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PERFORMANCE REVIEW

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## CITYWIRE'S FUND MANAGER PROFILE

## Spanish duo dedicated to value

Bestinver's top two make fewer mistakes on valuation than their peers, finds Angus Foote

While independent fund managers have come to the fore in Germany, France, Switzerland and the UK, in Spain the bank-owned asset managers continue to dominate – with some notable exceptions.

The most successful of these is the Madrid-based boutique fund manager Bestinver. The group's two fund managers are joint first in the Citywire rankings for the Equity Eurozone sector, compiled on the basis of their average monthly performance with the €800m Bestinfond FI.

Over three years the Bestinfond FI fund has returned 110 per cent after charges, compared with 60.8 per cent for the average fund in the Equity Eurozone sector. The Dow Jones Euro Stoxx 50 index has risen 74.7 per cent over the same period. Both managers also have a Citywire AA rating in Spain for their risk-adjusted returns with their stable of Spanish and international equity funds.

Alvaro Guzmán de Lázaro runs the Bestinfond alongside his better-known colleague, Bestinver founder and chief investment officer Francisco García Paramés.

Mr Guzmán de Lázaro

joined Bestinver in 2003, having found a kindred spirit in Mr Paramés. Both men are committed value investors and seek to follow as closely as possible the philosophies of Warren Buffett and Benjamin Graham, the two great American gurus of value investing.

In identifying stocks that represent good value Mr Guzmán de Lázaro can draw on his own experience of studying data on companies. He began his career as an auditor with Arthur Andersen in Madrid, had a spell with Bankers Trust in Paris then joined Value Management in Frankfurt, where he worked as a company analyst and became a follower of Mr Buffett and Mr Graham. He was then a financial analyst for Spanish brokerage companies before joining Bestinver in 2003.

He believes the key to Bestinver's success is simply that they have made fewer mistakes on valuation than most of their peers. Price discipline and avoiding the value trap are also critical, according to Mr Guzmán de Lázaro. "Don't buy stocks that appear to be cheap, but are cheap for all the wrong reasons," he says.

The Bestinfond FI portfo-

## The Citywire league table: Equity eurozone

Manager name	Three-year average monthly performance (%)	Funds managed
Francisco García Paramés	2.12	Bestinfond, FI
Alvaro Guzmán de Lázaro	2.12	Bestinfond, FI
Olivier Machou	2.04	Finance Reaction Cap/Dis
Philippe Deneff	1.88	Osiris Equities EMU Behavioral Value-Benelux
Andrew Lynch	1.86	Schroder ISF EURO Dynamic Growth A Acc
Guy Lermينياux	1.83	PAM Equities Euroland Cap
JanLeroy	1.83	PAM Equities Euroland Cap
Emeric Préaubert	1.83	Sycamore Eurocap A
Tobias Klein	1.80	First Private Euro Aktien Staufer
Nicolas Simar	1.75	ING (L) Invest Euro High Dividend P Cap
Sandrine Chevalier	1.73	Foncier Valeurs Cap/Dis, Vega Euro Actions
Peter Brändle	1.73	Swisscanto (CH) Equity Fd Euroland
Caroline Canard	1.71	CPR Active Euroland P Cap/Dis, CPR Euro 2, CPR Euroland
Pat Hinkson	1.68	Anglo Irish Euroland Equity A
Vincent Devlin	1.68	Lloyds TSB Intl Portfolio Euro Equity, Scottish Widows Euroland A Acc
<b>Average Manager</b>	<b>1.40</b>	

Source: Citywire

lio is currently 35 per cent in Spanish and 65 per cent in non-Spanish equities. Companies that meet Mr Guzmán de Lázaro's value criteria include the fund's top holding, Spanish steel company Acerinox. The second largest holding is another Spanish company, insurer Mapfre, followed by another metalworker, Germany's Metall-

waren. Although controlled by its management, Bestinver is backed by Acciona, one of Spain's largest construction companies which in recent years has diversified its business interests.

Angus Foote edits Citywire's Fund Manager International magazine. E-mail [fmi@citywire-fmi.com](mailto:fmi@citywire-fmi.com) for a free copy