

c o b a s

asset management

PORTFOLIO NEWS

October 2024

Summary

Our funds performed negatively in the month: Cobas Selección -2.6%, Cobas Internacional -2.8%, Cobas Grandes Compañías -2.5%, Cobas Iberia -2.7%, Cobas Global PP -2.6% and Cobas Mixto Global PP -1.6%.

October was a negative month for global equity markets, following the volatility experienced in previous months. Growth continued to be the main concern for investors, along with uncertainty over the US elections. Inflation in Europe rose to 2.0% in October, driven mainly by energy prices and weakening economy. The ECB made its third rate cut of the year, taking the deposit rate to 3.25%, in a predictable move in the face of US tightening. Data were also released indicating that business activity contracted again in October.

In the US, inflation declined less than expected and lower than expected quarterly data from some large companies also weighed on market returns. However, US economic data was positive and the September labour market report beat expectations. Japanese equities were the best performers of the month, despite concerns about tighter policy, a stronger yen and political uncertainty following the election. Oil prices oscillated due to economic concerns and demand risks, as well as tensions in the Middle East.

International Portfolio

Main Blocks	1T24	2T24	Dif
Energy	29%	29%	0%
LNG infrastructures	8%	8%	0%
Oil & gas services	6%	7%	+1%
Oil & gas Infra	1%	1%	0%
Oil & gas producers	14%	13%	-1%
Defensive	29%	30%	+1%
Residences-Education	7%	7%	0%
Pharmaceutical	10%	11%	+1%
Aero-Defense	7%	6%	-1%
Net-Net	1%	1%	0%
Defensive Consumption	4%	5%	+1%
Cyclical	22%	21%	-1%
Raw Materials	8%	8%	0%
Rest	10%	10%	0%
Liquidity	2%	2%	0%
TOTAL	100%	100%	

Iberian Portfolio

Main Blocks	1T24	2T24	Dif
Energy	11%	15%	+4%
Oil & gas services	11%	14%	+3%
Oil & gas producers	0%	1%	+1%
Defensive	35%	33%	-2%
Concessions	7%	8%	+1%
Defensive Consumption	9%	8%	-1%
Pharmaceutical	11%	11%	+0%
Defensive Services	8%	6%	-2%
Cyclical	18%	17%	-1%
Raw Materials	21%	20%	-1%
Rest	13%	13%	0%
Liquidity	2%	2%	0%
TOTAL	100%	100%	

Cobas Selección Portfolio Top 10

Holdings as of 30.06.2024

The fund diversifies its equity exposure between our International and Iberian portfolios. Average diversification in general will involve exposure to around 90% of our International portfolio and 10% of our Iberian portfolio.

Company	Weight
Golar LNG	7.0%
Atalaya Mining	4.5%
Babcock	4.2%
Currys	4.0%
CIR	3.2%
BW Offshore	2.9%
CK Hutchison	2.7%
Fresenius	2.6%
Técnicas Reunidas	2.5%
Academedia	2.5%
Total weight Top 10	36.1%

** The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below::

- CIR: IT0005241762 and IT0000070786

The information broken down by ISIN code is available in the report available on the CNMV portal.

International Portfolio

Cobas International Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Golar LNG	8.1%
Babcock	4.9%
Currys	4.6%
Atalaya Mining	4.2%
CIR	3.6%
BW Offshore	3.3%
CK Hutchison	3.1%
Fresenius	3.0%
AcadeMedia	2.8%
Danieli	2.7%
Total weight Top 10	40.3%

** The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below::

- CIR: IT0005241762 and IT0000070786

The information broken down by ISIN code is available in the report available on the CNMV portal.

CIR

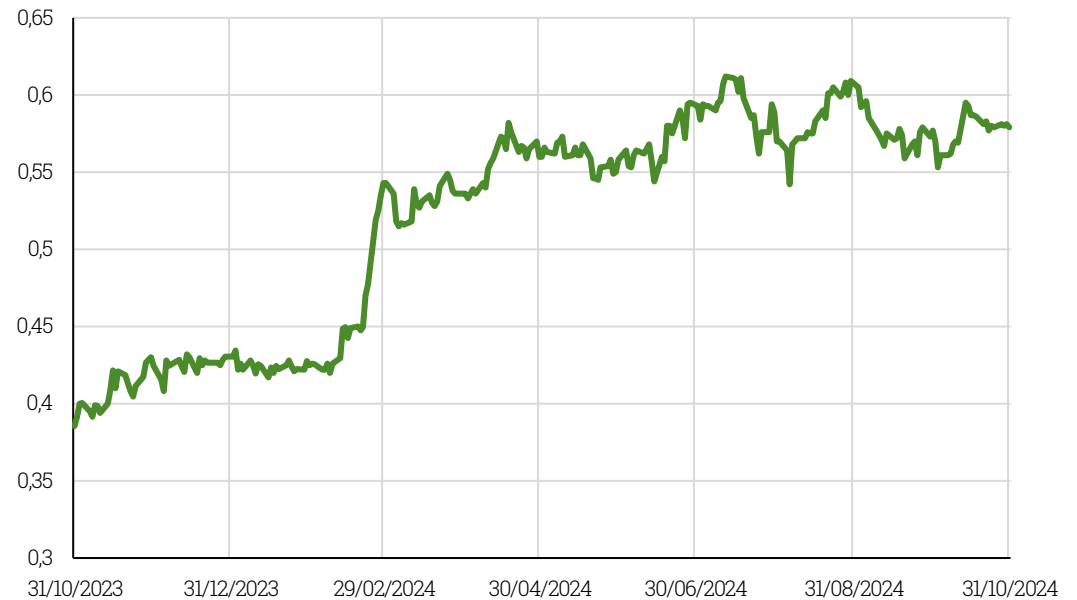
Weight in portfolio 1H24 3.2% C.Selección; **3.6%** C.Internacional

CIR announced in the month a partial voluntary takeover bid for 12% of the equity at €0.61/share with a premium of 6.9%. With this, **CIR** puts an end to the buyback plan that began in March. At the end of the operation, the percentage of the company's own shares rises from 3.14% to 15.7%.

With the deal, De Benedetti family would increase its shareholding to 41% and, due to the increased voting rights, would exceed 51% of the voting rights. This would officially give them majority control of the company.

During the month, **CIR's** auto parts company **Sogefi** reported its third quarter results. Due to the weak European market, the group reported revenues of 242.6 Mn€, a fall of 8.5% in the quarter. In Q3 2024, global car production slowed significantly, declining by 4.6% compared to Q3 2023, which contributed to **CIR's** revenue decline.

The company forecasts a decline in annual revenues in line with that recorded in the first nine months of the year. The company also confirms the target of an operating profit in line with that recorded in the financial year 2023.



CIR 1 yr performance **Returns: 1 M 1.0% 3 M -1.7% YTD 34.5%**

AcadeMedia

Weight in portfolio 1H24 2.4% C.Selección; **2.8%** C.Internacional

AcadeMedia started the 2024/2025 financial year with strong and stable growth. Net sales increased by 12% and the number of children and students by 8.5%. **AcadeMedia** continues to record positive organic growth, despite the demographic trend in Sweden. Growth in Germany is good and demand is expected to remain high. The adult education segment shows strong profit and margin growth, driven by growth in higher vocational education and training.

Solid sales growth was driven by the acquisition of Touhula (an early childhood education provider in Finland) and strong demand in Germany and in its adult education segment. In Germany, growth in pre-school children was almost 15%, with plans to expand into new units. In Sweden, demand in adult education grew driven by the need for vocational training, while **AcadeMedia** has implemented Omniway, its digital education platform.

AcadeMedia has reinforced early reading education, collaborating with universities to train teachers in effective reading and writing techniques, and actively participating in events to promote reading and student well-being. These efforts aim to strengthen students' reading skills and improve their academic outcomes, marking a commitment to quality education and transformation through learning.

The company continues to consolidate in the education sector with a focus on expansion and operational efficiency, showing a positive outlook towards sustainable growth and shareholder return opportunities in the current financial year.



Academededia 1 yr performance **Returns: 1 M -2.7%** **3 M 19.2%** **YTD 27.1%**

TI Fluid Systems

Weight in portfolio 1H24 1.5% C.Selección; **1.7%** C.Internacional

The company received a takeover bid in September from Canadian **ABC Technologies Holdings**, majority-owned by asset management firm **Apollo**.

Earlier this month, **TI Fluid Systems** said it was "willing to recommend" the latest enhanced takeover bid to its shareholders. The 200 pence per share proposal values TI Fluid Systems at 993 Mn£. **ABC Technologies**, had until 8 November to submit a firm offer, however, as of writing the company has again extended the deadline to 22 November.

In addition, **TI Fluid** completed the 40 Mn€ share buyback programme launched in October last year. It repurchased 24.1 million shares, approximately 4.6% of the total, at an average of 141.79 pence.



TI Fluid. 1 yr performance **Returns: 1M 3.4% 3M 29.3% YTD 10.7%**

Iberian Portfolio

Iberian Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Técnicas Reunidas	10.9%
Atalaya Mining	10.6%
Almirall	6.6%
Elecnor	6.4%
Vocento	5.0%
Grifols	4.7%
GCO	4.5%
CAF	4.2%
Miquel y Costas	4.2%
Semapa	4.1%
Total weight Top 10	61.1%

*The information broken down by ISIN code is available in the report available on the CNMV portal.

Atalaya Mining

Weight in portfolio 1H24 4.5% C.Selección; **10.6%** C.Iberia; **4.1%** C.Internacional; **5.2%** C.Grandes Compañías

Atalaya Mining provided a third quarter operations update in October. In mining, 4.2 Mn tonnes of ore were mined, up from 3.8 Mn tonnes in the third quarter of 2023. In addition, 9.6 Mn tonnes of waste was removed, similar to the 9.7 Mn tonnes in the previous year. In processing, the plant treated 4.3 Mn tonnes of ore, with a copper grade of 0.32%, down from 0.38% in 2023, and a recovery of 84.35%, compared to 87% in the previous year. This resulted in production of 11,897 tonnes of copper, lower than the 12,541 tonnes produced in Q3 2023.

The **San Dionisio** project is progressing with the clearing for future mining phases, having completed the permitting and public information period. The **E-LIX** plant is progressing, with copper and zinc production expected to ramp up in the fourth quarter of 2024. Also, the 50 MW solar plant, which will cover 22% of **Riotinto's** energy needs, will be connected in October 2024. Regarding the **Masa Verde** project, progress has been made on drilling, with construction of the access scheduled for 2025. In addition, the company continues to engage with the many stakeholders in the region and to restore the water quality of the rivers surrounding Touro through the operation of its water treatment plant.

By 2024, copper production is expected to be at the lower end of the estimated range of 45,000-50,000 tonnes. Despite production challenges, the outlook for copper remains positive, with strong demand supported by key economies such as the US and China, and limited supply due to the lack of large projects under development.



Atalaya Mining. 1 yr performance Returns: **1 M** -8.4% **3 M** -2.9% **YTD** 2.2%

Grupo Catalana Occidente

Weight in portfolio 1H24 0.4% C.Selección; **4.1%** C.Iberia

At the end of the third quarter of 2024, **Grupo Catalana Occidente (GCO)** posted a profit of 574.5 Mn€, an increase of 9.2% year-on-year, underpinned by growth in its insurance business, which contributed most of the revenue.

Traditional business, under the **Occident** brand, generated 2,447 Mn€, with increases in auto (9%) and multi-risk (7.5%), reaching a profit of 233.4 Mn€, up 16%. Although credit insurance premiums fell by 1.8%, profitability rose by 5.4%.

The funeral business also showed remarkable growth, with a turnover of 196 Mn€ and an increase of 19.9%. This segment generated a profit of 13.7 Mn€, 51.8% more than in 2023, reflecting the successful integration of **Mémora** and **Asistea** into the group's structure.

GCO also has solid financial resources, with a permanent capital ratio of 13.3% and €6.5 Mn€, as well as funds under management totalling 16.756 Mn€. In addition, the merger of **Occident** and **NorteHispana Seguros** is planned to further consolidate its structure.

With all this, GCO reaffirms its ability to generate value in its core businesses and expects to continue this trend of sustainable growth, supported by a favourable financial and operating environment.



Atalaya Mining 1 yr performance **Returns: 1 M -6.0% 3 M -5.7% YTD 22.0%**

Semapa

Weight in portfolio 1H24 1.4% C.Selección; **4.0%** C.Iberia

In the first nine months of 2024, **Semapa** recorded consolidated revenues of €2,135.9m, an increase of 5.6% year-on-year. **Navigator** generated most of the revenues (1,568.5 Mn€), followed by **Secil** (526.1 Mn€) and other businesses (42.2 Mn€). Exports accounted for 75.1% of revenues. **Navigator's** growth was driven by higher revenues in paper (+6.9%) and tissue products (+48%), thanks to the integration of **Accrol** and **Navigator Tissue Ejea** in the last year.

Consolidated EBITDA reached 544.2 Mn€, an increase of 7.3%, with an improvement in the EBITDA margin to 25.5%. At **Navigator**, the good results were due to efficient cost management, higher paper demand and favourable pulp prices. In the cement segment, Portugal, Brazil and Tunisia offset the negative performance in Lebanon.

In addition, **Semapa** achieved a solid investment of 421 Mn€, focused on its diversification and growth strategy. Of this investment, 188 Mn€ was allocated to strategic investments, such as **Navigator's** acquisition of **Accrol Group Holdings** in the UK, marking the group's entry into this new market. In addition, 233 Mn€ was invested in fixed assets, with particular emphasis on **Navigator** and **Secil**.



Semapa. 1 yr performance **Returns: 1M 2.2% 3M -1.3% YTD 10.1**

Large Cap Portfolio

Large Cap Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Golar LNG	8.1%
CK Hutchison	5.8%
Atalaya Mining	5.2%
Fresenius	4.9%
Teva	4.7%
Grifols	4.2%
Bayer	3.8%
Viatrix	3.6%
Organon	3.6%
Renault	3.5%
Total weight Top 10	47.5%

*The information broken down by ISIN code is available in the report available on the CNMV portal.

Organon

Weight in portfolio 1H24 1.3% C.Selección; **1.5%** C.Internacional; **3.5%** C.Grandes Compañías

Organon reported its results for the third quarter of 2024. In 2024, the company's commercial execution has been very strong. Its lead product, **Nexplanon**, is well positioned to generate €1bn in revenues next year, and they have added other key growth drivers such as Emgality and, more recently, **VTAMA**, said Kevin Ali, CEO of **Organon**.

In addition, the company has maintained strict discipline on operating costs and on driving adjusted EBITDA growth, with a target of €1bn of free cash flow before one-off costs by the full year 2024.

The company reported revenues of €1.582bn, an increase of 4% in real terms and 5% excluding currency impact. The Women's Health division grew 5% compared to the same period in 2023, driven mainly by **Nexplanon**, which increased 11% due to higher demand and favourable pricing in the US and international markets. The fertility portfolio also grew 14% due to high demand in the US and international launches. However, **NuvaRing** sales declined 45% due to generic competition and higher government discounts in the US. The biosimilars division reported growth of 16%, mainly due to the introduction of **Hadlima** in the US from July 2023.

In conclusion, **Organon** demonstrated a solid performance in the third quarter of 2024, driven by effective commercial execution and a cost control strategy that reinforces its financial targets for the year.



Organon. 1 yr performance Returns: **1 M** -1.8% **3 M** -14.1% **YTD** 30.2%

Bayer

Weight in portfolio 1H24 1.8% C.Selección; **2.0%** C.Internacional; **3.8%** C.Grandes Compañías

The Washington Supreme Court in October agreed to review litigation against **Bayer** over the impact of exposure to polychlorinated biphenyls, or PCBs. The share price suffered after a US court said it would review a case alleging that exposure to products made by the **Monsanto** unit harmed several people at a school.

The company said in a statement that there was "no basis for a different outcome on appeal" and that it believed the Washington Court of Appeals decision had identified three errors in the case, including that the plaintiffs' testimony about PCB exposure lacked scientific validity. **Bayer** argues that the claims relate to industrial materials that **Monsanto** voluntarily stopped manufacturing in 1977.



Bayer. 1 yr performance Returns: 1M -18.6% 3M -9.6% YTD -26.4%

Renault

Weight in portfolio 1H24 1.2% C.Selección; **1.4%** C.Internacional; **3.5%** C.Grandes Compañías

Renault reported its Q3 results, revenues increased by 5% at constant exchange rates. The group's revenues were €10.7 billion, up 1.8% year-on-year, or 5% at constant exchange rates.

This growth was driven by strong demand for its new models, which helped offset the decline in sales volumes. In the automotive segment, **Renault** generated €9,347 million, down 0.5% from 2023, mainly related to the devaluation of the Argentine peso, the Brazilian real and, to a lesser extent, the Turkish lira, up 2.6% at constant exchange rates.

In the European market, **Renault** remains in a strong position as the third largest brand overall and number one in the light commercial vehicle segment, as well as being the market leader in France. Its Clio model is the second best-selling car across all channels in Europe. Dacia ranks ninth among passenger car brands and stands out in retail sales, with the Sandero being the best-selling model on the continent. In addition, **Alpine**, **Renault's** high-performance brand, has shown double-digit growth so far this year.

While other European carmakers have adjusted their annual financial targets downwards due to the market slowdown in Europe, the economic crisis in China and declining demand for electric vehicles, **Renault** is sticking to its 2024 forecasts.

Its CEO, however, has pointed to the challenges posed by the EU's new environmental emissions standards, which come into force next year and include stiff fines for those who fail to meet targets. **Renault** continues to move forward with its strategy with optimism, albeit mindful of future regulatory pressures.



Renault 1 yr performance Returns: **1 M** 7.5% **3 M** -6.6% **YTD** 13.5%

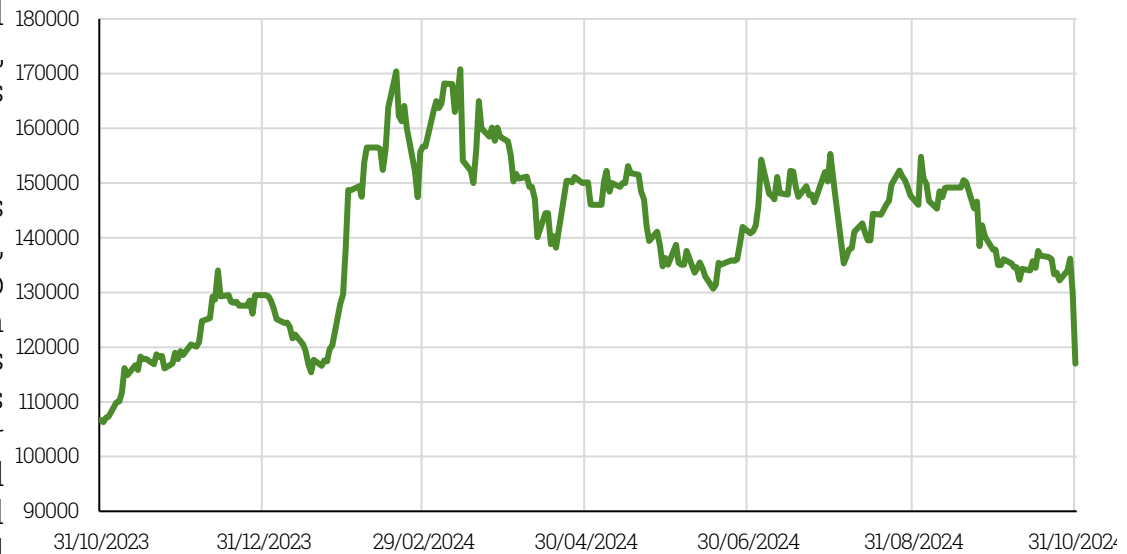
Samsung C&T

Weight in portfolio 1H24 1.4% C.Selección; **1.6%** C.Internacional; **2.7%** C.Grandes Compañías

In the face of global economic uncertainty, **Samsung C&T** achieved both year-on-year and quarter-on-quarter growth in the third quarter, maintaining its profitability supported by the competitiveness of its various business areas.

The Engineering & Construction division stood out with overseas projects such as solar projects in Qatar and tunnels in Neom, generating significant revenues. The Trading and Investment Group recorded a year-on-year increase in operating profit, benefiting from increased commercial competitiveness and efficiency in its operations. In the case of the Fashion division, although revenues declined slightly due to the low season and the decline in consumer confidence, operating profit grew slightly. The Resort Group reported an increase in both revenue and operating profit, thanks to increased demand for leisure activities and the opening of new food and beverage outlets.

Despite the expectation of a possible deterioration in internal and external conditions, **Samsung C&T** has stated that it will seek to maintain profitability in the fourth quarter. With orders accumulated in the third quarter worth KRW 15.6 trillion, the company is targeting to reach its annual target of KRW 19.9 trillion, driven by the continuous flow of new orders both domestically and internationally.



Samsung C&T. 1 yr performance Returns: **1 M** -15.1% **3 M** -24.7% **YTD** -9.7%

Disclaimer

This document is of a commercial nature and is provided for informational purposes only, and can in no way be considered as a contractual element, a recommendation, personalized advice or an offer. Nor can it be considered as a replacement for key investor information documents (KIIDs) or any other mandatory legal information which must be consulted before any investment decision is made. In the case of any discrepancy, legal information prevails.

All this legal information will be made available to you at the manager's headquarters and via the website: **www.cobasam.com**. References to **Cobas Asset Management, S.G.I.I.C., S.A.** cannot be understood as generating any type of legal obligation for said entity.

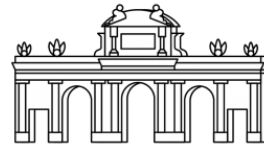
This document includes or may contain estimates or forecasts concerning the development of the company in the future and financial results, which come from the expectations of **Cobas Asset Management, SGIIC, SA** and are exposed to

factors, risks and circumstances that could affect the financial results implying a difference with the estimates and projections. **Cobas Asset Management, SGIIC, SA** has no obligation to publicly update or communicate the update of the content of this document if the facts are not exactly as they are collected here or if there are changes in the information it contains.

We also remind you that past performance does not guarantee future performance.

The transmission of this document does not imply the transfer of any intellectual or industrial property rights over its content or any of its integral elements, and its reproduction, transformation, distribution, public communication, making available, extraction, reuse, transmission are expressly prohibited as well as its use of any kind, by any means or procedure whatsoever, except in cases where this is legally authorized.

c o b a s
asset management



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

institutional@cobasam.com

www.cobasam.com



Signatory of:



It's part of **Santa Comba Gestión SL**, a family holding project that promotes people's freedom based on knowledge.
For further information please visit Santa Comba Group's website: www.santacombagestion.com

