

# Cobas Asset Management Newsletter

- February 2018 -

Dear investor,

In our February Newsletter, we provide an update on our latest news as well as key data relating to our funds, going into greater detail regarding the characteristics of our portfolios and other matters of interest.

As of February 2, you can contract Cobas Concentrados FIL hedge fund, through our website or investor portal. We would like to remind you that this product comprises the best ideas of Cobas Selección FI, standing out from the latter due to its condition of FIL.

The following topics can be viewed below:



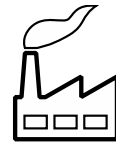
**Statement of position**



**Comments on fourth  
quarter**



**Returns and ratios**



**Contribution to  
funds**



**Geographical and  
sector distribution**



**Distribution of  
Spanish savings**



**Blog**

## Statements of position

Your statement of position for January is now available. You can access and download it from the investor portal. If you have requested a copy by post, you will receive it in the next few days.

## Comments on Fourth Quarter

The following section provides comments from the fourth quarter 2017 report setting out the main characteristics of the portfolio.

To access it, please click on the link below:

<https://www.cobasam.com/en/comments-on-fourth-quarter-2017/>



## Performance and ratios

Details of the returns, P/E ratios and potential upside for each of Cobas Asset Management's investment funds and pension plans are provided in the next section.

## Funds and Benchmark Indexes

Fund/Plan	Net Asset Value 31/01/18	Upside	P/E ratio	January performance		Upside from the start (1)	
				Cobas	Benchmark index (2)	Cobas	Benchmark (2)
<b>Cobas Selección FI</b>	106.26 €	86%	9.6x	-3.44%	1.60%	6.46%	12.01%
<b>Cobas Internacional FI</b>	101.31 €	90%	9.5x	-4.20%	1.60%	1.31%	8.18%
<b>Cobas Iberia FI</b>	114.18 €	33%	11.6x	3.62%	4.82%	14.18%	7.54%
<b>Cobas Grandes Cías FI</b>	103.39 €	74%	8.6x	-2.28%	1.48%	3.39%	4.01%
<b>Cobas Renta FI</b>	99.45 €			-1.12%		-0.55%	
<b>Cobas Global PP</b>	97.83 €			-3.43%	1.60%	-2.17%	4.73%
<b>Cobas Mixto Global PP</b>	98.72 €			-2.94%		-1.28%	
<b>Cobas Concentrados FIL</b>	93.01 €			-6.99%	-3.44%	-6.99%	-3.44%

(1) Start of the Funds

Cobas Internacional FI: 15--mar-17  
 Cobas Iberia FI, Cobas Grandes Compañías FI and Cobas Renta FI: 3-apr-17  
 Cobas Global PP: 23-jul-17  
 Cobas Mixto Global PP: 25-jul-17

(2) Benchmark Index

MSCI Europe Total Return Net for Cobas Selección FI, Cobas Internacional FI and Cobas Global PP  
 MSCI World Net EUR for Cobas Grandes Compañías FI  
 IGBM Total and PSI 20 Total Return (75%-25% until 31/12/17; 80%-20% from 01/01/18) for Cobas Iberia FI  
 Cobas Selección FI for Cobas Concentrados FIL

## Contribution to investment funds

The following tables show main contributing companies and detractors of the return obtained in each one of the equity funds during the fourth quarter of 2017, and since the start of the fund.

### Cobas Selección FI

#### Fourth Quarter Cobas Selección FI

##### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
Aryzta	27.02%	2.08%
Porsche	28.98%	0.66%
Teekay LNG	12.39%	0.59%

##### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
ICL	-9.19%	-0.58%
Babcock International	-14.43%	-0.45%
Dynagas LNG	-20.91%	-0.22%

#### From Start Cobas Selección FI

##### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
Samsung Prefs.	40.99%	1.39%
G-III Apparel Group	20.24%	0.89%
Maire Tecnimont	82.54%	0.88%

##### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
ICL	-19.46%	-1.42%
Dixons Carphone	-34.07%	-1.12%
Teekay Corp.	-9.63%	-0.94%

### Cobas Internacional FI

#### Fourth Quarter Cobas Internacional FI

##### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Aryzta</b>	27.02%	2.27%
<b>Porsche</b>	28.98%	0.72%
<b>G-III Apparel Group</b>	25.17%	0.63%

##### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>ICL</b>	-9.19%	-0.63%
<b>Babcock International</b>	-14.43%	-0.50%
<b>Dynagas LNG</b>	-20.91%	-0.26%

#### From Start Cobas Internacional FI

##### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Aryzta</b>	14.29%	1.49%
<b>Maire Tecnimont</b>	77.00%	1.21%
<b>G-III Apparel Group</b>	31.10%	0.98%

##### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>Dixons Carphone</b>	-34.07%	-1.14%
<b>ICL</b>	-15.50%	-1.13%
<b>DHT Holdings</b>	-35.84%	-0/90%

## Cobas Iberia FI

### Fourth Quarter Cobas Iberia FI

#### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Elecnor</b>	12.72%	1.11%
<b>Quabit</b>	16.19%	0.64%
<b>Miquel y Costas</b>	18.27%	0.42%

#### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>Telefónica</b>	-9.50%	-0.69%
<b>Grupo Ezentis</b>	-11.80%	-0.53%
<b>CTT-Correios de Portugal</b>	-31.21%	-0.49%

### From Start Cobas Iberia FI

#### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Elecnor</b>	44.37%	3.92%
<b>Semapa</b>	28.98%	1.52%
<b>Mota Engil</b>	86.04%	1.31%

#### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>Técnicas Reunidas</b>	-26.73%	-1.73%
<b>Telefónica</b>	-18.29%	-1.15%
<b>Euskatel</b>	-27.47%	-0.93%

## Cobas Grandes Compañías FI

### Fourth Quarter Cobas Grandes Compañías FI

#### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Aryzta</b>	27.02%	2.23%
<b>Porsche</b>	28.98%	1.17%
<b>Mylan</b>	32.81%	1.07%

#### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>Babcock</b>	-14.43%	-0.81%
<b>ICL</b>	-9.19%	-0.74%
<b>Gilead Sciences</b>	-11.97%	-0.24%

### From Start Cobas Grandes Compañías FI

#### Main Contributors

Company	Price Var. (%)	Contribution to Return (%)
<b>Porsche</b>	35.89%	1.33%
<b>Aryzta</b>	10.35%	1.05%
<b>Bolloré</b>	27.86%	1.02%

#### Main Detractors

Company	Price Var. (%)	Contribution to Return (%)
<b>Dixons Carphone</b>	-34.07%	-1.65%
<b>Babcock International</b>	-20.64%	-1.18%
<b>ICL</b>	-12.36%	-0.99%

## Geographical and sector distribution of Cobas AM funds

The geographical distribution of the funds did not change significantly during the fourth quarter, with the exception of Cobas Grandes Compañías FI fund, in which we increased exposure outside of Europe and the Eurozone, to the detriment of these areas.

In terms of sector distribution, the principal sectors are aligned with the main fund positions: transport, consumer goods, chemicals, food, and distribution.

The geographical and sector distribution of the funds at the end of December is as follows:

### Cobas Selección FI

#### Sectorial

Aerospace and defence	<b>4.0%</b>	Industry	<b>11.4%</b>
Agriculture	<b>0.2%</b>	Real estate	<b>0.7%</b>
Food and Distribution	<b>8.8%</b>	Media	<b>0.6%</b>
Automotive	<b>10.3%</b>	Mining	<b>1.2%</b>
Consumer	<b>12.0%</b>	Oil and gas	<b>4.2%</b>
Electricity and gas	<b>0.9%</b>	Chemicals	<b>5.9%</b>
Electronics	<b>3.2%</b>	Services	<b>0.6%</b>
Pharmaceutical	<b>2.1%</b>	Telecommunications	<b>2.6%</b>
Holding	<b>4.4%</b>	Transport	<b>23.2%</b>

#### Geographical

Eurozone	<b>27.3%</b>
Rest of Europe	<b>27.6%</b>
United States.	<b>21.1%</b>
Latam	<b>1.1%</b>
Asia	<b>13.8%</b>
Other	<b>5.5%</b>
Cash	<b>3.6%</b>

## Cobas Internacional FI

### Sectorial

Aerospace and defence	4.4%	Holding	4.8%
Agriculture	0.2%	Industry	7.6%
Food and Distribution	9.8%	Media	0.5%
Automotive	11.3%	Mining	1.4%
Consumer	13.5%	Oil and gas	4.6%
Electricity and gas	1.0%	Chemicals	6.6%
Electronics	3.6%	Services	0.6%
Pharmaceutical	2.4%	Transport	25.1%

### Geographical

Eurozone	21.1%
Rest of Europe	30.9%
United States.	22.8%
Latam	1.0%
Asia	15.3%
Other	6.2%
Cash	2.7%

## Cobas Iberia FI

### Sectorial

Banks	4.9%	Media	5.2%
Pharmaceutical	1.9%	Paper and pulp	4.4%
Holding	6.4%	Oil and gas	2.0%
Industry	22.7%	Insurance	2.0%
Engineering and construction	10.3%	Services	5.6%
Real Estate	10.3%	Telecommunications	19.1%

### Geographical

Spain	75.1%
Portugal	19.6%
Cash	5.3%

## Cobas Grandes Compañías FI

### Sectorial

Aerospace and defence	5.7%	Industry	5.2%
Food and Distribution	7.8%	Mining	0.9%
Automotive	14.6%	Oil and gas	8.1%
Consumer	3.0%	Chemicals	7.0%
Education	0.8%	Services	4.7%
Electronics	4.6%	Telecommunications	5.7%
Pharmaceutical	12.7%	Transport	8.8%
Holding	4.8%		

### Geographical

Eurozone	22.0%
Rest of Europe	22.5%
United States.	23.3%
Latam	3.7%
Asia	15.9%
Other	7.0%
Cash	5.6%

## Cobas Renta FI

### Sectorial

Aerospace and defence	0.5%
Food and Distribution	1.8%
Automotive	1.5%
Consumer	0.6%
Electronics	0.4%
Holding	0.5%
Industry	1.9%
Chemicals	1.1%
Transport	6.0%

### Geographical

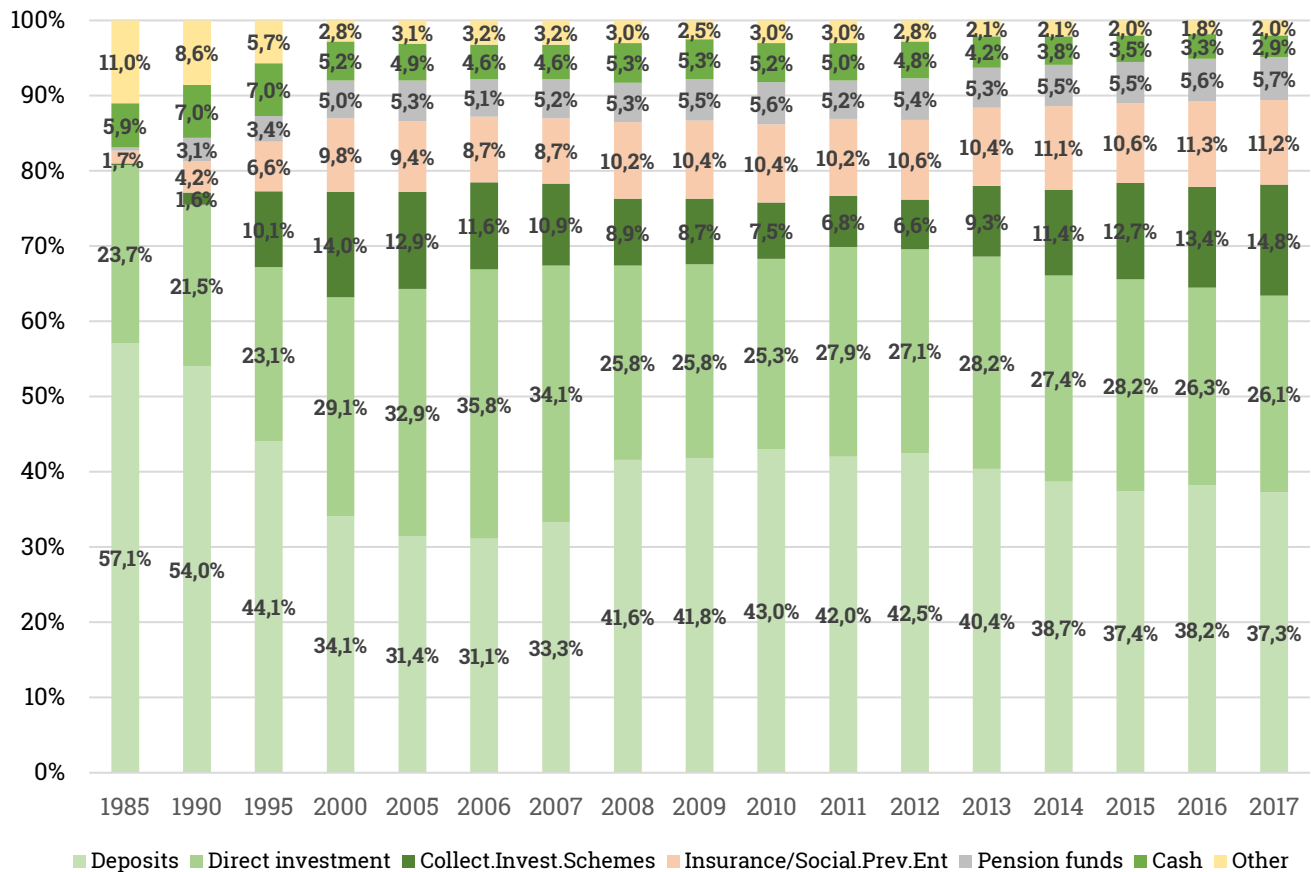
Eurozone	79.1%
Rest of Europe	2.9%
United States.	8.0%
Asia	1.4%
Other	1.1%
Cash	7.5%



## Distribution of Spanish savings

This month we would like to share information about the distribution of Spanish savings, according to data published by Inverco.

The following graph shows the distribution depending on investment type since 1985 until 2017.



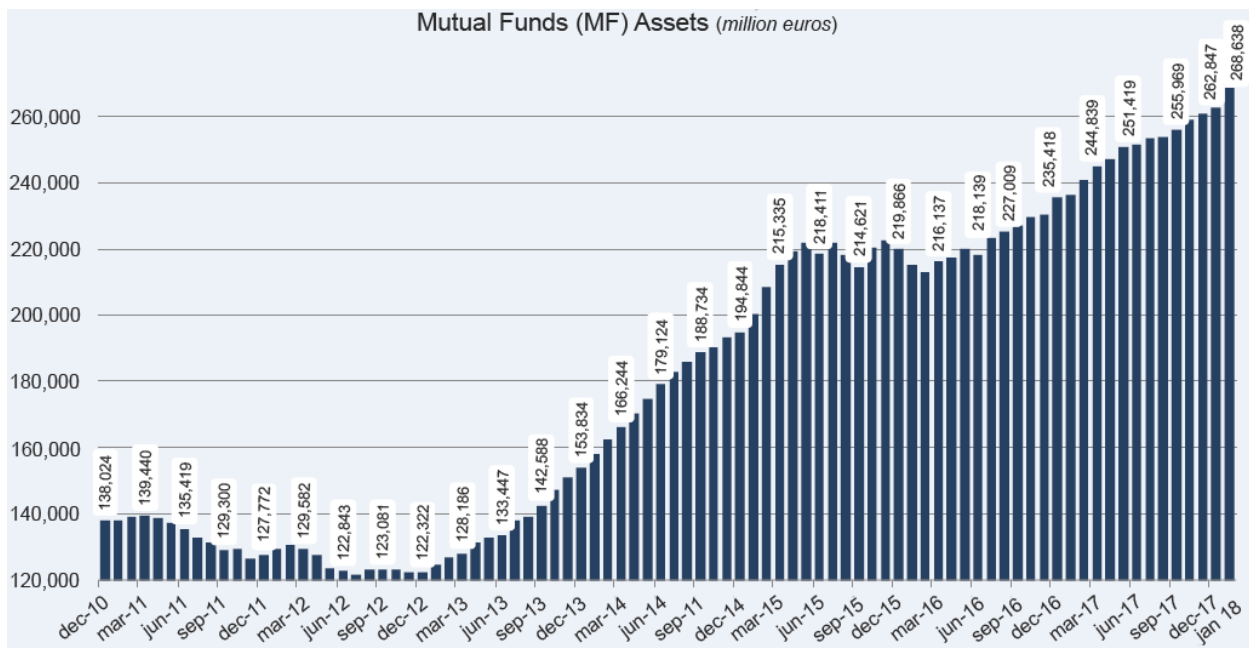
Source: Inverco and Banco de España

The amount of Spanish savings invested in deposits is still high, representing around 40%. This is followed by direct investment in shares and bonds, etc, of around 30%, this return is subject to short-term market volatility, which is causing a situation of great uncertainty for the investor.

However, the almost non-existent return on bank deposits has caused savers to invest in investment funds, which have grown uninterruptedly for the last five years and have more than recovered the level before the crisis. However, the investments in Collective Investment Schemes still make up less than 15%, with a small percentage of this being invested in those with a philosophy of investing in value.

In terms of profitability, investment funds registered an average of 2.64% in 2017. In the national and international equity income category, the performance ranged between 7.90% and 16.68%, while in monetary and fixed income category in the short and long term ranged between -0.29% and 0.65%. Regarding pension funds, the average profitability was 2.56% in 2017.

The latest records concerning investment fund equity in 2017 showed record highs, reaching €262.847 Bn, or 11.7% more than the previous year, as well as a new record high in January 2018 of €268.638 Bn, according to data from Inverco, as can be seen in the graph below.



Source: Inverco

With regard the increase of €27.400 Bn registered last year, €21.410 Bn corresponds to net subscriptions, 55% more than registered in 2016. This growth, about €19 Bn are net subscriptions in equity category.

## Blog

### Ingenious initiative for family savings

This blog, written by one of our investors, tells of an ingenious initiative he has developed to encourage long-term savings among the youngest members of his family.

To access it, please click on the link below:

<https://www.cobasam.com/en/ingenious-initiative-for-family-savings/>



## Value Investing, a work method

Iván Chvedine, analyst at Cobas AM, answers key questions on the composition of our work method, known as Investing in Value. which is, how investment ideas arise and how to value a company, among others.

To access it, please click on the link below:

<https://www.cobasam.com/en/value-investing-a-work-method/>



“Be fearful when others are ambitious and be greedy when others are fearful”

– Francisco García Paramés –

We are here to answer any questions you may have. Just call 900151530 or email [info@cobasam.com](mailto:info@cobasam.com).

Best regards,

Cobas Asset Management Investor Relations Team

