

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



Comments on
Fourth Quarter 2018



Year 2018 was a tough year, in which we saw negative results by our funds, mainly due to our investments in **Aryzta and Teekay**. These two companies undermined the return of the **International Portfolio** by 11.7% and 5.7%, respectively, while the overall return of this portfolio last year was around -31%. The **Iberian Portfolio** delivered negative result of 14.1%.

We would like to take this opportunity to perform a review, discuss our outlook and share our excitement and confidence over the future with our co-investors.

Many customers have asked us if we have sustained losses this big under similar circumstances. What happened in 2018 appeared unprecedented and surprising. The answer is, we definitely have. Everything that happened in 2018 (e.g. losses, misvaluations) has happened to us at some stage of our 30 years of investment management experience, at different times and in different ways. For instance, when we started managing the **International Portfolio** in 1998, we experienced a 14.1% loss compared to

market gains of 16.5%, i.e., 30% underperformance. Another example can be seen in the 2011 losses (-22% in six months), which were accompanied by a serious error in the valuation of CIR/Cofide, in which we had invested 7% of the **International Portfolio**.

Everything that happened in 2018 has happened to us at some stage of our 30 years of investment management experience

Despite the mistakes made (we have recognized 45 in more than 500 investments), the results have been satisfactory as our successes have easily outweighed the losses. Errors are part of the process. However, on the bright side, experience shows that the best times to invest are after the biggest falls.

As shown in the following table, significant losses have always been followed by strong recoveries:

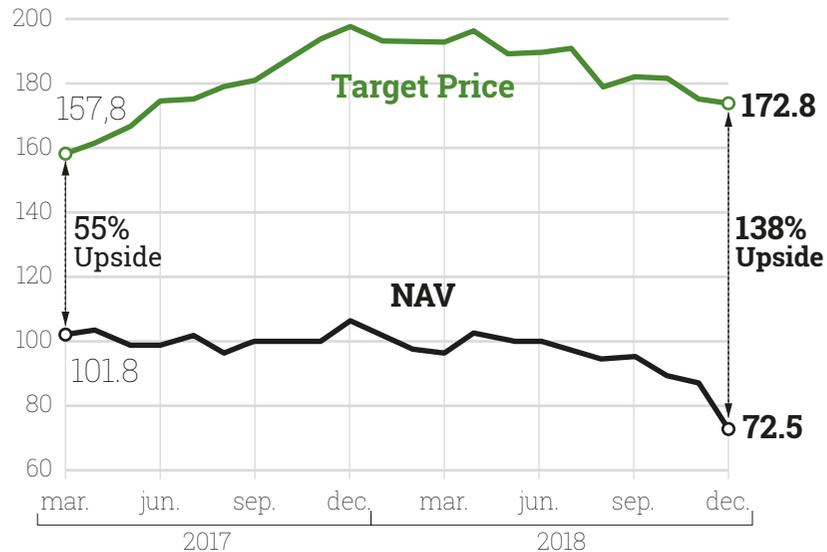
Loss	Period	Porcentaje drop	Return after two years
1998	From 30th March to 4th October	-17.5%	+78.4%
2002	From 19th April to 9th October	-38.4%	+64.9%
2007-2009	From 16th July, 2007 to 9th March, 2009	-61.8%	+153.6%
2011	From 11th May to 23th November	-22.9%	+66.0%
2018	From 1th January to 31th December	-31.4%	?

1. Francisco García Paramés stepped down as Head of Investments at Bestinver Gestión, SGIC, S.A. (fund manager) on 23 September 2014, having been involved in the management of the fund since its inception.
 2. Past performance is not a guarantee of future returns.
 Source: Bloomberg, Fondo Bestinver Internacional. ES0114638036.

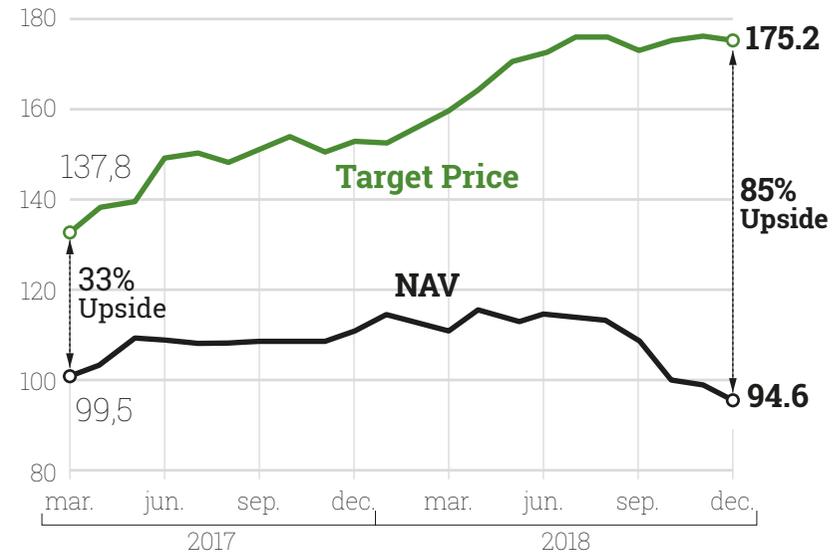
As can be seen, recoveries have been relatively fast and the characteristics of the current portfolio instil faith in us that this may happen again, aware that past performance is not a guarantee of future returns.

The main tool at our disposal for funds to recover is an investment process that we have perfected over time. This process is precisely what allows us to identify **good business with a broad margin of safety, which contribute to boost the target price of our portfolios**. We spend almost all our time finding out how much the businesses in which we invest are worth, and therefore, we believe that this target price is accurate, although by no means does this mean we never make mistakes. The result of this process and daily work is that at 2018 year-end, we believe that our **International Portfolio is worth more than double**, i.e., we value it at 138% of its current price. **For the Iberian Portfolio, the target price is 85% above net asset value**. It is worth noting that after working with many of the companies for two years, the level of faith in our valuations has been enhanced. The passing of time is a strong ally in this sense.

International Portfolio
(Data in euros and from 12/31/2018)



Iberian Portfolio
(Data in euros and from 12/31/2018)



The target price of our funds is real and our experience demonstrates that, with time, this is achievable. For example: in 2011, the five main positions of our international funds* (Exor, Thales, Schindler, Wolters Kluwers and BMW) were trading well beneath the target prices

that we estimated at the time, after performing an in-depth analysis. Nearly eight years later, in line with the average investment period we recommend to our customers of 5-10 years, these companies have not only reached the target prices we assigned to them at the

time, four of them are now well above these values.

It is important to us that our co-investors feel like the owners of the companies in which we invest, that they understand their business and the value of our portfolios, regardless of what the market says they are currently worth. Therefore, we believe it is worth discussing, yet again, the performance of each of the main positions in our International Portfolio, which represent around 60% of the total.

*1. Francisco García Paramés stepped down as Head of Investments at Bestinver Gestión, SGIIC, S.A. (fund manager) on 23 September 2014, having been involved in the management of the fund since its inception. 2. Past performance is not a guarantee of future returns. Source: Bloomberg. Fondo Bestinver Internacional. ES0114638036



Teekay. The fourth quarter featured an improvement in **Teekay LNG**, earlier than expected in the company's plans, mostly thanks to improvement in the LNG (liquefied natural gas) shipping market. A series of vessels with short-term contracts have arranged long-term contracts at attractive rates, while four new ships being built were delivered ahead of schedule. **Thanks to the company's strong performance, it announced a plan to reduce debt and raise the dividend**, now that the growth plan that required cutting back on the dividend a few years ago has ended. Interestingly, the company's share price has fallen, as it would seem the market expected an even greater increase in dividends. This has meant that **the company has announced a buyback programme worth \$100 million (10% of its market cap)** to make the most of this opportunity. Needless to say, this appears the most sensible option for **a company with a market capitalization of \$1 billion and forecast net profit of approximately**

\$200 million. In the case of **Teekay Corp**, its share price fell by 50% in the fourth quarter, reflecting a stress scenario in which the fall in crude oil prices, not to mention the impact of several of the company's assets, could compromise its ability to refinance its debt in January 2020. We believe that this risk is mitigated by the value of **Teekay Corp** shares in its various holdings; on our estimates, 80% of the company's value derives from its stake in **Teekay LNG**, where, as we have seen, investment rationale is solid.



Babcock. There were no major developments in the fourth quarter; **Babcock** continues to generate profits, which are earmarked to reduce debt and pay dividends. In the meantime, **its share price is still being affected mainly by Brexit and the market refuses to acknowledge the quality of its various businesses** (defence, emergency and nuclear services). As a result, Babcock is trading

even further below its intrinsic value. One way of illustrating this would be as follows: the annual dividend yield was 6% at year-end. If **Babcock** were to distribute all the distributable normalised profit among its shareholders, the dividend yield would be double the current figure. These intrinsic yields would normally attract investors, pushing up the share price considerably. **The main members of the management team must think the same, for they purchased shares following the release of earnings in November.**



Tankers. Our investments in crude oil shipping fell by around 20% in the fourth quarter of 2018. This is interesting considering that the fundamentals of our investments clearly demonstrated their soundness. For example, the main profit drivers in maritime transport, **daily freight rates, have tripled since the end of September** to above long-run averages, which would imply the return



to healthy levels of cash generation. This improvement can primarily be attributed to the fact that **vessel scrapping rates reached record highs in 2018**. Elsewhere, the sulphur emission control regulation (IMO 2020) was approved in October 2018 and should speed up scrapping rates further between 2019 and 2021. Meanwhile, the industry continues to demonstrate great discipline and for the first time (in history, according to experts) almost

all companies in the sector have decided to embark on share buyback programmes, as they have good levels of liquidity and **valuations below net asset value provide for compelling investment opportunities**. At the start of the year, we will see the final wave of delivery of ships ordered in recent years; however, looking forward to 2019 and 2020, the outlook for our investments in crude oil shipping is positive and show progressively lower risk.



Automotive. Renault, Porsche (VW), Hyundai and BMW are trading near 5-year lows, having fallen by 35%, 43%, 28% and 28%, respectively, from April 2015 highs. During this period, the S&P 500 has risen by 25% and the Euro Stoxx 600 has fallen by 15%, both outperforming our companies for the most part. Part of this decrease can be attributed to the uncertainty generated by the threats posed to the industry (electric, autonomous, connected vehicles and emissions); however, it can also be attributed to prices already reflecting some downturn in the cycle. We believe that in the event that this decrease were to take place, our companies would outperform the market. Excess pessimism has caused irrational situations, as is the case with VW, where the current market price is lower than the value of the Porsche brand, the trucks division and the company's cash combined, with the rest of the Group's businesses "free" (Audi, the VW brand, SEAT, Skoda, Bentley and Bugatti, amongst others). In short, all the companies in which we have invested show a strong discrepancy between price and value, resulting in upside potential of over 100%.

Comments on **Fourth Quarter 2018**





Dixons. The company's share price fell by almost 30% in the fourth quarter. In addition to generalised market falls and Brexit fears, the share price was affected by more sector- and company-specific factors. The main reason for its poor performance has probably been the cut in dividend announced in December, coinciding with the presentation of the new management team's strategy. As part of this new phase, and given the macroeconomic uncertainty in the United Kingdom, the management team has preferred to take a more prudent approach with the company's financial position, hence the smaller dividend. **The company is by no means experiencing financial or solvency issues**, and in fact, **the new plan presented**, which underscores our upbeat stance on the company, **indicates a generation of more than £1 billion in cash over the next five years.**



Asia. Asian companies account for around 15% of the **International Portfolio**. These are high quality businesses (ROCE > 40%), with families as majority shareholders (85% of our companies), sound balance sheets (65% have net cash) and trading at attractive prices (P/E ratio of 3.6x). Our two main holdings are **Samsung** and **Hyundai**. At **Samsung**, the share price reached lows for the year in the fourth quarter as the market is concerned about the peak in the business cycle for memory microchips, which represents 70% of **Samsung's** EBIT. However, **only 3-4 competitors remain in this segment and we are seeing how the cycle is bottoming out. Samsung enjoys a technological leadership position in an oligopolistic industry** that boasts **opportunities for structural growth**. Furthermore, **Samsung** has committed to returning 50% of its free cash flow to shareholders through dividends and share buybacks. **Hyundai** has been affected by the volatility of the automotive sector and a series of com-

pany-specific factors. The main cause was the need to set aside extraordinary provisions for the potential withdrawal of vehicles in the US, which has resulted in losses in its car division. On the positive side, **there has been a clear improvement in corporate governance, through the buyback and cancellation of shares, not to mention a change in leadership, boding well for a change for the better.**

To conclude, it is essential that our co-investors understand that it is precisely when the value of funds drop that we must show patience and self-control, **avoiding the impulse to sell at the worst possible time.** A good example of this can be seen in the case of the **Fidelity Magellan** fund, managed by distinguished US investor **Peter Lynch** between 1977 and 1990. Over the 13-year period in which **Lynch** headed the fund, it enjoyed an

average annual return of +29%, easily outperforming its benchmark index. Unfortunately, a study by **Fidelity**, showed that the average investor in this fund was obtaining much smaller returns, precisely because they had bought and sold at the wrong times.

At **Cobas**, we believe our clients have embraced this message, as shown by the **€264 million in net subscriptions seen in 2018 despite the poor performance of the funds.** We would once again like to thank the trust shown in our management model and, in particular, the 517 new co-investors who have seized the negative returns in the fourth quarter as an opportunity for investing with us, in addition to the 2,578 existing unit holders who have decided to increase their investments during this period. We obviously think this is the right path towards good long-term returns and **this is how the management team has proceeded with our own savings.**

PORTFOLIOS

Comments on **Fourth Quarter 2018**

Our portfolios

Spanish domiciled funds

Name	Capitalisation
Internacional FI	377,3 Mn€
Iberia FI	56,5 Mn€
Grandes Compañías FI	18,8 Mn€
Selección FI	728,8 Mn€
Concentrados FIL	22 Mn€

Luxemburg domiciled funds

Name	Capitalisation
Internacional Fund	17,8 Mn€
Selection Fund	85,1 Mn€
Concentrated Value Fund SIF	9,1 Mn€

Assets Under Management	Market Capitalisation	Strategies		Number of holdings
		International	Iberian	
395,1 Mn€	Multi Cap	●		57
56,5Mn€	Multi Cap		●	36
18,8 Mn€	70% ≥ 4Bn€	●	●	32
813,9 Mn€	Multi Cap	●	●	68
31,1 Mn€	Multi Cap	●	●	22

As you are probably aware, at **Cobas AM** we manage three portfolios: The **International Portfolio**, investing in companies worldwide, excluding companies listed in Spain and Portugal; the **Iberian Portfolio**, investing in companies listed in Spain and Portugal or that have their operational core on the Iberian Peninsula; and, lastly, the **Large Cap Portfolio**, investing in global companies, 70% of which have over €4 billion in market capitalisation. With

these three portfolios, we built and have managed the various equity funds as of December 31:

**Total assets
under
management**

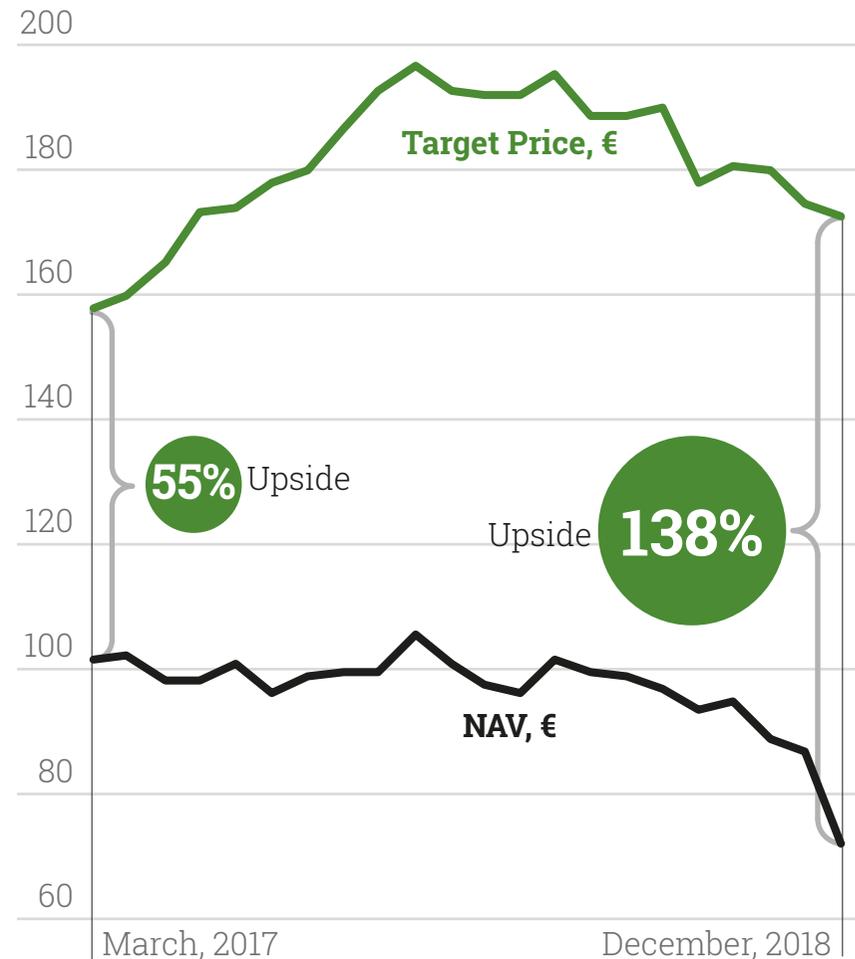
**1,856
Mn€**

International Portfolio

During 2018, the international portfolio posted a negative return of 31.4% versus the 10.6% fall by the benchmark MSCI Europe Net Total Return index.

Since **Cobas Internacional FI** fund began investing in equities in mid-March 2017, the return has been -27.5%. The benchmark index showed a negative return of 4.8% for the same period.

The target price of the portfolio, €173 per share, implies upside of 138%. The cut to our target price was due mainly to the downward revision of **Aryzta**, while the other target prices have remained relatively stable. Our work is to continue boosting the value of the portfolio over time and we expect that this value will end up reflected in its net asset value.



Obviously, and as a result of this potential, we have invested close to the legal maximum limit of 99%.

Overall, the portfolio is trading at 7.2x estimated 2019 P/E with a 26% ROCE. Excluding shipping and commodities companies, ROCE would be 34%.

The geographic distribution of the portfolio did not change significantly last year, maintaining a high exposure to companies outside Europe (around 40%) and the Eurozone (almost 75%). Although it is true that thanks to the correction of the European market in the last quarter of the year, we are seeing many interesting investment opportunities in Europe, meaning that our focus can remain on the markets we know best.

The largest positive contributors to the portfolio over the course of the year were **Israel Chemicals** (+1.7%) and **Nevsun Resources** (+0.6%). The following companies had a substantially negative effect on the performance of the portfolio: **Aryzta** (-11.7%) and **Teekay Corp.** (-3,5%).

Concerning **Teekay**, we would like to reiterate our confidence in the investment thesis, as mentioned above. The investment in **Aryzta** was addressed extensively in the newsletter for the third quarter; nonetheless, we have dedicated a few lines below to summarise our explanation from last quarter, in addition to the current circumstances we find ourselves in and the future outlook. Despite the negative performance over the course of the year, we saw significant gains by stocks such as **ICL**, as explained in more detail below, which soared 51.5% mainly on the back of the recovery in fertilizer prices. For the most part, the portfolio continues to show strong potential and is made up of high-quality businesses, with broad safety margins and attractive upside. Furthermore, as explained in our third quarter newsletter, around 80% of the companies that make up our portfolio are defensive in nature, or have their own supply and demand cycle and, therefore, do not depend on the rest of the market.

Below, we provide greater details on our investments in **ICL** and **Aryzta**.

ICL

Israel Chemicals was completely sold from our funds in the fourth quarter following its strong performance in recent months. The company successfully executed on the sale of some of its non-core assets and reduced its levels of debt. Furthermore, the company replaced its CEO and proposed a continuity strategy, with progress on its vertical integration and added value. Its high-quality asset base and low cost structure represents an enviable competitive advantage, but the company is not willing to settle for this, and has made efforts to improve the profitability and the stability of its businesses. Likewise, it is open to new opportunities, like its joint venture in China, a low-risk project that opens the door to a huge market. The strong performance of potassium, which started at levels below cost for certain producers, helped Israel Chemicals to appear on the radar of investors again, and its valuation finally reflects the company's fundamentals once again.

Aryzta

Our position in Aryzta in the different funds as of 31 December was:

- **8.6%** Cobas Selección FI
- **9.5%** Cobas Internacional FI
- **9%** Cobas Grandes Compañías FI
- **1.7%** Cobas Renta FI; 16.9% Cobas Concentrados

In the third quarter, we provided a detailed explanation of **Aryzta's** situation, assuming responsibility for our investment error, which was the main reason for the poor performance of our funds compared to their benchmark indexes. Looking ahead, the possibility of an additional impact on our funds has been reduced now that the company has strengthened its balance sheet. At year-end levels, **Aryzta** was trading at an average discount of around 40% to peers, assuming that margins fail to improve. We still believe margins will improve in line with peers' and their long-term average, to around 10%-15%, from the current 8%, meaning the company is significantly undervalued.

In short, we would reiterate the two main conclusions we reached at the time: Firstly, we are critical of ourselves and errors are there to be learned from; consequently, we will draw the appropriate conclusions. Secondly, our investment in **Aryzta** still has potential to recover part of the losses seen, assuming a limited amount of risk.

Iberian Portfolio

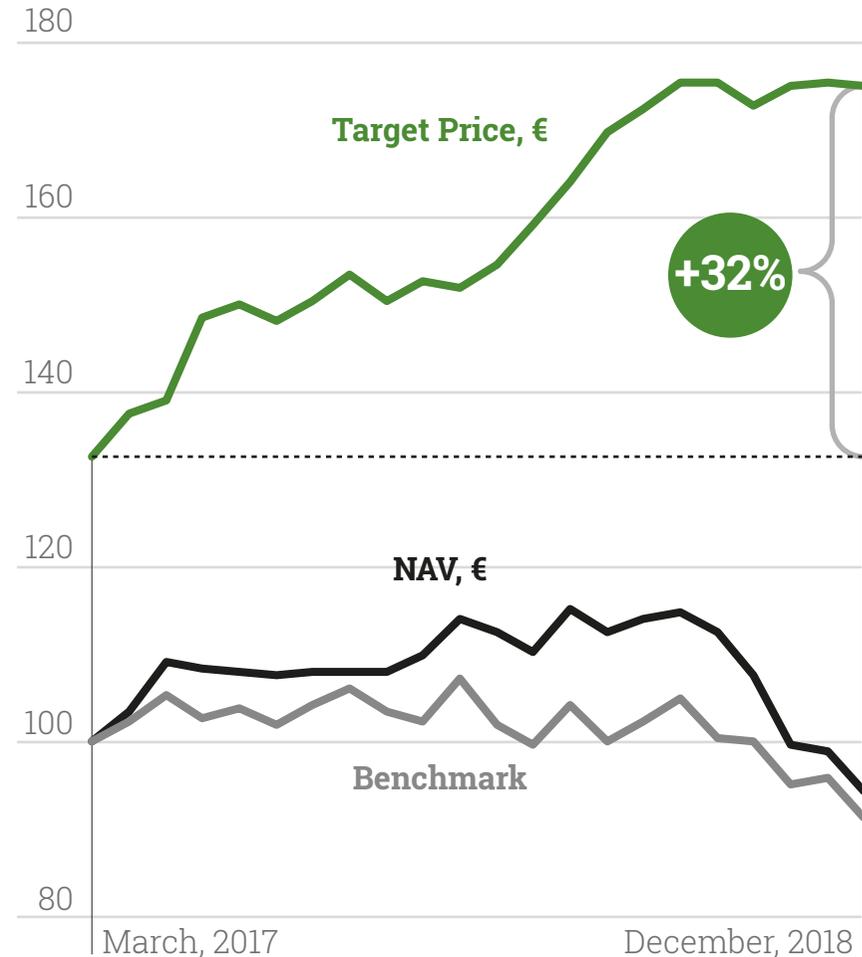
The performance of the **Iberian Portfolio's** NAV in 2018 was -14.1%, mainly attributable to the overall poor performance of the market, as can be seen by the fall in the corresponding benchmark index, of 10.9%, which was 3.2% better than our NAV. However, when expanding the comparison period from its launch to the end of 2018, the difference with the benchmark index remains the same, 3.2%, but this time in our favour.

The negative differential compared to the index (-3.2%) can mainly be attributed to the negative contribution of **Duro Felguera** and **DIA** (-3% and -2%, respectively). For **Duro Felguera**, we explained the reasons behind its fall in the third quarter newsletter. Concerning **DIA**, we believe that we rushed our judgement and did not expect the company to lower its margin targets or change its management team. We considered that a fall of 60% YTD already priced in this scenario. Ultimately, it was not to be.

However, the standout fact of 2018 is that thanks to market volatility, we were able to create value. Specifically, we raised our target price by +5% to €175/share, representing 85% upside. It is worth noting that since the launch of the fund, we have increased the target price by 32%.

Experience has demonstrated that sooner or later, NAV tends to reach our target price. We are aware that at times of volatility, in which NAV drops, this is somewhat difficult to believe. However, the case of **Ferrovial** comes to mind: when it was trading at a price of less than €4/share and we indicated it was worth €16/share.

This generation of value has been achieved thanks to active portfolio management. We have taken advantage of market falls in the latter part of last year to take or increase positions in companies we have known for a long time.



Below, we will try to explain why we have proceeded with these purchases, without providing an exhaustive explanation or revealing our entire hand:

Semapa

The most efficient/cheapest way of buying **Navigator**, Europe's largest and most efficient office paper producer. Taking merely the market value of **Navigator**, we obtain a target price for Semapa of ~€20/share, while at the end of December it was trading at €13/share. Using our own valuation of **Navigator**, the target price of Semapa would be substantially greater.

Acerinox

Depressed cyclical company with scant debt. After attending the **ACX** investor day, we reconfirmed the quality of: i) the company (one of the most efficient operators in the industry and the only one with plants on four continents), and ii) its management team. Like any cyclical company, **ACX** must be bought when nobody wants it (as we did at the end of last year), providing nothing has changed in the sector, structurally speaking, and there are no debt problems, as is the case of **ACX**.

Melia

The value of the company's owned buildings alone is worth more than €15/share, without considering the value of its hotel management business.

Sacyr

The share price has been hurt by the company's ongoing lawsuits in Panama. It is impossible to know the outcome of these lawsuits, but we believe that, even under the worst-case scenario, **Sacyr** has interesting potential given the value of its portfolio of concessions. They have limited exposure to traffic risk and are in the initial stages of their life. In turn, buying into **Sacyr**, to a certain extent, is the cheapest/most efficient way of buying into **Repsol**.

These purchases, along with others, have primarily been financed by the sale of **Telefónica** and **Ferrovial**, which have served as defensive companies. For example, while **Ferrovial** remained practically stable around €17-18, **Sacyr** fell by around 30% last quarter, explaining our switch from **Ferrovial** to **Sacyr**.



For investors concerned about the macroeconomic situation of the Iberian market, it is worth noting that the **Iberian Portfolio's** exposure to the economic cycle is around 23%, while the rest is made up of defensive or export companies.

This percentage has nothing to do with any concern about the economic cycle, over which we are agnostic, rather, this 23% is the outcome of performing a com-

pany-by-company analysis and comparing the value and price in each case.

In short, the **Iberian Portfolio** is solid, with around 90% having a controlling shareholder who looks out for our interests, where we are owners of businesses that we have known for some years now, which are of a high quality (ROCE 26%), which trade at attractive ratios (P/E ratio of 8.5x) and with compelling upside of 85%.

Photo: **Juan Gómez, Unsplash**

Large Cap. Company Portfolio

During 2018, the large cap company portfolio posted a negative return of 30.9% versus a 4.1% decrease in the benchmark index, **MSCI World Net**.

Since the **Cobas Grandes Compañías FI** fund began investing in equities in early April 2017, the return has been -26.8%. The benchmark index has dropped by -1.7%.

The target price for the portfolio is €192.10/share, a long way above its current net asset value, with potential upside of 133%. Our goal is to continue boosting the value of the portfolio over time and we expect that this value will end up reflected in its net asset value.

Overall, the portfolio trades at an estimated 2019 P/E ratio of 5.6x with a ROCE of 27%. The geographic distribution of the portfolio has not changed significantly over the year, maintaining a strong exposure to companies outside of Europe and the Eurozone.

We still have 100% of the dollar exposure covered.

The largest contributors to the positive returns in the portfolio over the course of the year were **Israel Chemicals** (+2.3%) and **Petrobras** (+0.7%). The following companies have had a substantially negative effect on the performance of the portfolio: **Aryzta** (-11.7%) and **Teekay Corp** (-2.9%).

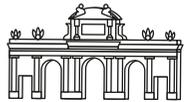
EVENTS / NEWS

Comments on **Fourth Quarter 2018**

The objective of the **Cobas** News section is to give you a preview of our projects and initiatives, and share some of the most important milestones reached in the quarter.

ANNUAL INVESTOR CONFERENCE

This year, we will hold our **Third Annual Conference** in February, at which the **Cobas Asset Management** team, headed up by Francisco García Paramés, will have the chance to present their investment strategy to you and discuss where the investment company is right now. At the end, there will be a Q&A session at which attendees can participate.



Madrid

Tuesday 5 February 2019. 5.30 pm
Palacio Municipal de Congressos
Avenida Capital de España, 7



Barcelona

Thursday 14 February 2019. 5.30 pm
Petit Palau - Palau de la Música Catalana
Calle Palau de la Música, 4-6



Photo: **Arturo Lado**

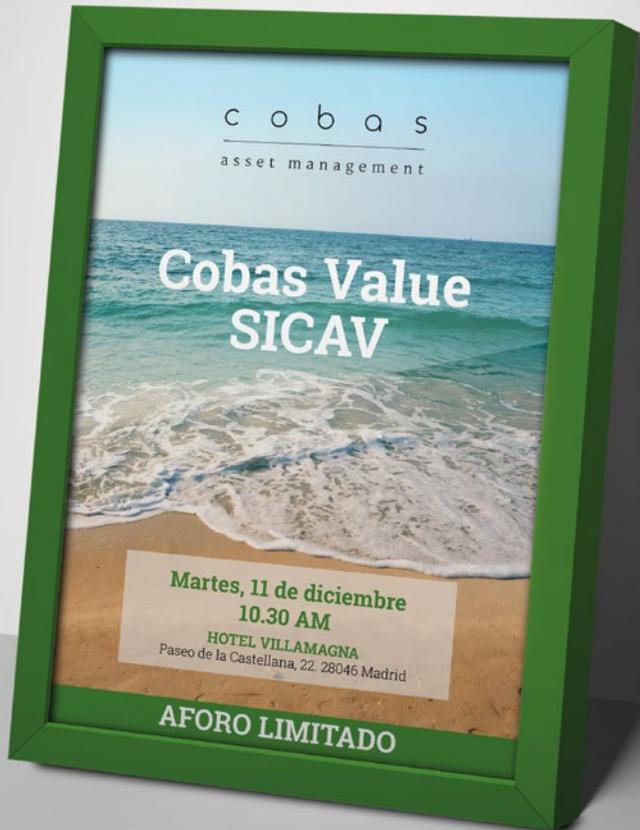


Photo: **Cobas Asset Management**

There is a limited number of places, so please let us know if you wish to attend.

Investors who are unable to attend can stream the conference in Madrid live on our website and our group on the **Finect** financial sector social network

New product: Cobas Value SICAV

Cobas AM's new investment vehicle, **Cobas Value SICAV**, was registered with the **CNMV** on 19 December 2018.

To commemorate the product's launch, in December, **Cobas** organised a presentation, led by **Francisco García Paramés**.

This new product replicates **Cobas Selección FI**, investing 90% in international and 10% in Iberian equities.

MEETING WITH INVESTORS IN VALENCIA

Cobas AM plans to host events in a number of Spanish cities, as we believe that transferring our investment philosophy and raising awareness of the composition of our investment portfolio amongst all co-investors is key.

As an example of this, Cobas AM organised an event in Valencia on 21 November with a view to reaching out to our co-investors.

Carlos González, Deputy Director of **Investor Relations**, explained our key figures, our investment philosophy and products, while analyst **Juan Cantus** gave a comprehensive overview of the international and Iberian portfolios.

Photo: **José Ros, Unsplash**

Comments on **Fourth Quarter 2018**



INTERNATIONAL VALUE INVESTING CONFERENCE IN LUXEMBOURG

On 24 October, **Andrés Allende**, from our research team represented **Cobas AM** at the **International Value Investing Conference** in Luxembourg, widely known for the significant exchange of ideas about value investing among financial professionals from around the world.

Attendees had the opportunity to discuss a range of analysis ideas in depth, in addition to specific investment ideas. In terms of **Cobas AM**, **Andrés Allende** had the opportunity to present the investment case of **Sam-sung**. Video can be watched here.

<https://www.youtube.com/watch?v=jfxaOxexTwM>



Photo: **Thomas William, Unsplash**



RANKIA FUNDS EXPERIENCE IN SANTIAGO DE CHILE

On 15 November, **Gema Martín** and **Patricio Díez**, from our international investor relations team, represented Cobas AM at the **Rankia Funds Experience** conference in Santiago de Chile, which serves as a meeting point among a small number of international firms and a select number of institutional investors and Chilean fund selectors.

Photo: **Pablo García Saldaña**, Unsplash

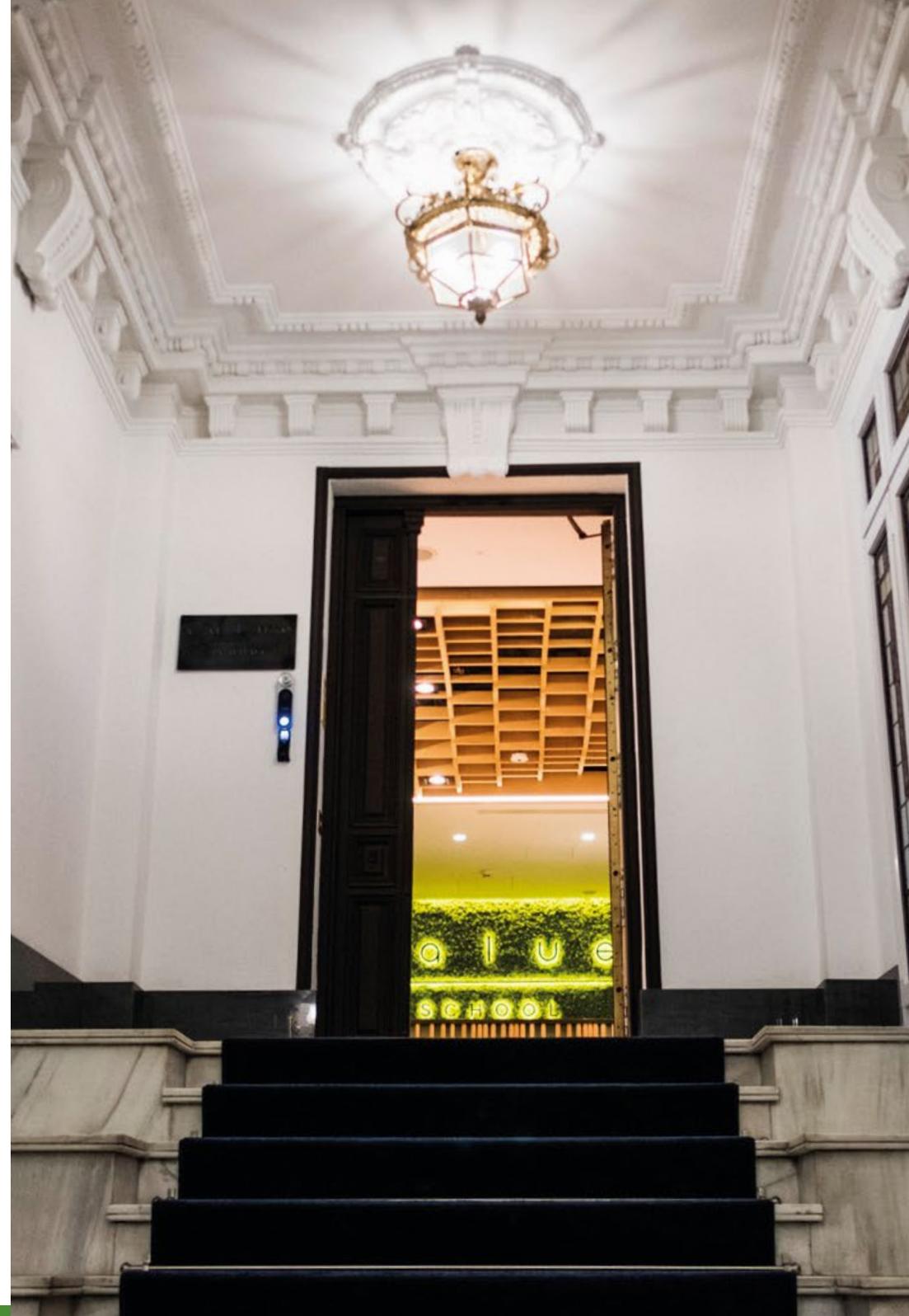
Over the course of the day, Gema Martín and Patricio Díez held a number of working meetings with small groups of investors to go over Cobas AM's investment philosophy and the characteristics of the different funds we manage. Cobas AM's presence in Chile responds to its interest in being close to its international investors and enhancing knowledge of its investment philosophy.

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VALUE SCHOOL

In the wake of the success of the **Value School** summer school and to continue teaching informed investors, **Value School** is co-organising, alongside other student associations, the “**Viernes Value**” (Friday Value) classroom workshops for financial classes to be given until 7 June 2019 divided up into 17 sessions, addressing the following topics: The Financial Landscape, Fundamental Analysis, Value Investing, Financial Modelling and Quantitative Analysis.

Photo: **Diego Martínez**



ANNEXES

Spanish Funds

Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹			AUM mn€	Equity exposure	
				Cobas	Benchmark ²	Cobas	Benchmark ²	Cobas	Benchmark ²	PER			ROCE
Selección FI	77,5 €	180 €	133%	-22,4%	-11,3%	-29,6%	-10,6%	-22,5%	-1,4%	7,3x	27%	728,8	97%
Internacional FI	72,5 €	173 €	138%	-23,5%	-11,3%	-31,4%	-10,6%	-27,5%	-4,8%	7,2x	26%	377,3	98%
Iberia FI	94,6 €	175 €	85%	-12,3%	-8,9%	-14,1%	-10,9%	-5,4%	-8,6%	8,5x	26%	56,5	99%
Grandes Compañías FI	73,2 €	170€	133%	-23,9%	-12,0%	-30,9%	-4,1%	-26,8%	-1,7%	5,6x	27%	18,8	97%
Renta FI	91,9 €			-5,2%		-8,7%		-8,1%				17,0	13%
Concentrados FIL	56,6 €			-29,1%	-11,3%	-43,4%	-10,6%	-43,4%	-10,6%			22,0	97%

Pension Funds

Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹			AUM mn€	Equity exposure	
				Cobas	Benchmark ²	Cobas	Benchmark ²	Cobas	Benchmark ²	PER			ROCE
Global PP	71,6€	163€	128%	-22,1%	-11,3%	-29,3%	-10,6%	-28,4%	-7,8%	6,9x	26%	37,0	96%
Mixto Global PP	77,6€	151€	94%	-17,4%		-23,7%		-22,4%		5,2x	19%	4,0	71%

Luxembourg Funds

Fund	Net Asset Value	Target Value*	Upside potential	Q4 Performance		Performance YTD		Perf. since inception ¹			AUM mn€	Equity exposure	
				Cobas	Benchmark ²	Cobas	Benchmark ²	Cobas	Benchmark ²	PER			ROCE
International EUR	72,5 €	173 €	139%	-23,2%	11,3%	-31,5%	-10,6%	-27,5%	-1,4%	7,3x	26%	16,6	99%
International USD	84,8 \$	203 \$	139%	-22,6%	11,3%	-29,6%	-10,6%	-24,9%	-1,4%	7,3x	26%	1,2	99%
Selection EUR	14.979,5 €	34.902 €	133%	-22,4%	11,3%	-29,8%	-10,6%	-27,0%	-1,4%	7,1x	25%	84,1	99%
Selection USD	25.102,7 \$	58.489 \$	133%	-21,9%	11,3%	-28,0%	-10,6%	-24,6%	-1,4%	7,1x	25%	1,0	99%
Concentrated EUR	57,3 €			-28,9%	11,3%	-42,6%	-10,6%	-42,6%	-10,6%			8,1	99%
Concentrated USD	58,7 \$			-28,3%	11,3%	-41,0%	-10,6%	-41,0%	-10,6%			1,0	99%

• The **target value** of our funds is based on internal calculations and estimates and Cobas AM does not guarantee that its calculation is correct or that they will be reached.

• **Inception of the funds.** Cobas Selección FI: 31-dec-16; Cobas Internacional FI: 15-march-17; Cobas Iberia FI, Cobas Grandes Compañías FI y Cobas Renta FI: 3-april-17; Cobas Concentrados FI: 31-dec-17; Cobas Global PP and Cobas Mixto Global PP: 18-jul-17.

• **Benchmark.** MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI, Cobas Concentrados 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.

	Cobas Internacional FI ES0119199000	Cobas Iberia FI ES0119184002	Cobas Grandes Compañías FI ES0113728002	Cobas Selección FI ES0124037005	Cobas Renta FI ES0119207001																																																																																																																																																																					
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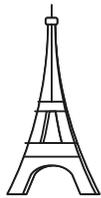
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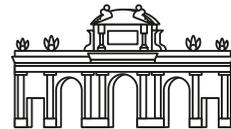
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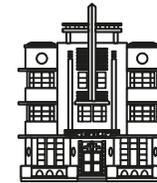
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