

c o b a s

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



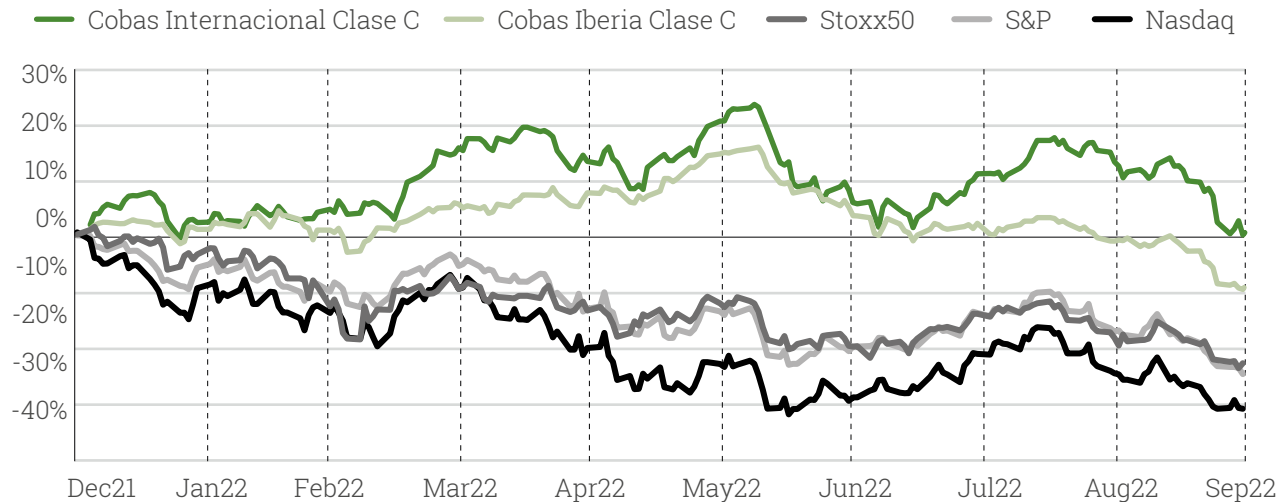
Comments
Third Quarter 2022

Dear Investor:

The third quarter of 2022 has been particularly negative for world stock markets, with three quarters of declines, causing most indices to hit their lowest levels of the year. This is one of the worst market performances in the last 20 years.

The main reason for this market situation remains high inflation, which is at its highest level in decades. This has prompted central banks to start raising interest rates to try to keep inflation at bay. However, the rate hikes are leading to a slowdown in the world's major economies and, worse,

A volatile year. 2022 Evolution



Source: Bloomberg.

Comments on **Third Quarter 2022**



a likely economic recession. All this has been discussed in detail in previous quarterly letters ([2QT2022](#), [1QT2022](#), and [4QT2021](#)), and is the result of the ultra-expansionary monetary policies promoted by the main central banks over the last 14 years.

In this situation of market uncertainty, we are defending ourselves reasonably well, doing what we have always done, investing in:

Quality businesses: Companies with high ROCEs (close to 30% in the international portfolio and 25% in the Iberian portfolio), with solid balance sheets (net cash or very little debt), and with pricing power, i.e. able to pass on inflation and defend against it.

These are businesses that we know very well and are very cheap: Tracking these businesses over the last 5 years allows us to have a very high degree of conviction

Illustration: Daniel Gete for the blog 'Navegando en la incertidumbre' written by José Belascoaín, member of the Cobas AM Investor Relations Team.

and certainty in valuations. Rarely in the last 30 years have we found companies of this quality at such undervalued prices, trading on average at 5-6x earnings.

Companies with good management teams and owners behind them the well-known “skin in the game” situation where managers and owners of companies use their own money to buy shares in the companies they run. In the end, this is like what we do when we invest our money in Cobas AM funds.

Again, rarely in the last 30 years have we found companies of this quality at such undervalued prices combined with such in-depth knowledge of the companies.

All the above, as a result of the work that the investment team has been doing, has generated the greatest upside potential in our portfolios in our history. We believe that our funds are worth between two and three times their current net asset value. This is a curious but logical phenomenon, for the following 3 reasons:



Image: Offshore work on the construction of a gas pipeline, Shutterstock

Despite the positive performance of the funds over the last 18 months, especially when compared to the rest of the market, the NAV is almost flat compared to what it was when we started Cobas 5 years ago and is therefore still far from the growth we expect.

At the same time, our companies have continued to generate value over time, which has been sequestered and waiting to be recognised. This pent-up value has been the main reason why the target price of our portfolios is at all-time highs.

Interestingly, the example of our LNG infrastructure companies (Golar, and Exmar) where despite very significant revaluations over the last year, business has continued to improve almost every day, resulting in an increase in our estimated value. Time works in favour of good businesses with good management teams, allowing them to increase in value. When and how the market will recognise that value is not in our hands, but we are very comfortable owning companies that are worth more every day.

Naturally, we have taken advantage of the recent market declines over the last few months to invest more in the worst performing companies that we know best, replacing others that have performed well, such as **IPCO, Cairn** and **International Seaways**. This has helped to increase the estimated value of our funds. We have also invested in some new companies, although this has been relatively marginal, as although they have valuations close to double their current price, many of them have not been able to enter the portfolio, as the businesses currently in the portfolio have much higher upside potentials.

Finally, it is important to stress the importance of not falling into the temptation of trying to predict what the market will do in the future, especially in times of high volatility and negativity such as the present.

Firstly, because it is impossible to know what the market will do, by definition, especially in the short term. Secondly, because it can lead us to make major investment mistakes that negatively affect our returns. As can be seen in the fo-

llowing table, investors who missed the returns of the ten best days of the S&P500 obtained significantly worse returns, even negative, compared to investors who remained invested without making any movements.

In conclusion, despite the volatility and uncertainty, we are

more comfortable than ever with our portfolios, as well as very excited about the daily value creation we are seeing in our businesses. Periods of negativity such as the current one is always times of good opportunities for us, and we don't think it will be any different now. We have always

Impact of missing 10 best trading days over a decade

Decade	Return	Excluding 10 Best Days
1930	-42%	-79%
1940	35%	-14%
1950	257%	167%
1960	54%	14%
1970	17%	-20%
1980	227%	108%
1990	316%	186%
2000	-24%	-62%
2010	190%	95%
2020	18%	-33%
Since 1930	5.3%	0.2%

Source: Bank of America. S&P 500 results.

said that the most important thing for successful investing is patience, and we want to reiterate this message.

In the face of uncertainty, as we have seen, the best thing to do is not to make hasty decisions and to be invested in good assets such as those in our portfolios, strictly and rigorously applying the philosophy of value investing with a long-term time horizon.

PERFORMANCE OF COBAS AM FUNDS

The **Commentary of the 3rd Quarter 2022** is available to you in different formats.



[Watch the video](#)



[Listen to the audio](#)

PORTFOLIO

Our portfolios

Data as of 30/09/2022

Spanish domiciled funds

Name	AUM
Internacional FI	465.6 Mn€
Iberia FI	32.5 Mn€
Grandes Compañías FI	21.4 Mn€
Selección FI	665.3 Mn€

Luxembourg domiciled funds

Name	AUM
International Fund	31.6 Mn€
Large Cap Fund	10.5 Mn€
Selection Fund	77.8 Mn€

	Market Cap	Strategies	Number of holdings
		International	Iberian
Multi Cap	●		53
Multi Cap			● 35
70% ≥ 4Bn€	●	●	44
Multi Cap	●	●	64

At **Cobas AM** we manage three portfolios: the **International Portfolio**, which invests in companies worldwide excluding those listed in Spain and Portugal; the **Iberian Portfolio**, which invests in companies listed in Spain and Portugal or which have their core operations in Iberian territory; and, finally, the **Large Cap Portfolio**, which invests in companies globally and in which at least 70% are companies with a market capitalisation of more than 4,000 million euros.

These three portfolios are used to construct the various equity funds we manage as of 30 September 2022:

Please note that the target value of our funds is based on internal estimates and **Cobas AM** does not guarantee that these estimates are correct or will be achieved. Investments are made in securities that the managers believe are undervalued. However, there is no guarantee that they are undervalued or, if so, that their prices will perform as the managers expect.

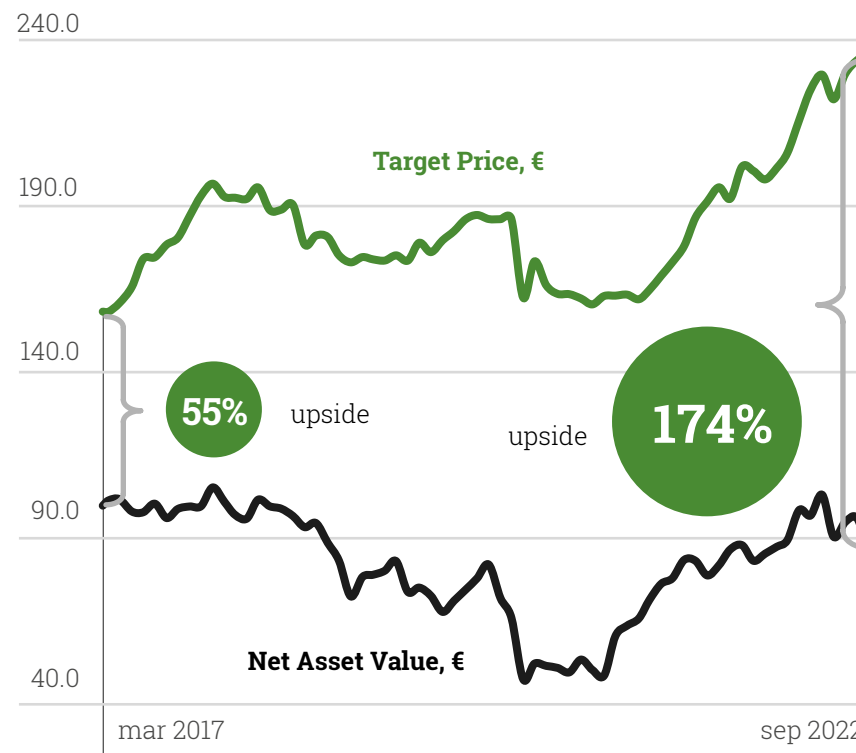
**Total assets
under management**

**1.603
Mn€**

International Portfolio

During the third quarter of 2022 our **International Portfolio** returned -5.2%, slightly worse than the -4.1% return of its benchmark, the **MSCI Europe Total Return Net**. Since the **Cobas Internacional FI** began investing in equities in mid-March 2017 it has returned -14.0%, while its benchmark has returned +19.4% for the same period.

During the third quarter we made some changes to the International Portfolio in terms of purchases and sales. We exited **International Seaways**, **Cairn Energy**, and **International Petroleum** completely (in June these companies had a combined weighting of close to 4%). And we have entered **3R Petroleum**, **Johnson Electric**, **Ichikoh Industries**, and **Petronor E&P**. These companies at the end of September are trading on average at 4x their normalised cash flow and have a combined weighting of close to 3%. In the rest of the portfolio, we have reduced our position in **Golar LNG** and **Aryzta** due to their good performance during the quarter. On the buy side, we increased our position in **Maire Tecnimont** and **Atalaya**



Note: For more information on revaluation potential and other possible scenarios (VaR) see page 16.

(1) International Portfolio: Performance obtained by Cobas Internacional FI - Class C, ISIN: ES0119199000

Mining to take advantage of their falling share prices.

During the third quarter, thanks to the volatility of the market and the rotation we have made, the **target value** of the **International Portfolio** has increased by nearly 6% to **€236/share**, implying an upside **potential¹** of **174%**.

As a result of this potential and confidence in the portfolio, we are around 98% invested. This is because the whole portfolio trades at an estimated P/E 2023¹ of 5.3x versus 10.5x its benchmark and has a ROCE of close to 30%. But if we look at the ROCE¹ excluding shipping and commodity companies, we are close to 38%, which shows the quality of the businesses in the portfolio.

In short, we have done what we always do, taking advantage of volatility to buy what falls and sell what rises, resulting in a portfolio made up of very good businesses, which we have known for many years, trading at very low multiples.



(1) For more information on revaluation potential and other possible scenarios (VaR) see page 16.

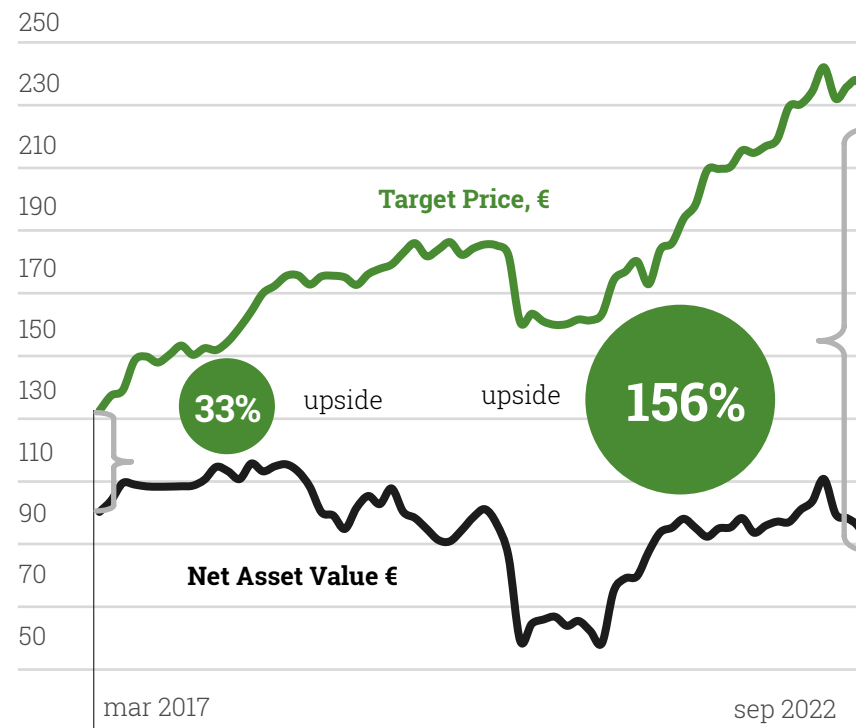
Image: Shutterstock.

Iberian Portfolio

The net asset value performance during the third quarter of 2022 of the **Iberian Portfolio** was -12.6%, slightly worse than its benchmark, -9.2%. If we extend the comparison period from when we started investing in equities in April 2017, to the end of September 2022, we returned -13.2%, while the benchmark returned +2.7% for the same period.

During the third quarter we made very few changes in terms of portfolio purchases and sales. We did not exit any company and only entered **Acerinox** and **Línea Directa**, taking advantage of the falls in their share prices, companies that at the end of September had a combined weight of between 1 and 2%. In the rest of the portfolio the most important movements were on the sell side **Logista** and **Mediaset España**, while on the buy side **Atalaya Mining** and **Atresmedia**.

During the quarter and due to market uncertainties, we have preferred to be cautious on some companies and have slightly adjusted the target value of the **Iberian Portfolio** by about 4% to **€222/share**. Despite this, the upside **potential**⁽¹⁾



Note: For more information on revaluation potential and other possible scenarios (VaR) see page 16.

(1) Iberian Portfolio: Performance obtained by the Cobas Iberia FI - Class C, ISIN: ES0119184002

stands at **156%**, a more than attractive potential.

We are nearly 99% invested in the **Iberian Portfolio**, and the portfolio trades at an estimated 2023¹ P/E of 6.0x versus 10.2x of its benchmark and has a ROCE¹ of close to 25%.

The summary is the same as in our **International Portfolio**, we have taken advantage of the volatility of the market to seed in good businesses at very good prices, prices that are difficult to see normally. But to this, we would add that the **Iberian Portfolio** is mainly made up of businesses that we have known practically all our lives.



(1) For more information on the ratios see page 16.

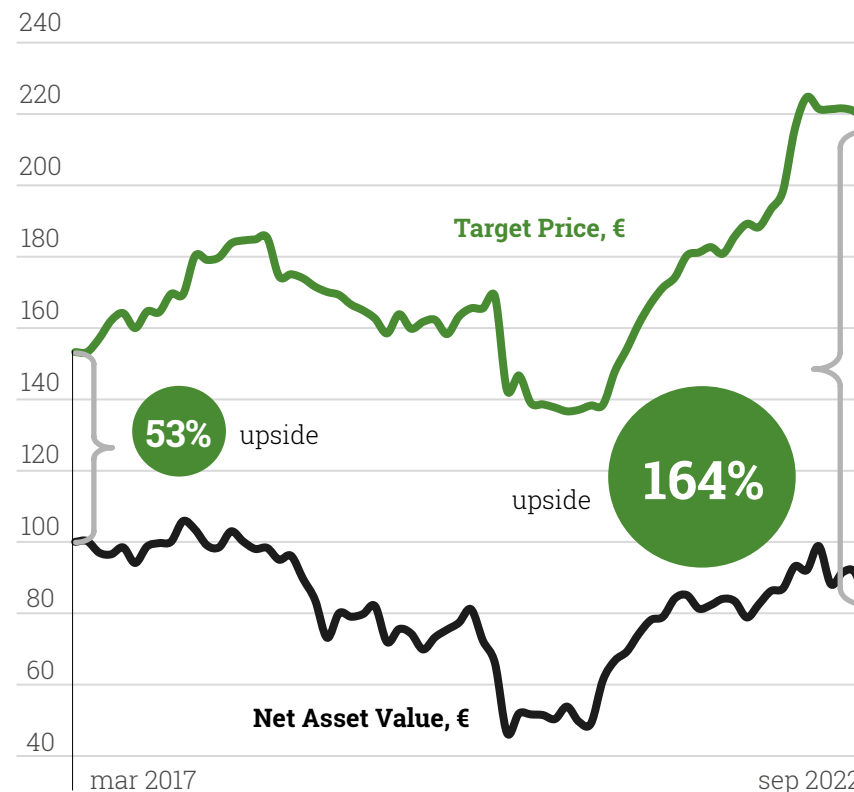
Image: Shutterstock.

Large Cap Portfolio

During the third quarter of 2022 our **Large Cap Portfolio** returned -6.8% versus +0.1% for the benchmark, the **MSCI World Net**. Since the **Cobas Grandes Compañías FI** began investing in equities in early April 2017, it has returned -17.8%. In that period the benchmark index appreciated by 53.0%.

In the **Large Cap portfolio**, we also made very few changes in terms of purchases and sales during the third quarter. We exited completely from **Gilead** which at the end of June had a weighting of just over 1% and entered: **Atalaya Mining** and **Dick's Sporting Goods**. These companies at the end of June had a combined weighting of just over 2%. In the rest of the portfolio the most important movements were on the sell side **Golar LNG** and **Aryzta** due to their good performance during the quarter, while on the buy side **Grifols** and **Heidelberg Cement**.

During the quarter, as in the **Iberian Portfolio**, we have slightly adjusted the target value of the **Large Cap Portfolio** by about 2% to **€217/share**. This represents a **potential¹**



Note: For more information on revaluation potential and other possible scenarios (VaR) see page 16.

(1) Large Cap Portfolio: Performance obtained by the Cobas Grandes Compañías FI - Class C fund, ISIN: ES0113728002

upside of **164%**.

We are about 98% invested in the **Large Company Portfolio**. Overall, the portfolio trades at an estimated 2023 P/E¹ of 5.8x versus 13.8x its benchmark and has a ROCE¹ of 31%.

As with the other two portfolios, the summary is the same: during the quarter volatility was our ally, allowing us to have a portfolio composed of very good businesses trading at very low multiples.



(1) Para más información sobre los ratios y posibles escenarios ver página 16.

Foto: Shutterstock.

Spanish Funds

Fund	NAV	Upside Potential	Q3 Performance		Performance YTD		Perf. since inception		PER	ROCE	Var	AUM Mn€	Inception Date
			Fund	Benchmark	Fund	Benchmark	Fund	Benchmark					
Selección FI Class B	96.87 €	176%	-5.9%	-4.1%	-3.1%	-14.6%	-3.1%	-14.6%	5.3	32%	11%	507.2 €	03/02/2022
Selección FI Class C	87.67 €	176%	-5.9%	-4.1%	-1.1%	-17.4%	-12.3%	32.7%	5.3	32%	11%	140.4 €	14/10/2016
Selección FI Class D	129.21 €	176%	-6.0%	-4.1%	-1.3%	-17.4%	29.2%	3.4%	5.3	32%	11%	17.8 €	01/01/2021
Internacional FI Class B	98.35 €	174%	-5.1%	-4.1%	-1.6%	-14.6%	-1.6%	-14.6%	5.3	31%	12%	321.9 €	03/02/2022
Internacional FI Class C	86.03 €	174%	-5.2%	-4.1%	0.6%	-17.4%	-14.0%	19.4%	5.3	31%	12%	110.2 €	03/03/2017
Internacional FI Class D	133.76 €	174%	-5.2%	-4.1%	0.4%	-17.4%	33.8%	3.4%	5.3	31%	12%	33.5 €	01/01/2021
Iberia FI Class B	88.71 €	156%	-12.6%	-9.2%	-11.3%	-10.9%	-11.3%	-10.9%	6.0	25%	8%	23.3 €	03/02/2022
Iberia FI Class C	86.78 €	156%	-12.6%	-9.2%	-9.3%	-10.2%	-13.2%	2.7%	6.0	25%	8%	8.2 €	03/03/2017
Iberia FI Class D	103.26 €	156%	-12.7%	-9.2%	-9.4%	-10.2%	3.3%	-3.8%	6.0	25%	8%	1.1 €	03/03/2017
Grandes Compañías FI Class B	95.07 €	164%	-6.8%	0.1%	-4.9%	-8.0%	-4.9%	-8.0%	5.8	31%	11%	14.8 €	03/02/2022
Grandes Compañías FI Class C	82.21 €	164%	-6.8%	0.1%	-0.4%	-13.4%	-17.8%	53.0%	5.8	31%	11%	5.2 €	03/03/2017
Grandes Compañías FI Class D	114.52 €	164%	-6.8%	0.1%	-0.5%	-13.4%	14.5%	13.5%	5.8	31%	11%	1.5 €	01/01/2021
Cobas Renta FI	99.65 €		-1.2%	0.0%	0.9%	-0.3%	-0.4%	-2.7%			2%	23.5 €	18/07/2017

Pension Funds

Denomination	NAV	Upside Potential	Q3 Performance		Performance YTD		Perf. since inception		PER	ROCE	Var	AUM Mn€	Inception Date
			Fund	Benchmark	Fund	Benchmark	Fund	Benchmark					
Global PP	81.51 €	176%	-6.0%	-4.1%	-1.1%	-17.4%	-18.5%	15.5%	5.3	32%	11%	70.9 €	18/07/2017
Mixto Global PP	86.79 €	133%	-4.8%	-2.0%	-1.0%	-8.9%	-13.2%	14.8%	5.3	24%	8%	7.0 €	18/07/2017
Cobas Empleo 100	96.74 €	152%	-6.8%		7.8%		6.8%		5.1	27%	10%	0.5 €	23/06/2021

Data as of 30/09/22

The **target value** of our funds is based on internal calculations and estimates. Cobas AM does not guarantee that these calculations are correct or that they will be achieved. Investments are made in securities that the managers believe to be undervalued. There is no guarantee that such securities are actually undervalued or, if so, that their prices will perform as the managers expect. Past performance is no guarantee of future performance. **Benchmarks.** MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI and Cobas Global PP. MSCI World Net EUR for Cobas Grandes Compañías FI. IGBM Total 80% and PSI 20 Total Return 20% for Cobas Iberia FI. until 31/12/2021 EONIA and from 01/01/2022 €str for Cobas Renta FI. MSCI Europe Total Return Net 50% and until 31/12/2021 EONIA and as from 01/01/2022 €str for Cobas Mixto Global PP. **Ratios. POTENTIAL:** best case scenario, the difference between the target value and the aggregate market price of the portfolio. For to calculate the target value, we apply a multiple to the normalised cash flow based on our own estimates for each company. **Var:** maximum monthly expected loss, calculated using the Value at Risk 2.32 sigma methodology, 99% confidence level of the one-month normal distribution (data as at 31/08/2022). **PER:** calculated by dividing the market capitalisation of each company by its normalised cash flow based on own estimates. **ROCE:** calculated by dividing the normalised operating profit based on own estimates, after tax, by the capital employed (ex-goodwill) to see the profitability of the business.

Luxembourg Funds

Fund	NAV	Upside Potencial	Q2 Performance		Performance YTD		Perf. since inception		PER	ROCE	Var	AUM Mn€	Inception Date
			Fund	Benchmark	Fund	Benchmark	Fund	Benchmark					
International EUR	79.11 €	174%	-5.7%	-4.1%	-0.5%	-17.4%	-20.9%	13.0%	5.3x	32%	12%	31.2 €	01/06/2017
International USD	\$100.11	174%	-4.8%	-4.1%	1.2%	-17.4%	-11.3%	13.6%	5.3x	32%	12%	\$0.2	06/06/2017
Selection EUR	16.600.92 €	176%	-6.2%	-4.1%	-1.3%	-17.4%	40.7%	76.5%	5.3x	31%	11%	69.0 €	18/04/2017
Selection USD	\$30.079.49	176%	-5.4%	-4.1%	0.3%	-17.4%	60.5%	76.5%	5.3x	31%	11%	\$8.3	18/04/2017
Large Cap EUR	108.54 €	164%	-7.0%	0.1%	-0.8%	-13.4%	6.9%	28.9%	5.8x	31%	11%	10.5 €	14/10/2019

Data as of 30/09/22

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Radiography of our funds

Third Quarter 2022

Cobas Internacional FI				Cobas Iberia FI			Cobas Grandes Compañías FI			Cobas Selección FI			Cobas Renta FI			COBAS LUX SICAV			COBAS LUX SICAV			COBAS LUX SICAV					
Class B - ES0119199026 Class C - ES0119199000 Class D - ES0119199018				Class B - ES0119184028 Class C - ES0119184002 Class D - ES0119184010			Class B - ES0113728028 Class C - ES0113728002 Class D - ES0113728010			Class B - ES0124037021 Class C - ES0124037005 Class D - ES0124037013			ES0119207001			COBAS SELECTION FUD LU1372006947 EUR LU1372007168 USD			COBAS INTERNATIONAL FUD LU1598719752 EUR LU1598719919 USD			COBAS LARGE CAP FUND LU1598720172 EUR					
Top 10	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight	Company	Current quarter weight	Previous quarter weight			
	Golar LNG	8.3%	8.3%	Elecnor	9.5%	9.1%	Golar LNG	8.0%	7.9%	Golar LNG	7.2%	7.3%	Golar LNG	1.2%	1.3%	Golar LNG	7.3%	7.3%	Golar LNG	8.7%	8.5%	Golar LNG	8.1%	8.0%			
	CIR	5.3%	5.0%	Semapa	9.3%	9.1%	Energy Transfer	5.3%	4.9%	CIR	4.6%	4.3%	Elecnor	1.2%	1.0%	CIR	4.6%	4.3%	CIR	5.5%	5.0%	Energy Transfer	5.3%	4.9%			
	Babcock	4.7%	5.0%	Técnicas Reunidas	7.6%	7.6%	Renault	5.3%	4.3%	Babcock	4.4%	4.4%	Danieli	1.1%	1.2%	Babcock	4.1%	4.4%	Babcock	4.6%	5.1%	Renault	5.3%	4.3%			
	Maire Tecnimont	4.1%	3.7%	Vocento	6.1%	5.7%	Affiliated Managers	4.7%	4.3%	Currys Plc	3.7%	4.1%	Maire Tecnimont	1.0%	1.1%	Maire Tecnimont	3.7%	4.1%	Currys Plc	4.1%	4.7%	Affiliated Managers	4.7%	1.9%			
	Currys Plc	4.2%	4.7%	Miquel y Costas	4.9%	4.7%	CK Hutchison	4.0%	4.3%	Maire Tecnimont	3.5%	3.3%	Currys Plc	1.0%	1.2%	Maire Tecnimont	3.6%	3.3%	Currys Plc	4.1%	4.7%	CK Hutchison	4.0%	4.4%			
	Wilhelmsen	3.6%	4.1%	Ibersol	4.5%	4.7%	Samsung C&T	3.8%	4.4%	Wilhelmsen	3.2%	3.6%	Kosmos Energy	1.0%	1.1%	Wilhelmsen	3.2%	3.9%	Wilhelmsen	3.7%	4.1%	Samsun C&T	3.8%	2.2%			
	Danieli	3.5%	3.6%	Sacyr	4.5%	4.0%	Viatrix	3.5%	4.1%	Danieli	3.1%	3.1%	Técnicas Reunidas	1.0%	0.9%	Danieli	3.0%	3.1%	Danieli	3.5%	3.6%	Viatrix	3.5%	4.1%			
	Renault	2.7%	2.4%	Atalaya Mining	4.3%	4.4%	Teva Pharmaceutical	3.2%	3.2%	Renault	2.4%	2.1%	Atalaya Mining	1.0%	0.0%	Renault	2.4%	2.1%	Renault	2.7%	2.4%	Teva Pharmaceutical	3.3%	3.2%			
	Exmar	2.5%	1.8%	Tubacex	4.0%	4.0%	Fresenius SE & CO	3.1%	3.7%	Exmar	2.2%	1.6%	Gaslog Partners	1.0%	0.0%	Exmar	2.2%	1.5%	Exmar	2.2%	1.9%	Fresenius SE & CO	3.1%	3.7%			
Aryzta	2.5%	3.7%	Iberpapel	3.6%	3.3%	National Oilwell Varco	3.0%	2.8%	Aryzta	2.2%	3.2%	Babcock	0.9%	1.1%	Affiliated Managers	2.2%	1.9%	Affiliated Managers	2.5%	1.5%	National Oilwell Varco	3.0%	0.0%				
Geographical breakdown	USA31.1%			Spain76.8%			Eurozone36.4%			Eurozone35.3%			Eurozone84.5%			Eurozone35.2%			Eurozone32.1%			USA36.7%					
	Rest of Europe31.0%			Portugal18.9%			USA35.8%			Rest of Europe27.4%			USA11.9%			Rest of Europe27.6%			USA30.9%			Asia35.2%					
	Eurozone26.1%			Other4.3%			Asia15.3%			USA27.1%			Rest of Europe3.6%			USA26.9%			Rest of Europe24.5%			Rest of Europe15.5%					
	Asia10.5%						Rest of Europe12.5%			Asia9.1%						Asia9.2%			Asia11.1%			Eurozone12.6%					
	Other1.3%									Other1.1%						Other1.2%			Other1.4%								
Sector breakdown	Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight		Region	Current quarter weight				
	Oil & Gas Storage & Transportation	19.9%		Construction & Engineering	15.0%		Automobiles & Components	16.4%		Oil & Gas Storage & Transportation	17.3%		Oil & Gas Storage & Transportation	17.4%		Oil & Gas Storage & Transportation	17.4%		Oil & Gas Storage & Transportation	20.6%		Automobiles & Components	16.5%				
	Oil & Gas Exploration & Products	12.4%		Metals & Mining	9.4%		Oil & Gas Storage & Transportation	13.3%		Oil & Gas Exploration & Products	10.7%		Oil & Gas Exploration & Products	6.2%		Oil & Gas Exploration & Products	10.9%		Oil & Gas Exploration & Products	12.6%		Oil & Gas Storage & Transportation	13.4%				
	Industrial Conglomerates	9.7%		Industrial Conglomerates	9.3%		Industrial Conglomerates	12.3%		Industrial Conglomerates	10.5%		Industrial Conglomerates	5.5%		Industrial Conglomerates	10.5%		Industrial Conglomerates	10.1%		Industrial Conglomerates	12.3%				
	Retailing	8.5%		Media & Entertainment	8.9%		Pharmaceuticals & biotechnology	10.2%		Energy Equipment & Services	8.4%		Energy Equipment & Services	3.5%		Energy Equipment & Services	8.5%		Retailing	8.6%		Pharmaceuticals & biotechnology	10.3%				
	Energy Equipment & Services	7.3%		Paper & Forest Products	8.5%		Energy Equipment & Services	6.4%		Retailing	7.4%		Cash	2.0%		Energy Equipment & Services	7.5%		Energy Equipment & Services	7.2%		Energy Equipment & Services	6.4%				
	Automobiles & Components	6.3%		Energy Equipment & Services	7.7%		Health Care Equipment & Services	6.2%		Automobiles & Components	5.4%		Energy Equipment & Services	2.0%		Automobiles & Components	5.5%		Automobiles & Components	6.4%		Health Care Equipment & Services	6.2%				
	Aerospace & Defense	5.9%		Consumer Services	7.1%		Oil & Gas Exploration & Products	5.2%		Aerospace & Defense	5.1%		Industrial Conglomerates	1.6%		Automobiles & Components	5.5%		Aerospace & Defense	5.8%		Oil & Gas Exploration & Products	5.3%				
	Pharmaceuticals & biotechnology	5.2%		Transportation	6.2%		Diversified Financials	4.7%		Construction & Engineering	1.2%		Construction & Engineering	1.2%		Aerospace & Defense	5.1%		Aerospace & Defense	5.8%		Pharmaceuticals & biotechnology	5.4%				
	Other	25.0%		Other	28.1%		Other	25.3%		Pharmaceuticals & biotechnology	4.5%		Machinery	1.1%		Pharmaceuticals & biotechnology	4.5%		Pharmaceuticals & biotechnology	5.4%		Diversified Financials	4.7%				
									Other	30.6%		Other	4.9%		Other	30.1%		Other	23.4%		Others	25.0%					
Performance contributors	Contributors			Contributors			Contributors			Contributors			Contributors			Contributors			Contributors			Contributors					
	Golar LNG	1.4%		Logista	0.1%		Golar LNG	1.4%		Golar LNG	1.2%		Golar LNG	1.2%		Exmar	1.2%		Golar LNG	1.4%		Golar LNG	1.4%				
	Exmar	1.4%		Prosegur Cash	0.1%		Energy Transfer	1.0%		Exmar	1.2%		Golar LNG	1.2%		Golar LNG	1.1%		Exmar	1.1%		Energy Transfer	0.9%				
	Teekay Corp.	0.6%		Gestamp	0.0%		Renault	0.7%		Teekay Corp	0.5%		Teekay Corp.	0.5%		Teekay Corp.	0.6%		Teekay Corp.	0.6%		Renault	0.6%				
	International Seaways	0.5%		FCC	0.0%		Teva Pharmaceutical	0.5%		International Seaways	0.5%		International Seaways	0.5%		International Seaways	0.5%		International Seaways	0.5%		Harbour Energy	0.5%				
	Energy Transfer	0.4%		Línea Directa	0.0%		Harbour Energy	0.4%		Energy Transfer	0.4%		Energy Transfer	0.4%		Energy Transfer	0.4%		Energy Transfer	0.4%		Teva Pharmaceutical	0.4%				
	Detractors			Detractors			Detractors			Detractors			Detractors			Detractors			Detractors			Detractors					
	Wilhelmsen A	-0.4%		Grifols B	-0.8%		Continental AG	-0.7%		Wilhelmsen A	-0.4%		BW Offshore	-0.4%		Wilhelmsen A	-0.4%		Maire Tecnimont	-0.5%		Continental AG	-0.7%				
	Maire Tecnimont	-0.5%		Seamapa	-0.9%		Samsung C&T	-0.8%		Maire Tecnimont	-0.4%		Wilhelmsen A	-0.5%		Wilhelmsen A	-0.5%		Wilhelmsen A	-0.5%		Samsung C&T	-0.8%				
	Babcock	-0.6%		Ibersol	-0.9%		Organon & CO	-0.8%		Babcock	-0.5%		Babcock	-0.6%		Babcock	-0.6%		Babcock	-0.7%		Grifols B	-0.8%				
Currys Plc	-0.7%		Técnicas Reunidas	-1.2%		Grifols B	-0.9%		Currys Plc	-0.6%		Currys Plc	-0.7%		Currys Plc	-0.7%		Currys Plc	-0.9%		Organon & CO	-0.9%					
Atalaya Mining	-0.8%		Atalaya Mining	-2.1%		Fresenius SE & CO	-0.9%		Atalaya Mining	-0.9%		Atalaya Mining	-1.0%		Atalaya Mining	-0.9%		Atalaya Mining	-0.9%		Fresenius SE & CO	-0.9%					
In & out of the portfolio	In the portfolio			In the portfolio			In the portfolio			In the portfolio			In the portfolio			In the portfolio			In the portfolio			In the portfolio					
	3R Petroleum			Acerinox			Atalaya Mining			3R Petroleum			3R Petroleum			3R Petroleum			3R Petroleum			Atalaya Mining					
	Johnson Electric H.			Línea Directa			Dick's Sporting Goods			CAF			Johnson Electric H.			Johnson Electric H.			Johnson Electric H.			Dick's Sporting Goods					
	Ichikoh Industries								Tubacex			Ichikoh Industries			Ichikoh Industries			Ichikoh Industries									
	Petronor E&P								Johnson Electric H.									Petronor E&P									
	Out of the portfolio			Out of the portfolio			Out of the portfolio			Out of the portfolio			Out of the portfolio			Out of the portfolio			Out of the portfolio			Out of the portfolio					
	Int. Seaways						Gilead Sciences			Int. Seaways			International Seaways			International Seaways			International Seaways			Gilead Sciences					
	Cairn Energy								Cairn Energy			Cairn Energy			Cairn Energy			Cairn Energy									
	IPCO								IPCO			IPCO			IPCO			IPCO									
									Mediaset España			Mediaset España			Mediaset España			Mediaset España									
	(*) EUR/ USD 76% hedged				(*) EUR/ USD 79% hedged				(*) EUR/ USD 77% hedged				(*) EUR/ USD 75% hedged				(*) EUR/ USD 86% hedged				(*) EUR/ USD 75% hedged				(*) EUR/ USD 82% hedged		

The **positions** of Maire Tecnimont, CIR and Wilhelmsen bring together the joint exposure to the different types of portfolio shares of these companies, whose ISINs are shown below:
- Maire Tecnimont:IT0004931058 y IT000510523 - CIR: IT0005241762 y IT0000070786 - Wilhelmsen: NO0010571698 y NO0010576010 Information broken down by ISIN code is available in the report available on the CNMV website.

NEWS

In our **Cobas AM** news section, the aim is to give a preview of the fund manager's projects and initiatives, as well as the most important milestones in the last quarter.

New website and private area

On 18 July we launched a [new corporate website](#), a completely revamped platform that improves communication and operations with its participants with more intuitive navigation and new features.

You can see the explanatory video of the new website at the following [link](#).

Cobas AM Chair in Savings and Pensions

IESE and **Cobas AM** are launching the Cobas AM Chair in Savings and Pensions under the guidance of IESE Economics Professor Javier Díaz-Giménez. The Chair, which will foster the exchange of knowledge between companies, governments and academics, will study the pension system in Spain and its comparison with other existing systems, the tax reforms needed for the long-term sustainability of the system, the corporate responsibility

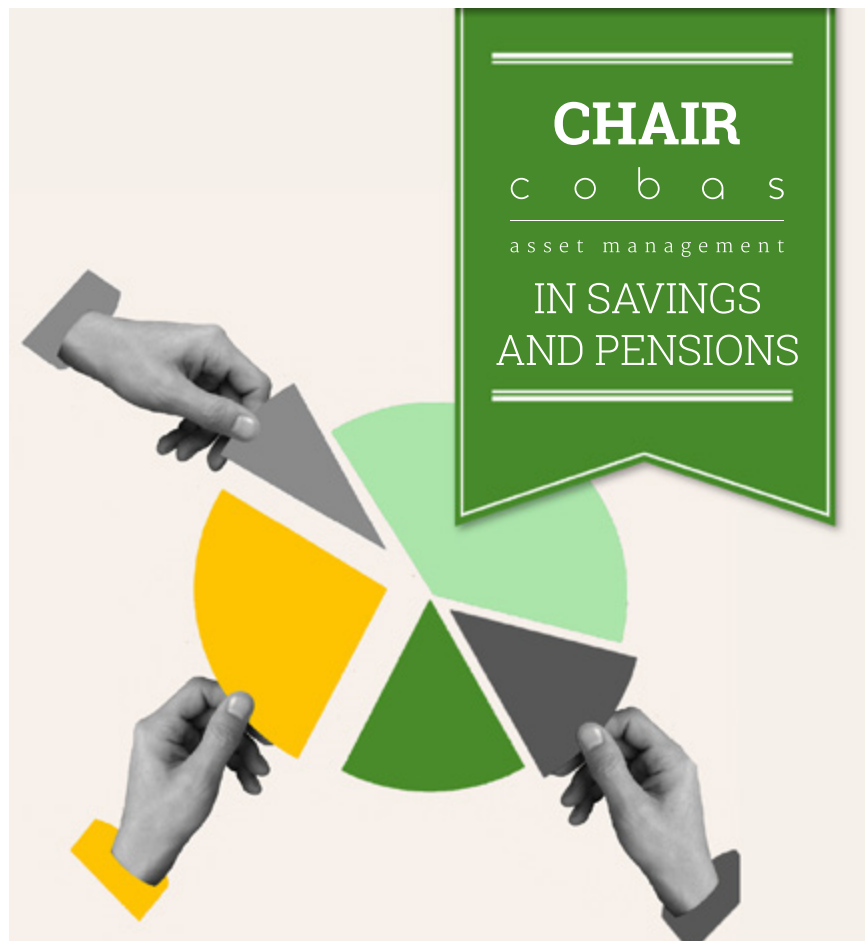


Image: Cobas AM.

of the entities needed to drive change, and the tools for individual social provision geared towards retirement.

Participation in Decisión Radio

During the quarter, members of the Investor Relations team participated in the programme Área Financiera. You can find the programmes on their [Youtube channel](#).

Participation in the radio programme Tu Dinero Nunca Duerme

During this quarter, **Juan Huerta de Soto**, from the **Cobas AM** investment team, **Verónica Llera**, **José Belascoáin** and **Ana García Justes** from the Investor Relations team, and **Paz Gómez Ferrer**, external collaborator of **Cobas AM**, participated in several programmes of Tu Dinero Nunca Duerme, the first financial culture programme of the Spanish generalist radio station esRadio in collaboration with **Value School**.

Juan Huerta de Soto, commented on the investment theses that are generating the best returns for the fund, especially energy, in the edition of the programme that took place on

25 September. The audio of the podcast is available at the following [link](#).

Verónica Llera, analysed the profile of Spanish investors' portfolios in the 17 July programme. The audio of the podcast is available at the following [link](#).

José Belascoáin, spoke about the debate between investing and speculating, in the edition of the programme that took place on 4 September. The audio of the podcast is available at the following [link](#).

Ana García Justes, explained the keys to keeping a cool head in the face of market turbulence, in the edition of the programme that took place on 31 July. The audio of the podcast is available at the following [link](#).

Paz Gómez Ferrer, spoke about the behavioural biases that are most likely to cause us to make investment mistakes at such a sensitive time as this, in the edition of the programme that took place on 21 August. The audio of the podcast is available at the following [link](#).



Podcast Invirtiendo a Largo Plazo

The **Cobas AM** podcast was created with the aim of bringing the philosophy of value investing to all its listeners.

Listen to the episode in which **Francisco García Paramés**, Chairman and CEO of **Cobas AM**, together with **Carlos González Ramos**, commented on the current situation of the markets and the positioning of the portfolios in the following [link](#).

Visit our profile to listen to new episodes at the following [link](#).

Image: www.cobasam.com

Participation in the EBN Banco programme

Interview with **Francisco Burgos**, head of the Institutional business, where he commented on **Cobas AM**'s view of markets and the current situation of value investing. To listen to the interview click [here](#).

Participation in the Intereconomía programme

On July 4th, **Francisco Burgos**, head of the Institutional business, commented on **Cobas AM**'s view of the markets and participated in the market talk show on Capital Intereconomía. To listen to his participation click [here](#).

Webinar: Investing with inflation

Ana García Justes and **Luis Silva**, members of Cobas Asset Management's Investor Relations Team, explained the fund manager's vision through an overview of the general composition of our portfolios and main investment ideas. To view the full webinar click [here](#).

Do you know our Social Networks?

We invite you to watch our latest videos on various current topics such as inflation (how our country is facing it), the energy crisis... you may also find interesting our posts and research published on our social networks.



Instagram



Facebook



Libsyn



LinkedIn



YouTube



Twitter



Image: Cobas AM.

Other initiatives of



**SANTA
COMBA**



Cobas AM collaborates with **Value School** to promote financial literacy from an independent perspective and help savers make informed investment decisions. After all, being a value investor is more than buying cheap and being patient. It is a philosophy of life.

Summer Summit 2022: 3 sessions that you can watch openly

Those enrolled in **Value School**'s summer school have exclusive access to the more than 30 sessions that were held at the venue over the course of two weeks. Due to their interest, Value School has decided to publish three of them openly on its channel, which have already accumulated more than 50,000 views:

'Savings, investment and the bankruptcy of pensions', with Domingo Soriano. [Watch video](#).

'Fundamentals of Dividend Investing', with Andrea Martinez. [Watch video](#).

Image: Value School Summer Summit Poster



Your Money Never Sleeps with **Fco. G^a Paramés** from Value School. [Watch video](#)

New on the Value School blog: PIAS, valuation and the risks of indexation

The Value School blog features a new topic every month. Among the most recent, we recommend these three articles:

‘Valorando, que es gerundio’ (Valuing, which is gerundio), by Miguel de Juan. [Read article](#)

‘Index-linked investing: lovers and haters’, by David Núñez. [Read article](#)

‘The PIAS and the 3 lies’, by Diego Costa. [Read article](#)

A liberal education. In praise of great books

Throughout this conversation with Professor José María Torralba, Value School’s School of Values has brought closer to its community the importance of incorporating humanistic knowledge in the curricula of all university.

degrees. [Here](#) you can see the full video of the session.



Global Social Impact Fund II, Spain FESE closes the second investment in its Spanish fund. It enters as a minority partner in Sqrups, Spain’s leader in urban outlets for the mass market.

Since 2014, Sqrups has contributed to the economic and social inclusion of vulnerable groups in Spain, offering them quality basic products at very affordable prices. It offers more than 1,000 references of food, drugstore, stationery, fashion and accessories, household goods and furniture with an average price of 0.80 euros.

In this new phase, with the entry of GSI, Sqrups will expand its current network of 50 shops, including its own and franchised stores, to 120 over the next three years, positioning itself as a leader in a sector that is underdeveloped in Spain. [Press release](#).



Image: Africa Directo Foundation



During the third quarter of 2022, the **Open Value Foundation** has continued to develop different initiatives and activities, among which the following stand out:

From the projects and measurement area, they continue to promote projects and companies with social impact with the aim of improving the livelihoods of the most vulnerable people. The latest milestones of the venture philanthropy fund are as follows:

- Participation in the €500,000 funding round of [Bridge For Billions](#) to boost its internationalisation in developing countries. The company wants to expand its activity in Sub-Saharan Africa, opening offices in Rwanda and hiring local staff. With this new share purchase, we are positioned as one of the minority investors with the largest stake, around 2.5%.
- Loan of €30,000 to [Whesoyy](#) which is disbursed in three

tranches of €10,000. A Ghanaian food social enterprise offering high quality wholegrain cereals, with a variety of standard packaging, fast delivery and affordable prices.

- Supporting [Plant on Demand](#) through La Bolsa Social, the first participatory social investment platform. This social enterprise provides a platform that digitises the business operations of organic producers while facilitating cooperation between actors in the food chain, thus empowering producers and improving the overall efficiency of the organic production and consumption ecosystem.

The latest milestones in the area of philanthropy:

- As a novelty in the [Baobab project](#) of the Pueblos Unidos social intervention centre, this year the young sub-Saharan Africans hosted in the flats in Madrid who get jobs with a salary of 1,000 euros have to help with 100 euros towards the maintenance of the San Leopoldo and Ventisqueros flat.
- Thanks to OVF's donation to the [Lodonga Microcredits](#) programme of the Africa Directo Foundation, during July and August 2022, 127 new women have been incorpora-



Image: Plant on Demand News.

ted and receive support to open their own business and maintain the family economy. These new beneficiaries belong to the communities of Nyori, Matu and Pajama, located in the district of Yumbe in northeastern Uganda.

From the area of training and communication:

- They continue to support the [Master's Degree in Impact Investment at the Autonomous University of Madrid](#) and the [Chair of Social Impact at Comillas University](#), which begin classes in October.
- Acumen Academy together with the Open Value Foundation has signed a collaboration agreement with Universidad Camilo José Cela and Arcano Partners to promote the [Acumen Fellows Programme](#) in Spain.
- The [Impact Foundations Fund](#) concludes its first edition by funding two Spanish social enterprises: Apadrinaunolivo.org and RobinGood. Both companies have received funding, technical advice, relational support and visibility from the Fund.
- OVF continues to organise meetings on different topics,

the last one on [investment with a gender focus](#), creating [content](#) on projects in the newsletters or the [podcast](#) with the latest interview with the social entrepreneur José Alfredo Martín from Apadrina un Olivo (Sponsor an Olive Tree). In addition, the OVF team has been featured in the media, all with the aim of contributing to strengthening impact investing in Spain.

- OVF joins the accelerator Kosmos Innovation Center and Glovo in launching '[The Impact Entrepreneurship Competition](#)' designed to support entrepreneurs who are leading companies with social and environmental impact, as well as contributing to strengthening the impact ecosystem in Ghana.

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c o b a s
a s s e t m a n a g e m e n t

Paseo de la Castellana, 53 Second floor
28046 Madrid (Spain)
T +34 91 755 68 00

info@cobasam.com
www.cobasam.com



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