Keys At Bestinver: "Fundamental analysis and long-term investment"
Source: *CincoDías* 1/3/2001

How are the award-winning funds managed?

The stock-picking that shapes the assets of the Grupo Bestinver Investment Funds is based on fundamental analysis, with a long-term investment horizon. This horizon allows us to close the gap that originates in the short term between the real value of an equity and its stock market price.

This investment policy has allowed us to achieve very high levels of total return. As a result, since their formation in 1993 to today, our Spanish equity investment funds have a total return of 380.91%, by far outperforming the IGBM (Madrid Stock Exchange General Index) which gained 271.97% in the same period.

In the years 1998, 1999 and 2000, Bestinver opted not to include blue chips and TMTs in its portfolios since, according to our analyses, these companies were highly overvalued in the majority of cases. This investment philosophy, in a market where investor euphoria pumped the stock market to unsustainable levels, left the funds with negative returns in 1999. However, when the bubble deflated in March 2000, the logic of the fundamentals once again put Bestinver at very high levels of return.

YEAR	BESTINVER	IGBM
1993(*)	43.91%	46.67%
1994	5.28%	-11.70%
1995	10.33%	12.30%
1996	41.01%	38.96%
1997	41.02%	42.22%
1998	30.00%	37.19%
1999	-10.90%	16.22%
2000	13.03%	-12.68%
22/03/01	**10.51%**	**- 7.06%**
TOTAL RETURN	**380.91%**	**271.97%**

We have to point out that, in addition to the excellent historical returns, our funds have the lowest volatility ratios in the market. As a result, their risk/return profile is better than the market.

Strategies for 2001 and market forecasts:

We maintain the same philosophy as always, based on discrepancies between the value of companies and their stock market price.

We are overweight in insurance companies: Mapfre and Catalana Occidente, in distribution: Aldeasa, Cortefiel and Adolfo Domínguez, and in other mid-cap companies: CAF, etc.

For 2001, we are still very negative on the indices, since the blue chip stocks still seem very overvalued to us. For example, our valuation for Telefónica is no more than €10-12.