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Hans Peter Schupp speaks up for his investment style: "Value isn't dead"

What do defective electrical appliances have to do with investment style consistency? Hans Peter Schupp, CEO of Fidecum and portfolio manager of the Contrarian Value Euroland fund, explains in a recent commentary why the two products have more in common than you might think.

Hans Peter Schupp, CEO of Fidecum and portfolio manager of Fidecum Contrarian Value Euroland (ISIN: LU0370217092) with a volume of EUR 31.60 million, explains in a recent commentary why he holds on to his value investment style, even though it has been surpassed by growth investments in recent years. He compares value investing to a defective electrical appliance that is either repaired or replaced. Schupp poses the question of how to deal with an investment approach that has worked for almost 100 years but has not performed well recently.

The tech stocks surrounding the Magnificent Seven in particular have dominated the past few years and have generated billions in profits. Value, on the other hand, has tended to be ignored in this environment. Schupp argues that value investments are not dead, but still offer attractive returns. He criticizes the fact that many asset managers want to "modernize" their value investment style by giving it additional labels such as "new" or "modern". According to Schupp, this has led them to ban cyclical stocks such as basic materials and industrial companies from their portfolios, even though they are unloved but vital.

Schupp stays model consistent

Schupp is referring to the value investment approach, which was successful for a long time but was then dominated by growth investments for several years. "Does that mean Value is dead? No, not at all! Because in the last three years or so, value has performed very well," says Schupp. In fact, the Fidecum Contrarian Value Fund has generated a performance of 56% over the past three years. In comparison, the Euro Stoxx 50 has "only" recorded a performance of 28.7 percent over the same period.

The fund's top positions are Deutsche Bank with 9.29 percent, followed by the Dutch insurance company Aegon with 9.07 percent and the French car manufacturer Renault with 8.44 percent.

"The Contrarian Value Fund is the calming influence alongside opportunity-oriented or opportunistic investments and is a reliable addition to the portfolio for anyone who finds investing in trends too uncertain. We also minimize the risks in our portfolio. With P/E valuations of 30 and above, companies have to stretch themselves to the limit time and again in order to continue to meet the growth expectations attached to them," explains Schupp and explains that the average P/E ratio in the Fidecum Contrarian Value Fund is 6.5.

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