

Bestinver's Paramés anticipates recovery

By [Jesús Segarra Sobral](#)

Cotizalia has interviewed Francisco García Paramés about the state of the markets and the reasons behind the 40% losses seen by his funds.

The Spanish fund manager explains that 2008 was a bad year for value investors but he sees similarities with the aftermath of the technology bubble. Back in 1999 his portfolios lost 10% while the markets were up 11%, but after the market correction Paramés outperformed strongly for a number of years.

The value specialist tells Cotizalia that he forecasted the current property bubble, but it has not helped him to avoid the downturn because the liquidity issue was such that defensive stocks were hurt as much as non-defensive.

On a stock level he believes that cheap valuations and sound fundamentals remain and it is only a matter of time until their value is unleashed. Meanwhile, he thinks that the US has already seen the worst of its economic crisis.

Paramés' Bestinver Bolsa has returned 138% compared to a rise of 38% of the MSCI Spain TR. His Bestinver International fund has posted a 73% return since inception in November 1999 while the FTSE World TR index has risen 10%.