

## Bestinver sees 150% further potential upside

By [Jesús Segarra Sobral](#) | 18 November 2009

Bestinver's flagship fund [Bestinver International](#) run by [Francisco García Paramés](#) (pictured above) may have upside potential of 150%, the highly-rated Madrid-based boutique said in its latest quarterly letter to investors.

Bestinver International enjoyed an 83.46% rally since the market bottom in March. According to Bestinver's star managers the first symptoms of recovery in Europe are visible in figures such as the 3% growth of France and Germany. This contrasts with the shrinking of those countries affected by a real estate bubble, such as Spain and the UK.

While the situation in the US is also improving; Bestinver singles out China as one of the major contributors to the recovery of both the economy and its [Bestinver Internacional, FI](#) fund.

'When the markets were at historic lows and our funds were dragged down by forced sales and pessimism, we suffered from additional devaluation as the market underpriced our companies even further. However, the recent correction has proved our stock picking strategy was right and that in the long term the market finally reflects the fair price of our companies.

'For the third quarter we are focusing more than usual on quality companies. What do we mean by quality companies? Those that enjoy strong and sustainable competitive advantage, give above average returns to investors, are market leaders and have a proven track-record at creating value. Such companies give a better long-term return and do it especially well during bear markets.

[Paramés](#) is the most consistently Spanish Citywire-rated manager, and one of Europe's highest-profile value investors. He has run the [Bestinver International](#) fund since inception in November 1997. The €683 million fund has lost 12.9% during the last three years until the end of October while its benchmark the FTSE World TR has lost -24.5%.

[Alvaro de Guzmán de Lázaro](#) and [Fernando Bernard Barrase](#) share the management of the Bestinver fund range. They joined Bestinver in February 2007 and April 2003 respectively.