they are listed with a greater discount compared to ordinary shares; historically, the difference is between 50% and 60%.

At the close of June, Amorepacific represented almost 1% in Cobas Selección and Cobas Internacional, with a revaluation potential of over 100%.

Below are the company's listings since the start of 2014, where we can see a negative trend from the end of 2015:



Cobas Asset Management in the press

Paramés buys 5% of the oil tankers giant, Seaways

Cobas AM has 5.04%, equivalent to 1.47 million shares, in the US company International Seaways, one of the main global operators of tankers for the transport of hydrocarbons, with a fleet of 55 tankers and methane.

Paramés launches Value School

Francisco García Paramés has presented Value School, a project with which he wants to "encourage conscious investment" and financial culture through courses, forums and the meeting of managers, agencies and institutions from the sector.

Blog

Click on the links below to read the blog articles published in September.

Qui resistit, vincit

Jesús Herrero Yagüe, Cobas AM investor, tells us about his investment experience from the start. He highlights perseverance, patience and commitment to an investment philosophy as the essential cornerstones of value investing.



Breaking the bank

Andrés Allende, portfolio manager at Cobas AM, reveals the key guidelines to follow for a good investment. From his point of view, there are several key points, including the company's net assets, the current business and the quality of the managers.

<https://www.cobasam.com/en/breaking-the-bank/>



"Our goal investor is one who shares our investment philosophy, is patient and is looking for medium to long term investments"

– 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



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