

## AA-rated Rasmussen stays true to style as volatility hits short-term figures

Published: 11:25 Thursday 01 November 2007

By Philip Haddon, European Funds Reporter

Jens Moestrup Rasmussen, Sparinvest's renowned value manager, believes his deep value discipline will carry him through a performance dip caused by recent market turbulence.

The Dane's €1.2 billion Sparinvest Global Value fund posted a loss of 4.78% for the third quarter, as some of its key positions slumped.

'Many of our holdings lost double-digit value during the quarter, even though the companies had not reported any news at all,' Rasmussen says in his quarterly letter to shareholders. 'Even companies posting healthy earnings and improved growth potential took a beating.'

In volatile times, Rasmussen has remained faithful to his value philosophy- whereby he will only buy stocks if they are trading at a discount of at least 40% to his own assessment of the company's intrinsic value.

Three stocks he had been monitoring for some time entered his portfolio after plummeting in price: fashion retailer Dillard's, Millenium Copthorne Hotels and Renault.

'During the sub prime turmoil these three stocks were suddenly trading 40%, 35% and 25% lower respectively than their Q2 level,' he says.

Rasmussen sees this as remaining disciplined rather than being opportunistic.

'As we had already analyzed these stocks, we do not consider this to be a market timing strategy, but in fact a validation of our disciplined approach: we had put the stocks on hold due to lack of upside, but August's forced selling caused them to fulfil our 40% discount criteria.'

So despite a short term performance slump, Rasmussen thinks he is set to benefit in the longer term.

'Volatile markets like the ones we experienced this quarter improve our chances of finding undervalued companies around the world, and we made important investments during this quarter that will help us sustain future returns for our fund,' he says.

The three year return of Sparinvest Global Value remains healthy having returned 72.3% up to the end of October compared to a rise in the FTSE World TR index of 53.2%.

Rasmussen holds German and Austrian AA ratings for his risk adjusted performance.

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