

KEYS TO SPAIN'S BEST FUND MANAGEMENT COMPANY IN THE PAST THREE YEARS:

"Our recipe is to dedicate 95% of our time to analysing companies"

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In the past three years, Bestinver has been the best equity fund manager and looks set to end this year on the same note. What is the key to this success? Our recipe is to dedicate 95% of our time to analysing companies and to maintaining iron discipline, buying exclusively when there is a sharp price discount to the estimated target price.

Bestinver does not have a distribution network. How is it possible to achieve €106.3 million in subscriptions since the start of this year, the highest level in the industry in 2003? We cannot deny that in these last three years our assets and the number of investors have grown noticeably, having recorded three consecutive years of growth while the IGBM (Madrid Stock Exchange Index) has lost ground three years in a row. Nonetheless, we have been sowing for ten years when we formed our first Spanish equity fund "Bestifond" in 1993. In fact, since its formation to 30 November this year, this fund has had a total return of 667.68% compared to 249.17% for the IGBM.

Has the new tax environment helped in these results? Without a doubt, since January 2003 many clients have been able to and have decided to invest with us. Not only those who were invested in equities, but most of all those investors who had their money invested in FIAMMs.

What investment policy does the Bestinver Bolsa fund follow? And what fees does it charge? Fees: 1.35% of annual assets, 0.05% deposit, and 3% for redemptions/transfers in the first year. Our strategy is always the same: take positions in undervalued companies priced at a big discount to their economic value. Normally, companies that fit this criterion have one or more of the following characteristics: a price that implies low ratios (P/E, EV/sales, ...), a solid financial position, high-value intangible assets, good management, etc. We believe that investing in this type of company is the best way to achieve the highest returns in the long term, which is our objective.

How many unit holders does the fund have? 3,202

How many new since the start of this year? In 2003, the number has increased by 141.48%.

What Spanish sectors are the most attractive right now? Our investment policy does not distinguish among markets, sectors or countries, we only focus on the difference between value and price, and the quality/credibility of the management team and the business.

How will the IBEX perform next year? What type of stocks are you betting on? We do not dedicate much time to predicting markets nor to forecasting what the stock market will do. We take positions in undervalued stocks such as C.Mapfre, Iberdrola, Repsol, and Aldeasa.