

## Sparinvest undeterred by crisis, sees value

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LUXEMBOURG (Reuters) - Crisis? What crisis? -- it could be the motto for asset manager Sparinvest S.A.

Its funds are turning down with markets, but the Danish group is unimpressed, holding on to a range of inexpensive stocks it is convinced will rise in the future.

A so-called value investor, Sparinvest looks for undervalued companies by looking at their price-to-book ratio, picking companies with low debt and solid earnings.

The current market turmoil has not changed that view, the head of the group's Luxembourg unit said at the Reuters Fund Summit, and the group does not follow macro trends such as shorting the dollar or buying emerging economies.

"We do not concentrate on this at all. We only focus on (looking) for the right companies. We do not have any specific interest in a specific sector or country," Chief Executive Jan Stig Rasmussen said in an interview.

Stock markets have plummeted this year as fears that the credit crisis, which has hurt balance sheets at banks, would spread into other sectors of the economy.

"Obviously we're losing on the performance side. We're still doing better than the index, but we also very much aware that even though we concentrate on positive returns, this cannot be done in a market like this," Rasmussen said.

Sparinvest, which manages some 16.5 billion euros in assets, has found many of the value companies it is looking for in Europe, particularly in Germany, and in Japan -- but companies are still pricey in the United States.

"With the impact of the turmoil impact over there in the last few months, some companies are popping up on the radar screen and it may be interesting to look at that but it's still not a lot of them," Rasmussen said.

For its clients, the strategy seems to work. Fund outflows were negligible, Rasmussen said, and largely due to private clients deleveraging their portfolios.

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