

Cobas Asset Management Newsletter

- November 2017 -

Dear investor,

Our November Newsletter provides an update on our latest news, along with key data relating to our funds, deep diving into the characteristics of our portfolios following the recent publication of our quarterly funds report.

The following topics can be viewed below:



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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'll receive it in the next few days.

Comments on the third Quarter

The following section provides comment from the third quarter 2017 report setting out the main characteristics of the portfolio.

To access it, click on the image below:



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 1/10-31/10	% Return since fund inception	P/E ratio	Upside potential
Cobas Selección (i. 2/1/17)	0.8%	4.3%	8x	85%
MSCI Europe Total Net Return	2.0%	11.7%		
Cobas Internacional (i. 15/3/17)	0.7%	-0.1%	8x	87%
MSCI Europe Total Net Return	2.0%	7.9%		
Cobas Iberia (i. 3/4/17)	0.1%	8.1%	11x	42%
75% IGBM & 25% PSI	1.5%	8.4%		
Cobas Grandes Cías (i. 3/4/17)	0.9%	-0.4%	8x	64%
MSCI World Net Return	3.4%	2.0%		
Cobas Renta (i.3/4/17)	0.0%	-0.5%		
Eonia	-0.3%	-2.0%		

Pension plans and Benchmark Index

	% Return 1/10-31/10	% Return since plan inception
Cobas Global (start 23/7/17)	0.4%	-3.5%
MSCI Europe Total Net Return	2.0%	4.8%
Cobas Mixto Global (start 25/7/17)	0.4%	-2.0%
50% MSCI Europe & 50% Eonia	0.8%	0.2%

Top 5 companies in our funds

The following tables show the return obtained over October 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 30/9	Return (%) in October	% Return since fund inception
Aryzta (8.5%)	6.5%	-29.4%
Israel Chemicals (6.2%)	-6.1%	1.5%
Teekay Corporation (5.4%)	-8.3%	2.0%
Teekay LNG (5.2%)	-3.1%	19.4%
Dixons Carphone (3.7%)	-10.3%	-51.1%

Cobas Internacional FI

Company and weight in portfolio as of 30/9	Return (%) in October	% Return since fund inception
Aryzta (9.4%)	6.5%	-1.4%
Israel Chemicals (6.8%)	-6.1%	-3.9%
Teekay Corporation (5.3%)	-8.3%	-6.7%
Teekay LNG (4.9%)	-3.1%	5.5%
Dixons Carphone (4.2%)	-10.3%	-43.0%

Cobas Iberia FI

Company and weight in portfolio as of 30/9	Return (%) in October	% Return since fund inception
Elecnor (9.1%)	2.9%	30.2%
Técnicas Reunidas (8.4%)	3.3%	-25.6%
Telefónica (6.1%)	-2.0%	-14.1%
Vocento (5.5%)	4.2%	5.6%
Galp Energía (4.4%)	6.4%	12.8%

Cobas Grandes Compañías FI

Company and weight in portfolio as of 30/09	Return (%) in October	% Return since fund inception
Aryzta (9.4%)	6.5%	-1.5%
Israel Chemicals (7.3%)	-6.1%	-2.1%
Samsung Elect Pref (5.9%)	8.6%	39.7%
Babcock (5.0%)	-1.9%	-7.9%
Teekay Corp (4.9%)	-8.3%	-10.5%

Cobas Renta FI

Company and weight in portfolio as of 30/09	Return (%) in October	% Return since fund inception
Teekay LNG (1.9%)	-3.1%	-1.7%
Teekay Corporation (1.5%)	-8.3%	-10.5%
Aryzta (1.4%)	6.5%	-1.5%
Israel Chemicals (1.3%)	-6.1%	-2.1%
Dixons Carphone (0.6%)	-10.3%	-45.4%

Geographical and sector distribution of Cobas AM funds

The geographical and sector distribution of the funds at the end of September is as follows:

Cobas Selección FI

Sectorial

Aerospace and defence	3.2%	Industry	10.7%
Agriculture	0.9%	Real estate	0.3%
Food and retail	9.5%	Media	1.0%
Automotive	12.0%	Mining	1.1%
Banks	0.5%	Paper and pulp	0,4%
Consumer	14.4%	Chemicals	7.7%
Education	0.6%	Services	0.9%
Electricity and gas	0.9%	Telecommunications	1.4%
Electronics	3.5%	Transport	21.3%
Holding	6.2%		

Geographical

Euro Zone	27.2%
Rest Europe	25.7%
USA	17.5%
Latam	2.4%
Asia	15.6%
Other	7.9%
Cash	3.7%

Cobas Internacional FI

Sectorial

Aerospace and defence	3.5%	Industry	8.9%
Agriculture	1.0%	Real estate	0.0%
Food and retail	10.4%	Media	0,5%
Automotive	13.2%	Mining	0,9%
Consumer	15.6%	Paper and pulp	0.0%
Education	0.7%	Chemicals	8.4%
Electricity and gas	1.0%	Services	1.0%
Electronics	3.8%	Telecommunications	0.0%
Holding	6,2%	Transport	22,1%

Geographical

Euro Zone	22.9%
Rest Europe	28.4%
USA	17.8%
Latam	2.7%
Asia	16.9%
Other	8.4%
Cash	3.0%

Cobas Iberia FI

Sectorial

Banks	4.5%	Media	7,2%
Pharmaceutical	1,8%	Paper and pulp	5.7%
Holding	8.4%	Oil and gas	7,4%
Industry	24,1%	Insurance	1,5%
Engineering and construction	8,9%	Services	2.1%
Real estate	9,1%	Telecommunications	17.0%

Geographical

Spain	71.9%
Portugal	25.6%
Cash	2.5%

Cobas Grandes Compañías FI

Sectorial

Aerospace and defence	5.0%
Food and retail	12.5%
Automotive	16.3%
Consumer	4.2%
Education	0.9%
Electronics	5.9%
Pharmaceutical	8.1%
Holding	6.0%

Industry	6.1%
Mining	2.6%
Oil and gas	5.2%
Chemicals	8.8%
Services	2.7%
Telecommunications	2.4%
Transport	11.0%

Geographical

Euro Zone	29.4%
Rest Europe	26.8%
USA	12.2%
Latam	1.9%
Asia	12.4%
Other	14.9%
Cash	2.4%

Sectorial

Food and retail	1.4%
Aerospace and defence	0.4%
Automotive	1.5%
Consumer	0.6%
Electronics	0.4%
Holding	0.5%
Industry	0.9%
Media	0.4%
Chemicals	1.3%
Transport	3.9%

Geographical

Euro Zone	80.8%
Rest Europe	2.4%
USA	8.5%
Asia	1.4%
Other	1.3%
Cash	5.7%

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

In terms of **sector distribution**, the principal sectors are aligned with the main fund positions: transport, consumer goods, chemicals, food, and retail.

Cobas Asset Management in the press

The patient investor



THE CHALLENGE
Cobas AM faces a competitive sector of old value investing friends

THE APPROACH
Study, study, study and then make the most knowledgeable decision possible.
Then, patience.

Paramés' profile has been analysed for some time. Certain directors invest only what they don't need at a given time; they must enhance their financial knowledge, and be patient and calm.

Paramés: "Banks follow absurd mutual fund marketing strategies"

Francisco García Paramés wants to help drive the financial culture with the launch of Value School, a project entailing specialised courses, manager conferences, and partnerships with schools and universities, among others. In his opinion, the financial product distribution model in Spain, which relies exclusively on banks, is often predicated on many of the mistakes made when investing, because to sell funds, banks reward managers based solely on the volume of assets managed, and not on the returns obtained.

Ezentis, Mapfre, Técnicas Reunidas... This is how Paramés' portfolio shifts in the midst of volatility

Some of Paramés' most recent plays including taking a position in Mapfre, participating in Ezentis' rights issue, selling down part of the stake in Repsol and increasing the weight in Técnicas Reunidas, which is in free fall. He sees good value in having seized the volatility caused by Catalonia to make acquisitions.

Blog

Value speak for the uninitiated

Cobas AM analyst Juan Cantús defines some of the key concepts in our daily operations that may help understanding the logic behind our thinking. To access it, please click on the link below:

<https://www.cobasam.com/en/value-speak-for-the-uninitiated/>



The journey to becoming a value investor

Carlos Gonzalez Ramos, Deputy Investor Relations Director at Cobas AM, explains how the sharp jump in equity investment over the past 20 years is due, among other things, to the array of possibilities available to

investors, not to mention the change in mentality and investment philosophy. To access it, please click on the link below:

<https://www.cobasam.com/en/the-journey-to-becoming-a-value-investor/>



“We have a strict management style that will not change. It is not just a style, but a philosophy”.

– Francisco García Paramés –

We are available to answer any questions you may have. Feel free to contact us on +34 900151530 or email us at info@cobasam.com.

Best regards,

Cobas Asset Management Investor Relations Team.

