

The background of the slide is a photograph of an industrial facility, likely a refinery or chemical plant. It features a complex network of large, metallic pipes, some of which are wrapped in insulation. Scaffolding and structural steel beams are visible throughout the scene, creating a dense, industrial environment. The lighting is somewhat dim, with a warm, reddish-brown tint overall.

c o b a s  
asset management

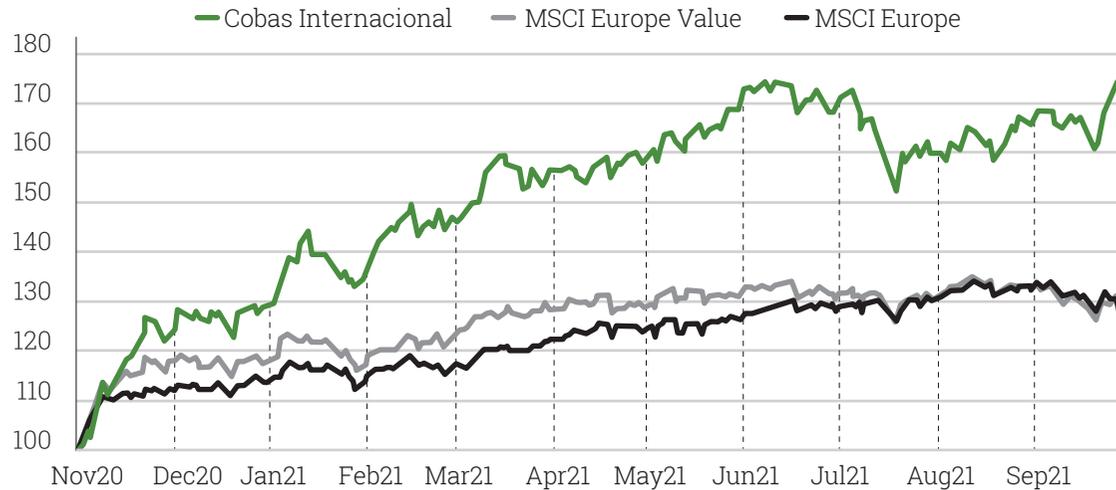
Comments on  
**Third Quarter 2021**

**Dear Unitholder:**

The third quarter continued the positive development that we discussed in the previous two quarters and that we have been observing in our funds since the discovery of the COVID-19 vaccines almost a year ago. September was a particularly good month for our international portfolio with

gains of around 6%. The value sector in Europe has performed very similarly to the European market as a whole, especially during the last quarter, but our funds have been observing an increasing de-correlation, which has resulted in a significant outperformance of the market and of European value companies as a whole, as shown in the chart below.

Figure 1. **Cobas Internacional vs MSCI Value vs MSCI Europe**



Source: Cobas AM.



Although it is impossible to know with certainty what will happen in the future, we expect this positive development to continue, as the investment assumptions of the companies in which we are invested continue to be realised. Regardless of what the market does in the short term, we continue to insist that cash generation is the only factor that counts in the long-term evolution of the share price. In this respect, we have great confidence in the quality of our companies, which is reflected in the good performance of their business and their ability to continue to increase in value over time.

This has allowed us to continue to increase the target value of the funds, with the Iberian Portfolio once again reaching all-time highs in target value and the International Portfolio close to those highs. We believe that sooner or later this will have to be reflected in the net asset value of the funds. In

short, our portfolios are still worth more than twice as much.

This quarter we comment on the performance of the gas sector and take the opportunity to briefly review what is happening in the oil sector and our theory on the matter, which we discussed in detail in our previous letter (see here). Our direct exposure to the gas sector represents about 9% of the International Portfolio, while our indirect exposure through gas transmission and processing infrastructure companies represents about 16% of the International Portfolio. We also use this letter to comment on oil services companies, which we believe will benefit from the expansionary investment cycle that should occur in the sector, and which account for about 10% of the International Portfolio and 10% of the Iberian Portfolio.

**Illustration:** Daniel Gete.

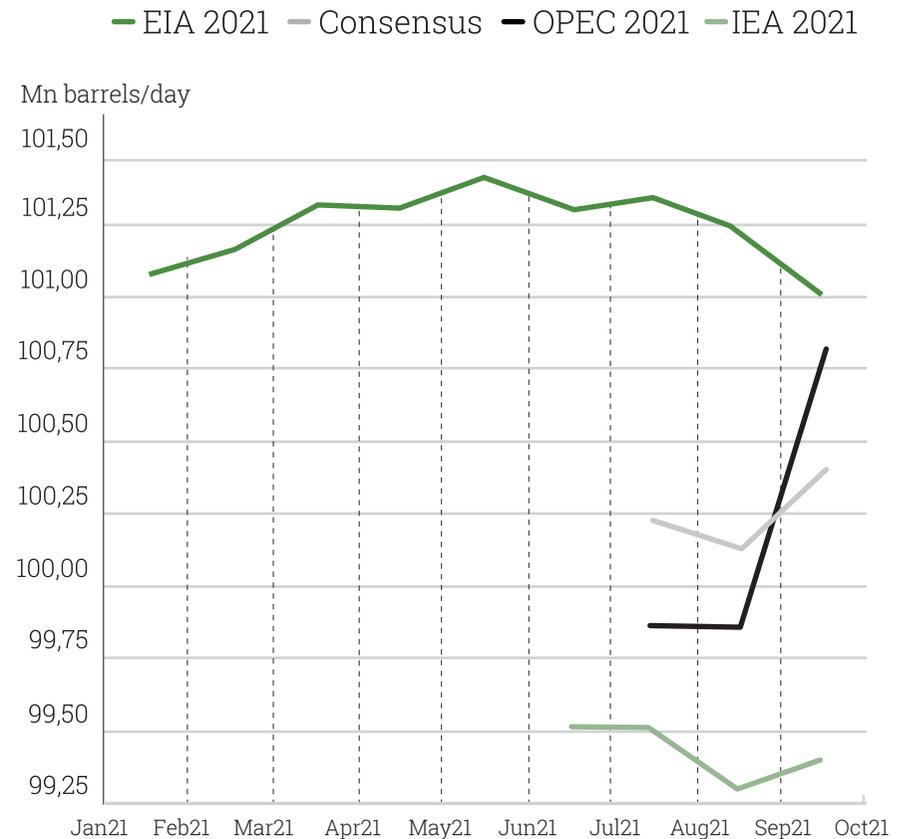
## OIL

In our previous quarterly letter we commented on our view of the oil sector, which has been supported by the sector's performance in recent months, where the rise in the price of a barrel of oil, as well as the lack of investment in necessary supply capacity, have led to supply shortages, creating a favourable situation for the oil sector companies in our portfolios. The major international energy agencies have recently confirmed our assumption that oil demand will return to pre-COVID-19 levels of 100Mn barrels/day by 2022.

Thereafter, the most likely medium-term scenario is that demand in the sector will continue to increase at least until the end of the decade, supported by population growth and economic growth, due to the development of emerging economies.

Part of the market believes that the high oil prices we have been seeing, above \$80/barrel recently, are due to OPEC's artificial restriction of supply and lower produc-

Figura 2. **2022e Global oil demand**



Source: Sparebank, AIE, EIA, OPEP.

tion from US shale, which will sooner or later return to the strong growth path seen in the past. Conversely, we believe that as the necessary prior investment has not been made during the last five years, when the reactivation of demand is consolidated, the price will have to reflect it, as is already happening. Therefore, although OPEC plays an important role in balancing the market, we believe that the problem is structural in nature and that it is essential to undertake the necessary investments to ensure that oil supply can cope with expected future demand.

For this reason, we believe that oil service companies should benefit strongly from increased investment in the future. These are companies whose business is to undertake engineering and construction projects for the development of oil fields and associated oil and gas treatment infrastructure. Subsea pipelines (Subsea 7), gas processing (Maire Tecnimont, Petrofac, Técnicas Reunidas), seismic exploration (CGG), refineries and petrochemical plants, among others. In addition, all of them have exposure to the energy transition, due to their energy engineering capabilities.



## GAS

### Demand

In contrast to what has happened in the oil sector in the wake of the pandemic, with demand falling by 9% in 2020, demand in the natural gas sector has remained reasonably stable, with a slight fall of 2% in 2020. In fact, some countries such as China have increased their consumption significantly, with increases in natural gas demand of close to 7% and 12% in LNG imports.

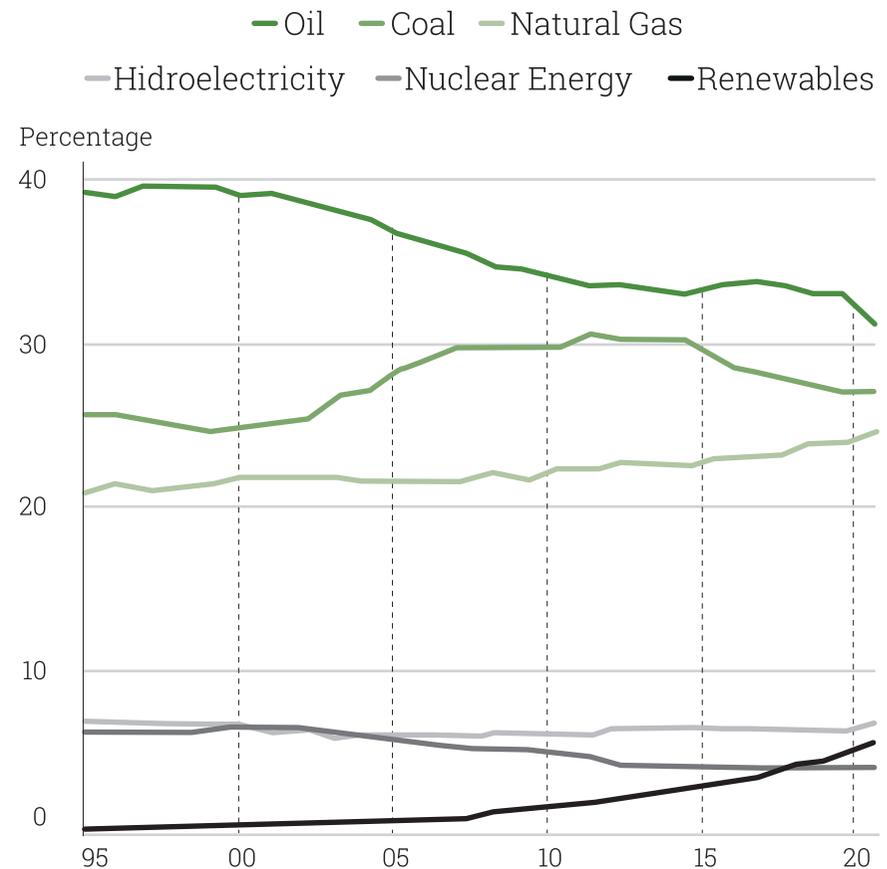
So far this year we continue to see double digit increases. Gas accounts for 25% of global energy consumption worldwide and this share has been growing steadily over the last 25 years, gaining market share from oil, but above all from coal.

While in oil there is a divergence of opinion on what demand will be in 20-30 years, in gas there seems to be a broad consensus on a long-term increase in demand.

This is mainly because it is an abundant source of energy,

Photo: Avigator Fortuner.

Figura 3. Shares of global primary energy

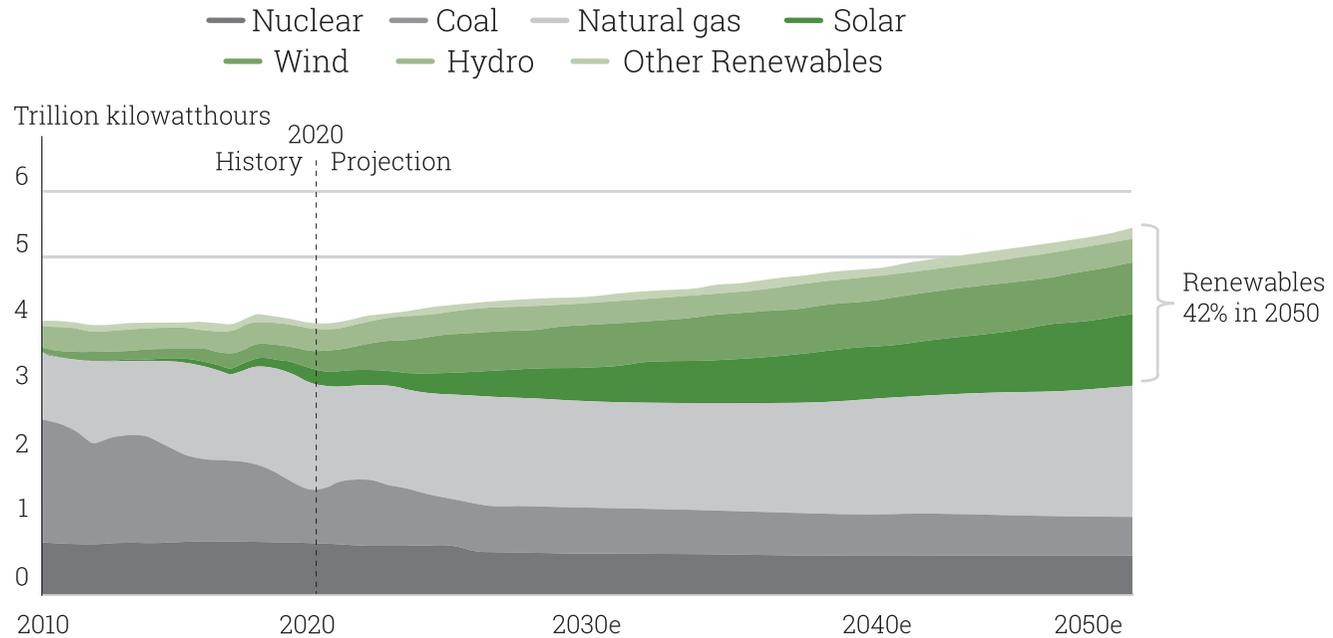


Source: BP Statistical Review.

relatively easy to extract and transport, and emits around 50% less CO2 than coal and 25% less than oil. All of the

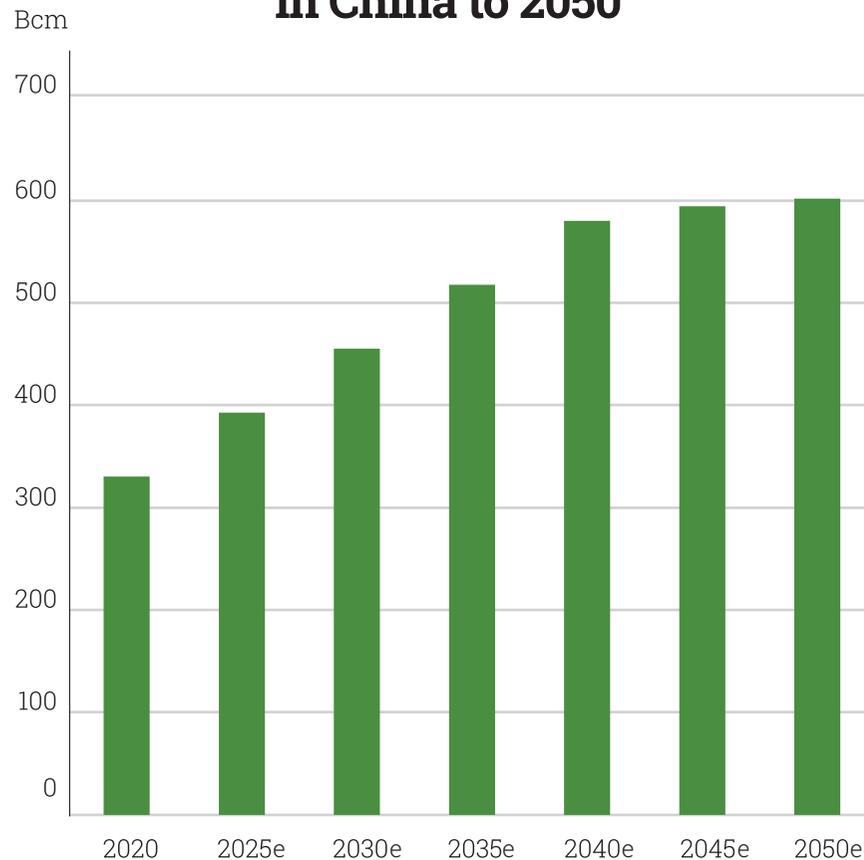
above suggests that gas has a key role to play in the energy transition to cleaner energy over the coming decades.

Figura 4. **U.S electricity generation, AEO2021 Reference case (2010-2050)**



Source: Administración de Información Energética de EE.UU. Perspectiva anual de energía 2021.

Figura 5. **Estimated Gas demand in China to 2050**



Source: Barclays Research.

**Supply**

Global natural gas production has increased by more than 20% over the last 10 years, very much in line with the increase in demand over the same period. As in the oil sector, the increase in production comes largely from US shale gas (about 50%).

So far this year, several cyclical factors have contributed to the imbalance we are seeing between gas supply and demand, mainly in Europe and Asia. This imbalance has led to price increases like we have never seen before, reaching \$30/mmbtu in Europe and over \$35/mmbtu in Asia.

The high price of gas has been the main cause of soaring electricity prices in most European countries, reaching levels close to €200/MWh in Spain.

Some of these factors are of a temporary nature, such as the delay of the Nordstream 2 pipeline from Russia, or a too low level of gas inventories due to last winter being unusually cold. However, we believe that the current imbalance has a structural cause, namely the lack of neces-



Photo: Wojciech Wrzesien.

sary investment in the sector. Similar to what is happening in oil, financing for new investments has also been reduced in the gas sector, especially in the American shale, but also in other geographies such as Russia and the Middle East. Proof of this is that after a growth in proven gas reserves of 40% over the last 20 years, there has been a slight fall of 1% in 2020.

In a market where increased production is quickly absorbed by new demand and where future growth prospects are very positive, as we have seen, any small imbalance can generate strong price swings, as is being demonstrated.

In addition, there is an imbalance between the regions where gas is produced and the regions where it is consumed. Much of the production comes from North America, the Middle East and Russia, while Europe and Asia are net importing regions with gas deficits.

For this reason, we believe that investment in gas transport, liquefaction and regasification infrastructure must

continue, and we have positioned part of our portfolio to benefit from this trend.

Surprisingly, the market is also showing a strong rejection of gas companies on sustainability grounds, even though they look set to play a key role in the decarbonisation of economies and the transition to renewables. As in the oil sector, and despite the strong recovery of gas prices and the structural growth trend, companies have lagged in their share prices.

For the reasons explained above, at Cobas AM we are detecting good investment opportunities in the sector, such as Kosmos, IPCO, Inpex and Cairn in the production sector, and Golar, Exmar, Dynagas, Gaslog and Energy Transfer in infrastructures. All of them at very attractive multiples.

# PORTFOLIO

## Nuestras carteras

Data as of 30/09/21

### Spanish domiciled funds

Name	AUM
<b>Internacional</b> FI	480 Mn€
<b>Iberia</b> FI	38.5 Mn€
<b>Grandes Compañías</b> FI	19 Mn€
<b>Selección</b> FI	706.7 Mn€

### Luxembourg domiciled funds

Name	AUM
<b>Internacional</b> FI	480 Mn€
<b>Iberia</b> FI	38.5 Mn€
<b>Grandes Compañías</b> FI	19 Mn€
<b>Selección</b> FI	706.7 Mn€

AUM	Market Cap	Strategies		Number of holdings
		International	Iberian	
500.9 Mn€	Multi Cap	●		46
44.1 Mn€	Multi Cap		●	30
24.9 Mn€	70% ≥ 4Bn€	●	●	40
773.5 Mn€	Multi Cap	●	●	54

In 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 that have their operational hub on the Iberian Peninsula; and, last but not least, the Large Company Portfolio that invests in global companies, 70% of which at least have over 4 billion euros in stock market capitalisation.

With these three portfolios, we built and have managed the various equity funds as of 30 September 2021:

We remind you that the target value of our funds is based on internal estimates and Cobas AM does not guarantee that its calculation is correct or that they will be reached. We invest in assets that the managers deem to be undervalued. However, there is no guarantee that these assets are actually undervalued or that, even if they are, their price will move in the direction expected by the managers.

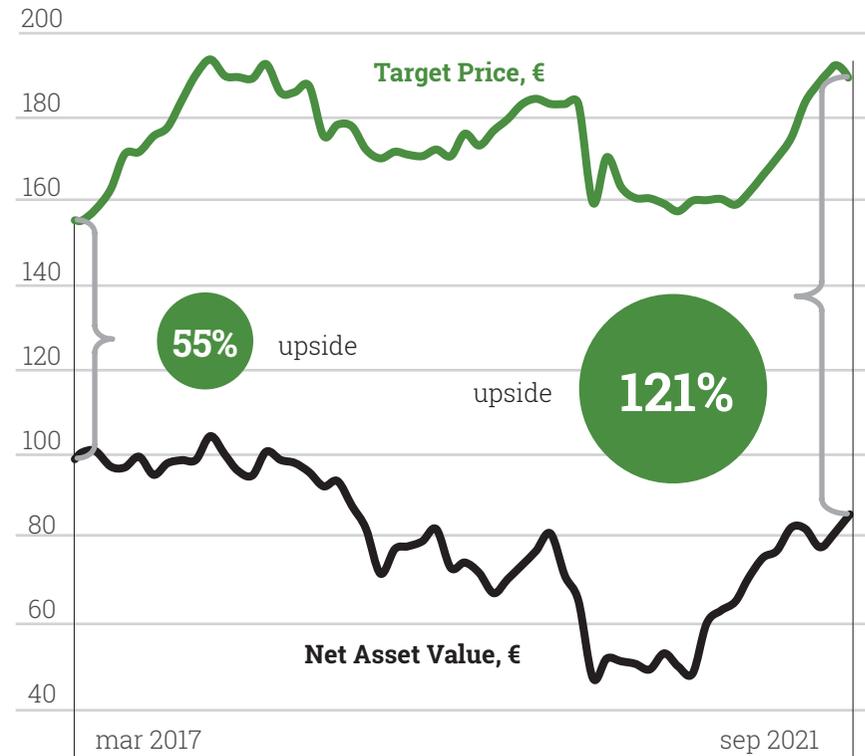
**Total assets  
under management**

**1.612  
Mn€**

## International Portfolio

Over the third quarter of 2021, our International Portfolio posted a positive return of +4.2% versus the +0.7% profitability posted by its benchmark index, the MSCI Europe Net Total Return index. Since the Cobas Internacional FI fund began investing in equities in mid-March 2017, it has obtained a return of -13.1%, while its benchmark index has obtained a return of +34.2% for the same period.

During the third quarter we made few changes in the International Portfolio in terms of purchases and sales. We have completely exited G-III, Porsche, and Diamond S Shipping, which in June had a combined weighting of less than 3%, and have entered Gaslog Partners, BW Offshore and Enquest with a combined weighting of slightly more than 3%. Elsewhere, the main movements have been: on the buy side, we increased our weighting in International Seaways, and in Babcock International; however, in the latter case we increased the weighting mainly due to the revaluation of its share price during the quarter (+28%), while, on the sell side, we decreased our weighting in AMG, and Sol Spa.



**Note:** Para más información sobre el potencial de revalorización ver página 19.

During the third quarter we increased the target value of the International Portfolio by 3% to €192/share, which implies that the potential for appreciation stands at 121%.

Obviously, as a result of all this potential and our confidence in the portfolio, we are invested at 98%, close to the legal maximum. The whole portfolio trades at an estimated 2022 P/E of 8.0x versus 15.1x its benchmark and has a ROCE of 30%, but if we look at the ROCE excluding shipping and commodity companies, we are close to 43%, which demonstrates the quality of the portfolio.

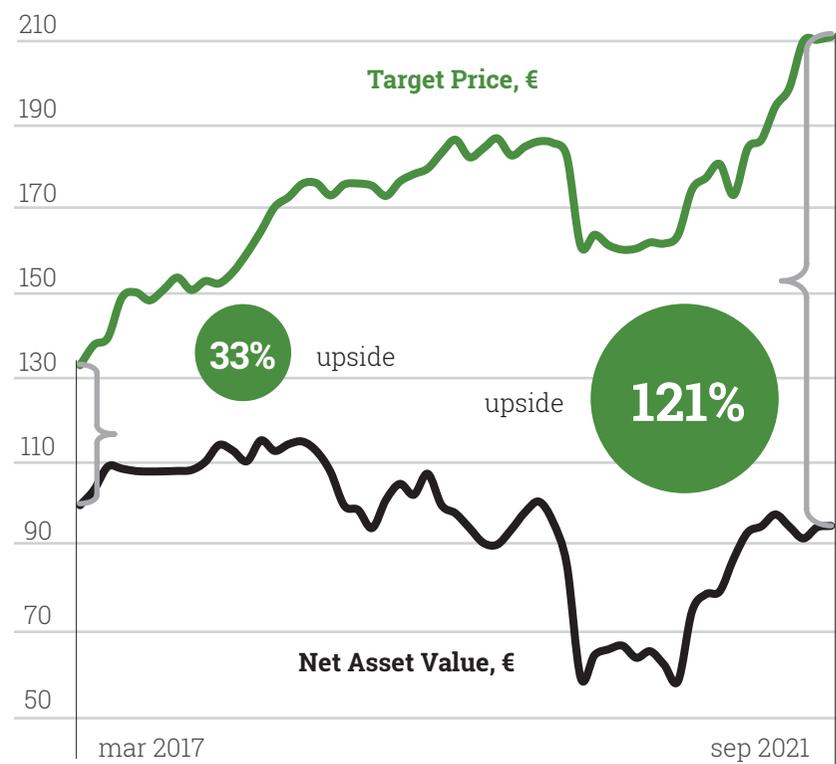
(1) For more information on the ratios see page 19.

## Iberian Portfolio

The net asset value of our Iberian Portfolio in the third quarter of 2021 was +0.2%, compared with +1.5% for its benchmark index. If we extend the comparison period since we started investing in equities until the end of September 2021, it has obtained a return of -4.9%, while its benchmark index has obtained a return of +13.1% for the same period.

During the third quarter we have made few changes in terms of portfolio purchases and sales. We have exited Merlin Properties completely and have entered ACS in both cases with a weighting of close to 1%. In the rest of the portfolio, we have slightly increased our weighting in Atalaya and Galp; and we have lowered it in CTT and Elecnor, although, in the latter case, due to their worse relative performance versus the rest of the portfolio.

During the quarter we increased the target value of the Iberian Portfolio by about 6%, to €210/unit, as a result of which the upside potential stands at 121%.



**Nota:** Para más información sobre el potencial de revalorización ver página 19.

In the Iberian Portfolio, we have invested 98% and, as a whole, the portfolio trades with an estimated 2022 P/E ratio of 7.6x, compared to the 14.5x of its benchmark index, and with a ROCE of 30%.

(1) For more information on the ratios see page 19.

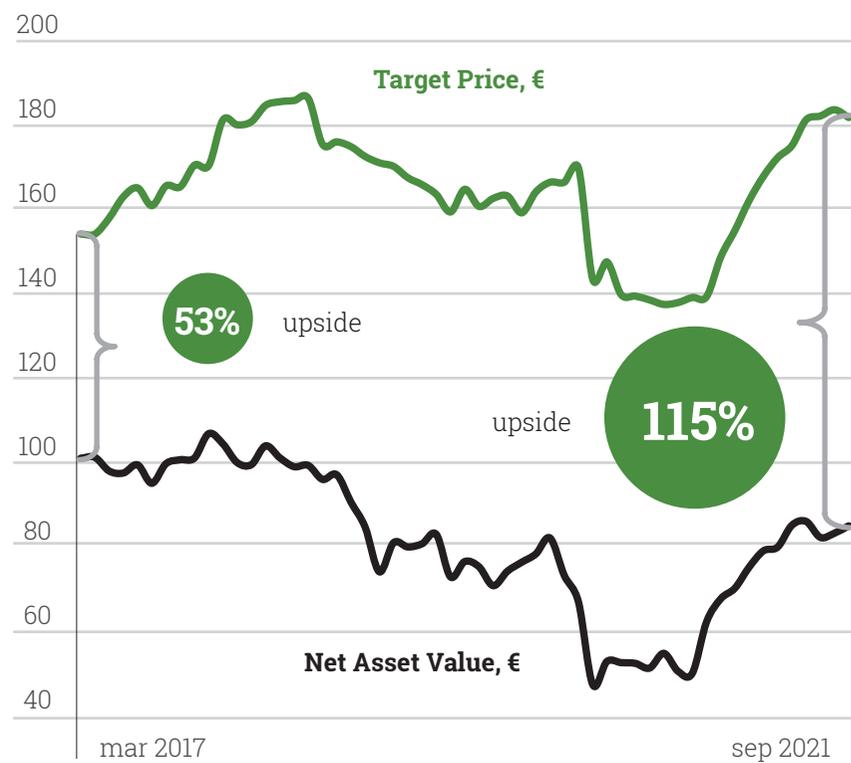
## Large Company Portfolio

During the third quarter of 2021, our Large Company Portfolio had a return of -1.2% versus +2.3% 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 -16.0%. In that period, the benchmark index rose by 60.9%.

Over the third quarter, we have hardly rotated the Large Company Portfolio. We have not exited any stocks and have entered ACS and New Fortress Energy with a combined weight of less than 2%.

In the rest of the portfolio, on the buy side, we mainly increased our position in Galp and Babcock International, although in the latter case this was largely helped by the share price appreciation during the quarter (+28%); while, on the sell side, we have lowered our position in KT Corporation and Dassault Aviation.

During the quarter, the target value of the Large Companies



**Nota:** Para más información sobre el potencial de revalorización ver página 19.

Portfolio remained stable at €181/share, representing a potential upside of 115%.

In the Large Companies Portfolio we are 98% invested. Overall, the portfolio trades at an estimated 2022 P/E ratio of 7.1x, versus 18.7x for its benchmark index, and with a ROCE of 32%.

(1) For more information on the ratios see page 19.

## Spanish Funds

Fund	NAV	Target Value	Upside Potential	Q3 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Selección FI Class C	89,8 €	203 €	126%	3,3%	0,7%	33,7%	16,2%	-10,2%	49,2%	8,1x	30%	18%	699,5	98%	
Selección FI Class D	132,7 €	299 €	126%	3,3%	0,7%	32,7%	16,2%	32,7%	16,2%	8,1x	30%	18%	7,2	98%	
Internacional FI Class C	86,9 €	192 €	121%	4,2%	0,7%	36,6%	16,2%	-13,1%	34,2%	8,0x	30%	18%	472,8	98%	
Internacional FI Class D	135,4 €	300 €	121%	4,2%	0,7%	35,4%	16,2%	35,4%	16,2%	8,0x	30%	18%	7,2	98%	
Iberia FI Class C	95,1 €	210 €	121%	0,2%	1,5%	20,3%	11,1%	-4,9%	13,1%	7,6x	30%	14%	37,8	98%	
Iberia FI Class D	113,5 €	251 €	121%	0,1%	1,5%	13,5%	6,4%	13,5%	6,4%	7,6x	30%	14%	0,7	98%	
Grandes Compañías FI Class C	84,0 €	181 €	115%	-1,2%	2,3%	25,8%	19,3%	-16,0%	60,9%	7,1x	32%	18%	18,8	98%	
Grandes Compañías FI Class D	117,2 €	252 €	115%	-1,2%	2,3%	17,2%	19,3%	17,2%	19,3%	7,1x	32%	18%	0,2	98%	
Renta FI	98,6 €			0,5%	-0,5%	7,6%	-0,2%	-1,4%	-1,8%				12,9	16%	

## Pension Funds

Fund	NAV	Target Value	Upside Potential	Q3 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
Global PP	83,5 €	188 €	126%	3,2%	0,7%	33,8%	16,2%	-16,5%	29,8%	8,1x	30%	18%	64,2	98%	
Mixto Global PP	88,5 €	173 €	95%	2,5%	0,4%	25,4%	7,8%	-11,5%	14,5%	8,1x	23%	13%	4,7	74%	

Data as of 30/09/21

- 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 International Fund EUR: 1-jun-17 ; Cobas International Fund USD: 6-jun-17 Cobas Selection Fund EUR and USD: 1-jul-17 Cobas Iberian EUR and Cobas Large Cap EUR: 14-oct-19.
- **Benchmark.** MSCI Europe Total Return Net for Cobas Selection Fund, Cobas International Fund and Cobas Concentrated Fund IGBM Total 80% and PSI 20 Total Return 20% for Cobas Iberian Fund EUR MSCI World Net EUR for Cobas Large Cap Fund EUR.
- **Ratios.** Upside potencial: Best scenario: it is the difference between the target value and the aggregate market price of the portfolio. To calculate the target value, we apply a multiple to the normalized cash flow based on our estimate of each company. VAR: Maximum expected monthly loss. Calculated with the Value at Risk methodology 2.32 sigmas, 99% confidence level at the normal distribution at one month. PER: It is calculated by dividing the market capitalization of each company by its normalized cash flow based on our estimates. ROCE: We calculate it by dividing the normalized operating result based on our own estimates, after taxes, by the capital employed (ex - goodwill) in order to get the business profitability.

## Luxembourg Funds

Fund	NAV	Target Value	Upside Potential	Q3 Performance		Performance YTD		Perf. since inception			PER	ROCE	Var	AUM Mn€	Equity exposure
				Fund	Benchmark	Fund	Benchmark	Fund	Benchmark						
<b>International</b> EUR	81.0 €	179 €	121%	3.9%	0.7%	36.1%	16.2%	-19.0%	27.0%	8.4x	30%	18%	21.0	98%	
<b>International</b> USD	\$100.6	\$222	121%	4.1%	0.7%	37.0%	16.2%	-10.9%	27.7%	8.4x	30%	18%	0.9	98%	
<b>Selection</b> EUR	17,106.2 €	38,639 €	126%	3.0%	0.7%	33.5%	16.2%	45.0%	98.4%	8.1x	30%	18%	57.9	98%	
<b>Selection</b> USD	\$30,440.3	\$68,757	126%	3.2%	0.7%	34.4%	16.2%	62.4%	98.4%	8.1x	30%	18%	8.9	98%	
<b>Iberian</b> EUR	103.4 €	228 €	121%	0.1%	1.5%	20.5%	11.5%	3.4%	5.8%	7.6x	30%	14%	5.6	98%	
<b>Large Cap</b> EUR	109.5 €	236 €	115%	-1.2%	2.3%	25.5%	19.3%	9.5%	35.5%	7.1x	32%	18%	5.9	98%	

Data as of 30/09/21

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	<b>Cobas Internacional FI</b> Class C - ES0119199000 Class D - ES0119199018	<b>Cobas Iberia FI</b> Class C - ES0119184002 Class D - ES0119184010	<b>Cobas Grandes Compañías FI</b> Class C - ES0113728002 Class D - ES0113728010	<b>Cobas Selección FI</b> Class C - ES0124037005 Class D - ES0124037013	<b>Cobas Renta FI</b> ES0119207001	<b>COBAS LUX SICAV</b> <b>COBAS SELECTION FUD</b> LU1372006947 EUR LU1372007168 USD	<b>COBAS LUX SICAV</b> <b>COBAS INTERNATIONAL FUD</b> LU1598719752 EUR LU1598719919 USD	<b>COBAS LUX SICAV</b> <b>COBAS IBERIAN FUD</b> LU1598721493 EUR	<b>COBAS LUX SICAV</b> <b>COBAS LARGE CAP FUND</b> LU1598720172 EUR																		
<b>Top 10</b>	<b>Company</b> Golar LNG CIR Maire Tecnimont Currys PC World Babcock Aryzta International Seaways Danieli Teekay LNG Kosmos	<b>Current quarter weight</b> 8.3% 5.8% 5.7% 5.4% 5.3% 4.8% 4.4% 4.3% 4.1% 3.8%	<b>Previous quarter weight</b> 8.6% 6.3% 5.7% 5.4% 4.4% 5.3% 3.3% 4.0% 4.3% 3.9%	<b>Company</b> Atalaya Minig Vocento Semapa Técnicas Reunidas Miquel y Costas Elecnor Metrovacesa Galp Energía Indra Inmobiliaria del Sur	<b>Current quarter weight</b> 8.9% 8.7% 8.6% 8.4% 4.9% 4.5% 4.4% 3.9% 3.7% 3.4%	<b>Previous quarter weight</b> 8.1% 9.0% 8.3% 8.2% 4.9% 5.1% 3.9% 3.2% 3.9% 2.9%	<b>Company</b> Golar LNG Dassault Aviation Inpex Corp. Energy Transfer Viatrix Renault Samsung C&T CK Hutchison Aryzta Bolloré	<b>Current quarter weight</b> 7.8% 5.4% 5.0% 4.3% 3.7% 3.6% 3.6% 3.9% 3.5% 3.3%	<b>Previous quarter weight</b> 7.6% 6.1% 4.5% 4.6% 4.0% 3.9% 4.1% 3.7% 3.0% 3.7%	<b>Company</b> Golar LNG CIR Maire Tecnimont Currys PC World Babcock Aryzta International Seaways Danieli Teekay LNG Kosmos Energy	<b>Current quarter weight</b> 7.5% 5.3% 5.2% 4.9% 4.8% 4.3% 4.0% 3.9% 3.7% 3.4%	<b>Previous quarter weight</b> 7.8% 5.7% 5.1% 4.9% 4.0% 4.7% 3.0% 3.6% 3.9% 3.5%	<b>Company</b> Golar LNG Teekay Corp. Kosmos Energy Técnicas Reunidas Babcock Atalaya Mining Maire Tecnimont CIR Currys PC World Vocento	<b>Current quarter weight</b> 3.2% 1.7% 1.4% 1.2% 1.2% 1.1% 0.9% 0.9% 0.9% 0.9%	<b>Previous quarter weight</b> 3.4% 1.9% 0.0% 0.9% 1.2% 1.0% 1.2% 1.1% 1.0% 1.1%	<b>Company</b> Golar LNG CIR Maire Tecnimont Currys PC World Babcock Aryzta International Seaways Danieli Teekay LNG Kosmos Energy	<b>Current quarter weight</b> 7.6% 5.3% 5.2% 4.9% 4.8% 4.3% 4.0% 3.9% 3.7% 3.4%	<b>Previous quarter weight</b> 7.7% 5.6% 5.1% 5.4% 3.9% 4.7% 3.3% 3.5% 3.9% 3.5%	<b>Company</b> Golar LNG CIR Maire Tecnimont Currys PC World Babcock Aryzta International Seaways Danieli Teekay LNG Kosmos Energy	<b>Current quarter weight</b> 8.3% 5.8% 5.7% 5.4% 5.3% 4.8% 4.4% 4.3% 4.1% 3.8%	<b>Previous quarter weight</b> 8.6% 6.3% 5.7% 5.4% 4.3% 5.2% 3.3% 3.9% 4.3% 3.9%	<b>Company</b> Atalaya Mining Vocento Semapa Técnicas Reunidas Miquel y Costas Elecnor Metrovacesa Galp Energía Indra Inmobiliaria del Sur	<b>Current quarter weight</b> 8.9% 8.7% 8.6% 8.4% 5.0% 4.6% 4.4% 3.9% 3.7% 3.5%	<b>Previous quarter weight</b> 8.1% 9.0% 8.3% 8.2% 4.9% 5.2% 3.9% 3.2% 3.9% 2.9%	<b>Company</b> Golar LNG Dassault Aviation Inpex Corp. Energy Transfer Viatrix Samsung C&T Renault CK Hutchison Aryzta Bolloré	<b>Current quarter weight</b> 7.8% 5.4% 5.0% 4.3% 3.7% 3.7% 4.0% 3.6% 3.5% 3.3%	<b>Previous quarter weight</b> 7.6% 6.2% 4.6% 4.6% 3.7% 4.1% 4.0% 3.1% 3.0% 3.7%
<b>Geographical breakdown</b>	Rest of Europe USA Eurozone Asia	32.6% 31.5% 28.1% 7.8%	Spain Portugal Other	68.8% 33.3% 8.9%	USA Eurozone Asia Rest of Europe	35.8% 30.5% 17.8% 13.1%	Eurozone Rest of Europe USA Asia	34.0% 30.5% 28.5% 7.1%	Eurozone Rest of Europe	82.4% 12.5% 5.1%	Eurozone Rest of Europe USA Asia	33.9% 30.6% 28.4% 7.1%	Rest of Europe USA Eurozone Asia	32.6% 31.1% 28.6% 7.8%	Spain Portugal Other	68.5% 22.6% 8.9%	USA Eurozone Asia Rest of Europe	35.6% 33.4% 17.9% 13.2%									
<b>Sector breakdown</b>	<b>Region</b> Oil & Gas Storage & Transportation Oil & Gas Exploration & Products Industrial Conglomerates Retailing Energy Equipment & Services Aerospace & Defense Machinery Food, Beverage & Tobacco Other	<b>Current quarter weight</b> 26.1% 11.9% 9.2% 8.9% 8.7% 6.5% 5.5% 4.8% 18.4%	<b>Region</b> Metals & Mining Construction & Engineering Industrial Conglomerates Real Estate Media & Entertainment Energy Equipment & Services Transportation Consumer Services Other	<b>Current quarter weight</b> 11.7% 10.8% 10.3% 9.0% 8.8% 8.4% 5.4% 5.2% 30.4%	<b>Region</b> Oil & Gas Storage & Transportations Industrial Conglomerates Pharmaceuticals, Biotechnology Automobiles & Components Aerospace & Defense Oil & Gas Exploration & Products Food, Beverage & Tobacco Retailing Other	<b>Current quarter weight</b> 18.2% 12.5% 10.2% 10.0% 8.5% 7.8% 5.8% 5.8% 21.3%	<b>Region</b> Government Oil & Gas Storage & Transportations Cash Energy Equipment & Services Industrial Conglomerates Oil & Gas Exploration & Products Aerospace & Defense Metals & Mining Other	<b>Current quarter weight</b> 70.9% 12.9% 6.2% 2.1% 1.7% 1.4% 1.2% 1.1% 2.6%	<b>Region</b> Oil & Gas Storage & Transportations Oil & Gas Exploration & Products Industrial Conglomerates Retailing Energy Equipment & Services Aerospace & Defense Machinery Food, Beverage & Tobacco Other	<b>Current quarter weight</b> 23.8% 10.9% 10.0% 9.6% 8.1% 5.9% 5.0% 4.3% 22.5%	<b>Region</b> Oil & Gas Storage & Transportations Oil & Gas Exploration & Products Industrial Conglomerates Retailing Energy Equipment & Services Aerospace & Defense Machinery Food, Beverage & Tobacco Other	<b>Current quarter weight</b> 26.1% 11.9% 9.2% 8.9% 8.7% 6.5% 5.5% 4.8% 18.6%	<b>Region</b> Metals & Mining Construction & Engineering Industrial Conglomerates Real Estate Media & Entertainment Energy Equipment & Services Transportation Consumer Services Other	<b>Current quarter weight</b> 11.7% 10.9% 10.3% 9.1% 8.9% 8.4% 5.4% 5.2% 30.1%	<b>Region</b> Oil & Gas Storage & Transportations Industrial Conglomerates Pharmaceuticals, Biotechnology Automobiles & Components Aerospace & Defense Oil & Gas Exploration & Products Food, Beverage & Tobacco Retailing Other	<b>Current quarter weight</b> 18.3% 12.6% 10.2% 10.0% 8.5% 7.8% 5.9% 5.8% 20.9%											
<b>Performance contributors</b>	<b>Contributors</b> Babcock OVS Petrofac Aryzta Cairn Energy <b>Detractors</b> LG Electronics Samsung C&T Amorepacific CIR Kosmos Energy	1.3% 1.0% 0.6% 0.6% 0.6% -0.2% -0.2% -0.2% -0.3% -0.4%	<b>Contributors</b> Indra Sonae Metrovacesa Galp Energía Atalaya Mining <b>Detractors</b> Ibersol Prosegur Elecnor Vocento Técnicas Reunidas	0.8% 0.5% 0.4% 0.4% 0.3% -0.1% -0.4% -0.4% -0.5% -2.0%	<b>Contributors</b> Babcock OVS Petrofac Aryzta Inpex Corp. Galp Energía <b>Detractors</b> Renault CK Hutchison Hyundai LG Electronics Samsung C&T	0.7% 0.4% 0.6% 0.5% 0.5% -0.4% -0.2% -0.4% -0.3% -0.5%	<b>Contributors</b> Babcock OSV Aryzta Petrofac Currys PC World <b>Detractors</b> Samsung C&T Renault Kosmos Energy CIR Tecnicas Reunidas	1.2% 0.9% 0.6% 0.5% 0.5% -0.2% -0.2% -0.2% -0.3% -0.3%	<b>Contributors</b> Babcock OSV Aryzta Petrofac Currys PC World <b>Detractors</b> Samsung C&T Renault Kosmos Energy Renault CIR	1.1% 0.8% 0.6% 0.6% 0.5% -0.2% -0.2% -0.3% -0.3% -0.3%	<b>Contributors</b> Babcock OSV Aryzta Petrofac Currys PC World <b>Detractors</b> Amorepacific Samsung C&T Kosmos Energy Renault CIR	1.2% 0.9% 0.7% 0.7% 0.6% -0.2% -0.2% -0.3% -0.3% -0.3%	<b>Contributors</b> Indra Sonae Metrovacesa Galp Energía Miquel y Costas <b>Detractors</b> Ibersol Prosegur Cash Vocento Elecnor Técnicas Reunidas	0.8% 0.4% 0.4% 0.3% 0.3% -0.2% -0.4% -0.5% -0.5% -2.1%	<b>Contributors</b> Babcock Aryzta Inpex Corp. Bolloré Currys PC World <b>Detractors</b> LG Electronics Hyundi Dassault Aviation Renault Samsung C&T	0.7% 0.4% 0.4% 0.4% 0.3% -0.4% -0.4% -0.5% -0.5% -0.5%											
<b>In &amp; out of the portfolio</b>	<b>In the portfolio</b> BW Offshore Enquest Gaslog <b>Out of the portfolio</b> Diamond Shipping G-III Apparel Porsche	<b>In the portfolio</b> ACS <b>Out of the portfolio</b> Merlin Properties	<b>In the portfolio</b> ACS New Fortress Energy <b>Out of the portfolio</b>	<b>In the portfolio</b> BW Offshore Enquest Gaslog <b>Out of the portfolio</b> Diamond Shipping G-III Apparel Porsche Sonae	<b>In the portfolio</b> BW Offshore Enquest Gaslog <b>Out of the portfolio</b> Diamond Shipping G-III Apparel Porsche Sonae	<b>In the portfolio</b> BW Offshore Enquest Gaslog <b>Out of the portfolio</b> Diamond Shipping G-III Apparel Porsche Sonae	<b>In the portfolio</b> BW Offshore Enquest Gaslog <b>Out of the portfolio</b> Diamond Shipping G-III Apparel Porsche	<b>In the portfolio</b> ACS <b>Out of the portfolio</b> Merlin Properties	<b>In the portfolio</b> ACS New Fortress Energy <b>Out of the portfolio</b> Merlin Properties	<b>In the portfolio</b> ACS New Fortress Energy <b>Out of the portfolio</b> Merlin Properties																	
	(*) EUR/ USD 63% hedged		(*) EUR/ USD 65% hedged	(*) EUR/ USD 63% hedged	(*) EUR/ USD 62%	(*) EUR/ USD 66%	(*) EUR/ USD 66%	(*) EUR/ USD 66%	(*) EUR/ USD 66%																		

**NEWS**

Our Cobas AM news section aims to give you a preview of the asset management projects and initiatives, while sharing some of the most important milestones to have been reached in the last quarter.

### Launching an Employment Plan: Plan de Empleo Cobas 100

Cobas offers companies a financial planning product with a long-term vision, based on investment through equities from a Value Investing approach, so that they can collaborate with their employees in their pursuit of the goal of having capital or income at the time of retirement.

Value School, in collaboration with us, offers free financial education training for its employees to companies that request it.

For more information, be sure to visit our website:  
[www.cobasempleo.com](http://www.cobasempleo.com)

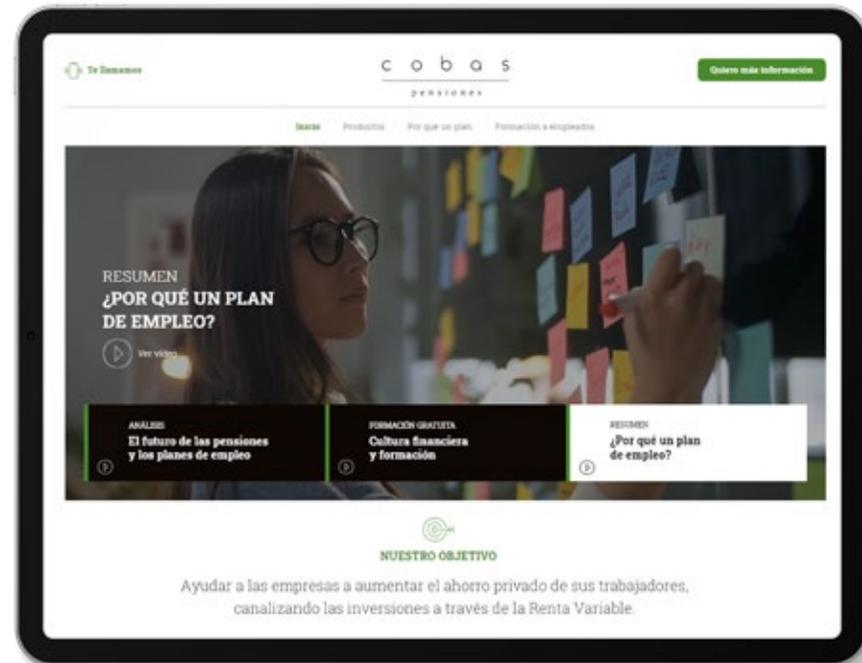


Photo: [www.cobasempleo.com](http://www.cobasempleo.com)

### Ben Graham Centre's 1st European Value Investing Conference

On 1 October, Francisco García Paramés participated in the first European Value Investing Conference, where he presented the oil and gas investment theory.

### Participation in the radio programme "Tu Dinero Nunca Duerme" (Your Money Never Sleeps)

During this quarter, Ivan Chvedine participated in the radio programme Tu Dinero Nunca Duerme, the leading financial literacy programme of the Spanish generalist radio es-Radio in collaboration with Value School.

Iván Chvedine, from the Cobas AM investment team, analysed the characteristics of the Cobas Iberia portfolio and its outlook in the 19 September edition of the programme. The audio of the podcast is available at the following [link](#).

### Investing for the Long Term Podcast

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

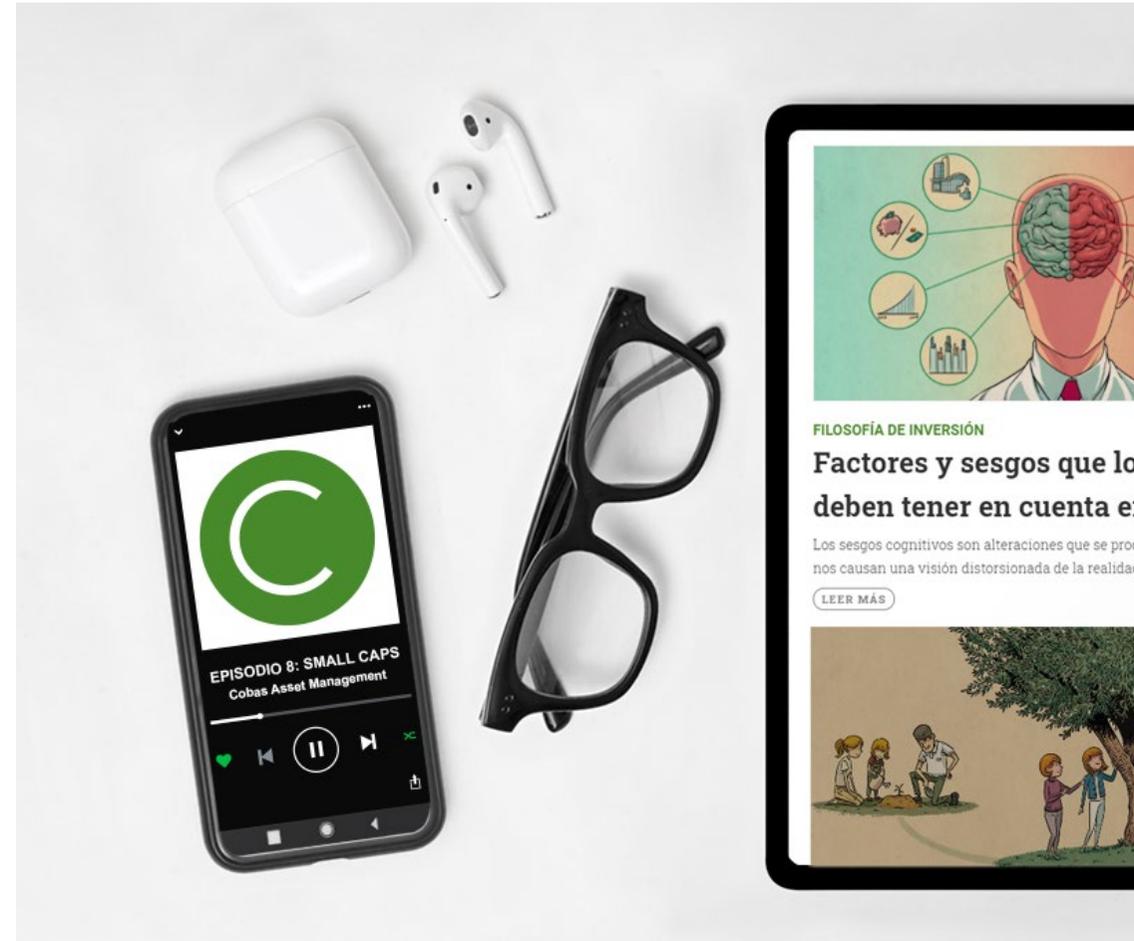


Photo: Cobas AM.

The new episodes for this quarter are now available:

Episode 5: [Fondos Luxemburgueses](#)

Episode 6: [Evolución de los fondos 2º Trimestre 2021](#)

Episode 7: [Relación con Inversores](#)

Episode 8: [Small Caps](#)

Episode 9: [Planes de empleo](#)

Episodio 10: [Evolución de los fondos 3º Trimestre 2021](#)

Audioblog 1: [Conservemos nuestro nivel de vida](#)

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

### Collaboration with Value School

Cobas Asset Management y Value School Cobas Asset Management and Value School are launching the programme “12 meses, 12 sesgos” together, which is a series of pills in video format, where we review the most influential biases and show you how to control them to mitigate their effects on your investment decision making.

The following videos have been published during this quarter:

La trampa del sesgo de autoridad. [Video](#)

¿Cómo podemos gestionar el exceso de confianza y evitar grandes errores? [Video](#)



Photo: 12 meses 12 sesgos.

Other initiatives of



**SANTA  
COMBA**

## valueschool

Cobas AM collaborates with Value School to promote financial literacy from an independent perspective and help savers make conscientious investment decisions. At the end of the day, being a value investor is more than just buying cheap and then being patient. It is a philosophy of life.

**Alicia regresa a Wall Street (Alicia goes back to Wall Street)** The famous book by investors Luis Allué and Pablo Martínez Bernal, in a revised and greatly expanded digital edition. A 450-page tome with the keys to successful investing and happiness. A book that young and old will fall in love with. [Book file](#)

### Videos from the Value School Summer Summit 2021.

A selection of the most popular videos from the last Summer Summit is now available on the Value School YouTube channel. Soon, all videos, audios and presentations in the form of a free course at Value Academy. [Summer Summit playlist 2021](#)



### **The moral issue of fossil fuels**

In this new essay from the Deusto-Value School-Instituto Juan de Mariana collection, Alex Epstein refutes all the myths surrounding fossil fuels. Based on the latest research, he argues that fossil fuels must be used and defended as an essential resource to transform and improve our lives. [Book file](#)

### **El Foco (The Focus). The Value School programme on Business TV**

«El Foco» is your weekly appointment with the principles of conscious investment. Recently, managers Julián Pascual and Carlos Val-Carreres explained how they practice value investing in technology and Internet-related companies in the programme entitled «Tecnología, calidad y crecimiento» (Technology, quality and growth). You will find all the programmes broadcast to date in the “El Foco” playlist on [Value School’s YouTube channel](#).



During the third quarter of 2021, Global Social Impact made its sixth investment of the Global Social Impact Fund (GSIF - Social Impact Fund with the objective of promoting the economic and social inclusion of groups at the bottom of the pyramid). The investment is €300k in debt for working capital to Green Lion: a logistics and consumer goods company based in Accra, Ghana.

Green Lion improves the quality of life of small traders by giving them access to a wider range of products at more homogenous and competitive prices. The beneficiaries of Green Lion’s products and services are mostly women who run their own businesses and who, through the company’s logistics and distribution network, have easier and faster access to a wider range of products without having to leave their place of work to purchase them.

In addition, Green Lión provides credit and deferred payment services to those who request them. GSI’s objective

is to accompany the company in its growth and gradually increase the investment ticket as the company's needs require.

In addition, the management team is undergoing various due diligence processes with the intention of undertaking two additional investments before year-end.

2021 is proving to be a positive year for GSIF, with an intra-annual return as of 30 September of 7.89%.



During the third quarter of 2021, the Open Value Foundation has continued to develop different initiatives and activities, among which the following stand out:

- From the projects area, they continue to promote pro-

jects and companies with a social impact with the aim of improving the livelihoods of the most vulnerable people. The latest milestone was the financing through a SAFE (Simple Agreement for Future Equity) contract of the social enterprise Be Girl, which markets affordable feminine hygiene products in developing countries.

- In September, Feltwood, a company supported by the Open Value Foundation through a convertible loan, closed a financing round of 1.2 million euros with the participation of EIT Foods and Viscofan as main investors, which meant the conversion of the amount of the loan granted by the Open Value Foundation into shares in the startup.

- The training area continues to offer and support training programmes and initiatives that help disseminate impact investing, such as the online course on introduction to impact investing, the second edition of which was launched in September and has been very well received.

- The communications area continues to organise inspi-

ring meetings and participate in key events in the impact ecosystem, disseminating publications and content and promoting various initiatives to help generate social impact.



Photo: Empresa social Be Girl en Mozambique.



## Disclaimer

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are exposed to factors, risks and circumstances that could affect the financial results implying a difference with the estimates and projections.

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