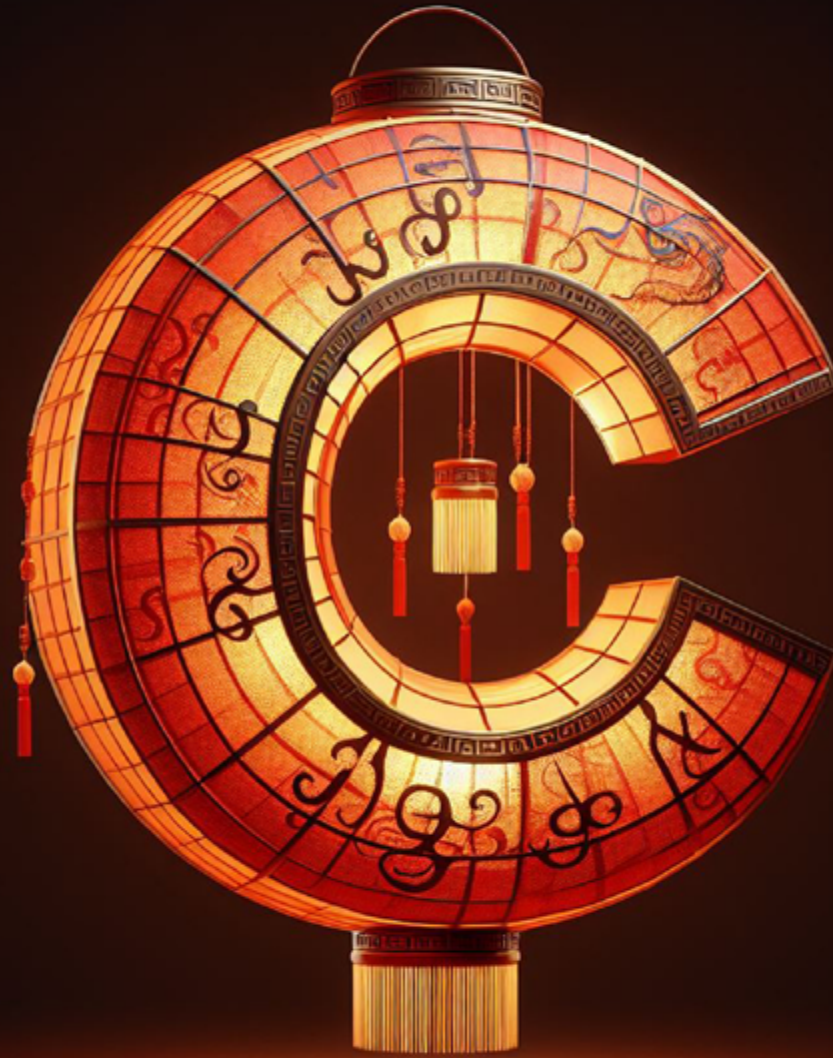


c o b a s

asset management



Comment
Second Semester 2023

Dear Investor,

During the second half of the year our International Portfolio was up 9% versus 4% for its Benchmark, the **BBG Europe Developed Markets**¹, and our **Iberian Portfolio** was up 9% versus 7% for the Index².

This brings returns in 2023 to 12% for the **International Portfolio** and 23% for the **Iberian Portfolio**, continuing the positive trajectory we have been on since the second half of 2020.

As you know, at **Cobas AM** we don't try to predict what the stock market will do, and we can't influence or know when and how returns will be delivered. But with the portfolios we have today, and the value embedded in them, we are convinced that those returns will happen.

What we can influence is the target value² of our funds, which we have managed to increase by 8% for the **International Portfolio** and 13% for the **Iberian Portfolio** this year, to EUR 264 and EUR 256 per shares respectively.

(1) You can see more details about the benchmark change on page 20. (2) For more information on ratios and possible scenarios see page 17. Past returns do not presuppose future returns.

This means that the **International Portfolio** trades on average at P/E 5.5x and the **Iberian Portfolio** at P/E 7.7x².

Furthermore, it is important to note that we are not paying such low multiples at the cost of buying low quality or financially troubled companies. The average ROCE² of the companies in our **International Portfolio** is 32% and 25% in the **Iberian Portfolio**. More than 40% of the companies in the **International Portfolio** have net cash (23% for the **Iberian Portfolio**) and the average debt is 0.3x Net Debt/EBITDA for the **International Portfolio** and 0.5x for the **Iberian Portfolio**. This means that we have quality portfolios, with a lot of potential, but also low risk and de-correlated with the market, as was clearly seen in 2022.

In fact, if we focus on the last two years, we see how our **International Portfolio** has behaved more in line with what our funds have historically done, rising in years when the market falls and doing similarly to the market in years when it rises. In 2022, with the US market down almost 20% and the European market down 10%, our **International Portfolio** gained 11%. In 2023, our portfolio is

up 12%, a performance very similar to that of the European stock markets (the Stoxx 600 is up 13% for the year).

We cannot know when value will be recognised in our companies, but what we do know from our experience of more than three decades of investing is that the combination of quality business at attractive prices is a winning formula. All it takes is patience and a long-term entrepreneurial mindset, and to illustrate this we will look at the example of **Elecnor**.



Elecnor is a company we have known for more than 30 years, during which time it has proven to be a quality and well-managed business. It has been present in our portfolios since the beginning of **Cobas AM**, because the difference between price and value was very striking, a difference that has been accentuated over the last few years.

The company, originally from the Basque Country, started as an engineering company and then diversified by investing in the power transmission lines sector (**Celeo**) and renewable energies (**Enerfin**).

They are currently closing the sale of **Enerfin** at a valuation of around 14-15 euros per-share. This transaction has led to a 90% increase in the value of the shares in the last year, reaching 19 euros per share at present. It is noteworthy that this appreciation comes after six years with the share practically flat, fluctuating between 10-12 euros. During this period, although the company continued to generate value, the market did not recognise it.

The sale of **Enerfin** has been at a very attractive price, but the most interesting thing is that the rest of the businesses (**Engineering** and **Celeo**) would implicitly be worth, according to the market, only 4-5 euros per share. A valuation that we do not believe to be correct. **Celeo** alone has been valued by **APG**, one of the largest funds in Europe and **Elecnor**'s partner in **Celeo**, at approximately 7 euros per share, to which the value of the **Engineering** division should



be added. This generated 130 million euros of EBITDA (net of central costs) in 2022. Assuming any reasonable multiple to value this division, it is obvious that **Elecnor**, despite the +90% in the last year, is still undervalued and therefore continues to have an important weight in our portfolios.

The case of **Elecnor** and the takeover bids we have received this year (**Exmar, Talgo, Gaslog, Taro, FCC, Prosegur** and

Applus, discussed in our letter of the first half of the year) are good examples of what could happen to our portfolios. When you have portfolios at 5-7x earnings, it is normal for events to happen that cause the gap between price and value to narrow.

Although we cannot predict when or what might happen, experience tells us that revaluations do happen, sometimes

Photo: Carlos Castilla, Shutterstock.

Comment **Second Semester 2023**

very quickly. We are therefore optimistic about the future of our portfolios and have our savings invested in **Cobas AM** funds.

OUR INVESTMENT IN ASIA

Commentary by Francisco García Paramés









During the last four months of 2023 I had the opportunity to work from Singapore. It has been very productive months.

Thanks to the presence of our colleague **Mingkun Chan** in Shanghai, around 14% of our **International Portfolio** is invested in Asian companies.

In the column, the composition of our investment in Asia at the end of 2023.

I would highlight several points from my stay in Singapore:
- First, the realisation that the engine of global growth is there.

In a context of zero growth in Europe and moderate growth

CK Hutchinson		2.2%
Samsung C&T		1.8%
Johnson Electric		1.4%
Ichikoh	ICHIKOH	1.3%
Okamoto		1.2%
Vtech	vtech	1.2%
Daiwa Industry		1.0%
LG Electronics		1.0%
Hyundai Motor		1.0%
Stella	STELLA INTERNATIONAL	0.9%
LG CORP-PREF		0.6%
AmorePacific Group	AMOREPACIFIC	0.3%
TOTAL ASIA		13.70%

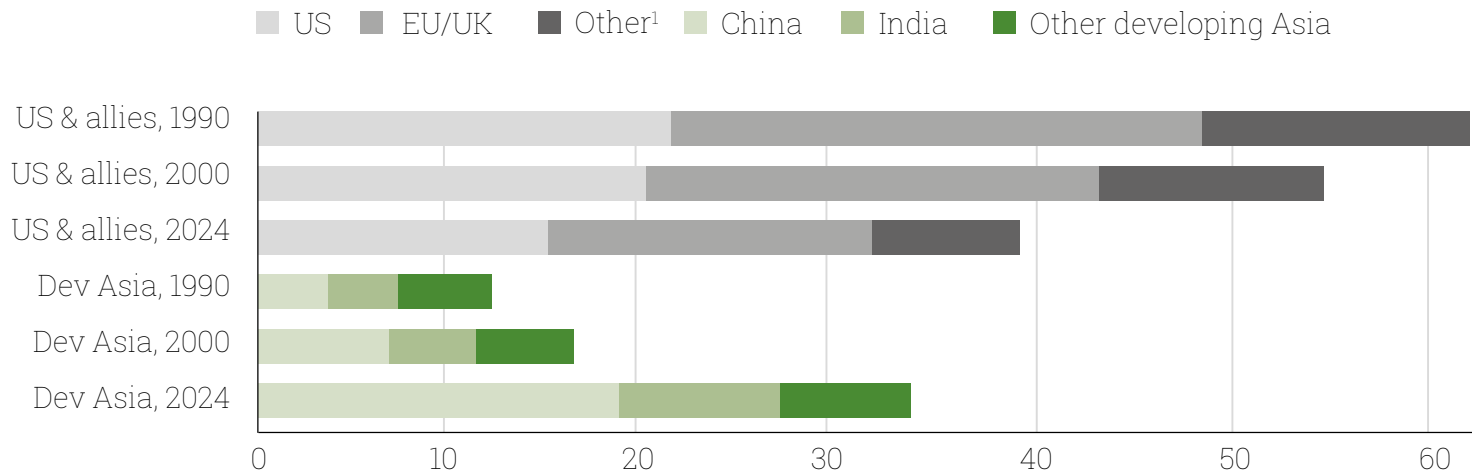
in the United States (underpinned by strong growth in public spending), in Asia we see continued growth of 5%, supported by China, India and the ASEAN countries.

Moreover, this development has occurred despite the

sharp slowdown in China's real estate sector, probably the engine of growth in previous eras. That both China and the other countries have been able to grow, despite these headwinds, can be explained by the strength and dynamism of their economies.

The shift of world output towards developing Asia has been inexorable

Share of global GDP at purchasing power parity (%)



Source: IMF. Note (1) Japan, Canada, S Korea, Australia, New Zealand.

Let us remember that these countries have a population of 3 billion people and a per capita income that is still very low, so the potential for growth is very high.

- Together with **Mingkun**, we have been able to visit all the Asian companies in our portfolio after 5 years. They are all good companies, well managed, but the visits have allowed us to convey our view on capital allocation, with a focus on a preference for share buybacks.

- We also had the opportunity to visit important assets of non-Asian companies such as some assets of **Golar**, **BW Offshore** and **Wilhelmsen Services**.

- Finally, we noted the progressive change in corporate governance in Japan and South Korea. In Hong Kong, given its Anglo-Saxon culture and tradition, such governance is acceptable, but this is not the case in other countries.

This is why initiatives such as the one taken by the new CEO of the Japanese Stock Exchange, Hiromi Jamaji, requiring an action plan for companies trading below



Photo: Longhua Temple, Shanghai. Raimundo Manzanares.

book value, are a good example of the improvements we can expect.

Also, in South Korea we see that virtually all large companies have started share buyback and cancellation programmes. Another good sign.

All in all, it seems very important to keep a close eye on what is happening in this geographical area, because although in the short term we are not likely to increase our investments in Asia, simply because the potential of the fund is enormous, in the medium-term good opportunities are bound to arise.

PERFORMANCE OF COBAS AM FUNDS

The Commentary of the **2nd Semester 2023** is available to you in different formats.



COMMENTED BY

**Francisco
García Paramés**



[Watch the video](#)



[Listen to the audio](#)

PORTFOLIOS

Our portfolios

Data as of 31/12/2023

Spanish domiciled funds

Name	AUM
Internacional FI	559.9 Mn€
Iberia FI	41.1 Mn€
Grandes Compañías FI	23.5 Mn€
Selección FI	714.5 Mn€

Luxembourg domiciled funds

Name	AUM
International Fund	33.0 Mn€
Large Cap Fund	12.6 Mn€
Selection Fund	83.5 Mn€

AUM	Market Cap	Strategies		Number of holdings
		International	Iberian	
592.1 Mn€	Multi Cap	●		57
41.1 Mn€	Multi Cap		●	30
36.1 Mn€	70% ≥ 4Bn€	●	●	38
798.0 Mn€	Multi Cap	●	●	68

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 the Iberian; 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 billion euros.

These three portfolios are used to construct the various equity funds we manage as at 31st December 2023.

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 these securities are actually undervalued or, if so, that their prices will perform as the managers expect.

**Total assets
under management**

**1.865
Mn€**

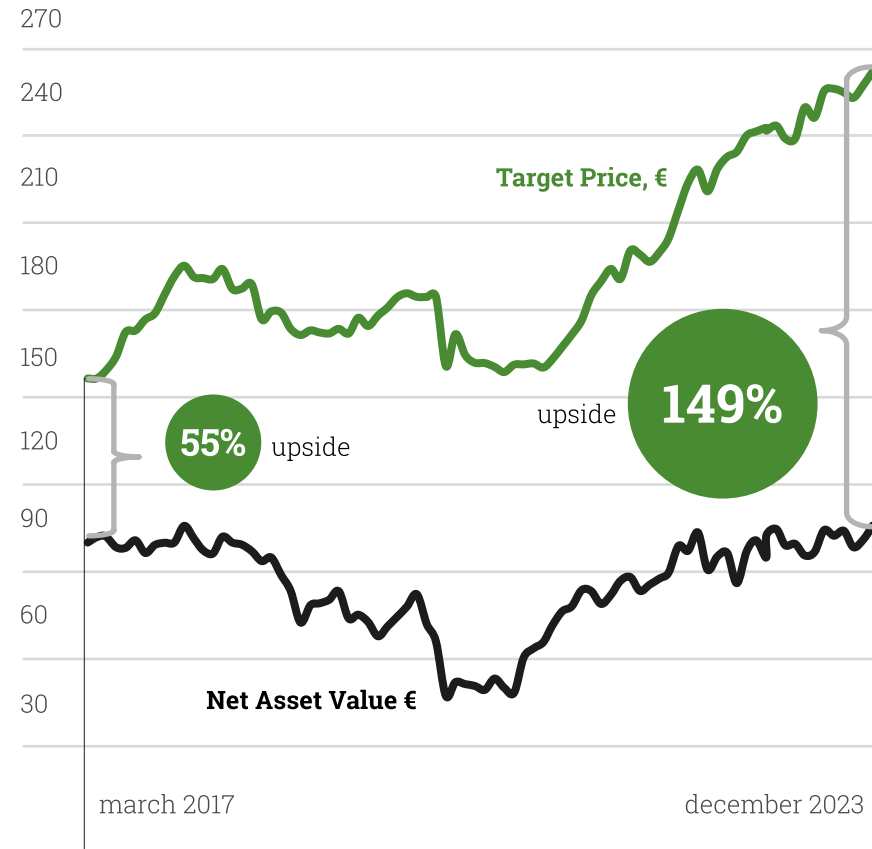
International Portfolio

During the second half of 2023 our **International Portfolio** returned +9.4%, compared to +4.0% for its benchmark, the **BBG Europe Developed Markets**. The annual returns were +11.7% and +15.8%, respectively¹.

Of note was the contribution to this performance of companies such as **Babcock**, which rose 44% in the year, **Maire Tecnimont**, **Danieli** and **Wilhelmsen**. On the negative side, we find **3R Petroleum**, which fell 25%, and other smaller companies, some of which fell more than 40%.

During the first half of the year, we exited five stocks which, in aggregate, had an aggregate weight of close to 6% and entered four stocks with an aggregate weight of close to 3%.

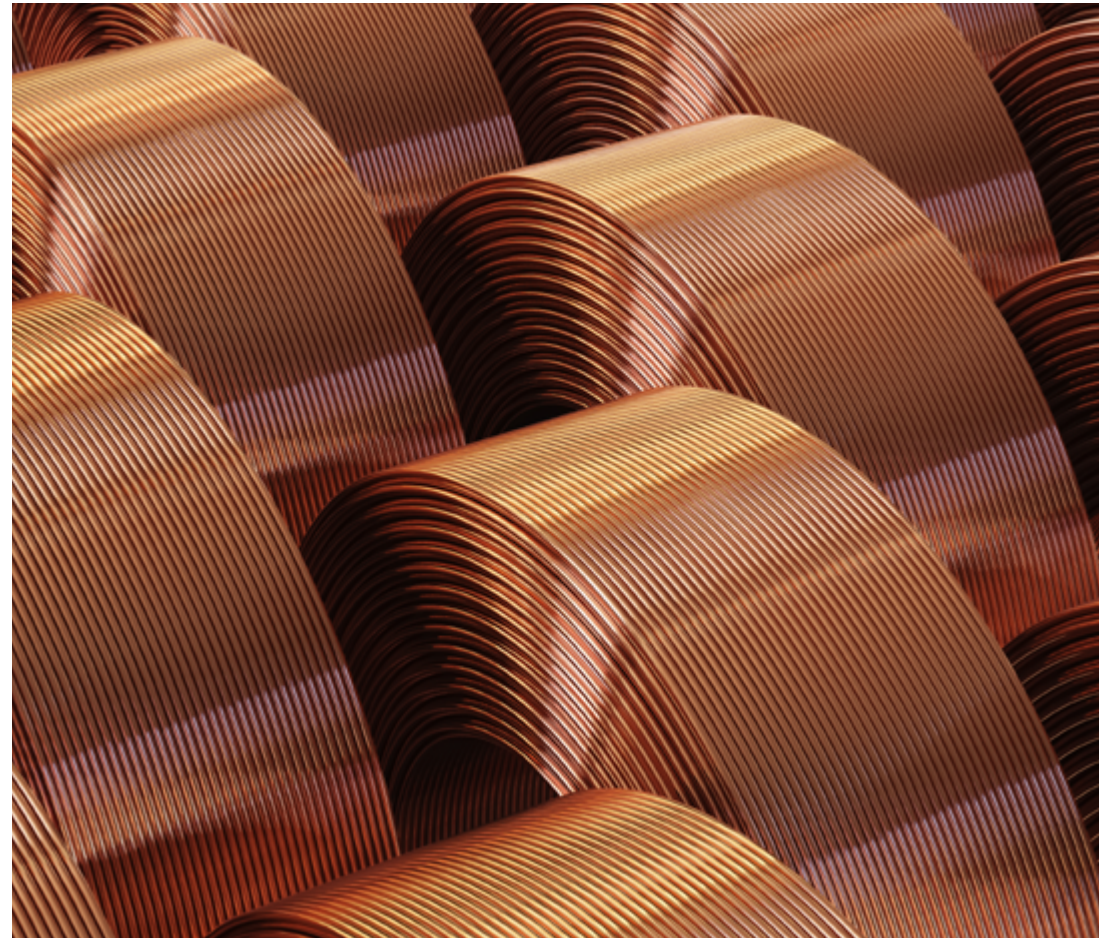
Thanks to the volatility of the market and the rotation we have carried out during the half year, the **target value¹** of the **International Portfolio** has increased by just over



⁽¹⁾ International Portfolio: Performance obtained by Cobas Internacional FI - Class C, ISIN: ES0119199000. For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns.

6%, to around **€264/share**, which implies a **potential¹** revaluation of **149%**.

As a result of this potential, we remain invested at around 98%. The whole portfolio trades at an estimated P/E¹ 2024 of 5.5x versus 13.0x of its benchmark, and has a ROCE¹ close to 32%, which is indicative of the quality of the businesses in the portfolio.



(1) For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns. **Photo:** SimoneN, Shutterstock.

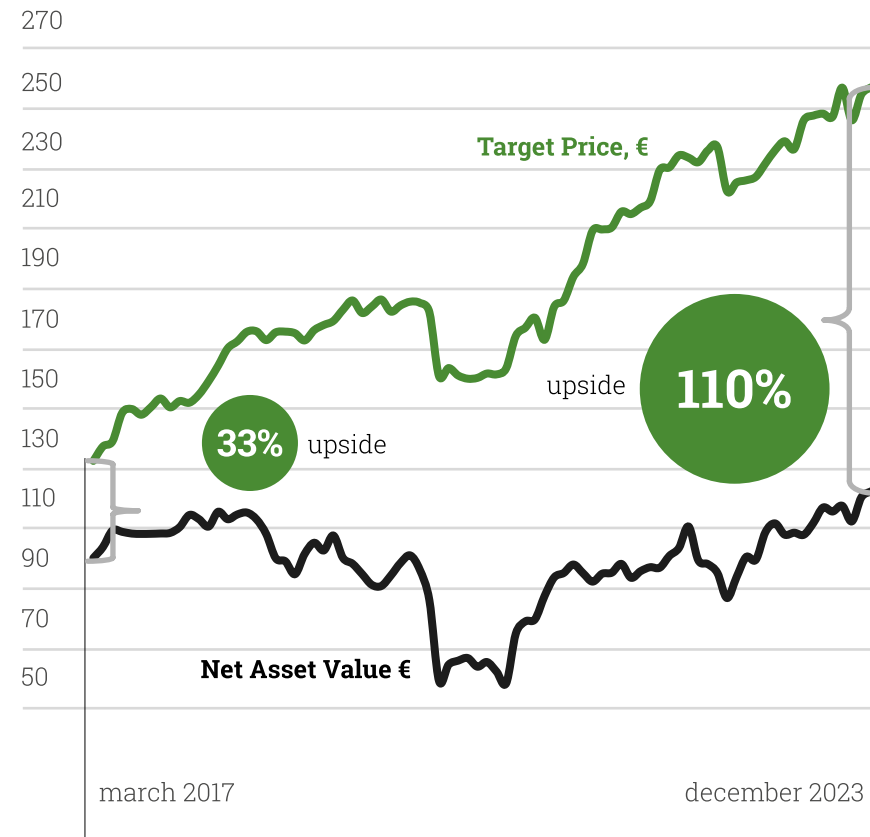
Iberian Portfolio

The **Iberian Portfolio's** net asset value performance in the second half of 2023 was +9.4% compared to +7.5% for its benchmark. The full year returns were +22.7% and 24.9%, respectively¹.

The company that contributed most to the portfolio's good performance was **Elecnor**, which, as mentioned above, rose 90%. **Iberpapel** also did particularly well, up 45%. Of the companies with more weight in the portfolio, the ones that most detracted from our performance were **Vocento**, which fell 7% in the year, and **Almirall**, which fell almost 5%.

The **Iberian Portfolio** has remained stable in terms of inflows and outflows. We exited a company which, at the end of June, had a weighting of close to 1.5% and we entered two companies which at the end of December had a weighting of close to 2%. However, it should be noted that we sold part of our position in **Elecnor** due to its strong revaluation.

During the first half of the year, we adjusted the **target va-**



⁽¹⁾ Iberian Portfolio: Performance obtained by the Cobas Iberia FI - Class C, ISIN: ES0119184002. For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns.

lue¹ of the **Iberian Portfolio** upwards by nearly 4% to **€256 per holding**. After this adjustment, the **potential¹** upside stands at **110%**.

We are nearly 98% invested in the **Iberian Portfolio** which trades at an estimated P/E¹ 2024 of 7.7x versus 10.8x its benchmark and has a ROCE¹ of close to 25%.



(1) For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns. **Photo:** Mimadeo, Shutterstock.

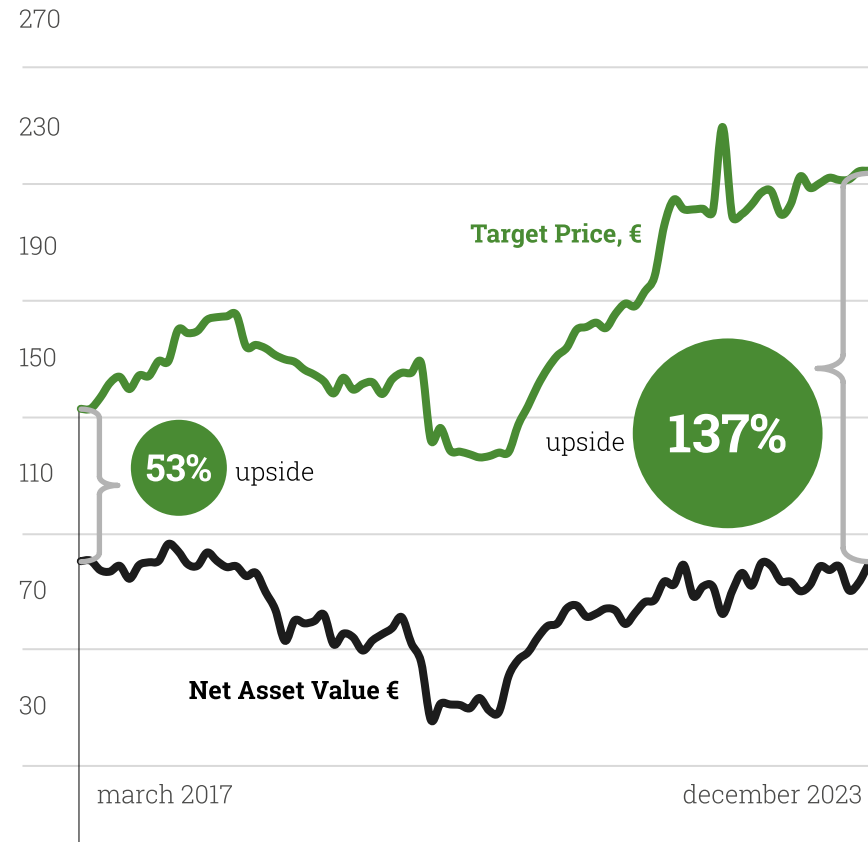
Large Cap Portfolio

During the second half of 2023 our **Large Company Portfolio** returned +7.4% versus +6.2% for the **BBG Developed Markets** benchmark. The 2023 returns were +7.6% and +19.5% respectively¹.

Companies such as **Hyundai Motor** (+53% in 2023) and **Continental** (+41%) contributed very positively to the portfolio's performance. On the other hand, **Organon**, which fell 47%, and **Bayer** (-28%) contributed negatively.

In the **Large Companies Portfolio**, we fully sold five companies which at the end of June had an aggregate weighting of close to 6%; these sales enabled us to finance the entry into three new companies which at the end of December had an aggregate weighting of close to 5%.

During the first half of the year, we have slightly adjusted upwards the **target value**¹ of the **Large Companies Portfolio** by around 3% to **€235/share**. This represents an **upside potential**¹ of **137%**.



⁽¹⁾ Large Cap Portfolio: Performance obtained by the Cobas Grandes Compañías FI - Class C fund, ISIN: ES0113728002. For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns.

We are nearly 99% invested in the **Large Companies Portfolio**. Overall, the portfolio trades at an estimated P/E¹ 2024 of 6.1x versus 17.3x its benchmark and has a ROCE¹ of 31%.



(1) For more information on ratios (VaR) and possible scenarios see page 17. Past returns do not presuppose future returns. **Photo:** Dobrovizcki, Shutterstock.

Spanish Funds

Fund	NAV	Upside Potencial	2S Performance		Performance YTD		Performance YTD			VaR	AUM Mn€	Inception Date	
			Fund	Benchmark	Fund	Benchmark	Fund	Benchmark	PER				ROCE
Selección FI Class B	121.0 €	147%	9.1%	4.0%	12.6%	15.8%	21.0%	8.2%	5.7x	32%	9.6%	628.0 €	03/02/2022
Selección FI Class C	109.2 €	147%	9.0%	4.0%	12.4%	15.8%	9.2%	68.0%	5.7x	32%	9.6%	52.5 €	14/10/2016
Selección FI Class D	160.4 €	147%	8.9%	4.0%	12.1%	15.8%	60.4%	31.0%	5.7x	32%	9.6%	34.0 €	01/01/2021
Internacional FI Class B	121.4 €	149%	9.6%	4.0%	11.9%	15.8%	21.4%	8.2%	5.5x	32%	10.2%	422.2 €	03/02/2022
Internacional FI Class C	105.9 €	149%	9.4%	4.0%	11.7%	15.8%	5.9%	51.0%	5.5x	32%	10.2%	60.2 €	03/03/2017
Internacional FI Class D	164.1 €	149%	9.3%	4.0%	11.4%	15.8%	64.1%	31.0%	5.5x	32%	10.2%	77.5 €	01/01/2021
Iberia FI Class B	125.1 €	110%	9.5%	7.5%	23.0%	24.9%	25.1%	25.1%	7.7x	25%	7.9%	35.8 €	03/02/2022
Iberia FI Class C	122.0 €	110%	9.4%	7.5%	22.7%	24.9%	22.0%	43.6%	7.7x	25%	7.9%	2.8 €	03/03/2017
Iberia FI Class D	114.4 €	110%	9.2%	7.5%	22.4%	24.9%	44.7%	35.1%	7.7x	25%	7.9%	2.5 €	08/01/2021
Grandes Compañías FI Class B	114.4 €	137%	7.4%	6.2%	7.7%	19.5%	14.4%	10.7%	6.1x	31%	10.2%	19.5 €	03/02/2022
Grandes Compañías FI Class C	98.8 €	137%	7.4%	6.2%	7.6%	19.5%	-1.2%	83.0%	6.1x	31%	10.2%	2.0 €	03/03/2017
Grandes Compañías FI Class D	137.5 €	137%	7.4%	6.2%	7.6%	19.5%	37.5%	36.1%	6.1x	31%	10.2%	2.0 €	01/01/2021
Cobas Renta FI	109.1 €		4.4%	1.9%	6.3%	3.3%	9.1%	0.8%			1.8%	31.1 €	18/07/2017

Pension Funds

Global PP	101.9 €	146%	9.2%	4.0%	12.7%	15.8%	1.9%	46.1%	5.7x	32%	9.6%	90.8 €	18/07/2017
Mixto Global PP	103.5 €	112%	7.5%	1.9%	10.5%	6.5%	3.5%	21.7%	5.7x	24%	7.3%	9.2 €	18/07/2017
Cobas Empleo 100 PPE	119.1 €	146%	7.4%	4.0%	11.4%	15.8%	19.1%	46.1%	5.7x	32%	9.3%	1.1 €	23/06/2021
Cobas Autónomos PPES	104.9 €	146%	4.9%	4.0%	4.9%	5.0%	4.9%	5.0%	5.7x	32%	9.3%	3.6 €	17/07/2023

Data as of 30 of June 2023. **Notes:** 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. Over the course of this six-month period, we have achieved an estimated **upside potential** of 156% for our funds. This estimated potential is not a guarantee that the fund will perform well over the next few years, but it is our estimate of what our funds are worth and gives an idea of how attractive it is to invest in Cobas AM funds. To calculate this potential, we carry out an individual analysis of each company in the portfolio. Specifically, we estimate the future earnings generation capacity and apply the valuation method that best suits each business model, with multiples or discounted cash flow valuation methods being the most commonly used. We calculate the capacity to generate future profits by taking into account the historical performance of the company, the performance of the management team, the analysis of the sector (supply and demand), and its future prospects. The objective is to determine the sustainable normalised profit over a full economic cycle. This analysis is developed and continuously updated, taking into account quantitative information, mainly that contained in the company's annual accounts, and qualitative information, such as that acquired through attendance at conferences, reports from information providers or through interviews with customers, competitors, etc., as well as the information provided by the company's management team. The multiples or discount rates we apply to estimated future earnings are derived from our analysis, the main variables being the quality of the business, its predictability, expected growth and risks. With rare exceptions, the discount rate applied (either explicitly or implicitly) ranges from 6% to 12%. Thus, the quotient between our internal valuation and the share price gives our upside for revaluation for each company. By weighting this upside by the weights of each company in the portfolio, we obtain the fund's upside. **Benchmarks.** Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR Cobas Selección FI, Cobas Internacional FI, Cobas Global PP. Bloomberg Developed Markets Large & Mid Cap Net Return Index EUR Cobas Grandes Compañías FI, IGBM Total 80% y PSI 20 Total Return 20% Cobas Iberia FI. ESTR para Cobas Renta, Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR 50% and ESTR 50% 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 31/12/2023). **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	2S Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Inception Date
			Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
International EUR	97.01 €	148%	9.2%	4.0%	10.9%	14.1%	-2.9%	43.1%	5.5x	32%	10%	32.4 €	01/06/2017	
International USD	\$125.89	148%	10.2%	4.0%	13.0%	14.1%	11.6%	43.8%	5.5x	32%	10%	\$0.7	06/06/2017	
Selection EUR	20.655.89 €	146%	9.0%	4.0%	11.7%	14.1%	106.5%	135.4%	5.7x	32%	10%	77.7 €	18/04/2017	
Selection USD	\$38.420.20	146%	9.8%	4.0%	13.8%	14.1%	148.2%	121.3%	5.7x	32%	10%	\$6.4	18/04/2017	
Large Cap EUR	127.06 €	137%	6.9%	6.0%	6.2%	18.8%	27.4%	54.9%	6.1x	30%	10%	12.6 €	14/10/2019	

Data as of 30 of June 2023. Notes: 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. Over the course of this six-month period, we have achieved an estimated **upside potential** of 156% for our funds. This estimated potential is not a guarantee that the fund will perform well over the next few years, but it is our estimate of what our funds are worth and gives an idea of how attractive it is to invest in Cobas AM funds. To calculate this potential, we carry out an individual analysis of each company in the portfolio. Specifically, we estimate the future earnings generation capacity and apply the valuation method that best suits each business model, with multiples or discounted cash flow valuation methods being the most commonly used. We calculate the capacity to generate future profits by taking into account the historical performance of the company, the performance of the management team, the analysis of the sector (supply and demand), and its future prospects. The objective is to determine the sustainable normalised profit over a full economic cycle. This analysis is developed and continuously updated, taking into account quantitative information, mainly that contained in the company's annual accounts, and qualitative information, such as that acquired through attendance at conferences, reports from information providers or through interviews with customers, competitors, etc., as well as the information provided by the company's management team. The multiples or discount rates we apply to estimated future earnings are derived from our analysis, the main variables being the quality of the business, its predictability, expected growth and risks. With rare exceptions, the discount rate applied (either explicitly or implicitly) ranges from 6% to 12%. Thus, the quotient between our internal valuation and the share price gives our upside for revaluation for each company. By weighting this upside by the weights of each company in the portfolio, we obtain the fund's upside. **Benchmarks.** Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR Cobas Selección FI, Cobas Internacional FI, Cobas Global PP. Bloomberg Developed Markets Large & Mid Cap Net Return Index EUR Cobas Grandes Compañías FI, IGBM Total 80% y PSI 20 Total Return 20% Cobas Iberia FI. ESTR para Cobas Renta, Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR 50% and ESTR 50% 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 31/12/2023). **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

Cobas Internacional FI
Class B - ES0119199026
Class C - ES0119199000
Class D - ES0119199018

Cobas Iberia FI
Class B - ES0119184028
Class C - ES0119184002
Class D - ES0119184010

Cobas Grandes Compañías FI
Class B - ES0113728028
Class C - ES0113728002
Class D - ES0113728010

Cobas Selección FI
Class B - ES0124037021
Class C - ES0124037005
Class D - ES0124037013

Cobas Renta FI
ES0119207001

COBAS LUX SICAV
COBAS SELECTION FUD
LU1372006947 EUR
LU1372007168 USD

COBAS LUX SICAV
COBAS INTERNATIONAL FUD
LU1598719752 EUR
LU1598719919 USD

COBAS LUX SICAV
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	
	Golar LNG	8.2%	7.6%	Atalaya Mining	10.0%	9.3%	Golar LNG	7.6%	7.2%	Golar LNG	7.1%	6.6%	Golar LNG	7.1%	6.7%	Golar LNG	8.2%	7.7%	Golar LNG	7.6%	7.1%	
	Babcock	5.7%	4.4%	Técnicas Reunidas	8.6%	9.0%	Babcock	4.9%	3.8%	Babcock	4.9%	3.8%	Babcock	4.9%	3.8%	Babcock	5.6%	4.4%	Babcock	5.6%	4.4%	
	CIR	4.2%	4.0%	Elecnor	7.8%	9.8%	Fresenius SE & CO	4.6%	4.6%	Danieli	1.0%	0.9%	Atalaya Mining	4.0%	3.6%	Atalaya Mining	3.8%	3.5%	Fresenius	4.7%	4.7%	
	Atalaya Mining	3.8%	3.5%	Almirall	5.8%	4.4%	CK Hutchison	4.4%	4.2%	CIR	0.9%	1.1%	Danieli	3.4%	2.7%	Currys PLC	3.7%	3.8%	CK Hutchison	4.4%	4.3%	
	Currys PLC	3.7%	3.8%	CAF	4.8%	4.6%	Affiliated Managers	4.3%	3.8%	Babcock	0.9%	1.0%	Currys PLC	3.3%	3.3%	Currys PLC	3.7%	3.5%	Affiliated Managers	4.4%	3.8%	
	Danieli	3.7%	3.5%	Catalana Occidente	4.7%	3.6%	Samsung C&T	4.2%	3.7%	Técnicas Reunidas	0.9%	1.0%	CIR	3.3%	3.0%	CIR	2.8%	2.7%	Samsung C&T	4.3%	3.7%	
	Bw Energy	2.7%	2.4%	Miquel y Costas	4.6%	4.2%	Viatrix	4.0%	3.7%	Bw Energy	0.9%	0.9%	Bw Energy	2.4%	2.1%	Bw Energy	2.7%	2.4%	Viatrix	4.1%	3.7%	
	Bw Offshore	2.7%	2.6%	Semapa	4.5%	7.9%	Atalaya Mining	4.0%	3.6%	Técnicas Reunidas	2.4%	2.5%	CIR	0.8%	0.8%	BW Offshore	2.7%	2.6%	Atalaya Mining	4.0%	3.6%	
	Energiean	2.5%	2.2%	Grifols	4.2%	2.7%	NOV	3.4%	2.8%	Teva	0.8%	-	Teva	0.8%	-	Energiean	2.5%	2.2%	NOV	3.5%	2.8%	
	AcadeMedia	2.4%	1.6%	Ibesol	3.7%	4.2%	Renault	3.4%	3.6%	Viatrix	0.7%	-	Elecnor	2.2%	1.9%	Academedia	2.4%	1.6%	Renault	3.4%	3.6%	
Geographical breakdown	Eurozone		24.4%	Spain		76.7%	Eurozone		36.0%	Eurozone		83.2%	Eurozone		33.4%	Eurozone		24.9%	USA		35.1%	
	Rest of Europe		38.5%	Portugal		11.9%	USA		30.4%	Rest of Europe		34.2%	Rest of Europe		34.2%	USA		38.3%	Asia		30.7%	
	USA		21.9%	Other		11.5%	Asia		17.7%	USA		19.0%	USA		19.0%	Rest of Europe		21.7%	Rest of Europe		18.2%	
	Asia		13.7%				Rest of Europe		15.9%	Asia		12.0%	Asia		12.0%	Asia		13.5%	Eurozone		16.0%	
	Other		1.6%				Other		1.4%	Other		1.4%	Other		1.4%	Other		1.6%				
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	
	Oil & Gas Exploration & Products		14.9%	Metals & Mining		12.4%	Automobiles & Components		17.4%	Oil & Gas Exploration & Products		13.0%	Oil & Gas Exploration & Products		71.1%	Oil & Gas Exploration & Products		14.5%	Automobiles & Components		16.1%	
	Oil & Gas Storage & Transportation		14.4%	Energy Equipment & Services		11.2%	Pharmaceuticals. Biotechnology		13.4%	Industrial Conglomerates		12.5%	Oil & Gas Exploration & Products		10.9%	Oil & Gas Storage & Transportation		11.7%	Pharmaceuticals. Biotechnology		14.5%	
	Industrial Conglomerates		9.1%	Paper & Forest Products		9.0%	Industrial Conglomerates		12.0%	Oil & Gas Storage & Transportation		9.5%	Oil & Gas Storage & Transportation		6.7%	Oil & Gas Storage & Transportation		10.1%	Industrial Conglomerates		12.9%	
	Automobiles & Components		9.0%	Insurance		7.9%	Health Care Equipment & Services		9.0%	Automobiles & Components		7.9%	Energy Equipment & Services		1.8%	Automobiles & Components		7.6%	Automobiles & Components		8.8%	
	Retailing		8.8%	Construction & Engineering		7.8%	Oil & Gas Storage & Transportation		8.5%	Transport		1.6%	Transport		1.6%	Pharmaceuticals. Biotechnology		7.3%	Retailing		8.2%	
	Aerospace & Defense		6.1%	Transport		7.2%	Oil & Gas Exploration & Products		7.2%	Retailing		7.3%	Pharmaceuticals. Biotechnology		1.4%	Retailing		7.1%	Aerospace & Defense		7.1%	
	Pharmaceuticals. Biotechnology		5.9%	Commercial Services		7.1%	Energy Equipment & Services		5.7%	Aerospace & Defense		5.8%	Metals & Mining		1.1%	Aerospace & Defense		6.1%	Pharmaceuticals. Biotechnology		7.0%	
	Metals & Mining		5.6%	Pharmaceuticals. Biotechnology		6.8%	Metals & Mining		4.1%	Metals & Mining		5.3%	Industrial Conglomerates		1.1%	Metals & Mining		5.9%	Metals & Mining		5.1%	
	Other		26.3%	Other		30.7%	Other		22.8%	Other		31.5%	Other		4.4%	Other		32.7%	Other		22.5%	
	Performance contributors	Contributors			Contributors			Contributors			Contributors			Contributors			Contributors			Contributors		
		Babcock		1.9%	Elecnor		7.0%	Babcock		1.3%	Babcock		1.7%	Babcock		1.7%	Babcock		1.9%	Babcock		1.2%
		Maire Tecnimont		1.9%	Tubacex		1.7%	Hyundai		1.1%	Hyundai		1.7%	Maire Tecnimont		1.6%	Danieli		1.8%	Continental		1.0%
Danieli			1.8%	Iberpapel		1.6%	Continental		1.0%	Danieli		1.6%	Danieli		1.4%	Elecnor		1.4%	Heidelberg Materials		1.0%	
Aryzta			1.0%	Atalaya Mining		1.5%	Heidelberg Materials		1.0%	Elecnor		1.4%	Maire Tecnimont		1.2%	Maire Tecnimont		1.2%	Aryzta		1.0%	
Exmar			1.0%	Applus		1.5%	Renault		1.0%	Aryzta		0.9%	Aryzta		0.9%	Aryzta		0.9%	Exmar		0.9%	
Detractors				Detractors			Detractors			Detractors			Detractors			Detractors			Detractors			
3R Petroleum			-0.4%	Porsche		-0.2%	3R Petroleum		-0.3%	3R Petroleum		-0.3%	3R Petroleum		-0.4%	Bayer		-0.4%	Bayer		-0.3%	
Seacrest			-0.4%	Prosegur		-0.1%	Seacrest		-0.3%	Seacrest		-0.3%	Canacol Energy		-0.7%	3R Petroleum		-0.4%	3R Petroleum		-0.4%	
Bayer			-0.4%	Almirall		-0.1%	Bayer		-0.4%	Bayer		-0.4%	Geopark		-0.7%	Canacol Energy		-0.7%	Canacol Energy		-0.8%	
Geopark			-0.8%	Vocento		-0.2%	Geopark		-0.7%	Geopark		-0.7%	Organon		-0.8%	Geopark		-0.7%	Geopark		-0.8%	
Organon			-0.9%	Linea Directa		-0.3%	Organon		-0.8%	Organon		-0.8%	Organon		-0.8%	Organon		-0.8%	Organon		-1.9%	

The positions of CIR brings together the joint exposure to the different types of portfolio shares of these companies, whose ISINs are shown below:
- CIR: IT0005241762 and IT0000070786. 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 that took place in the last quarter.

New Class A mutual funds

Cobas AM in line with its strategy of a new fee structure authorised by the CNMV in 2020, started on 5 February to automatically transfer participants with 7 years of seniority to the new Class A with a management fee of 1%.

With this milestone, we are fulfilling our commitment to lower fees for our investors based on seniority, rewarding the loyalty and commitment shown by our unitholders.

In this way, we offer attractive fees in the field of active management, well below the management fees of our competitors.

This fee structure not only means lower costs for members, but also contributes to higher returns over the long term.

Lower pension plan fees

Coinciding with **Cobas AM**'s fifth anniversary, management fees have been reduced to 1% for all participants in the **Cobas Global PP** pension plan and to 0.75% for all investors in the **Cobas Mixto Global PP**, offering fees well below the average for domestic individual pension plans.

These fees will also apply to all new investors who join the pension plans via subscription or external transfer.

Final fee structure

For more information on the final fee structure, please refer to the press release on the new fee structure published in December 2020 at this [link](#).

Change of benchmarks

Cobas AM has decided to change the index provider from MSCI to Bloomberg so that the following funds now have the following indice. In the other funds, there has been no change in the benchmark.

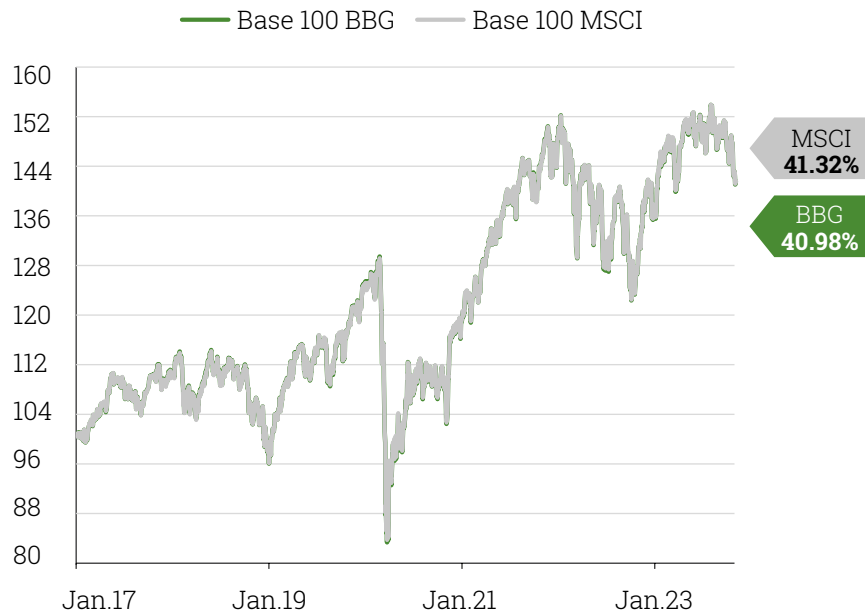
The reason for the change is due to greater efficiency in

the expenses and costs associated with the funds. As is well known, comparison with the various existing benchmarks does not bring added value to a management

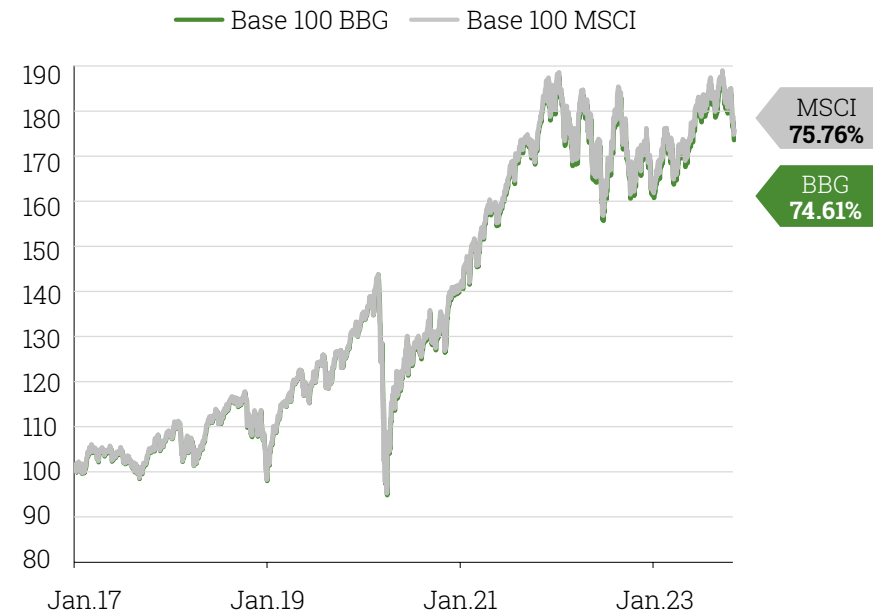
such as ours. Nevertheless, as can be seen below, the performance of the new index is practically identical to the previous one:

	MSCI OLD INDEX	BLOOMBERG NEW INDEX
Cobas Selección FI	MSCI Europe Total Return (Net)	Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR
Cobas Internacional FI	MSCI Europe Total Return (Net)	Bloomberg Europe Developed Markets Large & Mid Cap Net Return Index EUR
Cobas Grandes Compañías FI	MSCI World Net Total Return EUR Index	Bloomberg Developed Markets Large & Mid Cap Net Return Index EUR

Europe-BBG Vs MSCI (Base 100)



World-BBG Vs MSCI (Base 100)



Launch of a simplified employment pension plan for the self-employed.

Cobas Pensiones SGFP launched Cobas Autónomos PPES, an employment plan for self-employed workers to boost savings for their retirement through a simplified

employment pension plan. It is 100% digital, and contributions can be made up to a maximum of 5,750 euros per year (4,250 euros more than the limit for individual plans), with the possibility of tax deductions of up to 2,500 euros per year in total.

Nearly 500 self-employed people have already joined the scheme, and together with contributions to **Cobas Employment 100 PPE** (our employment plan for companies and their employees) have reached a total of more than 5 million euros.

Events and partnerships

During the first half of the year, the **Investor Relations Team** organised several events with investors in Castellón and Burgos.

Brainvestor

During the semester, we have held two face-to-face workshops on investor biases and scare-proof finances with **Paz Gómez Ferrer**, an expert in the psychology of financial behaviour, accompanied by experts in the field such as **Natalia de Santiago** and **Pedro Bermejo**.

Discover also the mentoring programme that the Brainvestor app puts at your disposal to solve all your doubts and become a conscious investor. Download the app at this [link](#).

Image: Cobas AM.

Participation in the radio show **Tu Dinero Nunca Duerme**

During this semester, **Juan Huerta de Soto** and **Iván Chvedine**, from the **Investment Team**, **Alberto Martínez**, from



the **Dealing Team**, **Carlos González** and **Rocío Recio**, from the **Investor Relations Team**, participated in several programmes of **Tu Dinero Nunca Duerme**, the well-known financial culture programme on **esRadio** in collaboration with **Value School**. In addition, **Paz Gómez Ferrer** (**Brainvestor**) and **Javier Diaz Gimenez** (**Cobas AM-IESE Chair on Savings and Pensions**) participated as special guests.

The audios of the programmes are available at this [link](#).

Do you know our Social Media?

We invite you to watch our latest videos on various current topics such as pensions in our country or the influence of artificial intelligence. You may also find interesting our posts and research published on our social networks.

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Imagen: Cobas AM.

Other initiatives of



**SANTA
COMBA**



Cobas AM collaborating 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.

Public course on long-term savings and investment

Value School opens a new edition of its public introductory course on saving and long-term investment. 4 hours of live online training in which you will learn everything you need to know to save effortlessly and invest profitably and safely from the next day. 15 places only. Download the programme and reserve yours at this [link](#).

Value School Winter Summit 2023. Morgan Housel and the Christmas story

On 20, 21 and 22 December **Value School** bid farewell to the year in style. With **Domingo Soriano** and **Marcos Álvarez**,

Image: Value School Summer Summit 2023.



they discussed chapter by chapter one of the most important books on finance and investment of the last five years: [The Psychology of Money](#). And on the 22nd, they learned many interesting facts about Christmas with Professor Francisco José Gómez, author of [Breve historia de la Navidad](#). The videos of these sessions have already accumulated more than 15,000 views and you can watch them on his YouTube channel.

The Austrian School and the proposals of Javier Milei

Since Javier Milei began his electoral campaign, it has been said inside and outside Argentina that his ideas were controversial, radical, extremist and ultra-right-wing. Where do they come from? How do Milei's proposals relate to the Austrian School of Economics? **Value School** answers these and other questions in this [vídeo](#).



Global Social impact Investments (GSII) continues to consolidate its position as one of the most influential impact

(1) Past returns do not presuppose future returns.

managers in Spain through its two investment products:

ALTERNATIVE FUND SICAV-SIF GLOBAL SOCIAL IMPACT FUND

has a diversified portfolio aimed at improving the livelihoods of the most vulnerable people in Sub-Saharan Africa and giving investors a return of between 5% and 8%. Two new investments have been made this semester: Nyimba Millers Ltd (Zambia), a maize processor that provides market access to rural communities and produces basic foodstuffs, and Maphlix Trust Ghana Limited (Ghana), an agro-industrial company that produces, processes, and exports vegetables and tubers, adding value to small farmers. Likewise, it has expanded its position in Quality Milk (Uganda) with a new disbursement of USD 350k.

GLOBAL SOCIAL IMPACT FUND II SPAIN FESE

focused on improving the livelihoods of people in vulnerable situations in Spain and with a return objective of 15%, it has closed the fund's third investment: Jetnet (Granada), a mobile fiber and internet operator that helps break the digital divide in towns with few inhabitants in rural Spain. The fund's valuation has risen 12% over the year due to the good performance of investments.



Open Value Foundation has changed its strategy by focusing on becoming the benchmark in Spain for Venture Philanthropy during 2024.

Some of its latest investments are: [Cherehani África](#) (€50,000 loan), a company specialized in providing financing to companies led by women in Africa; [Ed Partners](#) (€30,000 loan) a company that aims to change lives through school financing solutions; [Asociación los niños de José y Leo](#) (total shared donation of €32,000) is an association that supports the reconciliation of family and

Photo: Erik Akino.

work life, and avoids the different risk factors that the prolonged absence of fathers, mothers and guardians can cause to children. minors; and finally [SJM Almería](#) (donation of €75,000), an initiative that supports migrants through housing, training and employment.

In addition, the [Impact Foundations Fund](#) is already made up of 30 foundations and non-profit entities and they have launched their Third Call to finance projects with social impact in Spain.



Photo: Ben White.

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