



# FACTOR / STYLE INVESTING

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## More Superstar Investors: Spain's Value Investors

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In our 2019 article “More Superstar Investors: Francisco Garcia Paramés” we extended the work of Brooks, Tsuji and Villalon’s “Superstar Investors,”<sup>1</sup> by examining the track record of Spanish investor and founder of Bestinver Asset Management, Francisco Garcia Paramés. As in the original paper by Brooks et al., we found that a large part of Paramés’ long-term success was attributable to patient exposure to well-rewarded factor premia (i.e., “fishing in the right pond”).

In this short article, we come back to Paramés and study his more recent track record since founding Cobas Asset Management in 2016. We also study the work of some other well-known value investors in Spain; firstly Beltrán de la Lastra, who took over as CIO and portfolio manager at Bestinver when Paramés departed in 2014; secondly, ex-colleague of Paramés, Álvaro Guzmán de Lazaro, who now manages funds at azValor Asset Management; and last but not least Iván Martín Aránguez, who founded Magallanes Value Investors in 2015.

We once again stress that after-the-fact studies do not detract from real performance, but we additionally stress here that it is difficult to assess a manager’s performance over short horizons. Each of these managers are stated value investors, a strategy which we know has struggled in recent history, so the relatively short time periods we study here will be dominated by Value’s drawdown. Brooks et al. concluded that “investors may be able to become more superstar-like by identifying edges such as the ones we analyze here, and having the patience to stick with them over the long term.” At least for Value, now is a time when such patience is warranted.

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[ 1 ] Brooks, Tsuji and Villalon, (2019), “Superstar Investors,” The Journal of Investing, Vol. 28, No. 1.

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