

c o b a s

a s s e t m a n a g e m e n t

Letter from Francisco García Paramés New fee structure Cobas Asset Management December 2020

Dear investor,

Since we founded **Cobas Asset Management**, in February 2017, we have remained committed to promote value investing through the independent management of our funds. That was the reason why from the first day we opened the doors of our asset management firm to all investors who believe in our investment philosophy, regardless of their wealth. In this way, we have made it possible for anyone to be an investor in **Cobas AM** just investing just investing a minimum of €100 in one of our funds.

Also, from the first moment, we insisted on conveying to all the investors who are interested in **Cobas AM** the essential characteristics that in our opinion they should have to obtain the maximum return on their savings: **long-term investing and patience**.

Fortunately, and despite these very difficult years for the world of value investing and for us, we are pleased to acknowledge that the vast majority of our investors are unwavering in their commitment to the principles outlined above and demonstrate this with an extraordinary and lasting loyalty, trusting their savings to our management.

That's why, with **Cobas AM's** benefits, in addition to helping with 15% of revenue to philanthropy projects and social impact, we also want to reward those who entrust their savings to us. In this sense, we believe that **the time has come for Cobas AM to recognise this loyalty with a new fee structure** aligned with the length of time investors have held units in our funds. And we emphasise once again, whatever the wealth of our investors.

This is a decision we have been working on for more than a year, as our investors know, since we mentioned it at our annual conferences this year and last, long before the current pandemic arose.

Now, the National Securities Market Commission (CNMV) has just given us its approval so that from 1 January 2021 we can reduce the fees charged to our investors as their time in our funds increases. This means that we can reward the loyalty of Cobas AM investors and therefore recognise their commitment to long-term investing.

Therefore, the new Cobas AM management fees from 1 January 2021 will be based on fund classes and will be lowered according to the client's level of seniority. That seniority will be determined by the time that has elapsed since the first contribution to the funds, and will remain intact as long as the client holds a position in the funds subject to this fee enhancement.

In general, and very simply, the current management fee of 1.75% will be reduced to 1.50% once the client has been with us for 3 years; after 5 years it will be reduced to 1.25%, and after 7 years to 1.00%.

However, exceptionally, for operational and technological reasons, from 1 January 2021, the management fee will be automatically reduced to 1.50% for all investors holding a minimum amount of 100€ by 31 December 2020.

FEE TABLE

Fund

Name	New unitholder Class D	3 years Class C	5 years Class B	7 years Class A
Selección FI	1.75%	1.50%	1.25%	1.00%
Internacional FI	1.75%	1.50%	1.25%	1.00%
Iberia FI	1.75%	1.50%	1.25%	1.00%
Grandes Compañías FI	1.00%	0.95%	0.85%	0.75%
Renta FI	0.25%	0.25%	0.25%	0.25%
Concentrados FIL	1.75%	1.50%	1.25%	1.00%

Notes

1. All investors with at least €100 on 31-12-2020 will be upgraded to Class C on 01-01-2021.
2. All investors who have spent 5 years old with us from 03-02-2022 will be upgraded to Class B.
3. All investors who have spent 7 years old with us 03-02-2024 will be upgraded to Class A.

Pension plans

		Dates of application New Fee Structure	
		3 Feb 2022	3 Feb 2024
Global PP	1.50%	1.25%	1.00%
Mixto Global PP	1.25%	1.00%	0.75%

Note

Applicable to all participants regardless of their seniority in the subscribed plan

We would like to emphasise that these modifications only relate to the tremendous responsibility, the vast loyalty and the extraordinary commitment that our investors have shown us in such difficult times. In no case is it a retention strategy, since those investors who redeem will keep their seniority in the funds, as long as they hold at least an amount of €100.

We would like to remind you that the [Cobas AM Investor Relations Team](#) is at your disposal for any clarification you may require.

We hope that these improvements will be to your liking and that the good results we are harvesting since the vaccine was announced will continue until price and value converge. I would like to say goodbye and thank you for your confidence in [Cobas Asset Management](#). Without it, our work would be meaningless.

Best regards,

A handwritten signature in blue ink, appearing to read 'Francisco García Paramés', is placed over a light blue rectangular background.

Francisco García Paramés

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APPENDIX

NEW FEE STRUCTURE FOR COBAS AM

Before giving you details of **Cobas AM**'s new management fee structure, it is necessary to explain the meaning of the concept of unit/share classes that exist in the market for a single investment fund. These classes are identified by letters (A, B, C...) to differentiate certain characteristics, such as the minimum entry requirements or the fees they charge.

Once this clarification has been made, the new management fee structure will be as follows:

As of 1 January 2021, all **Cobas AM** investors holding at least an amount of €100 as of 31 December 2020 in the equity funds will automatically be upgraded to Class C (current renamed class) and the management fee will be reduced to 1.50% instead of the previous 1.75%.

The funds to which this reduction applies are: **Cobas Selección FI**, **Cobas Internacional FI**, **Cobas Iberia FI** and **Cobas Concentrados FIL**.

For the fund **Cobas Grandes Compañías FI**, the fee will be 0.95%.

New investors (those subscribers who did not hold any units in our equity funds on 31 December 2020) will be incorporated into the new Class D, as of 1 January 2021, with a management fee of 1.75%.

For the reduction of fees, the seniority of the unitholder takes precedence. Therefore, subsequent contributions will be made directly to the more advantageous Class C, provided that you hold €100 in **Cobas AM** and therefore retain your seniority.

From 3 February 2022, coinciding with the fifth anniversary of the management company, a new class of units will be created (Class B), with a management fee of 1.25% (0.85% for the fund **Grandes Compañías FI**).

This Class B will be available to all our investors five years after their first contribution to the equities mutual funds managed by **Cobas AM**. Therefore, from that date onwards, those investors who meet the seniority conditions will automatically have their units in Class B, instead of Class C as they had previously.

Likewise, on 3 February 2022, fees will be reduced to 1.25% for all investors in the **Cobas Global PP** pension plan and to 1% for all investors in the **Cobas Mixto Global PP**.

Finally, on 3 February 2024, Class A will be created for investors with seven years' seniority in the equities mutual funds managed by **Cobas AM**. These investors will have their management fee reduced to 1.00% (0.75% for the fund **Grandes Compañías FI**).

All investors in the **Cobas Global PP** pension plan will also have their management fee reduced to 1% on 3 February 2024, while all investors in the **Cobas Mixto Global PP** will be reduced to 0.75%.

Please also note that the 4% redemption fee for shares less than one year old will not apply in trans-



fers between share classes, nor to transfers to equity and mixed equity funds of the management company. These changes in the redemption discount will give the right of separation to the investors for 30 calendar days from the date this communication is sent.

The only **Cobas AM** mutual fund that will not be modified in this new fee structure is **Cobas Renta FI**, which **will keep its current fee of 0.25%**.

For further information, we are available to answer any questions you may have. Feel free to contact us on **900 151 530** or email us at info@cobasam.com

The Investor Relations Team