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GARCÍA PARAMÉS
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Investor profile at InvestingByTheBooks: The book *The World's 99 Greatest Investors: The Secret of Success* provides a unique opportunity to learn from the most prominent investors globally. In the book they generously share their experiences, advice and insights and we are proud to present these excerpts. Magnus Angenfelt, previously a top ranked sell side analyst and hedge fund manager, will be presenting one investor per month. For those who cannot wait for the monthly columns, we strongly recommend you to buy the book. The investor himself writes the first section below and then Angenfelt describes the background of the investor and comments on his investment philosophy. Enjoy.

Personality vs intelligence: 90 % of investors with whom we discuss our investments agree on the attractive nature of these investments. But only a very small proportion is prepared to take the next steps: invest and then wait for as long as necessary. One must be able to ignore market movements and any institutional obligations, even emphasize one's convictions by increasing the investment when the markets do not look favourable. In short, it is essential to know oneself, and along with a normal IQ, the determining factor will be character.

A good backup to these qualities is references. For anyone (particularly in Madrid, which is not renowned for its investing tradition), the sense of security achieved by following in the steps of an experienced investor is very important. Both

in the good times (when in either absolute or relative terms, things are going well) and the bad, analysing the careers of investors who have been through similar situations allows one to act with conviction and maintain a long term view, something which can sometimes be lost.

Never stop learning: When we invest, we must have strong conviction and determination in the process. To have permanent doubts is pointless, in spite of the fact that uncertainty is a constant. But that conviction must go hand in hand with a permanent capacity to learn – not an easy thing to do. For example, a couple of years ago at Bestinvest, following a good track record over the previous fifteen years, we came across a (little) book by a well-known investor which caused us to fine-tune our strategies, although without actually altering the essentials. It is not easy to conjugate 'conviction' and 'open mind' in the same sentence, but it must be done!

Economic framework: The majority of well-known investors command a relatively superficial knowledge of the so-called 'economy'. I arrived at the Austrian School of economics after eight years as an investor, and I did so precisely because it provided a theoretical framework to what I was seeing every day in the market, namely, human action. Only here it was explained in incentives, objectives, consequences, etc – that is, life itself. Thanks to Mises and Hayek, among others, we can navigate through an investors' world with a compass that shows us over which waters we can sail, and which we cannot.

BORN Galicia, Spain 1963.

EDUCATION García Paramés has an Economics degree from the Complutense University of Madrid, and took an MBA at the IESE Business School (Barcelona) 1989.

CAREER García Paramés started his career at Bestinver as a stock analyst in 1989. His passion for investment led him to asset management, and he was soon named CIO of the company, where he remains to this day.

INVESTMENT PHILOSOPHY García Paramés's management style is based on the strict application of the principles of value investment (Graham, Buffett, etc.), within a framework of a profound knowledge of the Austrian School's theory of economic cycles. Pricing power and cash flow are important parameters in the analyses. García Paramés avoids investments where he cannot forecast the next ten years. During the last few years the portfolio has shifted to only include quality companies. He never fights the management.

OTHER Nicknamed 'the Warren Buffett of Europe', his more recent fund, Bestinver Internacional (Global Equity Fund), launched 1998, has an annual return of almost 11 %, beating the benchmark (2 %) by a factor of more than five. Bestinver has now more than \$12 billion in asset under management. He is a self-taught investor, similar to some of the other superstars. It is especially impressive since he is from Spain, which has no long tradition of investing. He speaks and reads five languages.

Sources: Francisco García Paramés; Bestinver; Wikipedia.