

MainFirst founder's new boutique looks to contrarian value to outperform

Former Julius Baer and Mainfirst star Hans-Peter Schupp has started a new boutique, Fidcum, and is looking to launch a new fund using his contrarian value style.

Schupp was a founder and managing director of MainFirst Asset Management, where his value approach to European equities complemented the growth style favoured by fellow MainFirst manager Anko Beldsnijder. But Schupp left the firm in January 2008 to go it alone, as MainFirst had grown to 120 employees and he wanted to return to a smaller boutique atmosphere.

Based just outside Frankfurt, he has now set up Fidcum with Andreas Czeschinski, one of the co-founders of boutique investment firm Equinet, and former ABN Amro and Commerzbank head of equities Klaus Kämmerer. The firm has launched a Sicav and Schupp is hoping to launch a Eurozone equity fund within it sometime soon.

'I want Fidcum to be a shopping mall instead of an investment boutique, this kind of approach is used by companies like JO Hambro or Thames River,' he says. 'A boutique where it is not a team approach, but where a manager is fully responsible for the performance of his product.'

Schupp has started building a portfolio for the proposed fund, which would have an all cap, contrarian value approach. He will take a private equity style approach to his investments and uses Benjamin Graham as his role model.

'The long term value approach leads you to areas of the stockmarket which are currently not in favour,' Schupp says. 'The portfolio we currently like is positioned against oil and investment banks, but in favour of insurance companies and family companies.'

In his Julius Baer days, Schupp made his name by avoiding the tech bubble at the beginning of the decade. He thinks the oil situation is comparable to that time, and instead is favouring companies whose stock prices have suffered from irrational market overreactions.

Among his favourite auto stocks at the moment is FFP, the holding company of Peugeot, and Renault. 'I love Renault the most, if you deduct the Nissan stake from Renault it is ridiculous how cheap you can get Renault at the moment. The new Megane will boost Renault soon too.'

On the insurance side Schupp likes AXA, Munich Re and Aegon, while French firm Bic is one of his favourite family companies. 'Bic has high margins, strong cashflow and a big cash position,' he says. 'It is exposed to the consumer and to the US, but does this justify losing 50% of its market cap? We don't think so.'

Schupp was previously head of equity fund management at Julius Baer where he managed the Julius Baer EF Euroland Value and Julius Baer EF German Value funds. He then joined MainFirst in 2002 where he ran the MainFirst - Classic Stock Fund, now managed by former Union-Investment manager Olgerd Eichler.

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