

# QUARTERLY REPORT

TO OUR INVESTORS

Second Quarter 2018







Bestinver Madrid



## **Dear investor,**

Thank you for your trust, reflected in your long-term vision. It is a privilege for us to work with a base of co-investors with whom we share our investment philosophy and the objective of obtaining the best long-term returns. That is our most valuable competitive advantage, given that it allows us to ensure that the resources dedicated to fundamental analysis bear fruit through the construction of robust portfolios for our investors.

Volatility, which we have considered to be a possibility for a while, arrived during the first half of 2018. And it really left its mark on the equity markets, where on 5<sup>th</sup> and 8<sup>th</sup> February, the S&P index recorded its largest daily decreases for 5 years, as well as on the fixed income markets, where a fresh political storm in Italy caused 10-year bonds to lose 10% of their value in May alone.

Without going into the technical details, it is important to note that over the last few weeks, we have seen not only volatility, but also a lack of liquidity in the market, in particular, in fixed income. And that is something worth reflecting on. It is true that nervousness is often a source of opportunity, but the lack of liquidity is a very serious issue.

We have seen how assets regarded as safe, such as the debt of one of Europe's major powers, can lead to sharp falls in the portfolios of investors in just a few sessions. Almost in the blink of an eye. The market has shown that fixed income does not always protect investors, as many people think, and that it is no longer possible to obtain returns without risk, like it used to be.

The headlines don't seem to be helping much either: threats of trade wars, tension in emerging markets, political uncertainty in Europe...

In the face of so many events, at Bestinver, we remain firm in our process. We continue to dedicate all of our time to the fundamental analysis of companies, to better understanding their businesses, their strengths and their weaknesses, by studying their accounts, their results, their balance sheets and by holding hundreds of meetings and conversations each year with their directors and competitors.

We put all of our effort into completing our shopping list. If we know which businesses we want to buy and at what prices, then volatility is no longer a risk, rather, it is an opportunity to build robust portfolios for the long term. Risk is the permanent loss of capital and is not related to fluctuations in prices. We take advantage of those movements to invest in good businesses at low prices.

## **Taking advantage of opportunities on our shopping list**

In this context, at Bestinver, we are finding good investment opportunities, buying strong businesses at prices that offer great potential for growth. In some cases, and although it sounds paradoxical in these hectic times, we are finding companies that seem boring at first glance, but which have exciting stories behind them.

For example, do you know Wolfgang Leitner? Maybe you've never heard of him, after all, he's not very popular or very eccentric. What about his father, who was a factory worker at the Industrial company Andritz when Wolfgang was young? After starting his career, Wolfgang started working at Andritz as a consultant and, gradually, he was promoted through the ranks. Ultimately, he was appointed as the CEO of the company more than 20 years ago.

Having spent more than half of his 65 years of life at Andritz, a firm in which Wolfgang now owns almost 30% of the share capital, he has managed to turn it into one of the leaders of the sector. In part, thanks to very wise purchases of other companies. The most recent of which was completed just a few weeks ago.

Andritz is an example of a company controlled by a family, where decisions are taken with a 20- or 30-year timeframe in mind. It has a net cash surplus on the balance sheet and a very strong record of appropriate capital use. We have been following the firm and analysing it for some time now. The only 'problem' was that it was not trading at prices that we regarded as attractive to achieve adequate returns with a high margin of safety. But that changed in June, when the share price fell to €42 and we had the opportunity to acquire a stake.

Another attractive stock that we have invested in during the second quarter is the Dutch dredging company Boskalis. Again, the company operates in a niche business, and is currently in the low point of the cycle, which makes it very appealing. The firm is well managed and has been on our shopping list for a while now, whilst we waited for the right time to invest, and an opportunity presented itself in the last few weeks.

### **Leading businesses...that invest to be even better in the future**

At Bestinver, we don't focus only on companies with more traditional business models, such as the Industrial stocks described above, we also look for value where we can buy assets at prices that are well below their value.

For example, this quarter, thanks to our profound knowledge of the media sector through our analyst Vighnesh Padiachy, we took advantage of a window of opportunity that saw the stock market debut of the Chinese firm **IQiyi**. The so-called 'Netflix' of the East, which in reality is probably more a combination of Netflix and Disney, made its debut with a valuation that, according to our analysis, offered significant growth potential. And we were not alone in spotting the opportunity; the offer was enormously oversubscribed. In other words, investors requested to buy several times more shares than actually IPO-ed on the market.

The firm made its stock market debut on Holy Thursday and its first movements caused concern: the price of the shares fell rapidly from the €18 at which they had been placed to €15. But the subsequent reaction was stunning and, within a few months, the shares that we had been able to purchase had more than doubled in value with respect to their placement price. In fact, the progress has been so rapid that we have now sold all of the position, generating a very attractive return of 100% for our portfolios.

By default, we do not necessarily rule out investing in companies that are losing money. It is important to analyse the reasons in detail, understand the business well and see why the losses are happening. For example, there are some internet-based businesses for which being the market leader is the absolute key, and so they make major investments to maintain their positions. Companies such as Amazon and Netflix spring to mind.

Of course, the key is being able to distinguish the companies that 'burn money' for the wrong reasons from those that are building their future leadership positions. And here, again, a profound knowledge of each company, each business, each trend, is critical, which is what you have at your disposal through the investment team at Bestinver.

### **European banking: an investment that has been highly profitable**

Over the last quarter, we have substantially reduced our position in European banks, in what has been a profitable trade for our co-investors. Specifically, the gains have exceeded €350 million since the summer of 2016 when we started to take positions in the sector, in light of the profound mismatch in valuations that we saw at that time, greater almost than those of 2008.

In recent weeks, we have started to reduce our exposure to those entities, in light of the greater normalisation that we perceive in the market. In addition, the crisis in Italy has taken hold, which has meant demanding greater margins of safety, which has led us to reconsider our investment in stocks such as Intesa.

### **Very positive performance of the largest positions in the portfolio**

In the Iberian portfolio, it has been a very good quarter for our main position in the portfolio, the paper manufacturer Semapa. The Portuguese company has experienced a significant increase in value, which has led it to new highs, but we still see value in the fundamentals of the company.

The paper market is currently in the low point of the cycle, capacity has decreased considerably in recent years and the company has announced price rises of between 7% and 8% in its paper division, which operates under the brand Navigator. That will have a very significant impact on the growth in profits, and so the valuation is still very attractive.

### **Prepared for the opportunities that will arise**

At the end of the quarter, we have accumulated high levels of liquidity in the portfolio, which will allow us to take advantage of the good purchase prices that are starting to be offered by several of the companies on our shopping list. For the first

time in a long time, these opportunities are not being caused by episodes of panic or shocks in share prices, but rather as part of the dynamics of a market that is tending to normalise.

The commitment from our investors to long-term investment and Bestinver's own commitment to dedicate our time and effort to finding the best opportunities for investment through fundamental analysis, to adequately managing risk and to building robust portfolios, constitute the formula to follow in the search for the best possible returns.



Beltrán de la Lastra  
President and Director of Investments  
BESTINVER





## Bestinver in numbers

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### Investors

More than 48,000



### Assets

More than €6,200 million  
under management



### Performance

15% annualised return for  
Bestinfond since launch



### Independence

100% Acciona Group



### Awards obtained

More than 100 over  
the last 20 years



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### LEGAL WARNING

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All of the opinions and estimations included in this document represent the opinion of Bestinver Gestión, S.A. SGIC on the date to which they refer and may vary without prior warning. All of the opinions contained herein have been issued on a general basis, without taking into account the specific investment objectives, financial situation or particular needs of each person.

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All of Bestinver's returns are expressed in € and in net terms, after expenses and commissions.

Potential: The growth potential that, in the opinion of Bestinver's managers, the fund has at any given time, calculated as the difference between the current PER and the target PER. This does not represent the gain that the fund will make in a certain period, given that, although the fund will achieve a specific return, the objective of the managers is to increase, or at least maintain, that potential.

PER: The free cash-flow price at which the fund trades, based on the PER estimated by Bestinver's managers for each company (including adjustments such as: debt, point in the cycle, price, currency, etc.).

Target Price: the Net Asset Value that the shares in the fund may reach on the basis of the intrinsic value that all of the stocks that form the portfolio have, in the opinion of Bestinver's managers.

# Portfolio performance and growth potential

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**BESTINVER**  
acciona

**30**  
años creando valor  
**BESTINVER**  
acciona

**BESTINVER**  
acciona

**30**  
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**BESTINVER**  
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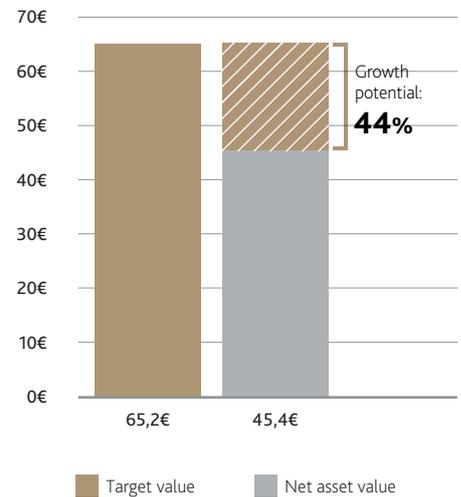
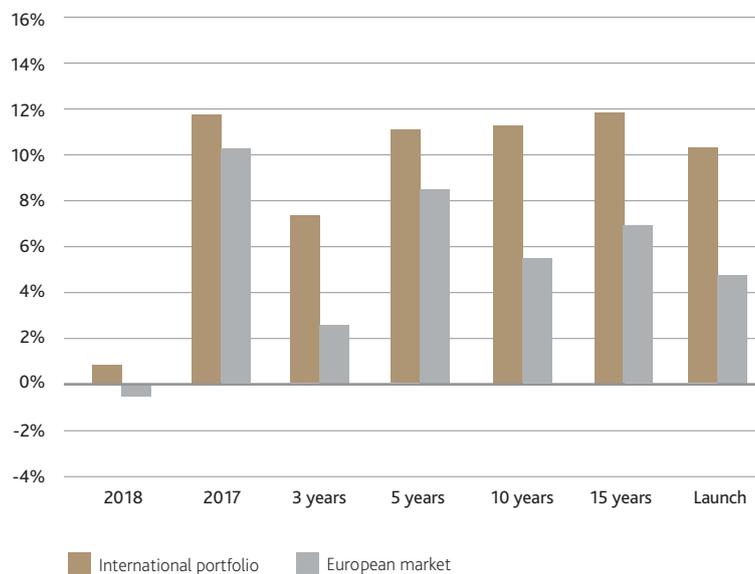
# 1. International portfolio

The net asset value of our international portfolio increased by 4.30% during the second quarter with respect to the previous quarter, compared with 4.0% for the European market (MSCI Europe with dividends) and by 0.86% so far this year compared with the index's performance of -0.48%. Over the long term, the cumulative returns on the international portfolio over the last 3 years and 5 years have been 23.7% and 69.2%, respectively. The international portfolio trades at a PER of 10.4x with a growth potential of 44%.

Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
International portfolio	0,86%	11,74%	7,34%	11,10%	11,29%	11,88%	10,31%
European market	-0,48%	10,24%	2,61%	8,51%	5,47%	6,95%	4,67%

Annualised returns



Data as at close of business: 30/06/2018. Source: Bestinvest. European market: MSCI Europe with net dividend. Launch date: 31/12/1997. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

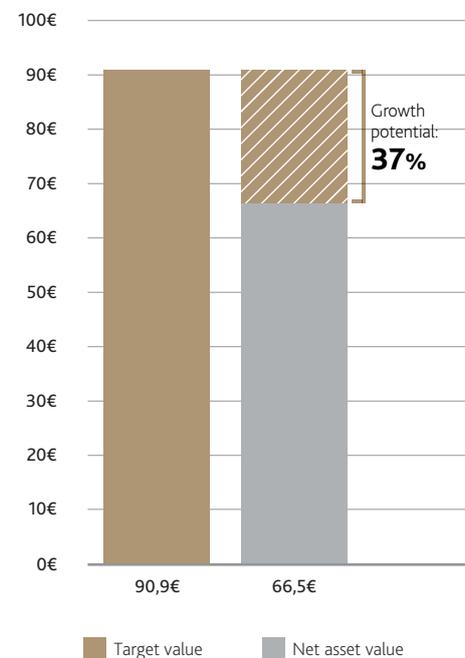
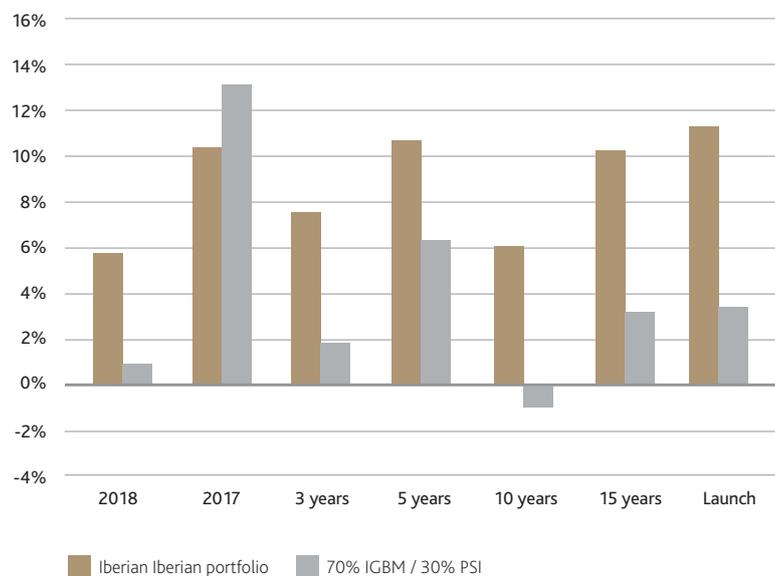
## 2. Iberian portfolio

The net asset value of our Iberian portfolio increased by 4% during the second quarter with respect to the previous quarter compared with 3% for the reference index (comprising the IGBM and the PSI) and by 5.8% so far this year compared with the index's performance of 0.98%. Over the long term, the cumulative returns on the Iberian portfolio over the last 3 years and 5 years have been 24.5% and 66.3%, respectively. The Iberian portfolio trades at a PER of 11x with a growth potential of 37%.

Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Iberian portfolio	5,80%	10,37%	7,59%	10,70%	6,08%	10,23%	11,36%
70% IGBM/30% PSI	0,98%	13,12%	1,90%	6,37%	-0,94%	3,28%	3,43%

Annualised returns



Data as at close of business: 30/06/2018. Source: Bestinver. Since 01/01/2016, the reference index has included net dividends. Launch date: 31/12/1997. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.



# Portfolio analysis

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# 1. International portfolio

## SECTORAL DISTRIBUTION

Consumer	28,6%
CIA BRASILEIRA	2,8%
JD.COM	2,8%
DELIVERY HERO	2,3%

Financial	5,5%
STANDARD CHARTERED	4,0%
ING GROUP	1,5%

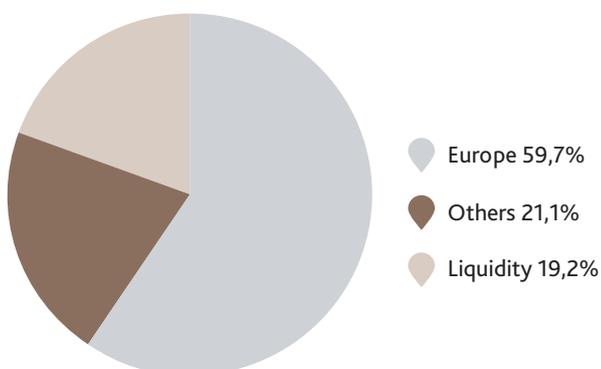
Industrial	34,9%
DASSAULT AVIATION	3,7%
KONECRANES	2,7%
BEFESA MEDIO AMBIENTE	2,1%

Communication & Technology	11,7%
INFORMA	6,7%
NASPERS	1,9%
LIONS GATE ENTERTAINMENT	1,6%

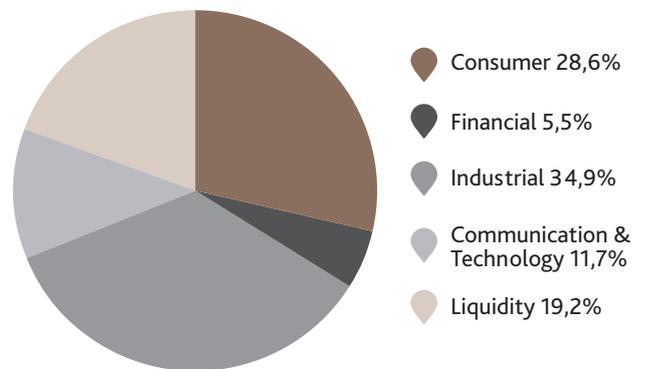
Liquidity: 19,2%

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinvest

### MAIN MOVEMENTS IN THE INTERNATIONAL PORTOLIO

#### ■ Additions to the portfolio

##### — Boskalis Westminster

A company with a family structure, controlled by a Dutch family (36%), which offers dredging services (accounting for 55% of its sales), infrastructure services (construction and maintenance of ports, recovery of land, coastal defences,...), services for offshore energy and towing and rescue services. The company is going through a difficult time in the cycle, and we believe that it has reached the minimum point in terms of profits and margins. We think that Boskalis may have a tricky 2018 but will then be able to benefit from growth opportunities in the segments of dredging and offshore energy services. The company has a solid balance sheet, with no debt, and generates a stable cash flow, which has allowed it to maintain a dividend of 3%. The greatest risk that we face is the length of time that the company will take to recover, but given that the firm has barely any net debt, we believe that to be an acceptable risk.

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##### — Valmet

Valmet is a service provider company for the pulp and paper industry, as well as for power generation plants for the production of bioenergy. The company was established in January 2014 when the pulp, paper and energy business of Metso Corporation, which specialises in the mining and construction sectors, was carved out to create Valmet Corporation. The return for shareholders since Valmet was created amounts to almost 27%, and that has been achieved by closing the margin differential with respect to its main competitor, Andritz, which also features in our portfolio. With the price of pulp at historical highs, we expect to see an acceleration in orders from the industry in 2018 and 2019, which will help expand margins further still. Valmet, together with Andritz, will have lots of opportunities to benefit from this increase in orders given the duopolistic nature of the industry where both participants have an attractive shareholder structure and cash on the balance sheet, which will allow them to continue to make profitable long-term decisions.

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#### ■ Increases in positions

##### — Arjo

Arjo is a global supplier of medical and hospital equipment, specialising in hospital beds and equipment designed for lifting and moving patients. The company has recently been carved out from its parent company, Getingue, and a new management team has been appointed, tasked with expanding margins. Arjo has an important therapeutic services division, a business of a recurring nature, with high margins and little competitive pressure, which we think is very attractive. Since the company started trading in December 2017, Carl Bennet, its largest shareholder has increased his stake to buy more than 5% of the company with an investment of more than €40M. We first invested in Arjo at a very attractive price and we decided to increase the position since we think that the market is not recognising the credibility of the company's performance improvement plan.

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## ■ Increases in positions

### — Andritz

Andritz is an Industrial conglomerate that operates in the segments of equipment for the production of paper and pulp, turbines for hydroelectric generation and presses for printing. We often identify businesses that we like, but the valuation is not attractive at that time. In such cases, we add the name to our shopping list and we wait for the market to provide us with an opportunity to invest. That is what happened in the case of Andritz. We have liked the company for a long time - it is a family company, with a net cash surplus on its balance sheet and a good management team. Nevertheless, the price was not sufficiently attractive when we identified it, and we have been waiting for the market to provide us with a good entry opportunity. Following the announcement of worse than expected sales figures, the share price corrected itself in our favour. The company's main clients in the paper pulp business have historically high profitability levels and very low leverage ratios, which suggests that the outlook for new orders is good. Andritz has a great chance of obtaining a share of those new orders given that it operates in a duopolistic business together with Valmet, another company that we recently incorporated into the portfolio. Following the correction, the share price offered an attractive margin of safety that we have taken advantage of to significantly increase the position. Thanks to our long-term time horizon, we can now patiently wait for these orders to materialise without the need to worry about which quarter the new orders are placed in.

### — Cobham

Cobham is a leading company in the aerospace and defence sector in the United Kingdom with a monopoly in several niche businesses in the sector, such as, for example, inflight refuelling. Cobham is an example of a poorly managed firm that has ended up on the right path. Cobham's previous management team was too focused on growing the company, at any cost –it pursued growth strategies through quick acquisitions without integrations. It carried out this growth through acquisition approach with a high level of indebtedness, which put the company in a comprising financial position, and forced it to issue five profit warnings in 18 months. The previous management team resigned and the new team is focused on a new restructuring and growth plan for the company. The prospects for the company are much better and the balance sheet is much more solid, having significantly reduced the debt, the firm is now generating cash. We knew that the restructuring process would take at least 3 years, but sometimes the market is not willing to wait that long. The company is on the right path, simplifying its structure and implementing its plan. The share price offers a great margin of safety if we look at the potential of the business once the restructuring plan bears fruit.

## ■ Reductions in positions

### — TGS Nopec

TGS is a Norwegian company that conducts geo-seismic studies for the oil and gas industry. We invested in the company at the beginning of 2016 when it was trading at historical lows, due to the recession that hit the raw material sector in 2014. The company is more focused on the exploration costs area, which is the most volatile component of all of the costs in the oil and gas production chain. Therefore, the seismic industry suffered a lot during that correction, due to a decrease in its capacity utilisation, combined with balance sheets that were highly indebted. Nevertheless, we consider that TGS is in a unique position given that it does not own the boats that it uses to conduct the seismic studies, rather it rents them, which means that it does not have any debt (in 2016, cash represented 10% of its market capitalisation). Moreover, it has been a pioneer in the development and patenting of a "multi-client" business model, to provide information and analysis in a cheaper way than the traditional method of obtaining seismic data on an exclusive basis. When TGS was trading a minimum levels, we saw that the industry was not recognising those features that made it unique, and therefore, they were not reflected in the valuation. This investment has achieved a return of 60% and given that the margin of safety has been reduced, we have decreased our position in the company.

### MAIN MOVEMENTS IN THE PORTOLIO

#### ■ Reductions in positions

##### — Hapag-Lloyd

We decided to reduce the position in the shipping company in light of the strong performance of the stock during the year and to take advantage of likely purchasing activity by Vapores, its main shareholder. We reduced our position before the company announced a profit warning at the end of June, but we do still hold a position in the company. The profit warning was the result of lower expectations for 2018 resulting from a higher than expected cost of petrol, as well as lower than expected freight tariffs for the second half of the year. The company believes that freight tariffs will recover during the second half of 2018, but uncertainty remains over whether that will be sufficient to offset the increase in oil costs. Moreover, the market is continuing to balance, decreasing the supply and creating a healthier balance for industry. Hapag Lloyd is still well positioned and we believe that the market tends to extrapolate the most recent results.

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##### — Informa

Informa is one of our largest positions in the portfolio, and is one of the companies that has contributed the most to performance this quarter. The purchase in June of UBM, one of its main competitors, was very well received by the market, causing the company's share price to close at historical highs. That allowed us to pocket some of the gains. Over the three years that we have held this position in the portfolio, the company has generated a return of more than 60%. We still maintain a significant position in the company, given that we still believe in the company's capacity to generate value – the synergies that the market is expecting as a result of its latest operation amount to GBP 60 million, but we estimate that figure to be closer to €100 million. Following this operation, Informa has become a very attractive company for many investors.

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#### ■ Exits from the portfolio

##### — Intesa Sanpaolo y Unicredit

This quarter, we have significantly reduced the international portfolio's exposure to banks, given that, although we still have a positive view of the financial sector, we wanted to rotate the portfolios to hold onto those positions in which we have particular conviction over the long term, such as the case of Standard Charter and ING. The increase in our exposure to the financial sector was substantial in the summer of 2016, when we faced a mismatch in the valuations of the banks with respect to their historical average, and we decided to build a considerable, although not dominant, position in the sector. From that position, we have obtained great gains, but we consider that now is the time to be more selective. Moreover, in light of the increase in the political risk in Italy, and following the strong performance of the companies, the margin of safety has narrowed, allowing us to make a good exit.

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## 2. Iberian portfolio

### SECTORAL DISTRIBUTION

Consumer	15,8%
IBERSOL	4,8%
VISCOFAN	4,4%
JERONIMO MARTINS	2,6%

Financial	20,3%
UNICAJA BANCO	5,7%
CAIXABANK	3,0%
CORPORACION FINANCIERA ALBA	2,8%

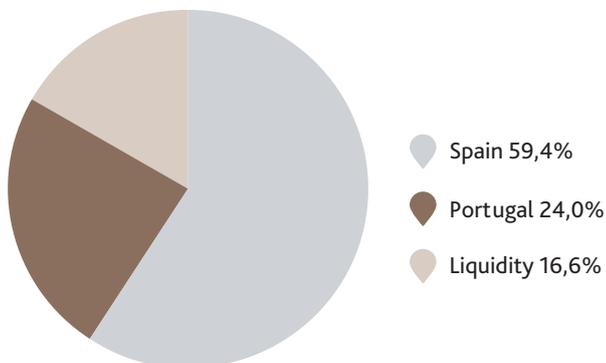
Industrial	39,3%
SEMAPA	8,5%
ELECNOR	5,1%
GALP	4,6%

Communication & Technology	8,0%
EUSKALTEL	4,1%
NOS	2,1%
INDRA SISTEMAS	1,9%

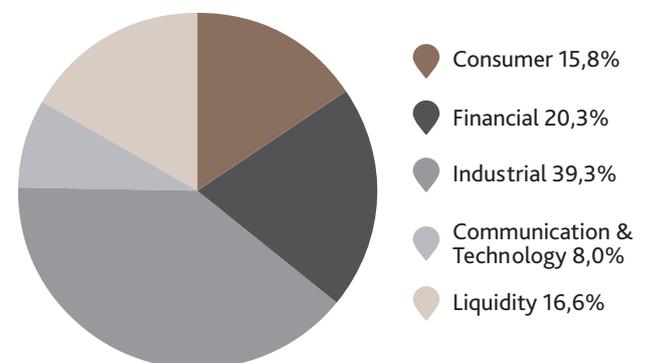
Liquidity: 16,6%

### DISTRIBUTION OF THE PORTFOLIO

#### Geographical distribution



#### Sectoral distribution



Date: 30/06/2018. Source: Bestinver

### MAIN MOVEMENTS IN THE PORTFOLIO

#### ■ Additions to the portfolio

##### — TECNICAS REUNIDAS

We added Técnicas Reunidas to the portfolio during the second quarter. The Spanish company specialises in engineering and design, and the construction of infrastructure for the refinery, petrochemical and energy generation sector. Most of its clients, which are vertically integrated in extraction and production, have major investment plans to integrate the sales component into their production chains and capture more value add. Nevertheless, the fall in crude oil prices has placed the investment budgets of these clients under pressure, penalising TR's income. In this context, the company has seen two order cancellations in 2017, which have significantly affected its margin, and it is faced with the impossibility of diluting fixed costs. With the recovery in oil prices, we think that the investment plans in the industry will be reactivated and we believe that this will be very positive for Técnicas Reunidas. Moreover, competitive pressure is expected to decrease due to a higher level of activity in the sector and improvements in payment terms, all of which will contribute positively to the company's cash generation capability. In addition, new regulations in the maritime sector intended to reduce the emissions of vessels from 2020 onwards are going to require major investments to upgrade existing refineries. Técnicas Reunidas has a great reputation in the sector as the leader in its business niches, with a flexible and minimal capital-intensive business model. We think that at this price, it offers a very attractive potential.

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#### ■ Increases in positions

##### — VISCOFAN

We decided to increase our position in the company after learning about its new investment plan in the fibrous and cellulose segments. We believe that the company is better prepared today to continue with its sustainable profitable growth project in the artificial wrapping sector.

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##### — JERONIMO MARTINS

We increased our position in the Portuguese food distribution company, the market leader in the wholesale and retail segments. JM's share price suffered a fall as a result of losses in Colombia. Nevertheless, we saw this correction as an opportunity to increase our position given that we believe that the business is well managed and generates good returns on capital and that it still has an attractive valuation with normalised earnings.

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#### ■ Reductions in positions

##### — SIEMENS GAMESA RENEWABLE ENERGY

We decided to decrease our position in Siemens Gamesa following the strong performance of the company. We used to hold a significant position in the Iberian portfolio and we have collected some of the gains, but we are holding onto some of our exposure since we still have confidence in the performance of the stock.

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## MAIN MOVEMENTS IN THE PORTFOLIO

### ■ Exits from the portfolio

#### — ALTRI SGPS

We exited this position because the good performance of the stock reduced the margin of safety.

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#### — CIE AUTOMOTIVE

We exited this position because the good performance of the stock reduced the margin of safety.

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#### — LAR Spain REAL ESTATE

We exited this position because the good performance of the stock reduced the margin of safety.

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# Investment funds



Bestinver Barcelona

# 1. Equities

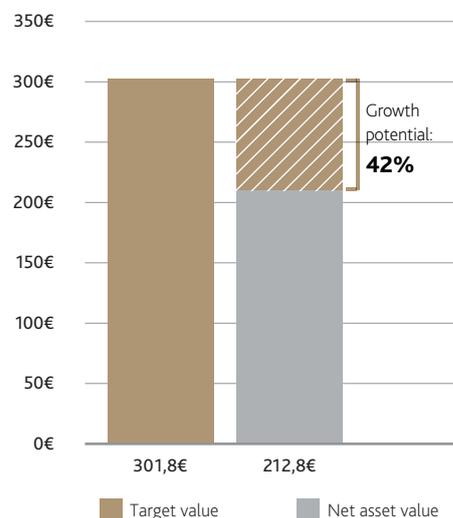
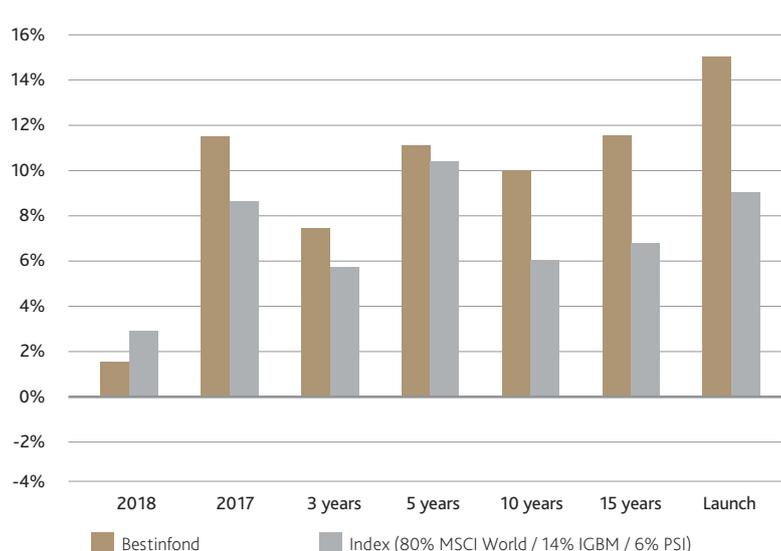
## BESTINFOND

Reflects all of our investment ideas. Combines our international strategy (85%) with our Iberian strategy (15%).

Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinfond	1,55%	11,59%	7,40%	11,09%	10,04%	11,54%	15,00%
Index (80% MSCI World / 14% IGBM / 6% PSI)	2,96%	8,63%	5,70%	10,41%	6,01%	6,87%	8,95%

Annualised returns

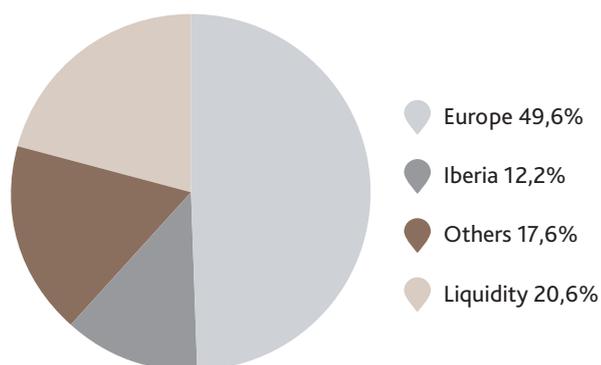


Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 13/01/1993. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns.

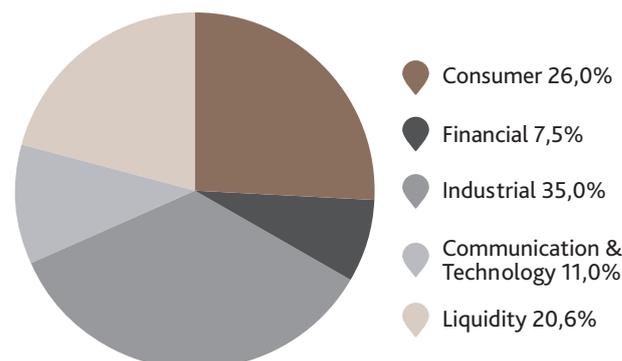
Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

# Investment funds

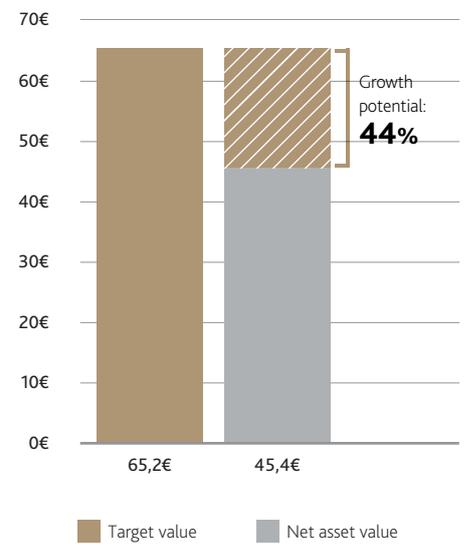
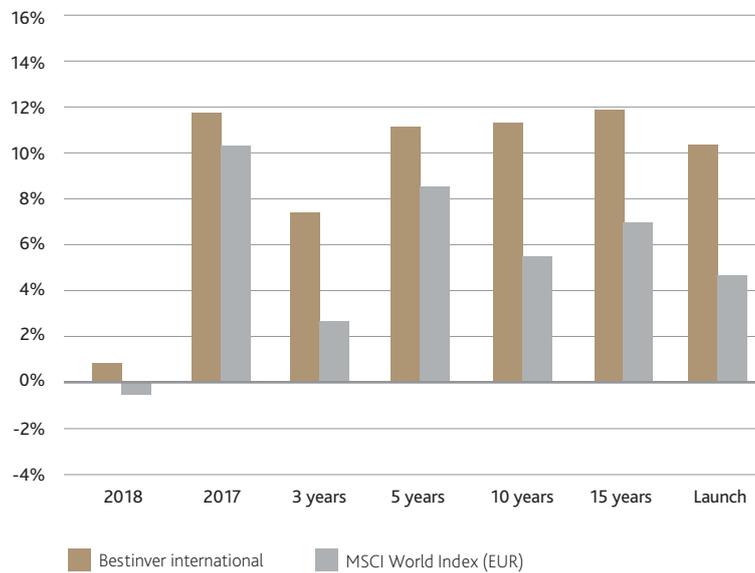
## BESTINVER INTERNATIONAL

Invests in a global way, although it mainly focuses on listed companies in Europe, excluding Spain and Portugal.

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinver international	0,86%	11,74%	7,34%	11,10%	11,29%	11,88%	10,31%
MSCI World Index (EUR)	-0,48%	10,24%	2,61%	8,51%	5,47%	6,95%	4,67%

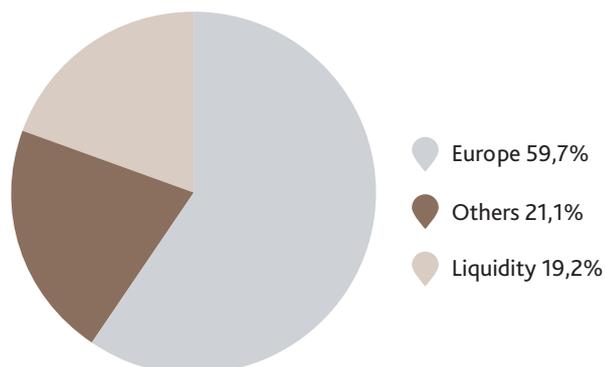
### Annualised returns



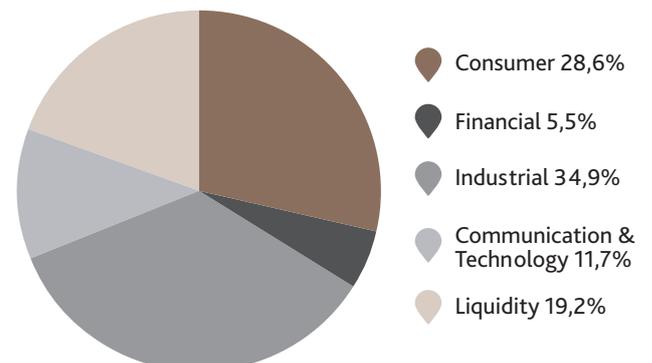
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 31/12/1997. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

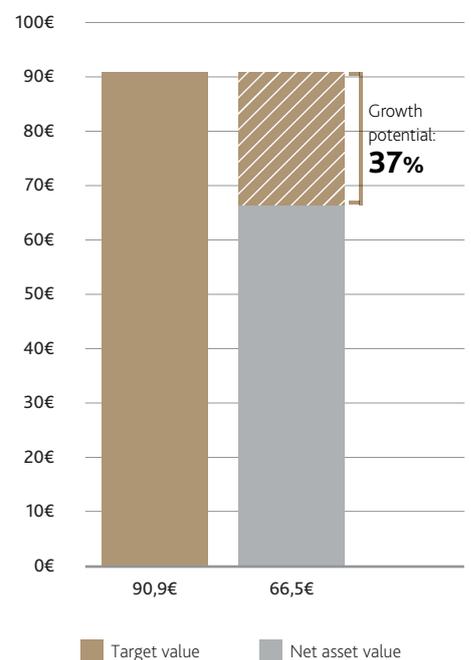
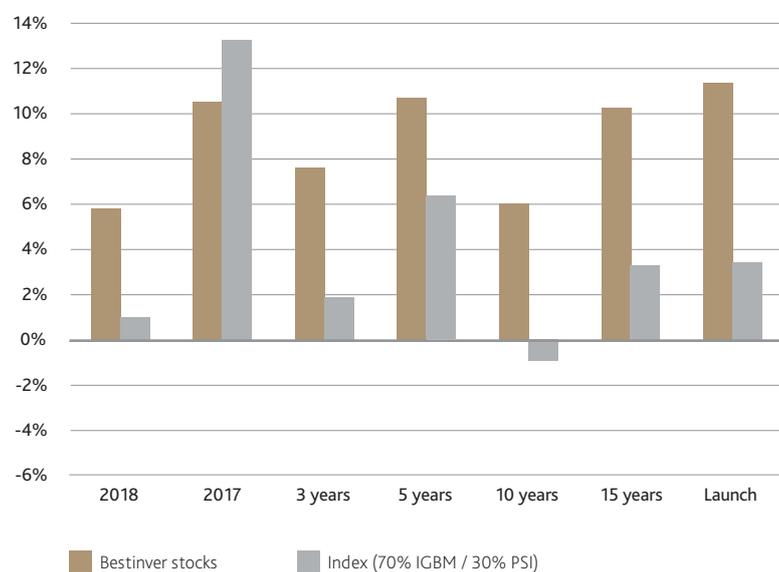
## BESTINVER STOCKS

Invests in listed companies in Spain and Portugal.

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinver stock	5,80%	10,37%	7,59%	10,70%	6,08%	10,23%	11,36%
Index (70% IGBM / 30% PSI)	0,98%	13,12%	1,90%	6,37%	-0,94%	3,28%	3,43%

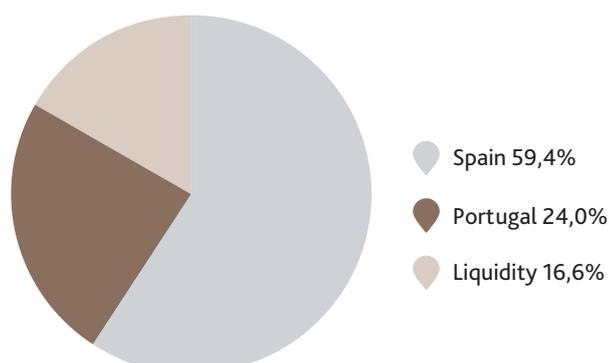
### Annualised returns



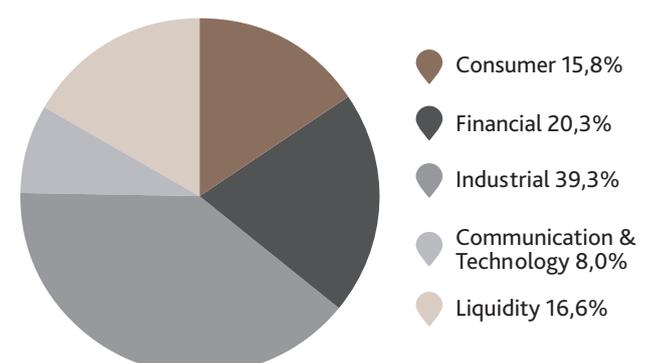
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 01/12/1997. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

# Investment funds

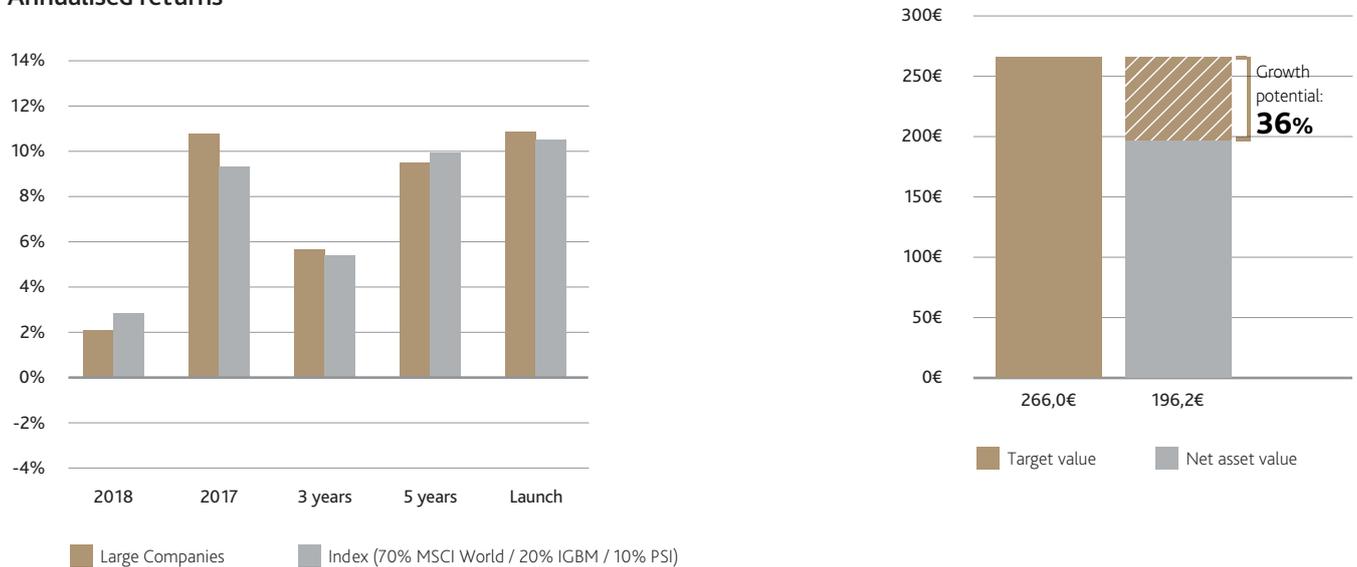
## BESTINVER LARGE COMPANIES

Focuses on our selection of large companies. Reflects all of our investment ideas.

### Table of annualised returns

	2018	2017	3 years	5 years	Launch
Bestinver Large Companies	2,08%	10,85%	5,68%	9,48%	10,87%
Index (70% MSCI World / 20% IGBM / 10% PSI)	2,85%	9,30%	5,37%	9,94%	10,48%

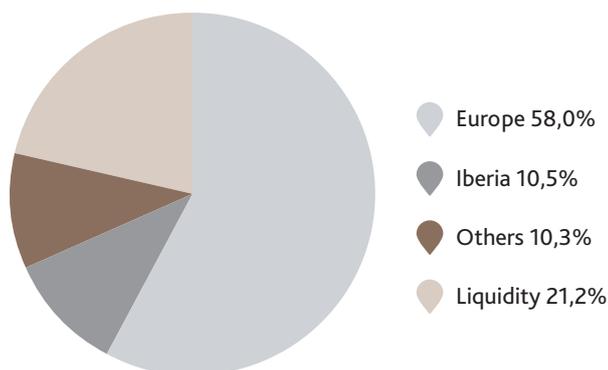
### Annualised returns



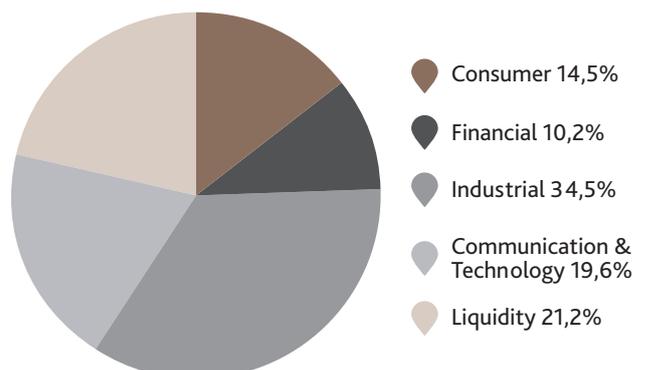
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 19/12/2011. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

## 2. Mixed and fixed income

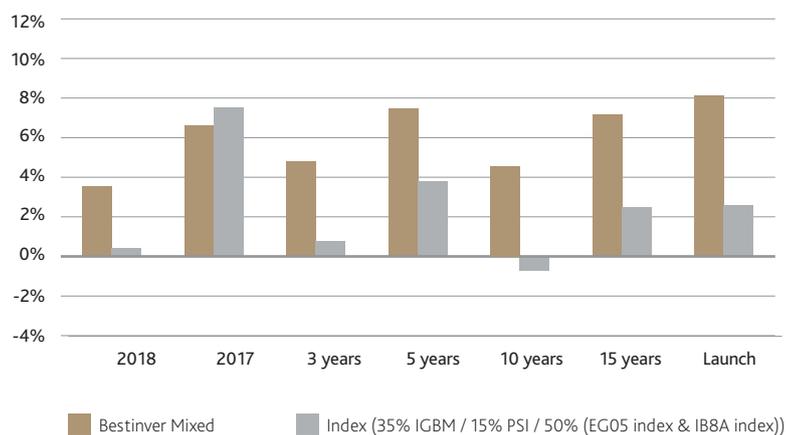
### BESTINVER MIXED

Combines Iberian equities with fixed income. The portfolio invests up to 75% in Iberian equities and the remainder in FIXED INCOME.

Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinver Mixed	3,57%	6,61%	4,80%	7,44%	4,58%	7,18%	8,16%
Index (35% IGBM / 15% PSI / 50% (EG05 index & IB8A index))	0,40%	7,46%	0,76%	3,80%	-0,68%	2,48%	2,71%

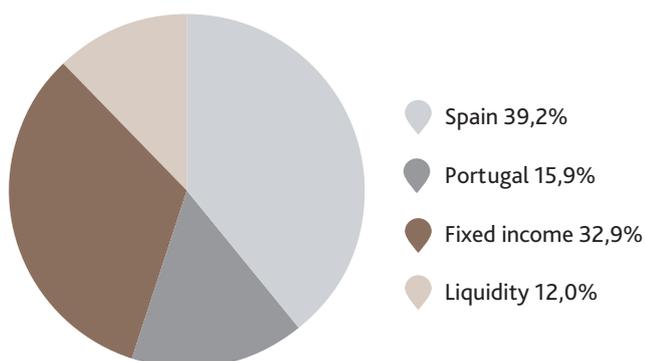
Annualised returns



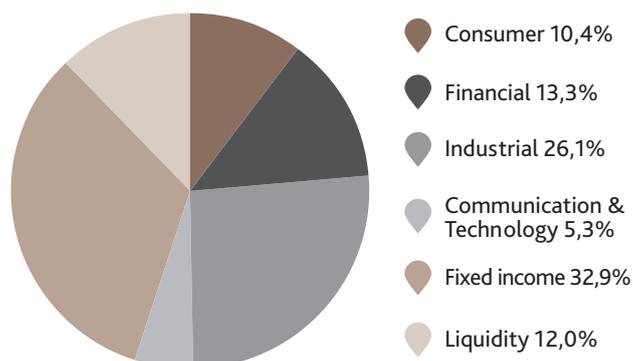
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 29/06/1997. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

### DISTRIBUTION OF THE PORTFOLIO

#### Geographical distribution



#### Sectoral distribution



30/06/2018. Source: Bestinver

# Investment funds

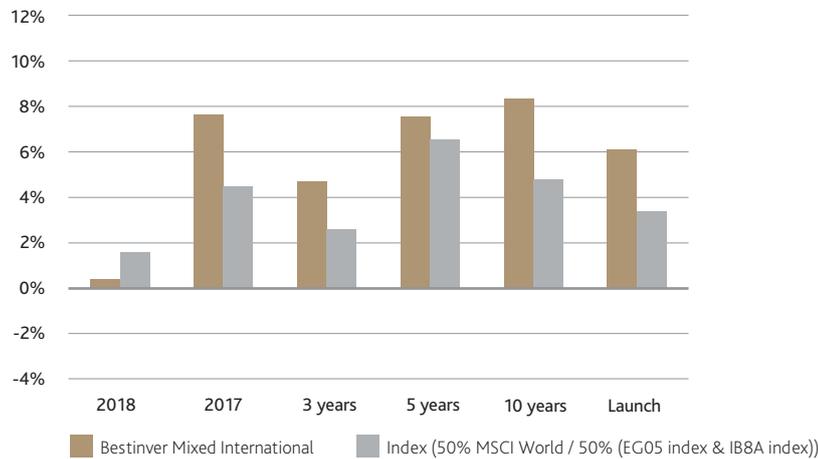
## BESTINVER MIXED INTERNATIONAL

Combines international equities with fixed income. The portfolio invests up to 75% in international equities and the remainder in fixed income.

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	Launch
Bestinver Mixed International	0,38%	7,67%	4,68%	7,54%	8,40%	6,16%
Index (50% MSCI World / 50% (EG05 index & IB8A index))	1,60%	4,56%	2,59%	6,53%	4,79%	3,39%

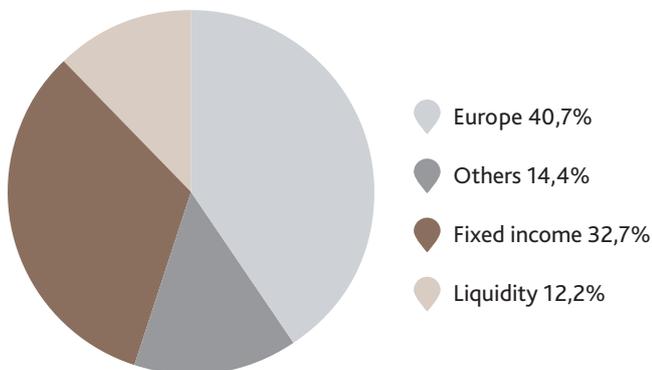
### Annualised returns



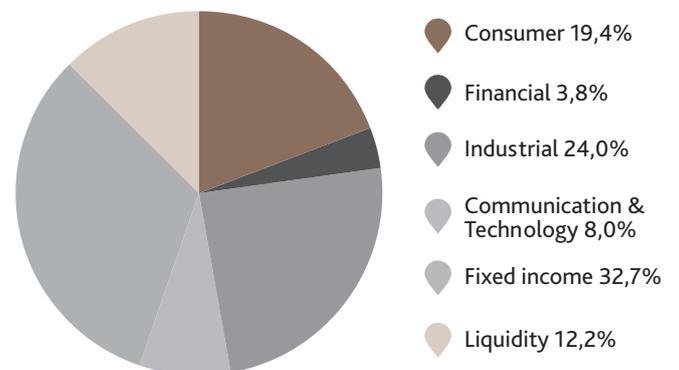
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 24/07/2016. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

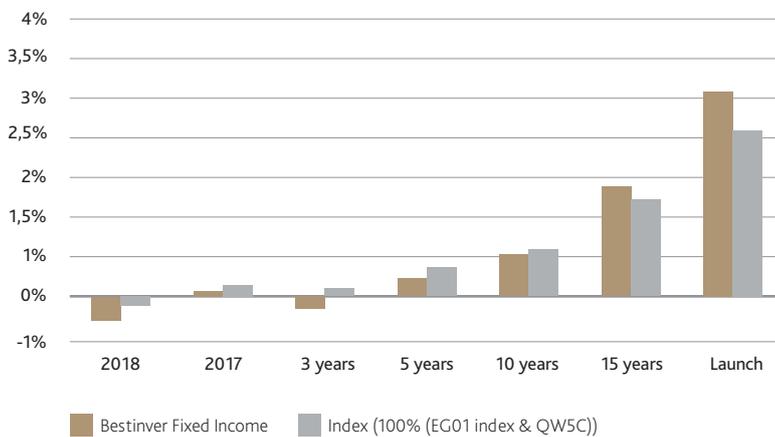
## BESTINVER FIXED INCOME

Invests in short term Euro fixed income.

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinver Fixed Income	-0,51%	0,04%	-0,26%	0,42%	1,01%	1,89%	3,07%
Index (100% (EG01 index & QW5C))	-0,18%	0,11%	0,19%	0,82%	1,08%	1,71%	2,59%

### Annualised returns



Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 30/10/1995.  
 Past performance is not a guarantee of future returns.  
 Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

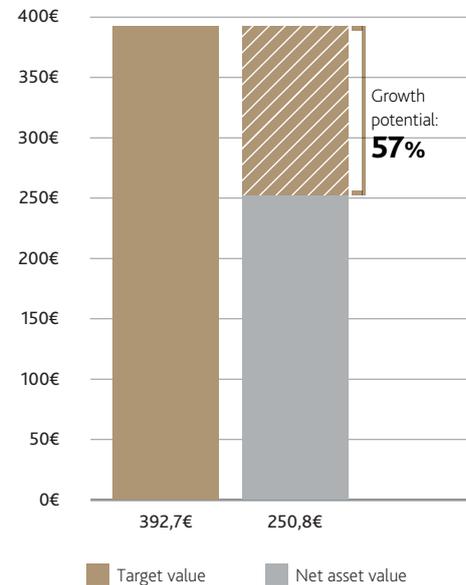
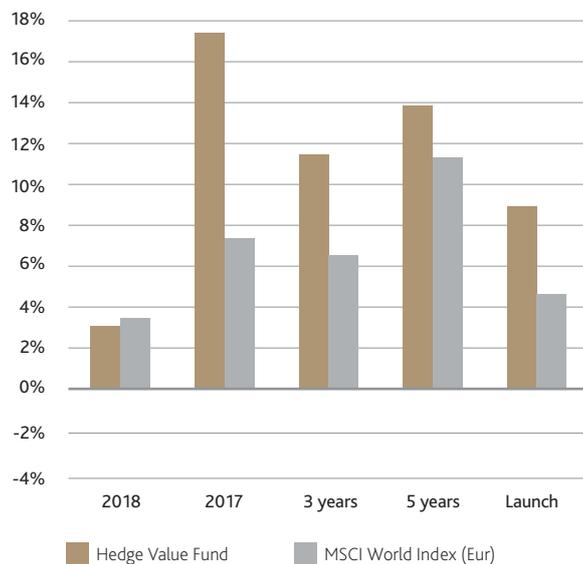
### 3. FIL Investment funds: Hedge Value Fund

The FIL Investment Fund invests in a portfolio without concentration restrictions and with a restricted liquidity profile.

Table of annualised returns

	2018	2017	3 years	5 years	Launch
Hedge Value Fund	3,03%	17,49%	11,41%	13,88%	8,93%
MSCI World Index (Eur)	3,40%	7,38%	6,51%	11,29%	4,70%

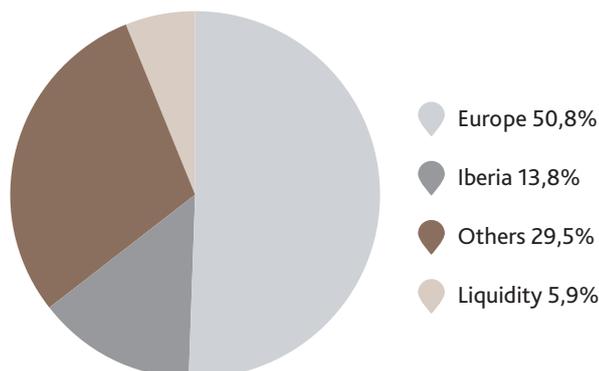
Annualised returns



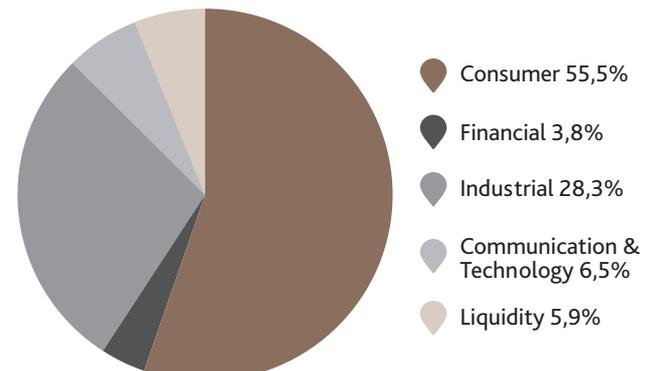
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 31/12/2007. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

#### DISTRIBUTION OF THE PORTFOLIO

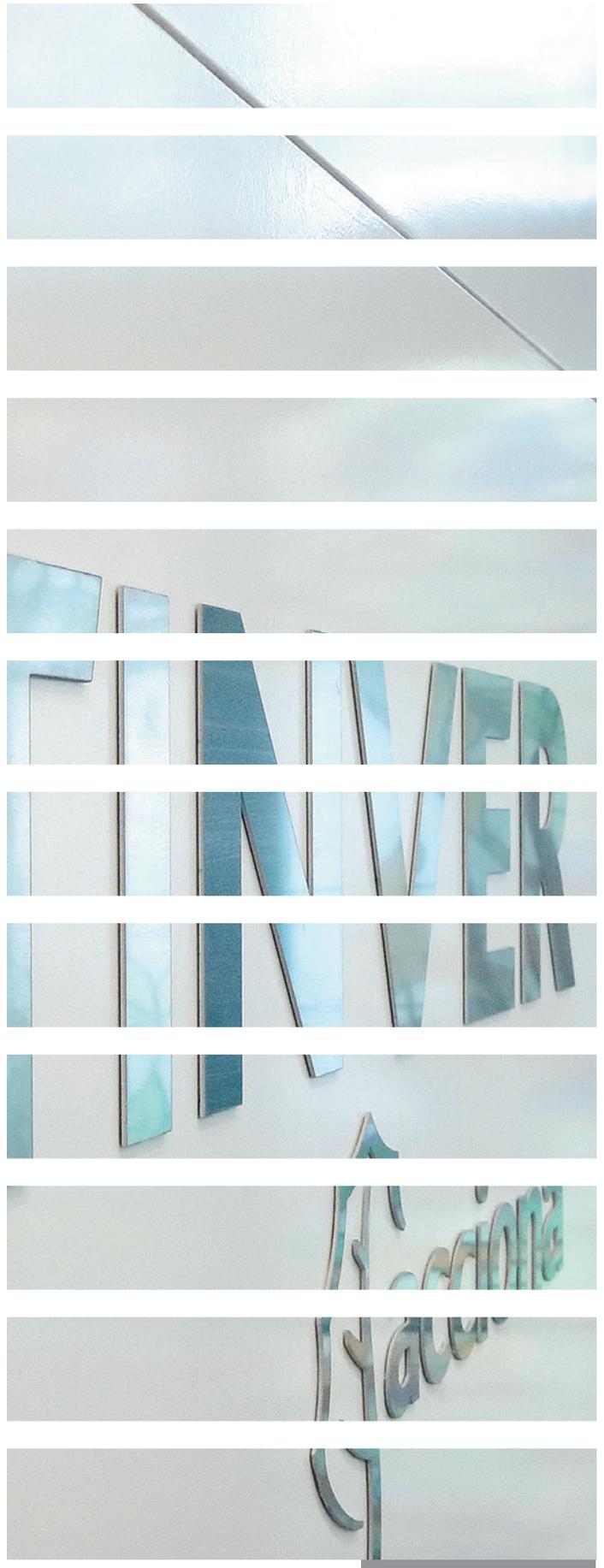
##### Geographical distribution



##### Sectoral distribution



30/06/2018. Source: Bestinver



# Pension funds

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Bestinver León

# 1. Equities

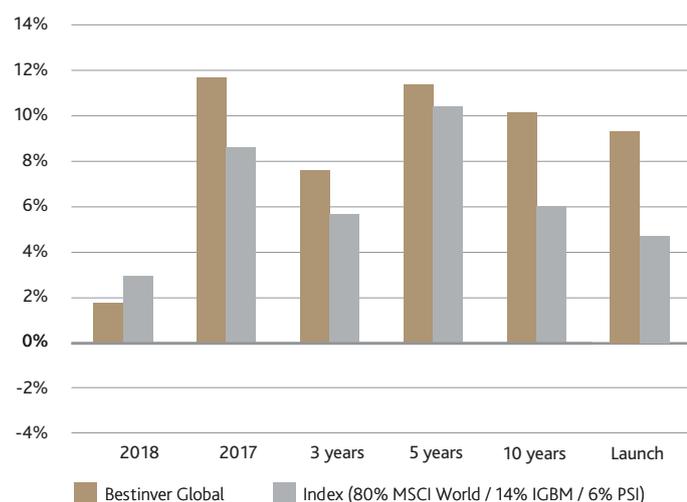
## BESTINVER GLOBAL

Invests in international equities (85%) and Iberian stocks (15%).

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	Launch
Bestinver Global	1,69%	11,66%	7,59%	11,38%	10,09%	9,28%
Index (80% MSCI World / 14% IGBM / 6% PSI)	2,96%	8,63%	5,70%	10,41%	6,01%	4,72%

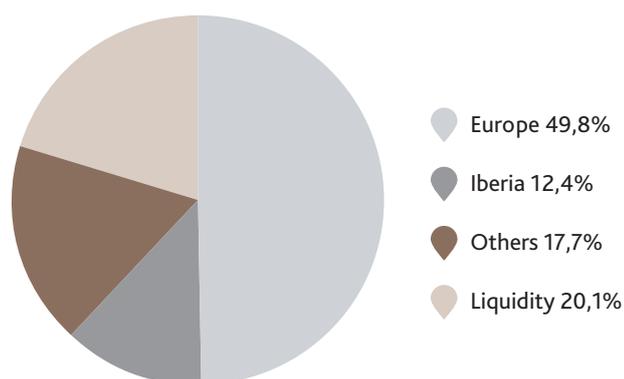
### Annualised returns



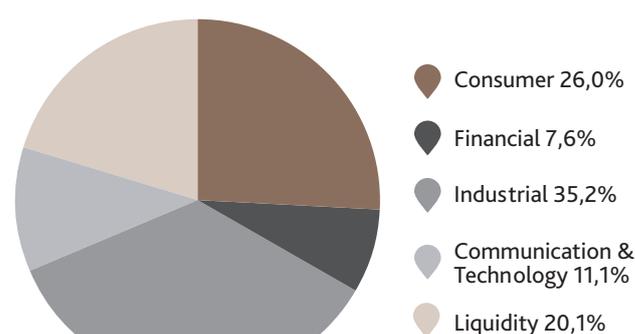
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 31/12/2004. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

## 2. Mixed and fixed income

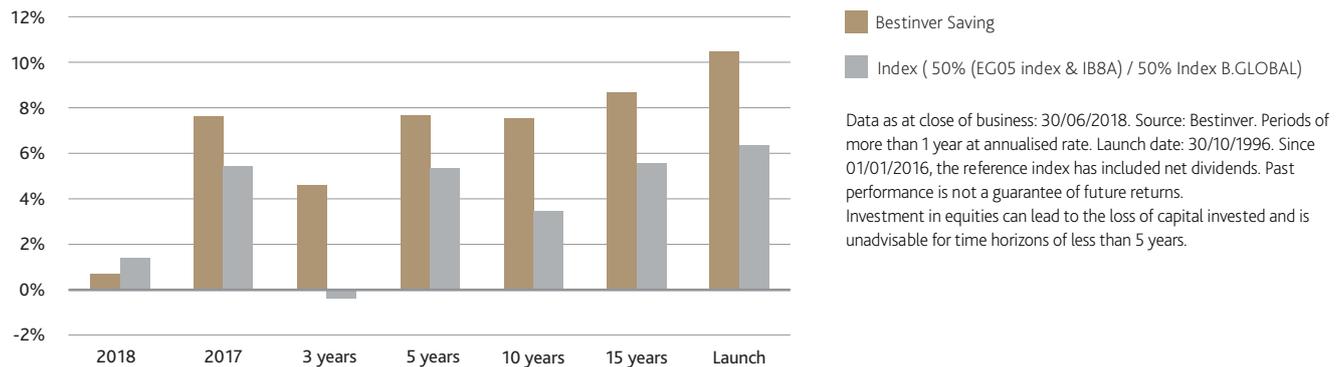
### BESTINVER SAVING

Invests up to 75% in equities and the remainder in fixed income.

#### Table of annualised returns

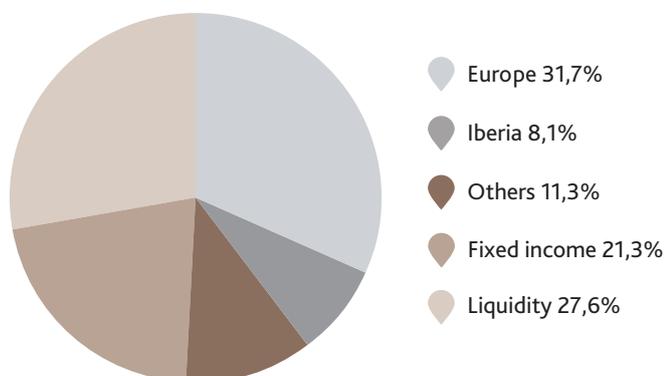
	2018	2017	3 years	5 years	10 years	15 years	Launch
Bestinver Saving	0,71%	7,48%	4,54%	7,65%	7,50%	8,68%	10,43%
Index ( 50% (EG05 index & IB8A) / 50% Index B.GLOBAL)	1,14%	5,61%	-0,37%	5,34%	3,46%	5,53%	6,31%

#### Annualised returns

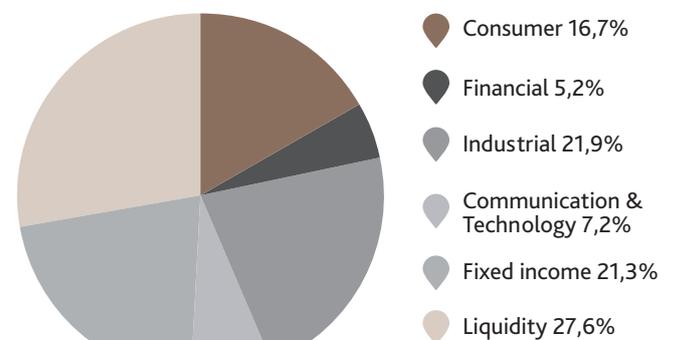


#### DISTRIBUTION OF THE PORTFOLIO

##### Geographical distribution



##### Sectoral distribution



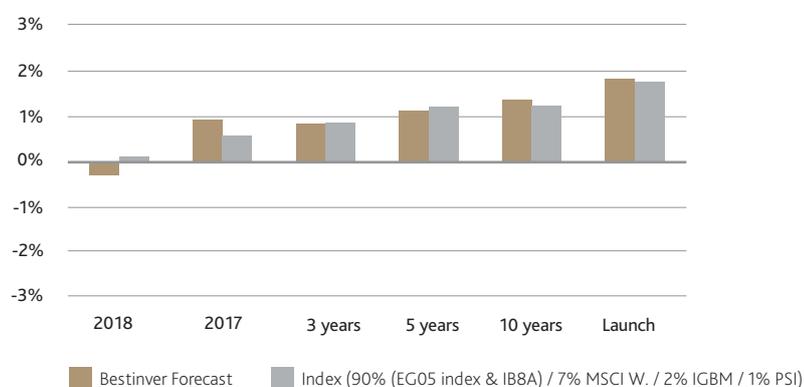
## BESTINVER FORECAST

Invests mainly in fixed income, with a maximum investment in equities of 10%.

### Table of annualised returns

	2018	2017	3 years	5 years	10 years	Launch
Bestinver Forecast	-0,29%	0,95%	0,82%	1,11%	1,37%	1,84%
Index (90% (EG05 index & IB8A) / 7% MSCI W. / 2% IGBM / 1% PSI)	0,04%	0,54%	0,86%	1,20%	1,23%	1,77%

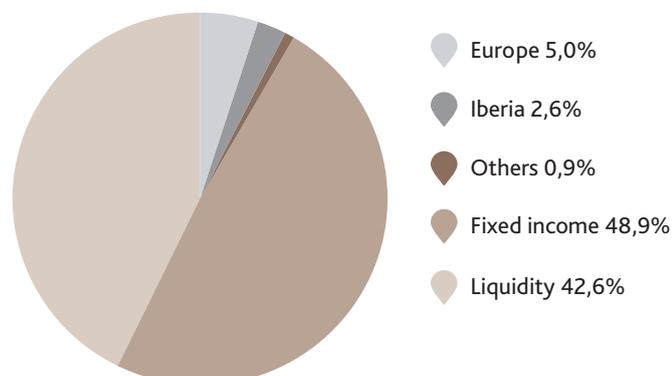
### Annualised returns



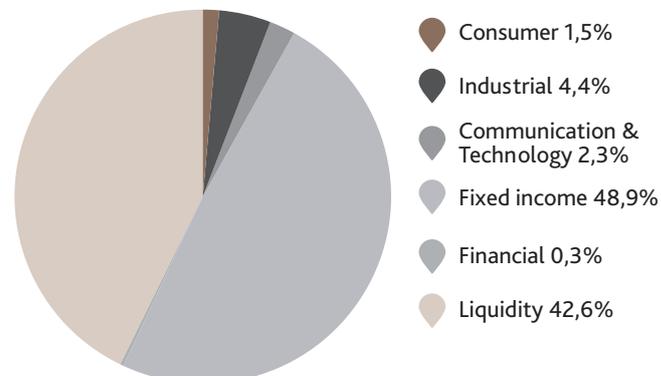
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 31/12/2004. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

# EPSV (Voluntary Social Welfare Entities)

Only for investors who are tax resident in the País Vasco

Bestinver Bilbao

# 1. Equities

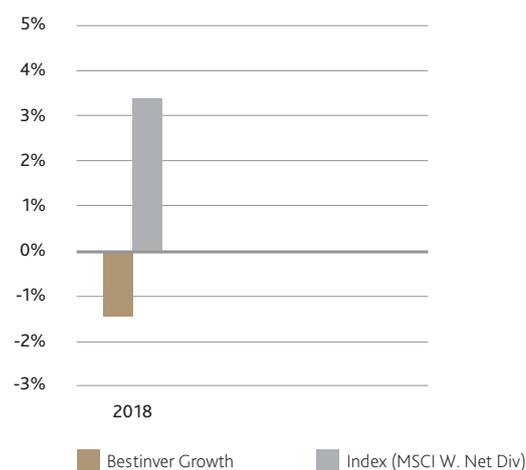
## BESTINVER GROWTH

Invests up to 100% in global equities.

### Table of annualised returns

	2018
Bestinver Growth	-1,43%
Index (MSCI W. Net Div)	3,40%

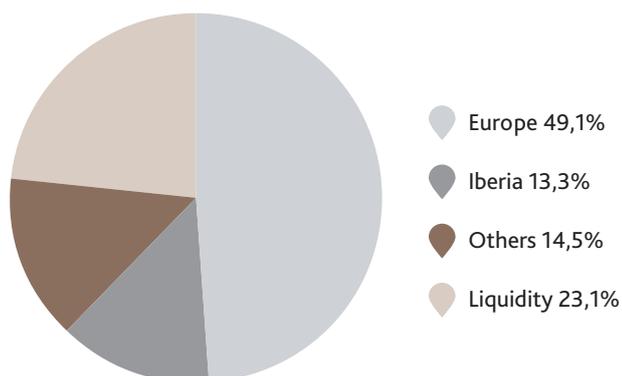
### Annualised returns



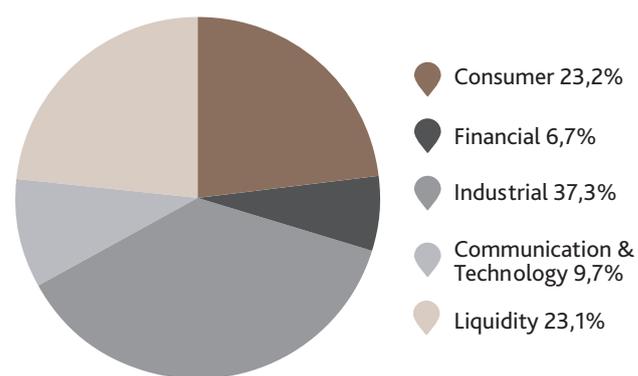
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## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver

## 2. Mixed and fixed income

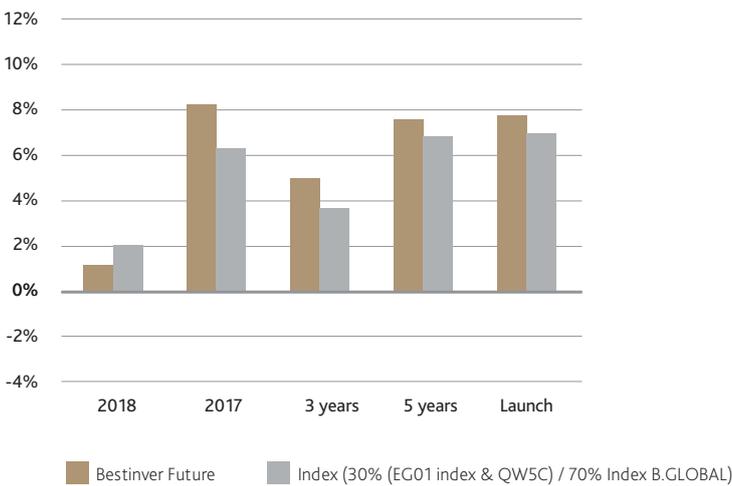
### BESTINVER FUTURE

Invests up to 75% in equities and the remainder in fixed income.

#### Table of annualised returns

	2018	2017	3 years	5 years	Launch
Bestinver Future	1,13%	8,17%	4,98%	7,59%	7,73%
Index (30% (EG01 index & QW5C) / 70% Index B.GLOBAL)	2,01%	6,26%	3,68%	6,84%	6,98%

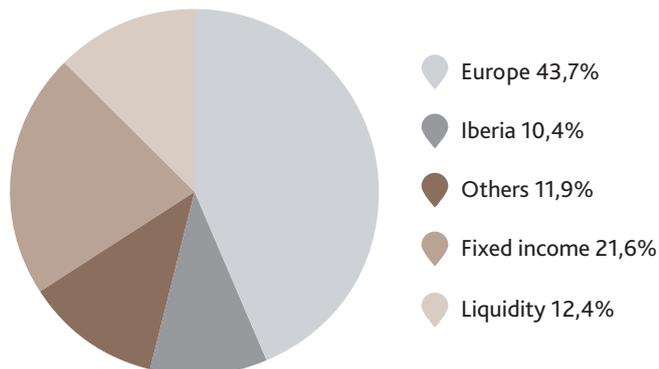
#### Annualised returns



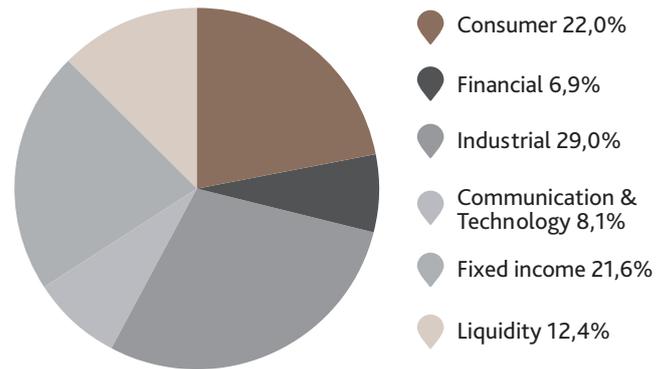
Data as at close of business: 30/06/2018. Source: Bestinver. Periods of more than 1 year at annualised rate. Launch date: 28/12/2011. Since 01/01/2016, the reference index has included net dividends. Past performance is not a guarantee of future returns. Investment in equities can lead to the loss of capital invested and is unadvisable for time horizons of less than 5 years.

### DISTRIBUTION OF THE PORTFOLIO

#### Geographical distribution



#### Sectoral distribution



30/06/2018. Source: Bestinver

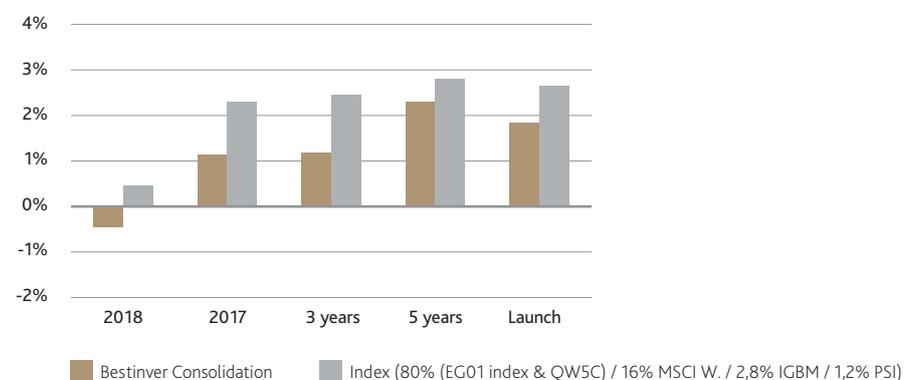
## BESTINVER CONSOLIDATION

Invests up to 25% in equities and the remainder in fixed income.

### Table of annualised returns

	2018	2017	3 years	5 years	Launch
Bestinver Consolidation	-0,45%	1,08%	1,19%	2,30%	1,82%
Index (80% (EG01 index & QW5C) / 16% MSCI W. / 2,8% IGBM / 1,2% PSI)	0,47%	2,26%	2,43%	2,80%	2,65%

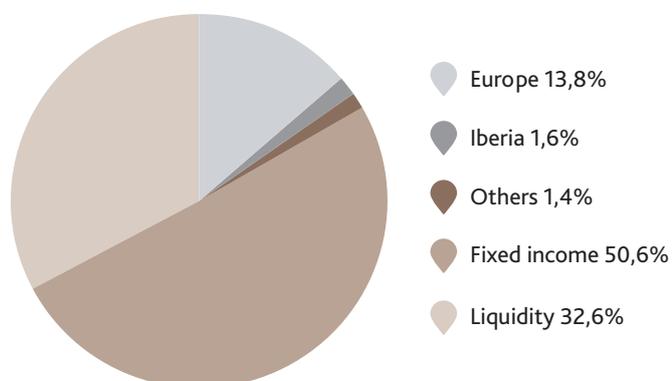
### Annualised returns



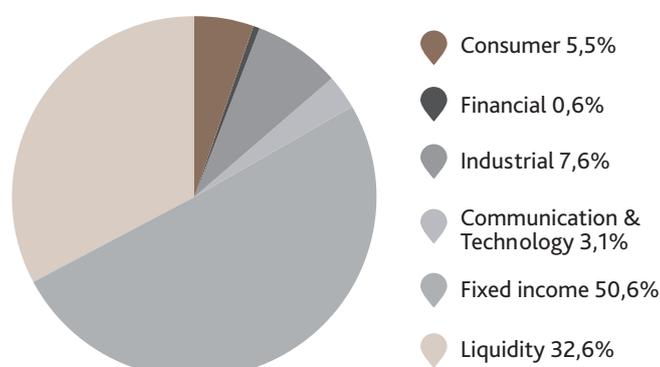
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## DISTRIBUTION OF THE PORTFOLIO

### Geographical distribution



### Sectoral distribution



30/06/2018. Source: Bestinver





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planta 1  
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