

# Cobas LUX SICAV

Société d'Investissement à Capital Variable

Annual report, including audited financial statements,  
as at December 31, 2019



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**No distribution notice has been filed in Germany for the below sub-funds pursuant to section 310 of the Investment Code; because of this, shares of these sub-funds may not be distributed publicly to investors falling within the scope of the German Investment Code:**

- **Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)**

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# Cobas LUX SICAV

## Organisation

**REGISTERED OFFICE** 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE SICAV

**Chairman** Mr Javier VALLS MARTINEZ, Independent Director, 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (since April 3, 2019)

Ms Gema MARTIN ESPINOSA, Head of International Business, Cobas Asset Management SGIIC, S.A., 45 Calle Jose Abascal, 3rd Floor, S-28003, Madrid, Spain (until April 2, 2019)

**Members** Mr Patricio DIEZ ROMERO-VALDESPINO, Head USA & LATAM, Cobas Asset Management, 848, Brickell Avenue, Suite 1235, Miami, FL-33131, State of Florida, United States

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Mr Javier VALLS MARTINEZ, Independent Director, 19, rue de Bitbourg, L-1273 Luxembourg, Grand Duchy of Luxembourg (until April 2, 2019)

Mr Xavier SCHMIT, Fund Governance Officer, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### MANAGEMENT COMPANY

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE MANAGEMENT COMPANY

**Chairman** Mr Christian SCHRÖDER, Group Chief Digital Officer & Head of Organisation, Banque Pictet & Cie SA, 60, route des Acacias, CH-1211 Geneva 73, Switzerland

**Members** Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Me. Claude KREMER, Independent Director, 41A, avenue J.F. Kennedy, L-2082 Luxembourg, Grand Duchy of Luxembourg (until April 2, 2019)

Mr Yves FRANCIS, Independent Director, 67, rue du Pannebourg, 6700 Arlon, Belgium (since April 3, 2019)

Mr Geoffroy LINARD DE GUERTECHIN, Independent Director, 2, rue Jean-Pierre Beicht, L-1226 Luxembourg, Grand Duchy of Luxembourg

# Cobas LUX SICAV

## Organisation (continued)

### Members of the Management Committee

Mrs Michèle BERGER, CEO and Managing Director, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Pascal CHAUVAUX, Head of Central Administration, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Laurent DORLEAC, Head of Risk & Compliance, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

Mr Dorian JACOB, Head of Investment Management Oversight, FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### INVESTMENT MANAGERS

Cobas Asset Management SGIIC S.A., 45, calle José Abascal, 3°, S-28003, Madrid, Spain

Genesis Fund Management LLC, 355, Alhambra Circle, Suite 1550, Coral Gables, US-33134, State of Florida, United States (until May 6, 2019)

Palm Harbour Capital LLP, 12, Hammersmith Grove London W6 7AP, United Kingdom (since April 4, 2019)

### DEPOSITARY BANK

Pictet & Cie (Europe) S.A., 15A, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### ADMINISTRATIVE AGENT, PAYING AGENT, TRANSFER AND REGISTER AGENT AND DOMICILIARY AGENT

FundPartner Solutions (Europe) S.A., 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### INDEPENDENT AUDITOR

Ernst & Young S.A., 35E, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

### LEGAL ADVISER IN LUXEMBOURG

Elvinger Hoss Prussen, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

## General information

Cobas LUX SICAV (the "SICAV") publishes an annual report, including audited financial statements, and an unaudited semi-annual report. These reports include financial information relating to the various sub-funds of the SICAV as well as the composition and progression of the price of their assets. Each report also contains a consolidated statement of the assets of each sub-fund expressed in EUR. Annual reports are published within four months following the close of the financial year. Semi-annual reports are published within two months of the end of the semester.

The SICAV's financial year ends on December 31 of each year.

All these reports are made available to Shareholders at the registered office of the SICAV, by the Administrative Agent and by any distributor or intermediary appointed by the Management Company.

The net asset value ("NAV") per share of each sub-fund as well as the issue and redemption prices are made public at the registered office of the Administrative Agent and of the Management Company.

A detailed schedule of changes in the investments for the reporting year is available free of charge upon request at the registered office of the SICAV.



# Cobas LUX SICAV

## Distribution abroad

### Distribution in Germany

#### Information for Investors in Germany

No distribution notice has been filed in Germany for the below sub-fund pursuant to section 310 of the Investment Code; because of this, Shares of the sub-fund may not be distributed publicly to investors falling within the scope of the German Investment Code:

- Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)

#### Paying and Information Agent

Deutsche Bank AG  
Taunusanlage 12  
60325 Frankfurt/Main

## Management report

### Introduction

Statistics show that the likelihood of a company's success rises strongly after the first three years. We have just completed our third year at Cobas. Even leaving statistics aside, we are confident in our success, for two reasons. First, because, from the outset, our role is the same role we have played for the past 25 years: investing long-term with a "value" philosophy and following an approach that we have refined over the years. Secondly, because our unitholders are themselves "value" investors. It is our unitholders' commitment to value investing that makes our work possible.

For this reason, we would first like to thank all our investors, because:

- In a market where equity investment funds based in Spain have seen redemptions of more than EUR 4 billion, and after two tough years behind us, our management company has ended 2019 in a very different position, with nearly EUR 15 million of net inflows.
- Leveraging the fall in prices and the attractive opportunity it creates, nearly 2,500 new investors have placed their trust in Cobas in 2019, increasing the number of unitholders in our funds to 28,500.

On behalf of the entire Cobas AM team, thank you for your trust.

For our part, we never forget that our goal is to generate a good return for our unitholders. We reaffirm our confidence that good news awaits us, given the quality of our current portfolios. Portfolios trading at a P/E ratio of 6-8x, while the main indices trade at 13-18x earnings.

You might wonder why this is. The answer is really very simple. Being a Value Investor means buying low and ignoring the latest fads, even if you must wait a while for your returns. The latest fad is usually not cheap, but we do know that the market is efficient in the long run and puts everyone in their place in due course. Therefore, we can only benefit from this "correction" if we invest long-term.

The fashion we discussed in earlier letters is the market's recent fondness for Growth stocks instead of Value stocks. Growth stocks are trading at very high multiples because the market expects them to make profits at a swiftly rising rate. It is usually very difficult to tell whether this expectation is accurate. Turning your investment into a gamble can work out very well or very badly. When expectations rise, the likelihood of their being satisfied declines. As value investors, we prefer to buy in the "bargain basement": stocks growing at reasonable rates and trading at low multiples or even very cheaply.

We are confident that the underperformance of value stocks as compared to growth stocks is only temporary.

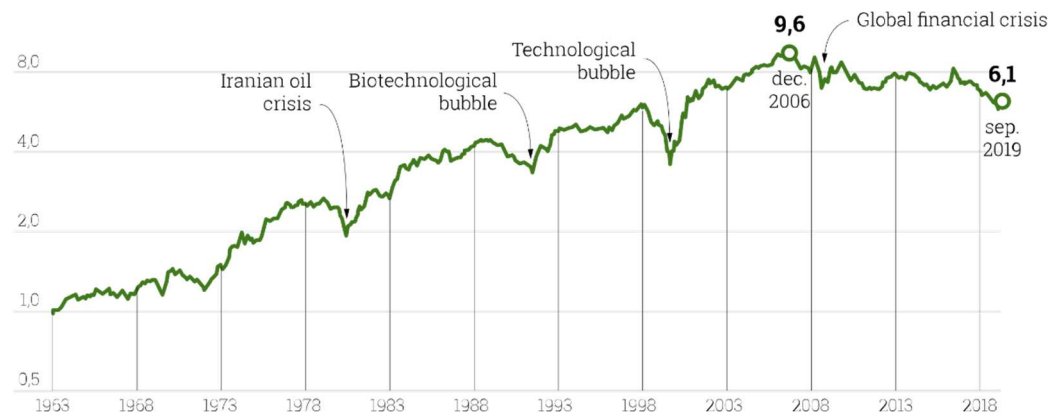
We point out that over the long run investment in value stocks garners a better return than growth stocks. From 1963 to 2006, value stocks outperformed growth stocks by a factor of 6 (see figure 1). To be sure, for some periods value stocks underperform, such as during the tech bubble in 2000. But after those specific periods, value stocks rally to make up the lost ground.

The graph also shows that the current period, from December 2006 to the present day, is the longest period during which value stocks have underperformed with respect to growth stocks.

*Past performance is not an indicator of current or future returns.*

## Management report (continued)

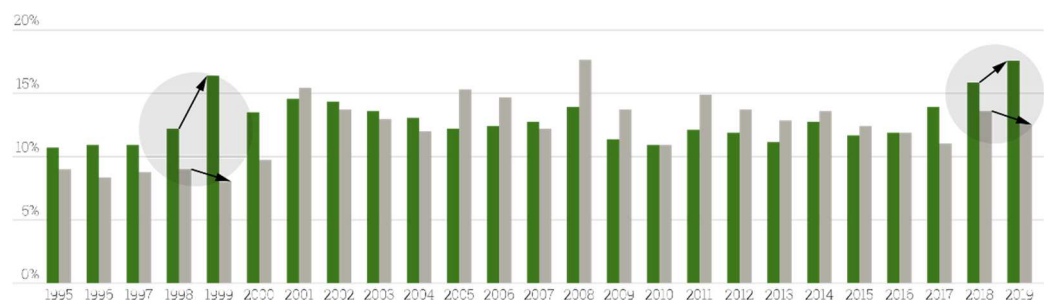
### The longest period of Value under-performance Relative performance value vs growth



Nothing in the analysis conducted by Robert D. Arnott and his colleagues suggests that anything has happened in recent years that would change history: it is highly likely that value stocks will make up the lost ground.

One possible explanation of market behaviour - especially in the past three years - is that the largest companies, especially in the United States, have risen in value to an unusual extent, as in the period 1998-2000.

### Growing divergence between stock market cap and net profits Contribution of the five largest companies of the S&P 500



In the past three years, the stock market appreciation of the 5 largest companies of the S&P 500 (all of them Tech or Internet companies) accounted for a large part of the rise in that index, even though those companies' profit growth did not keep up the pace (see figure 2). So, these companies have a greater weight in the stock market value of the S&P 500 and are increasingly trading at higher multiples. We saw a similar situation between 1998 and 2000 and witnessed how the market corrected these mismatches.

Before reviewing our portfolios, we would like to briefly share the main investment ideas we have been implementing during 2019 in our International Portfolio. First, we sold most of our exposure to oil companies, and, secondly, beefed up our positions in Golar and CIR.

*Past performance is not an indicator of current or future returns.*

## Management report (continued)

### Oil tankers

One of the areas where we significantly reduced our position throughout 2019 was in Crude Oil Shipping. This is a group of companies we have been following since 2017. Finally, in 2019 we saw their potential become a reality, and this still continues to some extent.

After the worst slump of the last 30 years, the industry's fundamentals have gradually returned to health. Demand for maritime transport of crude oil is still rising strongly, among other reasons because of the powerful growth of oil production in the United States - as it is further away from the main hub of demand, Asia, than the Middle East, the US oil industry requires more ships.

Meanwhile, however, the last big wave of tanker construction is ebbing. There are hardly any new orders, because of a lack of funding and uncertainty about regulatory change regarding pollutant emissions.

Finally, the new cap on sulphur emissions (IMO 2020) and ballast water treatment require additional investment, or the scrapping of older ships.

This combination of factors implies a supply adjustment that finally fed through to daily freight rates, which hit record levels at the end of 2019 and will most likely remain very strong for at least a few quarters. As a result, our investments in the sector, which began below book value, have already crystallised some of their value during 2019, which benefited our portfolio.

### Golar LNG

One of our main position reinforcements in 2019 was in liquefied natural gas (LNG) infrastructure stocks, especially Golar LNG. Our growing knowledge of the sector over the past three years has given us the confidence to do so. As to Golar LNG, over the year we saw significant progress in the projects that support its stock valuation, underpinned by long-term contracts: in FLNGs (floating liquefaction) and, especially, in the downstream business that aids the transition from fossil fuels with high CO<sub>2</sub> emissions (diesel, coal, etc.) to gas, which is cleaner. This latest business is starting up in Brazil, and the company hopes to extend it to other developing countries.

Golar LNG is aware that the complexity of its corporate structure makes it hard for the investment community to understand the business. The company has accordingly announced a simplification that will aid investor understanding. We then expect the market to become aware of how the company's assets have been heavily undervalued.

In step with the rising credibility of Golar LNG's projects, and in view of the fact that other market currents continued to keep the stock price level, we have increased our position.

### CIR & Cofide

Another stock where we have significantly increased our exposure during the year is CIR & Cofide, an Italian holding company, controlled by the De Benedetti family, which we have followed for more than 10 years. Today the company has changed significantly and is nothing like the one we knew in 2008.

## Management report (continued)

At present, almost 50% of its market capitalisation is in cash and, furthermore, during 2019 there have been key changes in the company to crystallise its value. We increased the weight in our portfolios as these changes have occurred, while the stock price is yet to reflect them. Such changes include the merger of CIR and Cofide to simplify the corporate structure, and the sale of Gedi (an Italian media group), perhaps the group's worst asset, at a good price.

All these changes will result in higher visibility of what we think is the "crown jewel", the holding of approximately 60% that CIR & Cofide own in KOS, a company that manages nursing homes and geriatric hospitals in Italy and Germany. This is a recurring and growing business due to the long-term ageing of the European population, and we think that the value of KOS alone is almost enough to account for the entire capitalisation of CIR & Cofide. Everything else (more than EUR 350 million cash and ~57% Sogefi) is ours for free. The large positive net cash position makes the risk virtually zero.

In short, and as we said before, we are very confident about what the future holds. This is because we have quality portfolios trading at very low multiples that should also benefit from the overall recovery of value stocks.

## Management report (continued)

### Sub-funds

#### **Cobas LUX SICAV - Cobas Selection Fund**

Cobas Selection Fund, managed by Cobas Asset Management since April 18, 2017, performed +12.32% in 2019 and 18.02% for the period from April 18, 2017 to December 30, 2019 vs. +26.05% and +18.73% respectively for the index (MSCI Europe Total Return Net). The Fund's performance for the entire 2017 was +9.27% vs. +10.24% for the index and -30.01% for 2018 vs. -10.57% for the index (MSCI Europe Total Return Net).

The investments comprise 92% international equities and 8% Iberian equities. Below follow the main characteristics of the portfolio.

98% of the fund was invested as of December 31, 2019 and comprised 66 stocks, including 10 Iberian stocks. The ongoing objective is to constantly improve the portfolio, by reducing or eliminating the least attractive positions and increasing the most interesting ones.

The geographic distribution of the portfolio shows a significant exposure to European companies which represents 59.26% of the portfolio. The remainder is centered in the United States (27.38%) and Asia (9.82%), with a very minor position in Israel and South Africa (1.42%). The Fund's exposure to USD remained mostly hedged at the date of this report. We estimate the Purchasing Power Parity (PPP) of the USD/EUR to be 1.25-1.30. The USD hedge will be reduced/closed when the fund's exposure to the USD diminishes and/or when the USD/EUR rate approaches our estimated PPP.

It should be reminded however, that most of the investments in the United States are global companies that are coincidentally listed there, but without being greatly exposed to that economy. In Asia, 8 of the 11 companies in the portfolio have a strong cash position, some even above their market capitalization. The presence of our senior analyst Mingkun Chan in Shanghai makes it possible to adequately monitor these positions.

The portfolio has some very attractive characteristics: ROCE of 26%, 2020 PE of 6.6x and a revaluation potential of 124%. Despite this revaluation potential, this is a conservative portfolio. 23% of the companies have net cash position. In addition, 63% of the portfolio is made up of family run or single shareholder companies.

Our current top 5 holding portfolio represents 30.42% including the following companies: Aryzta, Golar LNG, International Seaways, Teekay LNG and Cir-Cofide.

## Management report (continued)

### **Cobas LUX SICAV - Cobas Iberian Fund (note 1)**

Cobas Iberian Fund performed 8.69% between its launch on October 11, 2019 and December 31, 2019 vs. 3.85% for the index (80% of IGBMT and 20% of PSI 20 Total Return).

The investments comprise 100% Iberian equities (74% Spain and 16% Portugal). Below follow the main characteristics of the portfolio.

98% of the fund was invested as of December 31, 2019 and comprised 23 stocks. The ongoing objective is to constantly improve the portfolio, by reducing or eliminating the least attractive positions and increasing the most interesting ones.

The portfolio has some very attractive characteristics: ROCE of 25%, 2019 PE of 8.2x and a revaluation potential of 84%. This is a conservative portfolio: 13% of the companies have net cash position and 87% of the portfolio is made up of family run or single shareholder companies.

Our current top 5 holding portfolio represents 41.25% including the following companies: Elecnor, Técnicas Reunidas, Semapa, Vocento and Melia Hotels International.

## Management report (continued)

### **Cobas LUX SICAV - Cobas International Fund**

Cobas International Fund performed 11.60% in 2019 and -19.11% from its launch on June 1, 2017 vs. 26.50% and 13.08% respectively for the index (MSCI Europe Total Return Net).

The investment comprise 100% international equities, excluding Iberian equities. Below follows the main characteristics of the portfolio.

99% of the fund was invested as of December 31, 2019 and comprised 53 stocks. The ongoing objective is to constantly improve the portfolio, by reducing or eliminating the least attractive positions and increasing the most interesting ones.

The geographic distribution of the portfolio shows a significant exposure to European companies which represents 55.63% of the portfolio. The remainder is centered in the United States (30.32%) and Asia (10.75%), with a very minor position in Israel and South Africa (1.58%). The Fund's exposure to USD remained mostly hedged at the end of the year. We estimate the Purchasing Power Parity (PPP) of the USD/EUR to be 1.25-1.30. The USD hedge will be reduced/closed when the fund's exposure to the USD diminishes and/or when the USD/EUR rate approaches our estimated PPP.

It should be reminded however, that most of the investments in the United States are global companies that are coincidentally listed there, but without being greatly exposed to that economy. In Asia, 8 of the 11 companies in the portfolio have a strong cash position, some even above their market capitalization.

The portfolio has some very attractive characteristics: ROCE of 26%, 2020 PE of 7.4x and a revaluation potential of 127%. This is a conservative portfolio: 22% of the companies have net cash position and 60% of the portfolio is made up of family run or single shareholder companies.

Our current top 5 holding portfolio represents 33.43% including the following companies: International Seaways, Golar LNG, Aryzta, Teekay LNG and CirCofide.



## Management report (continued)

### **Cobas LUX SICAV - Cobas Large Cap Fund (note 1)**

Cobas Large Cap Fund performed 6.51% between its launch on October 11, 2019 and December 31, 2019 vs. 6.71% for the index (MSCI World Net Total Return EUR).

The investments comprise 100% international equities with a minimum of 80% exposure to OCDE's issuers/markets, with at least 70% of the portfolio exposed to companies with a market cap higher than EUR 4 billion. Below follow the main characteristics of the portfolio.

98% of the fund was invested as of December 31, 2019 and comprised 32 stocks. The ongoing objective is to constantly improve the portfolio, by reducing or eliminating the least attractive positions and increasing the most interesting ones.

The geographic distribution of the portfolio shows a significant exposure to European companies which represents 49.51% of the portfolio. The remainder is centered in the United States (23.98%) and Asia (14.20%), with smaller positions in Israel (7.29%) and Brazil (1.46%). The Fund's exposure to USD remained mostly hedged at the end of the year. We estimate the Purchasing Power Parity (PPP) of the USD/EUR to be 1.25-1.30. The USD hedge will be reduced/closed when the fund's exposure to the USD diminishes and/or when the USD/EUR rate approaches our estimated PPP.

It should be reminded however, that most of the investments in the United States are global companies that are coincidentally listed there, but without being greatly exposed to that economy.

The portfolio has some very attractive characteristics: ROCE of 29%, 2020 PE of 7.4x and a revaluation potential of 104%. This is a conservative portfolio: 22% of the companies have net cash position and 71% of the portfolio is made up of family run or single shareholder companies.

Our current top 5 holding portfolio represents 29.23% including the following companies: Thyssenkrupp, Israel Chemicals, Renault, Porsche and Arysza.

## Management report (continued)

### **Cobas LUX SICAV - AG Genesis Bond Fund (note 1)**

The year of 2019 started on a strong note. The most relevant news for fixed income markets was the change in stance of some of the major Central Banks. The most important in our opinion was the FED, Chairman Powell already signaled a change in stance to the end of 2018 and the January FOMC confirmed the new approach: the FED is clearly on standby, up till the beginning of December of 2018 they had a hawkish stance, but the combination of a global economic slowdown and the sharp selloff in financial markets in December seem to have changed their view. So we no longer expect any FED hike rates in 2019 and the markets are starting to price in a rate cut by year end. The FED has not been the only Central Bank to change course, other main Central Banks, including the ECB, have shown concern with economic growth and are indicating that low rates are here to stay. The end of the rate hike cycle in the US is good news for fixed income markets. The fund is up +4.79% for the first 3 month of the year, and we remains confident fixed income markets will benefit from the change in stance of the Central Banks.

## Management report (continued)

### **Cobax Lux SICAV - Palm Harbour Global Value Fund (note 1)**

The fund ended the fourth quarter with a NAV of 10.42, for a 4.2% gain during the year. From our launch dated on April 5, 2019 to December 31, 2019, the fund gained +5.07% gross of fees. This compares to the Stoxx 600 (Net Total Return) of +9.46% and the MSCI World Net Total Return EUR Index of +11.22%. Our fund's composition is nothing like either of these indices and we do not expect to perform in a similar manner.

We launched the fund on April 2019 after equity markets had rallied significantly from the start of the year, especially small and mid-cap European shares. We deployed our initial capital throughout the month of April in 22 stocks, primarily in Europe. Shortly after making these investments, May turned into a quite volatile month in equity markets with many of our names selling off more than the market, especially those that were turnaround situations and those perceived as being cyclical in nature. The markets recovered somewhat in June, although our companies did not recover as much. Generally, the fundamentals of all of our companies did rather well with the exception of two of our portfolio holdings during the quarter. One of which, we believe to be temporary in nature due to its cyclical nature, the other, is in a multiyear turnaround and we expected volatile results. We ended the second quarter down 4.60%.

The third quarter showed a very similar pattern to the second quarter. In July, our portfolio performed reasonably well and in August there was a sell off and our portfolio was hit disproportionately hard. In September, there was again a market recovery and our names recovered, although similar to June, to a lesser extent than the market as a whole. Our two largest detractors during the quarter were both turnaround situations, one of which was Aryzta AG which had no news whatsoever, and the other had mildly disappointing news, which the market took very hard. Other detractors were industrial names such as RHI Magnesita, OCI, Jost Werke, and Danieli, which the market believes will be hurt severely by a global downturn. We do not share this view and believe the companies are in fact better prepared for a downturn or have idiosyncratic drivers that the market is not giving proper credit towards. Despite the negative performance, the portfolio also had several strong contributors, such as Gamenet, which reported stellar results, an increased dividend, a share buyback and reduced debt. Esprinet, an Italian distributor of electrical products, reported great results and also began to re rate. One of our US companies, Wesco Aircraft Holdings, had an offer by Platinum Partners for USD 11.05 a share. We had purchased the shares in April for USD 8.50. The offer, however, was around the same level as the shares had traded at the end of the second quarter. The shares had sold off significantly in August and thus the premium to the then-market price was near 30%, though it was only where it had been a few weeks before. We had a valuation of between USD 18 to 20 and so were relatively disappointed. The fund lost 2.62% during the quarter.

The fourth quarter has broken the trend of the previous two quarters. The fund performed well in each month as did most major indices. The market lapped up the Fed's stimulus and then cheered as China signalled a willingness to sign a phase one trade deal. We added several new positions to the portfolio.

The largest contributor in the fourth quarter was Elegant Hotels, which was described in our second quarter 2019 letter and was a top five holding. The company was purchased by Marriott International for 110p, which was a 55% premium to our entry price. While not quite at the valuation level we would have wanted (we thought it was worth around 180-190p), we are not surprised with the outcome, as we suspected a larger hotel chain would see the value, although admittedly we thought Melia more likely.

## Management report (continued)

The second largest contributor was Ibstock, the UK manufacturer of bricks highlighted in our third quarter 2019 letter, which in October recovered from its August decline as the market revised its expectation of an imminent recession. In December it further benefited from the UK election outcome.

The third significant contributor was Esprinet SpA, an Italian distributor of electrical products, which was mentioned as a significant contributor in the third quarter. The company had strong third quarter results, but this was likely overshadowed by its larger US competitor Tech Data being bought by Apollo at a multiple significantly higher than where Esprinet trades. Warren Buffet said on CNBC that Berkshire Hathaway had bid higher than Apollo for Tech Data during the "go shop" period but declined to enter into a bidding war when Apollo raised its bid. We think this speaks to the quality of the business model of Esprinet, which had been trading at very depressed levels, even below its net working capital, when we initially purchased the shares. Applying the Tech Data deal earnings multiple of only 11.5x to Esprinet would give us over 100% upside.

The fourth largest contributor was JOST Werke AG, a supplier to the truck and trailer market. It has been perceived by the market as highly cyclical given its end market. While it is true that its sales could decline significantly, the company is asset light with a flexible cost base. Add to this a large maintenance component, and the underlying cash flows are much stronger than the market has given them credit for. They have low net debt and an extremely low valuation, and we felt through the cycle the company is a bargain. The market began to realize this after their third quarter results, and the shares started to re-rate. In December, they then bought a company, which the market has taken quite favourably. We would have preferred a share buyback - as we told management on several occasions - but at least they are using their balance sheet more productively than previously. The company went from a perceived "cyclical detractor" in the third quarter to a large contributor in the fourth quarter.

The fifth significant contributor was Aryzta AG, one of the turnaround situations mentioned as a detractor in the third quarter. The company reported muted full year numbers this quarter, with ongoing weakness in the key US market. Management has promised this will change in the spring and summer quarters, but it is most definitely a "show me" case as management has a reputation for disappointments, overpromising and underdelivering - not exactly what you are looking for in a turnaround. However, at the Annual General Meeting, the Chairman made several positive comments, and this was enough to boost the depressed share price significantly.

The final large contributor was again Gamenet SpA (mentioned as a top five position in our second quarter 2019 letter and as top contributor in the third quarter). After purchasing 29% from a vehicle owned by the PE fund Trilantic and the Chiarva family and 20% from the very distressed Intralot, Apollo (its second appearance in this letter) made an offer at EUR 12.50. However, the stock was trading above EUR 14 the day before. Apollo then threatened to call an EGM and take the company private, meaning those shareholders who did not tender would have to keep an illiquid non-listed company. The shares traded down but still above the EUR 12.50 offer and we hoped enough hedge funds would get involved to vote against Apollo. However, Apollo then organized a reverse bookbuild and offered to purchase shares at up to EUR 13 from the market. They received enough shares to easily have a majority at an EGM given normal turnout levels. We found the manner, threats, and level of the bid insulting but nevertheless will tender our shares as they have secured a dominant majority. We valued the shares at between EUR 22 to 25, so whilst EUR 13 was 46% above our average price of EUR 8.88, Apollo again got a great deal.

## Management report (continued)

Our main detractor was again OCI, a major nitrogen and methanol producer discussed in our second quarter letter, which reported a weak third quarter on extensive maintenance downtime and turnarounds in their nitrogen business and an unplanned shutdown in their methanol JV coupled with weak methanol prices. Although it was below our expectations, we expect the results to recover in 2020 given insurance payments and less downtime.

The fund ended the fourth quarter up 10.70%.

From inception until December 31, 2019, the largest contributors were Elegant Hotels, Gamenet, Esprinet and Ibstock. The largest detractors were OCI and Hostelworld.

## Management report (continued)

### Outlook for 2020

We are very optimistic for 2020. Our portfolio has significant upside and the more research we do, the more confident we are with it. While we cannot predict the macro environment, we are confident that our portfolio will eventually earn the mid-teens annualized results that we are looking for over the mid-term.

At year-end, our portfolio had slightly over 101% upside to NAV, a weighted average

P/E of 7.7x, FCF/EV yield of 20%, return on tangible capital of 28%, net debt/EBITDA of 0.75x and traded at 6.5x EV/EBIT. We ended the year with 7% cash.

Our portfolio is concentrated with the top 10 positions composing 48% of the portfolio. Geographically our largest exposure is to Italy with 22%, the UK at 16%, Germany at 14% and the USA at 14%. We recently added our first Asian exposure to Hong Kong with 4%.

We run a portfolio that looks absolutely nothing like any index and we do not expect to perform like any index. As our performance inception to date has shown, our results can be lumpy given our fewer than 30 positions. Often our companies have a negative perception in the market, which can lead to temporary paper losses. We cannot predict when the market (or an acquirer) will realize the value that we see in our companies. Ultimately, strong cash flows and low valuations will be recognized.

We will continue to work hard to make the fund a success. We appreciate your support. If you happen to know any potential investors who understand our long-term, business-owner, value mentality, we would love to be in contact.

### Subsequent event

At the end of 2019, a strain of coronavirus (COVID 19) was reported in China and the virus has begun to spread worldwide. A significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets worldwide, resulting in an economic downturn that could affect the future performance of the Fund.

March 2020

Established by the Investment Managers

Approved by the Board of Directors of the SICAV

## Independent auditor's report

To the Shareholders of  
Cobas LUX SICAV  
15, avenue J.F. Kennedy  
L-1855 Luxembourg

### Opinion

We have audited the financial statements of Cobas Lux SICAV (the "SICAV") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments and other net assets as at December 31, 2019, and the statement of operations and changes in net assets for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the SICAV and of each of its sub-funds as at December 31, 2019, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

### Basis for Opinion

We conducted our audit in accordance with the Law of July 23, 2016 on the audit profession (the "Law of July 23, 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of July 23, 2016 and ISAs are further described in the "responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the SICAV in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other information

The Board of Directors of the SICAV is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors of the SICAV for the financial statements**

The Board of Directors of the SICAV is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the SICAV determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the SICAV is responsible for assessing the SICAV's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the SICAV either intends to liquidate the SICAV or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law of July 23, 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SICAV's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the SICAV.
- Conclude on the appropriateness of the Board of Directors of the SICAV use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SICAV's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the SICAV or any of its sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Jean-Marc Cremer

Luxembourg, March 23, 2020

## Statement of net assets as at December 31, 2019

	COMBINED	Cobas LUX SICAV - Cobas Selection Fund	Cobas LUX SICAV - Cobas Iberian Fund (note 1)
	EUR	EUR	EUR
<b>ASSETS</b>			
Investments in securities at acquisition cost	154,949,795.55	113,974,776.65	4,382,465.70
Net unrealised gain/loss on investments	-19,490,947.35	-18,210,691.53	350,513.75
Investments in securities at market value (note 2.d)	135,458,848.20	95,764,085.12	4,732,979.45
Options at market value (notes 2.i, 8)	6,980.00	0.00	0.00
Cash at banks (note 2.d)	3,280,502.26	2,565,629.26	105,166.06
Bank deposits (note 2.d)	380,000.00	0.00	0.00
Formation expenses (note 2.c)	19,434.76	16,558.97	0.00
	139,145,765.22	98,346,273.35	4,838,145.51
<b>LIABILITIES</b>			
Bank overdraft	148,319.37	0.00	4.33
Investment management fees payable (note 4)	513,124.33	396,013.23	1,784.84
"Taxe d'abonnement" payable (note 3)	17,173.05	12,228.97	540.28
Net unrealised loss on forward foreign exchange contracts (notes 2.e, 7)	142,873.04	134,857.68	0.00
Other fees payable (note 6)	107,284.88	80,072.29	3,487.13
	928,774.67	623,172.17	5,816.58
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2019</b>	<b>138,216,990.55</b>	<b>97,723,101.18</b>	<b>4,832,328.93</b>
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2018</b>	<b>126,907,170.81</b>	<b>92,971,365.08</b>	-
<b>TOTAL NET ASSETS AS AT DECEMBER 31, 2017</b>	<b>187,633,750.43</b>	<b>152,931,460.52</b>	-

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV

## Statement of net assets as at December 31, 2019 (continued)

Cobas LUX SICAV - Cobas International Fund	Cobas LUX SICAV - Cobas Large Cap Fund (note 1)	Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)
EUR	EUR	EUR
29,211,104.88	4,352,015.74	3,029,432.58
-1,874,991.97	217,328.38	26,894.02
27,336,112.91	4,569,344.12	3,056,326.60
0.00	0.00	6,980.00
488,726.68	120,980.26	0.00
0.00	0.00	380,000.00
2,875.79	0.00	0.00
27,827,715.38	4,690,324.38	3,443,306.60
0.00	4.33	148,310.71
111,906.10	996.20	2,423.96
3,464.65	523.63	415.52
8,015.36	0.00	0.00
17,720.72	3,420.24	2,584.50
141,106.83	4,944.40	153,734.69
<b>27,686,608.55</b>	<b>4,685,379.98</b>	<b>3,289,571.91</b>
<b>17,495,866.24</b>	-	-
<b>13,885,141.83</b>	-	-

The accompanying notes form an integral part of these financial statements.

## Statement of operations and changes in net assets for the year/period ended December 31, 2019

	COMBINED	Cobas LUX SICAV - Cobas Selection Fund	Cobas LUX SICAV - Cobas Iberian Fund (note 1)
	EUR	EUR	EUR
<b>NET ASSETS AT THE BEGINNING OF THE YEAR/PERIOD</b>	<b>126,907,170.81</b>	<b>92,971,365.08</b>	<b>-</b>
<b>INCOME</b>			
Dividends, net (note 2.h)	2,817,753.97	2,288,462.29	5,832.86
Interest on bonds, net (note 2.h)	306,176.20	0.00	0.00
Bank interest	10,311.50	0.00	0.00
Other income	10,248.31	0.00	0.00
	3,144,489.98	2,288,462.29	5,832.86
<b>EXPENSES</b>			
Amortization of formation expenses (note 2.c)	16,207.52	14,209.24	0.00
Investment management fees (note 4)	2,006,379.96	1,565,923.24	1,784.84
Depository fees, bank charges and interest	63,170.57	47,381.20	562.97
Professional fees, audit fees and other expenses	278,262.08	172,674.40	10,697.72
Service fees	71,452.88	53,717.31	611.23
"Taxe d'abonnement" (note 3)	60,459.68	45,320.62	540.28
Transaction fees (note 2.i)	291,721.84	184,251.81	7,730.00
	2,787,654.53	2,083,477.82	21,927.04
<b>NET INVESTMENT INCOME/LOSS</b>	<b>356,835.45</b>	<b>204,984.47</b>	<b>-16,094.18</b>
Net realised gain/loss on sales of investments	-5,480,449.18	-4,525,991.45	48,490.45
Net realised gain/loss on foreign exchange	106,044.71	107,047.26	-642.15
Net realised gain on forward foreign exchange contracts	529,301.48	490,353.65	0.00
Net realised gain/loss on futures contracts	-1,217,874.78	-1,044,323.14	0.00
<b>NET REALISED GAIN/LOSS</b>	<b>-5,706,142.32</b>	<b>-4,767,929.21</b>	<b>31,754.12</b>
<b>Change in net unrealised appreciation/depreciation:</b>			
- on investments	22,543,774.94	16,914,384.66	350,513.75
- on options	-3,020.00	0.00	0.00
- on forward foreign exchange contracts	-112,547.76	-107,231.78	0.00
<b>INCREASE IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>16,722,064.86</b>	<b>12,039,223.67</b>	<b>382,267.87</b>
Proceeds from subscriptions of shares	57,972,383.92	28,669,506.74	4,450,061.06
Cost of shares redeemed	-63,865,283.12	-36,119,379.09	0.00
Revaluation difference*	178,232.07	162,384.78	0.00
Revaluation difference on the net assets at the beginning of the year**	302,422.01		
<b>NET ASSETS AT THE END OF THE YEAR/PERIOD</b>	<b>138,216,990.55</b>	<b>97,723,101.18</b>	<b>4,832,328.93</b>

\* The difference mentioned above is the result of fluctuations in the exchange rates used to convert the different items related to share classes denominated in a currency other than the currency of the sub-funds into the currency of the related sub-funds between December 31, 2018 and December 31, 2019.

\*\* The difference mentioned above results from the conversion of the net assets at the beginning of the year (for the sub-funds denominated in currencies other than Euro) at exchange rates applicable on December 31, 2018 and exchange rates applicable on December 31, 2019.

## Statement of operations and changes in net assets for the year/period ended December 31, 2019 (continued)

Cobas LUX SICAV - Cobas International Fund	Cobas LUX SICAV - Cobas Large Cap Fund (note 1)	Cobas LUX SICAV - AG Genesis Bond Fund (note 1)	Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)
EUR	EUR	USD	EUR
<b>17,495,866.24</b>	-	<b>18,793,313.37</b>	-
478,440.63	11,325.92	0.00	33,692.27
0.00	0.00	343,683.01	0.00
0.00	0.00	11,574.67	0.00
0.00	0.00	11,503.74	0.00
478,440.63	11,325.92	366,761.42	33,692.27
1,189.93	0.00	907.37	0.00
350,119.24	996.20	95,561.27	2,423.96
10,518.75	539.24	3,261.18	1,263.13
64,968.28	10,760.68	9,361.07	10,821.52
12,164.08	597.07	3,832.38	949.05
10,325.19	523.63	3,163.56	931.65
78,472.67	11,380.40	791.67	9,181.69
527,758.14	24,797.22	116,878.50	25,571.00
<b>-49,317.51</b>	<b>-13,471.30</b>	<b>249,882.92</b>	<b>8,121.27</b>
-660,873.69	81,512.42	-568,908.85	83,235.78
3,172.42	-3,532.82	0.00	0.00
38,947.83	0.00	0.00	0.00
-177,094.94	3,543.30	0.00	0.00
<b>-845,165.89</b>	<b>68,051.60</b>	<b>-319,025.93</b>	<b>91,357.05</b>
4,046,543.17	217,328.38	1,109,155.30	26,894.02
0.00	0.00	0.00	-3,020.00
-5,315.98	0.00	0.00	0.00
<b>3,196,061.30</b>	<b>285,379.98</b>	<b>790,129.37</b>	<b>115,231.07</b>
16,748,408.83	4,400,000.00	594,999.99	3,174,340.84
-9,769,575.11	0.00	-20,178,442.73	0.00
15,847.29	0.00	0.00	0.00
<b>27,686,608.55</b>	<b>4,685,379.98</b>	-	<b>3,289,571.91</b>

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV

## Statistics

Sub-fund Class	Currency	Number of shares outstanding	Net asset value per share	Net asset value per share	Net asset value per share
		31.12.2019	31.12.2019	31.12.2018	31.12.2017
Cobas LUX SICAV - Cobas Selection Fund					
P Acc EUR	EUR	4,752.44	16,824.50	14,979.51	21,402.52
P Acc USD	USD	687.63	29,001.15	25,102.72	34,887.25
Cobas LUX SICAV - Cobas Iberian Fund (note 1)					
P Acc EUR	EUR	44,460.62	108.69	-	-
Cobas LUX SICAV - Cobas International Fund					
P Acc EUR	EUR	329,149.94	80.89	72.48	105.78
P Acc USD	USD	12,232.76	97.32	84.77	120.36
Cobas LUX SICAV - Cobas Large Cap Fund (note 1)					
P Acc EUR	EUR	43,992.02	106.51	-	-
COBAS LUX SICAV - AG Genesis Bond Fund (note 1)					
P Acc USD	USD	-	-	1,106.67	1,166.83
Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)					
F ACC EUR	EUR	315,807.17	10.42	-	-

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Selection Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BELGIUM</i>				
EURONAV	EUR	39,638.00	435,225.24	0.45
EXMAR	EUR	292,780.00	1,545,878.40	1.58
			1,981,103.64	2.03
<i>BERMUDA</i>				
GOLAR LNG	USD	501,700.00	6,355,610.85	6.51
HOEGH LNG HOLDING	NOK	604,653.00	2,053,568.37	2.10
PETRA DIAMONDS	GBP	4,748,146.00	495,363.32	0.51
			8,904,542.54	9.12
<i>CANADA</i>				
INTERNATIONAL PETROLEUM	SEK	216,580.00	859,082.92	0.88
			859,082.92	0.88
<i>CYPRUS</i>				
ATALAYA MINING	GBP	567,090.00	1,284,992.91	1.31
			1,284,992.91	1.31
<i>DENMARK</i>				
MATAS A/S	DKK	117,474.00	866,220.37	0.89
			866,220.37	0.89
<i>FRANCE</i>				
RENAULT S.A.	EUR	55,175.00	2,327,281.50	2.38
			2,327,281.50	2.38
<i>GERMANY</i>				
B.M.W. PFD -NVTG-	EUR	15,395.00	847,494.75	0.87
PORSCHE AUTOMOBILE HOLDING PFD -NVTG-	EUR	24,744.00	1,648,940.16	1.69
			2,496,434.91	2.56
<i>ISRAEL</i>				
ISRAEL CHEMICALS	ILS	214,991.00	901,083.31	0.92
			901,083.31	0.92
<i>ITALY</i>				
CIR CIE INDUSTRIALI RIUNITE	EUR	4,025,988.00	4,380,274.94	4.48
COFIDE CIA FINANZIARIA BENEDETTI	EUR	627,136.00	343,670.53	0.35
COFIDE CIA FINANZIARIA -INTERIM B-	EUR	1,572,854.00	861,923.99	0.88
DANIELI & C. OFFICINE MECCANICHE	EUR	25,194.00	412,677.72	0.42
DANIELI & C. OFFICINE MECCANICHE RISP. -NC-	EUR	247,641.00	2,501,174.10	2.56
MAIRE TECNIMONT -INTERIM B- -PROV.-	EUR	500,000.00	1,237,000.00	1.27
MAIRE TECNIMONT POST REGROUPEMENT	EUR	530,591.00	1,312,682.13	1.34

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Selection Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
OVS	EUR	740,655.00	1,485,753.93	1.52
SAIPEM	EUR	256,385.00	1,116,813.06	1.14
SOL	EUR	80,287.00	843,013.50	0.86
			14,494,983.90	14.82
<i>JAPAN</i>				
DAIWA INDUSTRIES	JPY	162,700.00	1,624,496.00	1.66
			1,624,496.00	1.66
<i>JERSEY</i>				
PETROFAC	GBP	392,180.00	1,772,222.81	1.81
			1,772,222.81	1.81
<i>LUXEMBOURG</i>				
SUBSEA 7	NOK	129,762.00	1,380,664.38	1.41
			1,380,664.38	1.41
<i>MARSHALL ISLANDS</i>				
DIAMOND S SHIPPING	USD	63,312.00	944,180.63	0.97
DYNAGAS LNG -PARTNERSHIP -UNITS-	USD	230,427.00	433,243.76	0.44
INTERNATIONAL SEAWAYS	USD	219,432.00	5,817,635.25	5.96
TEEKAY CORPORATION	USD	814,149.00	3,858,594.37	3.95
TEEKAY LNG PARTNERS	USD	345,194.00	4,785,049.46	4.91
			15,838,703.47	16.23
<i>NETHERLANDS</i>				
MYLAN	USD	67,528.00	1,209,187.21	1.24
OCI	EUR	60,333.00	1,131,243.75	1.16
			2,340,430.96	2.40
<i>NORWAY</i>				
KONGSBERG GRUPPEN	NOK	32,792.00	458,780.70	0.47
WILH. WILHELMSSEN HOLDING 'A'	NOK	74,259.00	1,242,199.04	1.27
WILH. WILHELMSSEN HOLDING 'B'	NOK	74,927.00	1,253,373.29	1.28
			2,954,353.03	3.02
<i>PORTUGAL</i>				
SEMAPA	EUR	73,064.00	1,002,438.08	1.03
SONAE SGPS	EUR	372,691.00	339,148.81	0.35
			1,341,586.89	1.38
<i>SOUTH KOREA</i>				
AMOREPACIFIC GROUP CUM PFD	KRW	1,954.00	82,187.44	0.08
AMOREPACIFIC PFD -NVTG-	KRW	28,462.00	711,489.32	0.73
GS HOME SHOPPING	KRW	6,818.00	780,484.13	0.80
HYUNDAI HOME SHOPPING NETWORK	KRW	3,819.00	236,828.41	0.24
HYUNDAI MOTOR PFD II	KRW	20,876.00	1,276,897.56	1.31
KT	KRW	18,755.00	390,093.85	0.40
LG ELECTRONICS PFD N-VOTING	KRW	38,053.00	832,521.60	0.85
LG PFD NON-VOTING	KRW	11,427.00	433,097.42	0.44

The accompanying notes form an integral part of these financial statements.



# Cobas LUX SICAV - Cobas Selection Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
NS SHOPPING	KRW	73,406.00	534,381.77	0.55
SAMSUNG C&T	KRW	18,819.00	1,572,948.66	1.61
SAMSUNG ELECTRONICS PFD NON-VOTING	KRW	17,865.00	624,808.81	0.64
			7,475,738.97	7.65
<i>SPAIN</i>				
BANKIA	EUR	233,592.00	444,408.78	0.45
ELECNOR	EUR	129,391.00	1,416,831.45	1.45
PROSEGUR CASH	EUR	347,780.00	472,285.24	0.48
QUABIT INMOBILIARIA	EUR	761,600.00	763,123.20	0.78
SOL MELIA INTERNATIONAL	EUR	86,022.00	676,132.92	0.69
TECNICAS REUNIDAS	EUR	51,719.00	1,230,912.20	1.26
UNICAJA BANCO	EUR	34,666.00	33,556.69	0.03
VOCENTO	EUR	801,614.00	981,977.15	1.00
			6,019,227.63	6.14
<i>SWITZERLAND</i>				
ARYZTA	CHF	7,337,828.00	7,304,256.78	7.48
			7,304,256.78	7.48
<i>TAIWAN</i>				
CATCHER TECHNOLOGY	TWD	39,000.00	263,097.01	0.27
			263,097.01	0.27
<i>UNITED KINGDOM</i>				
BABCOCK INTERNATIONAL GROUP	GBP	527,268.00	3,916,567.97	4.01
CAIRN ENERGY	GBP	457,952.00	1,107,952.99	1.13
DIXONS CARPHONE	GBP	2,257,577.00	3,841,982.18	3.93
SPIRE HEALTH GROUP	GBP	318,819.00	534,293.70	0.55
TI FLUID SYSTEMS	GBP	150,865.00	473,606.49	0.48
VALARIS	USD	291,175.00	1,701,655.04	1.74
			11,576,058.37	11.84
<i>UNITED STATES</i>				
G-III APPAREL GROUP	USD	12,661.00	377,856.08	0.39
KOSMOS ENERGY	USD	184,686.00	937,826.35	0.96
O-I GLASS	USD	41,573.00	441,840.39	0.45
			1,757,522.82	1.80
<b>TOTAL INVESTMENTS</b>			<b>95,764,085.12</b>	<b>98.00</b>
CASH AT BANKS			2,565,629.26	2.63
OTHER NET LIABILITIES			-606,613.20	-0.63
<b>TOTAL NET ASSETS</b>			<b>97,723,101.18</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Selection Fund

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

Marshall Islands	16.23
Italy	14.82
United Kingdom	11.84
Bermuda	9.12
South Korea	7.65
Switzerland	7.48
Spain	6.14
Norway	3.02
Germany	2.56
Netherlands	2.40
France	2.38
Belgium	2.03
Jersey	1.81
United States	1.80
Japan	1.66
Luxembourg	1.41
Portugal	1.38
Cyprus	1.31
Israel	0.92
Denmark	0.89
Canada	0.88
Taiwan	0.27
	<b>98.00</b>

### Industrial classification

(in % of net assets)

Transport and freight	23.58
Holding and finance companies	21.47
Construction of machines and appliances	9.91
Oil	8.67
Automobiles	6.25
Communications	5.33
Chemicals	4.39
Electronics and electrical equipment	3.21
Gastronomy	2.30
Textiles and clothing	1.91
Mining and steelworks	1.81
Retail and supermarkets	1.69
Stainless steel	1.31
Miscellaneous	1.16
Construction and building materials	1.03
Real Estate Shares	0.78
Utilities	0.72
Miscellaneous trade	0.55
Healthcare & social services	0.55
Banks and credit institutions	0.48
Aeronautics and astronautics	0.47
Paper and forest products	0.35
Pharmaceuticals and cosmetics	0.08
	<b>98.00</b>

# Cobas LUX SICAV - Cobas Iberian Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>CYPRUS</i>				
ATALAYA MINING	GBP	104,928.00	237,760.74	4.92
			237,760.74	4.92
<i>LUXEMBOURG</i>				
ARCELORMITTAL	EUR	2,910.00	45,518.22	0.94
BEFESA	EUR	3,527.00	134,026.00	2.77
			179,544.22	3.71
<i>PORTUGAL</i>				
CTT - CORREIOS DE PORTUGAL	EUR	23,070.00	73,593.30	1.52
MOTA-ENGIL SGPS	EUR	21,746.00	40,665.02	0.84
SEMAPA	EUR	32,312.00	443,320.64	9.17
SONAE CAPITAL SGPS	EUR	115,464.00	86,944.39	1.80
SONAE SGPS	EUR	92,216.00	83,916.56	1.74
SONAE COM SGPS	EUR	21,206.00	42,093.91	0.87
			770,533.82	15.94
<i>SPAIN</i>				
ACERINOX	EUR	1,217.00	12,224.77	0.25
AEDAS HOMES	EUR	3,092.00	66,323.40	1.37
BANKIA	EUR	117,993.00	224,481.68	4.65
CAIXABANK SA	EUR	17,840.00	49,916.32	1.03
CIA DE DISTRIBUCION INTEGRAL LOGISTA	EUR	2,244.00	45,104.40	0.93
CORPORACION FINANCIERA ALBA	EUR	3,708.00	180,023.40	3.73
ELECNOR	EUR	43,426.00	475,514.70	9.85
ENCE ENERGIA Y CELULOSA	EUR	12,573.00	46,142.91	0.95
GESTAMP AUTOMOCION	EUR	12,901.00	55,293.69	1.14
GRUPO CATALANA OCCIDENTE	EUR	2,258.00	70,336.70	1.46
GRUPO EZENTIS	EUR	50,585.00	20,335.17	0.42
INDRA SISTEMAS	EUR	4,823.00	49,098.14	1.02
INMOBILIARIA DEL SUR	EUR	10,051.00	105,535.50	2.18
MAPFRE	EUR	10,023.00	23,654.28	0.49
METROVACESA	EUR	7,446.00	65,152.50	1.35
MIQUEL Y COSTAS Y MIQUEL	EUR	4,794.00	78,621.60	1.63
PROSEGUR (CIA DE SEGURIDAD)	EUR	41,944.00	154,353.92	3.19
PROSEGUR CASH	EUR	45,601.00	61,926.16	1.28
QUABIT INMOBILIARIA	EUR	230,027.00	230,487.05	4.77
REPSOL	EUR	4,183.00	58,269.19	1.21
SACYR VALLEHERMOSO	EUR	74,019.00	192,449.40	3.98
SOL MELIA INTERNATIONAL	EUR	28,198.00	221,636.28	4.59
TECNICAS REUNIDAS	EUR	19,923.00	474,167.40	9.81

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Iberian Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
TUBACEX	EUR	12,195.00	34,511.85	0.71
UNICAJA BANCO	EUR	182,480.00	176,640.64	3.66
VOCENTO	EUR	303,282.00	371,520.45	7.69
			3,543,721.50	73.34
<b>TOTAL SHARES</b>			<b>4,731,560.28</b>	<b>97.91</b>
<b>RIGHTS</b>				
<i>SPAIN</i>				
REPSOL RIGHT	EUR	3,355.00	1,419.17	0.03
			1,419.17	0.03
<b>TOTAL RIGHTS</b>			<b>1,419.17</b>	<b>0.03</b>
<b>TOTAL INVESTMENTS</b>			<b>4,732,979.45</b>	<b>97.94</b>
CASH AT BANKS			105,161.73	2.18
OTHER NET LIABILITIES			-5,812.25	-0.12
<b>TOTAL NET ASSETS</b>			<b>4,832,328.93</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Iberian Fund (note 1)

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

Spain	73.37
Portugal	15.94
Cyprus	4.92
Luxembourg	3.71
	<b>97.94</b>

### Industrial classification

(in % of net assets)

Real Estate Shares	12.28
Construction and building materials	11.38
Electronics and electrical equipment	10.87
Construction of machines and appliances	9.81
Banks and credit institutions	8.31
Communications	8.11
Utilities	6.51
Stainless steel	4.92
Holding and finance companies	4.76
Gastronomy	4.59
Paper and forest products	4.32
Environmental services & recycling	2.77
Insurance	1.95
Transport and freight	1.28
Oil and gas	1.21
Automobiles	1.14
Mining and steelworks	0.96
Metals and minings	0.94
Tobacco and alcohol	0.93
Internet, software and IT services	0.87
Rights	0.03
	<b>97.94</b>

# Cobas LUX SICAV - Cobas International Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BELGIUM</i>				
EURONAV	EUR	12,596.00	138,304.08	0.50
EXMAR	EUR	89,297.00	471,488.16	1.70
			609,792.24	2.20
<i>BERMUDA</i>				
GOLAR LNG	USD	159,896.00	2,025,586.51	7.31
HOEGH LNG HOLDING	NOK	194,402.00	660,242.82	2.38
PETRA DIAMONDS	GBP	1,531,271.00	159,754.04	0.58
			2,845,583.37	10.27
<i>CANADA</i>				
INTERNATIONAL PETROLEUM	SEK	68,541.00	271,873.68	0.98
			271,873.68	0.98
<i>DENMARK</i>				
MATAS A/S	DKK	38,542.00	284,197.91	1.03
			284,197.91	1.03
<i>FRANCE</i>				
RENAULT S.A.	EUR	17,460.00	736,462.80	2.66
			736,462.80	2.66
<i>GERMANY</i>				
B.M.W. PFD -NVTG-	EUR	4,841.00	266,497.05	0.96
PORSCHE AUTOMOBILE HOLDING PFD -NVTG-	EUR	7,808.00	520,325.12	1.88
			786,822.17	2.84
<i>ISRAEL</i>				
ISRAEL CHEMICALS	ILS	67,249.00	281,858.00	1.02
			281,858.00	1.02
<i>ITALY</i>				
CIR CIE INDUSTRIALI RIUNITE	EUR	1,225,418.00	1,333,254.78	4.82
COFIDE CIA FINANZIARIA BENEDETTI	EUR	353,553.00	193,747.04	0.70
COFIDE CIA FINANZIARIA -INTERIM B-	EUR	351,818.00	192,796.26	0.70
DANIELI & C. OFFICINE MECCANICHE	EUR	4,968.00	81,375.84	0.29
DANIELI & C. OFFICINE MECCANICHE RISP. -NC-	EUR	75,888.00	766,468.80	2.77
MAIRE TECNIMONT -INTERIM B- -PROV.-	EUR	127,694.00	315,914.96	1.14
MAIRE TECNIMONT POST REGROUPEMENT	EUR	190,812.00	472,068.89	1.71
OVS	EUR	224,831.00	451,010.99	1.63
SAIPEM	EUR	77,217.00	336,357.25	1.21
SOL	EUR	26,350.00	276,675.00	1.00
			4,419,669.81	15.97

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas International Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>JAPAN</i>				
DAIWA INDUSTRIES	JPY	51,540.00	514,606.78	1.86
			514,606.78	1.86
<i>JERSEY</i>				
PETROFAC	GBP	123,884.00	559,819.61	2.02
			559,819.61	2.02
<i>LUXEMBOURG</i>				
SUBSEA 7	NOK	40,465.00	430,546.57	1.56
			430,546.57	1.56
<i>MARSHALL ISLANDS</i>				
DIAMOND S SHIPPING	USD	20,648.00	307,926.49	1.11
DYNAGAS LNG -PARTNERSHIP -UNITS-	USD	73,446.00	138,091.55	0.50
INTERNATIONAL SEAWAYS	USD	68,418.00	1,813,914.87	6.55
TEEKAY CORPORATION	USD	252,223.00	1,195,390.83	4.32
TEEKAY LNG PARTNERS	USD	107,567.00	1,491,084.48	5.39
			4,946,408.22	17.87
<i>NETHERLANDS</i>				
MYLAN	USD	20,911.00	374,441.92	1.35
OCI	EUR	19,028.00	356,775.00	1.29
			731,216.92	2.64
<i>NORWAY</i>				
KONGSBERG GRUPPEN	NOK	9,405.00	131,581.86	0.48
WILH. WILHELMSSEN HOLDING 'A'	NOK	23,635.00	395,364.53	1.43
WILH. WILHELMSSEN HOLDING 'B'	NOK	25,233.00	422,095.75	1.52
			949,042.14	3.43
<i>SOUTH KOREA</i>				
AMOREPACIFIC GROUP CUM PFD	KRW	609.00	25,615.23	0.09
AMOREPACIFIC PFD -NVTG-	KRW	9,030.00	225,730.75	0.82
GS HOME SHOPPING	KRW	2,143.00	245,317.91	0.89
HYUNDAI HOME SHOPPING NETWORK	KRW	1,111.00	68,896.67	0.25
HYUNDAI MOTOR PFD II	KRW	6,731.00	411,707.10	1.49
KT	KRW	6,921.00	143,953.05	0.52
LG ELECTRONICS PFD N-VOTING	KRW	11,988.00	262,272.85	0.95
LG PFD NON-VOTING	KRW	3,749.00	142,091.73	0.51
NS SHOPPING	KRW	21,703.00	157,993.73	0.57
SAMSUNG C&T	KRW	6,209.00	518,966.91	1.87
SAMSUNG ELECTRONICS PFD NON-VOTING	KRW	5,485.00	191,831.87	0.69
			2,394,377.80	8.65
<i>SWITZERLAND</i>				
ARYZTA	CHF	2,260,408.00	2,250,066.43	8.12
			2,250,066.43	8.12

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas International Fund

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>TAIWAN</i>				
CATCHER TECHNOLOGY	TWD	12,000.00	80,952.93	0.29
			80,952.93	0.29
<i>UNITED KINGDOM</i>				
BABCOCK INTERNATIONAL GROUP	GBP	163,214.00	1,212,360.18	4.38
CAIRN ENERGY	GBP	147,613.00	357,129.71	1.29
DIXONS CARPHONE	GBP	741,017.00	1,261,075.08	4.55
SPIRE HEALTH GROUP	GBP	104,376.00	174,918.81	0.63
TI FLUID SYSTEMS	GBP	47,930.00	150,465.38	0.54
VALARIS	USD	87,129.00	509,190.36	1.84
			3,665,139.52	13.23
<i>UNITED STATES</i>				
G-III APPAREL GROUP	USD	4,243.00	126,628.49	0.46
KOSMOS ENERGY	USD	60,019.00	304,773.51	1.10
O-I GLASS	USD	13,763.00	146,274.01	0.53
			577,676.01	2.09
<b>TOTAL INVESTMENTS</b>			<b>27,336,112.91</b>	<b>98.73</b>
CASH AT BANKS			488,726.68	1.77
OTHER NET LIABILITIES			-138,231.04	-0.50
<b>TOTAL NET ASSETS</b>			<b>27,686,608.55</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.



# Cobas LUX SICAV - Cobas International Fund

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

Marshall Islands	17.87
Italy	15.97
United Kingdom	13.23
Bermuda	10.27
South Korea	8.65
Switzerland	8.12
Norway	3.43
Germany	2.84
France	2.66
Netherlands	2.64
Belgium	2.20
United States	2.09
Jersey	2.02
Japan	1.86
Luxembourg	1.56
Denmark	1.03
Israel	1.02
Canada	0.98
Taiwan	0.29
	<b>98.73</b>

### Industrial classification

(in % of net assets)

Transport and freight	25.71
Holding and finance companies	23.52
Oil	9.59
Construction of machines and appliances	9.30
Automobiles	6.99
Communications	5.07
Chemicals	4.87
Textiles and clothing	2.09
Mining and steelworks	2.02
Electronics and electrical equipment	1.93
Retail and supermarkets	1.92
Gastronomy	1.87
Miscellaneous	1.29
Utilities	0.79
Healthcare & social services	0.63
Miscellaneous trade	0.57
Aeronautics and astronautics	0.48
Pharmaceuticals and cosmetics	0.09
	<b>98.73</b>

# Cobas LUX SICAV - Cobas Large Cap Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BERMUDA</i>				
GOLAR LNG	USD	20,637.00	261,432.61	5.58
			261,432.61	5.58
<i>BRAZIL</i>				
COGNA EDUCACAO	BRL	27,000.00	68,344.88	1.46
			68,344.88	1.46
<i>BRITISH VIRGIN ISLANDS</i>				
CAPRI HOLDINGS	USD	1,724.00	58,592.96	1.25
			58,592.96	1.25
<i>FRANCE</i>				
BOLOORE	EUR	28,508.00	110,896.12	2.37
DASSAULT AVIATION	EUR	51.00	59,670.00	1.27
ILIAD	EUR	801.00	92,555.55	1.98
RENAULT S.A.	EUR	4,748.00	200,270.64	4.27
			463,392.31	9.89
<i>GERMANY</i>				
B.M.W. PFD -NVTG-	EUR	3,278.00	180,453.90	3.85
CONTINENTAL	EUR	957.00	110,303.82	2.35
PORSCHE AUTOMOBILE HOLDING PFD -NVTG-	EUR	2,709.00	180,527.76	3.85
SCHAEFFLER PFD	EUR	8,972.00	86,382.42	1.84
THYSSENKRUPP	EUR	22,414.00	269,864.56	5.76
			827,532.46	17.65
<i>ISRAEL</i>				
ISRAEL CHEMICALS	ILS	81,526.00	341,696.82	7.30
			341,696.82	7.30
<i>JAPAN</i>				
INPEX	JPY	11,800.00	109,934.82	2.35
			109,934.82	2.35
<i>LUXEMBOURG</i>				
ARCELORMITTAL	EUR	3,035.00	47,473.47	1.01
			47,473.47	1.01
<i>MARSHALL ISLANDS</i>				
INTERNATIONAL SEAWAYS	USD	1,847.00	48,968.12	1.05
TEEKAY CORPORATION	USD	19,445.00	92,158.03	1.97
TEEKAY LNG PARTNERS	USD	12,989.00	180,052.40	3.84
			321,178.55	6.86

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Large Cap Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>NETHERLANDS</i>				
EXOR HOLDING	EUR	900.00	62,172.00	1.33
MYLAN	USD	16,935.00	303,245.84	6.48
OCI	EUR	9,601.00	180,018.75	3.84
			545,436.59	11.65
<i>SOUTH KOREA</i>				
KT ADR -SPONS.-	USD	8,810.00	91,043.20	1.94
LG	KRW	859.00	48,835.74	1.04
SAMSUNG C&T	KRW	2,624.00	219,321.82	4.68
SAMSUNG ELECTRONICS PFD NON-VOTING	KRW	3,510.00	122,758.41	2.62
			481,959.17	10.28
<i>SWITZERLAND</i>				
ARYZTA	CHF	245,435.00	244,312.11	5.21
			244,312.11	5.21
<i>TAIWAN</i>				
CATCHER TECHNOLOGY	TWD	11,000.00	74,206.85	1.58
			74,206.85	1.58
<i>UNITED KINGDOM</i>				
BABCOCK INTERNATIONAL GROUP	GBP	20,181.00	149,905.28	3.20
DIXONS CARPHONE	GBP	54,557.00	92,846.01	1.98
TECHNIPFMC	EUR	7,649.00	144,642.59	3.09
			387,393.88	8.27
<i>UNITED STATES</i>				
GILEAD SCIENCES	USD	1,520.00	87,990.72	1.88
NATIONAL OILWELL VARCO	USD	4,119.00	91,920.66	1.96
TRANSOCEAN REG.	USD	25,541.00	156,545.26	3.34
			336,456.64	7.18
<b>TOTAL INVESTMENTS</b>			<b>4,569,344.12</b>	<b>97.52</b>
CASH AT BANKS			120,975.93	2.58
OTHER NET LIABILITIES			-4,940.07	-0.10
<b>TOTAL NET ASSETS</b>			<b>4,685,379.98</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Cobas Large Cap Fund (note 1)

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

Germany	17.65
Netherlands	11.65
South Korea	10.28
France	9.89
United Kingdom	8.27
Israel	7.30
United States	7.18
Marshall Islands	6.86
Bermuda	5.58
Switzerland	5.21
Japan	2.35
Taiwan	1.58
Brazil	1.46
British Virgin Islands	1.25
Luxembourg	1.01
	<b>97.52</b>

### Industrial classification

(in % of net assets)

Holding and finance companies	16.86
Automobiles	13.81
Transport and freight	10.97
Energy equipment & services	8.39
Chemicals	7.30
Communications	5.90
Mining and steelworks	5.76
Gastronomy	4.68
Electronics and electrical equipment	4.20
Miscellaneous	3.84
Construction of machines and appliances	3.20
Pharmaceuticals and cosmetics	2.92
Public utilities	2.35
Tyres and rubber	2.35
Healthcare & social services	1.46
Aeronautics and astronautics	1.27
Retail and supermarkets	1.25
Metals and minings	1.01
	<b>97.52</b>

# Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING OR DEALT IN ON ANOTHER REGULATED MARKET</b>				
<b>SHARES</b>				
<i>BELGIUM</i>				
PICANOL	EUR	1,550.00	105,400.00	3.20
TESSENDERLO CHEMIE	EUR	1,400.00	44,030.00	1.34
			149,430.00	4.54
<i>BERMUDA</i>				
GREAT EAGLE HOLDINGS	HKD	25,000.00	75,031.71	2.28
			75,031.71	2.28
<i>GERMANY</i>				
BAYER REG.	EUR	2,010.00	146,348.10	4.45
JOST WERKE	EUR	2,660.00	99,218.00	3.02
RINGMETALL	EUR	23,962.00	63,259.68	1.92
			308,825.78	9.39
<i>GREECE</i>				
MOTOR OIL (HELLAS) CORINTH REFINERIES SA	EUR	2,800.00	57,736.00	1.76
			57,736.00	1.76
<i>HONG KONG</i>				
WANDA SPORTS GROUP 'A' -ADR SPONS.-	USD	21,325.00	46,544.54	1.41
			46,544.54	1.41
<i>IRELAND</i>				
DALATA HOTEL GROUP	EUR	18,700.00	96,305.00	2.93
			96,305.00	2.93
<i>ITALY</i>				
CIR CIE INDUSTRIALI RIUNITE	EUR	123,000.00	133,824.00	4.07
DANIELI & C. OFFICINE MECCANICHE RISP. -NC-	EUR	14,340.00	144,834.00	4.40
ESPRINET -POST FRAZIONAMENTO-	EUR	20,000.00	103,600.00	3.15
GAMENET GROUP	EUR	8,000.00	104,000.00	3.16
OVS	EUR	33,000.00	66,198.00	2.01
UNIEURO	EUR	7,000.00	93,800.00	2.85
			646,256.00	19.64
<i>LUXEMBOURG</i>				
BEFESA	EUR	4,355.00	165,490.00	5.03
			165,490.00	5.03
<i>NETHERLANDS</i>				
CEMENTIR HOLDING	EUR	13,900.00	93,463.60	2.84
OCI	EUR	10,620.00	199,125.00	6.05
RHI-MAGNESITA	EUR	5,110.00	232,061.70	7.06
			524,650.30	15.95

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)

## Statement of investments and other net assets as at December 31, 2019 (expressed in EUR) (continued)

Description	Currency	Quantity	Market value (note 2)	% of net assets
<i>NORWAY</i>				
DNO 'A'	NOK	81,300.00	95,363.47	2.90
TREASURE	NOK	36,000.00	49,818.80	1.51
			145,182.27	4.41
<i>SWITZERLAND</i>				
ARYZTA	CHF	96,500.00	96,058.50	2.92
			96,058.50	2.92
<i>UNITED KINGDOM</i>				
GAMESYS GROUP	GBP	11,500.00	95,954.37	2.92
HOSTELWORLD GROUP	GBP	22,000.00	32,454.90	0.99
IBSTOCK	GBP	42,400.00	157,624.57	4.79
INTERNATIONAL GAME TECHNOLOGY	USD	7,780.00	103,756.42	3.15
			389,790.26	11.85
<i>UNITED STATES</i>				
BROOKFIELD 7.625% PFD CUM PERP 'A'	USD	3,800.00	68,890.86	2.09
IHEARTMEDIA 'A'	USD	4,550.00	68,503.33	2.08
WESTINGHOUSE AIR BRAKE TECHNOLOGIES	USD	3,140.00	217,632.05	6.63
			355,026.24	10.80
<b>TOTAL INVESTMENTS</b>			<b>3,056,326.60</b>	<b>92.91</b>
BANK DEPOSITS			380,000.00	11.55
BANK OVERDRAFT			-148,310.71	-4.51
OTHER NET ASSETS			1,556.02	0.05
<b>TOTAL NET ASSETS</b>			<b>3,289,571.91</b>	<b>100.00</b>

The accompanying notes form an integral part of these financial statements.

# Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)

## Geographical and industrial classification of investments as at December 31, 2019

### Geographical classification

(in % of net assets)

Italy	19.64
Netherlands	15.95
United Kingdom	11.85
United States	10.80
Germany	9.39
Luxembourg	5.03
Belgium	4.54
Norway	4.41
Ireland	2.93
Switzerland	2.92
Bermuda	2.28
Greece	1.76
Hong Kong	1.41
	<b>92.91</b>

### Industrial classification

(in % of net assets)

Holding and finance companies	19.05
Construction of machines and appliances	14.23
Construction and building materials	7.63
Miscellaneous	6.05
Chemicals	5.79
Environmental services & recycling	5.03
Utilities	4.67
Oil	4.66
Real Estate Shares	4.37
Gastronomy	3.92
Internet, software and IT services	3.15
Electronics and electrical equipment	3.15
Automobiles	3.02
Retail and supermarkets	2.85
Textiles and clothing	2.01
Packaging	1.92
Publishing and graphic arts	1.41
	<b>92.91</b>

## Notes to the financial statements as at December 31, 2019

### NOTE 1

#### GENERAL

Cobas LUX SICAV (the "SICAV") was incorporated in the British Virgin Islands on September 1, 2010 as a BVI Business Company and transferred its registered office to Luxembourg on July 20, 2015 pursuant to a notarial deed published as of September 15, 2015 in the *Mémorial C, Recueil Spécial des Sociétés et Associations du Grand-Duché de Luxembourg*. The SICAV is an open-ended investment fund with multiple sub-funds ("Société d'Investissement à Capital Variable (SICAV) à compartiments multiples") governed by Luxembourg law, established in accordance with the provisions of Part I of the law of December 17, 2010 (the "2010 Law") relating to undertakings for collective investment ("UCI").

The Articles were filed with the *Registre de Commerce et des Sociétés of Luxembourg* where copies may be obtained.

The SICAV is registered with the *Registre de Commerce et des Sociétés of Luxembourg* under number B198838.

The SICAV's capital must at all times be equal to the value of its total net assets. The minimum capital required by law is EUR 1,250,000.

FundPartner Solutions (Europe) S.A. with registered office at 15, avenue J.F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg was appointed Management Company of the SICAV as of July 20, 2015. It is a management company within the meaning of chapter 15 of the 2010 Law.

#### a) Sub-funds in activity

As at December 31, 2019, the SICAV includes the following sub-funds:

- Cobas LUX SICAV - Cobas Selection Fund, denominated in Euro (EUR);
- Cobas LUX SICAV - Cobas Iberian Fund (EUR) (launched on October 11, 2019);
- Cobas LUX SICAV - Cobas International Fund, denominated in Euro (EUR);
- Cobas LUX SICAV - Cobas Large Cap Fund (EUR) (launched on October 11, 2019);
- Cobas LUX SICAV - Palm Harbour Global Value Fund, denominated in Euro (EUR) (launched on April 4, 2019)

#### b) Significant events and material changes

A new prospectus came into force in March 2019.

On March 26, 2019, the Board of Directors of the SICAV has decided to merge Cobas LUX SICAV - AG Genesis Bond Fund into PROTEA UCITS II - Genesis Bond Fund, a sub-fund of PROTEA UCITS II, a société d'investissement à capital variable, formed and existing under the laws of the Grand Duchy of Luxembourg having its registered office at 15 Avenue J.F. Kennedy, L-1855 Luxembourg and registered with the RCS under number B148792, with effect as of May 6, 2019.

#### c) Share classes

The appendix to the current prospectus of the SICAV lists the different categories of shares in each of the above-mentioned sub-funds



## Notes to the financial statements as at December 31, 2019 (continued)

### NOTE 2

#### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### a) Preparation and presentation of financial statements

The financial statements are prepared in accordance with generally accepted accounting principles and presented in accordance with the legal reporting requirements applicable in Luxembourg relating to UCIs.

##### b) Combined financial statements of the SICAV

The combined financial statements of the SICAV are expressed in Euro (EUR) and correspond to the sum of the corresponding items in the financial statements of the different sub-funds, converted into EUR at the exchange rate prevailing at the end of the year.

##### c) Formation expenses

Formation expenses are amortised over a period of no more than 5 years.

##### d) Valuation of assets

The assets of the SICAV are valued in accordance with the following principles:

(1) The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received are deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof are arrived at after making such discount as the SICAV may consider appropriate in such case to reflect the true value thereof;

(2) the value of securities and/or financial derivative instruments which are listed on any official stock exchange or traded on any other organised market are valued at the last available price. Where such securities or other assets are quoted or dealt in or on more than one stock exchange or other organised markets, the Board of Directors of the SICAV selects the principal of such stock exchanges or markets for such purposes;

(3) in the event that any of the securities held in the SICAV's portfolio on the relevant day are not listed on any stock exchange or traded on any organised market or if with respect to securities listed on any stock exchange or traded on any other organised market, the price as determined pursuant to sub-paragraph (2) is not, in the opinion of the Board of Directors of the SICAV, representative of the fair market value of the relevant securities, the value of such securities is determined prudently and in good faith based on the reasonably foreseeable sales prices or any other appropriate valuation principles;

(4) the financial derivative instruments which are not listed on any official stock exchange or traded on any other organised market are valued in a reliable and verifiable manner on a daily basis and verified by a competent professional appointed by the SICAV;

(5) units or shares in underlying open-ended investment sub-funds are valued at their last available net asset value ("NAV") reduced by any applicable charges; and

## Notes to the financial statements as at December 31, 2019 (continued)

(6) in the event that the above mentioned calculation methods are inappropriate or misleading, the Board of Directors of the SICAV may adjust the value of any investment or permit some other method of valuation to be used for the assets of the SICAV if it considers that the circumstances justify that such adjustment or other method of valuation should be adopted to reflect more fairly the value of such investments.

### e) Forward foreign exchange contracts

The unrealised gains or losses resulting from outstanding forward foreign exchange contracts, if any, are determined on the basis of the forward rates applicable at the end of the year and are recorded in the statement of net assets.

### f) Net realised gain/loss on sales of investments

The net realised gain/loss on sales of investments is calculated on the basis of the weighted average cost of the investments sold.

### g) Cost of investment securities

The cost of investment securities in currencies other than the currency of the SICAV is translated into the currency of the sub-fund at the exchange rate applicable at purchase date.

### h) Income

Dividends are recorded net of withholding tax at ex-date. Interest is recorded on an accrual basis.

### i) Transaction fees

The transaction fees represent the costs incurred by the SICAV in connection with purchases and sales of investments. They include brokerage fees as well as bank commissions, tax, depositary fees and other transaction fees, and are included in the statement of operations and change in net assets.

### j) Recognition of futures contracts

At the time of each NAV calculation, the margin call on futures contracts is recorded directly in the realised capital gains and losses accounts relating to futures contracts by the bank account counterparty.

### k) Accounting of futures contracts

Unrealised appreciations and depreciations on futures contracts are settled daily through the reception/payment of a cash amount corresponding to the daily increase/decrease of the market value of each opened futures contracts. Such cash amount is recorded under the caption "Cash at banks" in the statement of net assets and the corresponding amount is recorded under the caption "net realised gain/loss on futures contracts" in the statement of operations and changes in net assets.

## Notes to the financial statements as at December 31, 2019 (continued)

### I) Valuation of options contracts

The valuation of options contracts is based on the latest price available. Unexpired options contracts are valued at the last price known on the valuation date or closing date and the resulting change in net unrealised appreciation/depreciation and net realised gain/loss are accounted for in the statement of operations and changes in net assets.

### NOTE 3

#### TAXATION OF THE SICAV

The SICAV is not subject to taxation in Luxembourg on its income, profits or gains.

No stamp duty, capital duty or other tax are payable in Luxembourg upon the issue of the shares of the SICAV.

The SICAV is however subject to a subscription tax ("*taxe d'abonnement*") levied at the rate of 0.05% per annum based on its NAV at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to individual compartments of UCIs with multiple compartments referred to in the 2010 Law, as well as for individual classes of securities issued within a UCI or within a compartment of a UCI with multiple compartments, provided that the securities of such compartments or classes are reserved to one or more institutional investors.

Interest and dividend income received by the SICAV may be subject to non-recoverable withholding tax in the source countries. The SICAV may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

Distributions made by the SICAV are not subject to withholding tax in Luxembourg.

### NOTE 4

#### INVESTMENT MANAGEMENT FEES

The Investment Manager is entitled to an investment management fee taken out of the NAV of the relevant class of shares calculated as of such valuation day and payable monthly in arrears by the SICAV to the Investment Manager.

Sub-fund	Share class	Investment management fee (in % of NAV)
Cobas LUX SICAV - Cobas Selection Fund	P	max 1.75%
Cobas LUX SICAV - Cobas Iberian Fund	P	0.75%**
Cobas LUX SICAV - Cobas International Fund	P	max 1.75%
Cobas LUX SICAV - Cobas Large Cap Fund	P	0.10%***
Cobas LUX SICAV - AG Genesis Bond Fund*	P	max 1.50%
Cobas LUX SICAV - Palm Harbour Global Value Fund	F	max 1.00%****

\* For the period from January 1, 2019 until March 6, 2019 (date of merger)

\*\* Applicable fee waiver instead of 1.75% for the period from October 11, 2019 (launch date) to May 31, 2020

\*\*\* Applicable fee waiver instead of 0.75% for the period from October 11, 2019 (launch date) to May 31, 2020

\*\*\*\* Management fee was waived from April 4, 2019 (launch date) to April 1, 2020

## Notes to the financial statements as at December 31, 2019 (continued)

### NOTE 5 DIRECTOR FEES

Cobas LUX SICAV pays Director fees to one member of its Board of Directors of the SICAV, Mr Javier Valls Martinez. The annual fee is EUR 15,000.00, payable quarterly in advance.

Director's fees are disclosed in the statement of operations and changes in net assets under the caption "Professional fees, audit fees and other expenses".

### NOTE 6 OTHER FEES PAYABLE

As at December 31, 2019, the other fees payable include mainly audit, service, Management Company and depositary expenses.

### NOTE 7 FORWARD FOREIGN EXCHANGE CONTRACTS

The SICAV has the following forward foreign exchange contracts outstanding as at December 31, 2019:

#### Cobas LUX SICAV - Cobas Selection Fund

Currency	Purchase	Currency	Sale	Maturity date
USD	19,846,239.30	EUR	17,780,978.63	31/01/2020

The net unrealised loss on this contract as at December 31, 2019 was EUR 134,857.68 and is included in the statement of net assets.

#### Cobas LUX SICAV - Cobas International Fund

Currency	Purchase	Currency	Sale	Maturity date
USD	1,179,574.92	EUR	1,056,824.73	31/01/2020

The net unrealised loss on this contract as at December 31, 2019 was EUR 8,015.36 and is included in the statement of net assets.

The counterparty for these forward foreign exchange contracts is Pictet & Cie (Europe) S.A. Luxembourg.

### NOTE 8 FUTURES CONTRACTS

The SICAV had the following futures contracts outstanding as at December 31, 2019:

#### Cobas LUX SICAV - Cobas Selection Fund

	Maturity date	Currency	Commitment in EUR
Purchase of 203.00 EUR/USD	16/03/2020	USD	-25,375,000.00

## Notes to the financial statements as at December 31, 2019 (continued)

### Cobas LUX SICAV - Cobas International Fund

	Maturity date	Currency	Commitment in EUR
Purchase of 65.00 EUR/USD	16/03/2020	USD	-8,125,000.00

### Cobas LUX SICAV - Cobas Large Cap Fund (note 1)

	Maturity date	Currency	Commitment in EUR
Purchase of 11.00 EUR/USD	16/03/2020	USD	-1,375,000.00

## NOTE 9

### OPTIONS CONTRACTS

The SICAV had the following options contracts outstanding as at December 31, 2019:

### Cobas LUX SICAV - Palm Harbour Global Value Fund (note 1)

Name	Quantity	Strike	Maturity date	Currency	Commitment in EUR	Market value in EUR
PUT Euro Stoxx 50	10	3600	17/04/2020	EUR	-123,589.95	6,980.00

The market value on this contract as at December 31, 2019, was EUR 6,980.00 and is included in the assets part of the statement of net assets.

## NOTE 10

### EXCHANGE RATES

The following exchange rate was used to establish the combined financial statements of the sub-funds into EUR as at December 31, 2019:

1 EUR = 1.122500 USD

## NOTE 11

### SUBSEQUENT EVENT

No subsequent event occurred after the end of the year.

## Other information to Shareholders (unaudited appendix)

### 1. Remuneration Policy of the Management Company

The Management Company has adopted a remuneration policy which is in accordance with the principles established by the law of May 10, 2016, amending the 2010 Law.

The financial year of the Management Company ends on December 31 of each year.

The table below shows the total amount of the remuneration for the financial year ended as at December 31, 2019, split into fixed and variable remuneration, paid by the Management Company to its staff.

The table has been prepared taking into consideration point 162 of section 14.1 of the European Securities and Market Authority ("ESMA") remuneration guidelines relating to the confidentiality and data protection in presenting the remuneration information.

	Number of beneficiaries	Total remuneration (EUR)	Fixed remuneration (EUR)	Variable remuneration (target or discretionary bonuses, parts remuneration) (EUR)
Total remuneration paid by the Management Company during 2019	21	12,653	9,253	3,399

#### *Additional explanation*

- The beneficiaries reported is composed of the risk takers (including the 4 Conducting Officers) and the staff of the Management Company dedicated to Management Company activities for all the Funds under management, remunerated by the Management Company. In addition, the Management Company did not remunerate directly the staff of the Investment Manager, but rather ensured that the Investment Manager complies with the remuneration policy requirements itself.
- The benefits have been attributed according to criteria such as level of seniority, hierarchic level, or other eligibility criteria, not taking into account performance criteria, and are thus excluded from the fixed or variable remuneration figures provided above.
- Total fixed and variable remuneration disclosed is based on apportionment of Asset Under Management represented by the SICAV.
- The 2019 annual review outcome showed no exception.
- There have been no changes to the adopted remuneration policy since its implementation.

## Other information to Shareholders (unaudited appendix) (continued)

### **2. Securities Financing Transactions Regulation ("SFTR")**

As at December 31, 2019, the SICAV is in the scope of the requirements of the Regulation (EU) 2015/2365 on transparency of securities financing transactions and of reuse. Nevertheless, no corresponding transactions were carried out during the year referring to the financial statements.

### **3. Information on risk measurement**

The sub-funds' global risk exposure is monitored by using the commitment approach. In that respect, financial derivative instruments are converted into their equivalent position in the underlying asset. The global risk exposure shall not exceed the sub-fund's NAV.

