

These are the Spanish Buffetts

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"World-famous, global investment firm seeks a young man or woman able to manage and run its large portfolio. Wanted, someone with investment in their genes, able to avoid major risks, emotionally stable, understanding, with an independent mind and a blend of interpersonal and institutional skills". This is the kind of person **Warren Buffett**, the 'Oracle of Omaha' and head of the legendary Berkshire Hathaway fund, is looking for to replace him at the helm of a product which manages €63 billion. Bets are already on in the US as to who might take over from the world's second richest man according to Forbes. Leading the pack are **Bruce Sherman**, of Private Capital Management; **Wally Weitz**, manager of the funds that carry his name and considered 'the other Oracle of Omaha'; and **Ahmet Okumus**, manager of the Okumus Capital hedge fund.



And why not a Spaniard? Is there anyone in Spain sufficiently prepared to take over the throne of worldwide investing? At *El Confidencial* we consulted 12 different fund managers and investment firms – large ones, medium-sized ones, small ones, Spanish ones, foreign ones, independent ones and those belonging to groups – and we came up with a set of names which, according to their peers, fit this profile. There was no short list and each company could vote for up to three people.

Paramés, the most obvious successor



The winner, by a landslide and with 50% of the votes, is **Francisco García Paramés**, Bestinver's star fund manager and also a legend in the Spanish and Portuguese market. He is in fact known unanimously as having introduced value investing – the philosophy followed by Warren Buffett- to Spain 19 years ago. This philosophy, invented by **Benjamin Graham** in his classic book *Security Analysis*, involves investing in companies with strong fundamentals and which are trading below their real value (hence value investing). Returns from this investment strategy underperform the market when events like the tech bubble occur (when everything is very expensive), but, on the other hand, it brings more stable results and strong returns when the market is weak, but only if this is done properly, of course.

Over the past 19 years, Paramés and his partner **Álvaro Guzmán de Lázaro** (voted for by 20% of the fund managers) have obtained a constant return which has beaten the market in the long-term: in the past 10 years, Bestinver –the oldest mutual fund and the one with the most assets- has had an annualised return of 21.2% (26.7% in 2006). This has made Bestinver the 12th highest ranked fund manager in Spain, ahead of Morgan Stanley, with €3.86 billion assets under management. According to one fund manager "in Spain everyone has jumped onto the value investing bandwagon but at the beginning it was difficult to introduce a long-term strategy". However, as another company remarked, "it is one thing managing small, regional funds and quite another dealing with a monster like Buffett".

Viladot, Grau and Rodríguez Sahagún

One of the surprises from the survey with 30% of the votes is **Jordi Viladot**, the “one man band” at the small Catalan fund manager, Gesiuris, which was [the most profitable sicavs firm in 2006](#). With Viladot in charge of everything from managing the fund, analysing, trading, prospecting clients, marketing and dealing with the CNMV...-, this firm has AuM of over €400 million, largely institutional ones. The Spanish equities fund managed for Catalana Occidente obtained 35.7% in 2006 and an annualised return of 23.3% for the past three years, according to Morningstar. Colleagues highlight his strategy based on fundamentals plus excellent results which remain stable over time. “He is passionate about the long-term and value investing. He has a wealth of experience and the results of his funds and sicavs speak for themselves”, said another firm.



Other popular candidates are **Juan Grau**, from the independent firm EDM, and **Gonzalo Rodríguez Sahagún**, of Gescooperativo, both with 20% of the votes. According to one of those surveyed Grau is “a classic fundamentals investor, who always appears in the rankings spanning three year periods”. In 2006 EDM had AuM of over €1 billion and its EDM Inversión fund – where Grau mixed value investing and growth – earned 38.5% in 2006 and an annualised return of 25.3% over the past three years.

According to his peers, Rodríguez Sahagún, son of the one-time UCD minister and mayor of Madrid with the CDS, “has a tremendous track record, is able to manage various assets (not just equities), knows the market and companies inside out and has a great vision of the future”. Gescooperativo is ranked 24th in terms of AuM with nearly €2 billion and offers a wide range of products which will [soon include hedge funds](#).

Del Corro and a woman amongst the contenders

One of the outsiders with 10% of the votes is **Juan Abelló** and his right hand man, **Juan del Corro**, despite not being fund managers. The reason is “his good head and proven ability to identify opportunities and make them successful”, according to one of his advocates. The only woman on the shortlist to succeed Buffett is **Ana Besada**, fund manager with Morgan Stanley Bolsa, with her “extensive experience and ability to move well in both bullish and bearish markets” say colleagues. Her fund earned 33.8% in 2006 and has an annualised return of 21.8% since 2003.



Other well-known names in the industry make up the list of potential successors such as **Manuel Echevarría** of Optimal, **Walter Sherk** of Strategic Investment Advisors (previously well-known at Ahorro Corporación), **Albert Fayos** of Sabadell (previously at Gaesco where he managed the legendary Fondguissona), **Mark Giacomazzi** of Fidentiis, **Juan Huguet** of BBVA & Partners (just moved from Ibercaja), **Luciano Díez Canedo** of UBS and **Alfonso de Gregorio** of Gesconsult (whose star fund earned 41.3% in 2006). A more exotic contender is **Luis Arenzana**, a fund manager domiciled in Madrid with his international Shelter Island hedge fund (not registered in Spain).