

Contrarian Investor

The Top Six Contrarian Investors of Our Time

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A *contrarian investor* is one who believes in profits over popular opinion. Contrarian investors are inclined to buck conventional trends, NOT follow the standard perceptions of the stock market, and think the majority of investors out there are usually wrong.

While he would never refer to himself as a “contrarian investor,” this certainly describes Investment U President Dr. Steve Sjuggerud, the man who’s made excellent profits for his readers by recommending plays on investments like:

- The Icelandic Stock Market
- Timber
- Argentinian Real Estate
- The U.S. Dollar (have you noticed it’s going UP?)
- Government Bonds
- Old Coins

Today, we’ll take a look at six of the world’s top contrarian investors, and their moneymaking ideas. Wall Street hated every one of these ideas at first. Yet they went on to make billions of dollars for investors in the real world... Tells you something about “The Investing Establishment,” doesn’t it?

Let’s get to the list...

The Top Six Contrarian Investors of Our Time

1. JIM ROGERS

Jim Rogers is one of the most successful investors of our lifetimes. Starting out in his twenties with \$600 in his pocket, he “retired” at age 37 with more money than anyone could possibly spend. His most recent book, *Adventure Capitalist - The Ultimate Investor's Road Trip*, is the story of his drive through 116 countries over a three-year span from 2000-2003. A few of his conclusions: Thumbs down on investing in Russia and India, regardless of natural resources or technology skills. Thumbs up on China, Uruguay, Mongolia and... Tanzania? Yes, says the bow-tied contrarian investor. And we’re inclined to believe him.

2. MARC FABER

Born in Switzerland and educated in Geneva and Zurich, Dr. Marc Faber received his PhD in Economics from the University of Zurich at age 24. The former managing director at Drexel Burnham Lambert from 1978-1990 has lived in Hong Kong for the past two decades. He concentrates on Asian market niches with tremendous upsides...

- In 1987 he warned his clients to cash out before Black Monday hit Wall Street
- In 1990 he predicted the bursting of the Japanese bubble
- In 1993 he predicted the downfall of U.S. gaming stocks and foresaw the Asia Pacific Crisis of 1997-98.

His motto is “Follow the course opposite to custom and you will almost always be right.”

3. JOHN TEMPLETON

In 1939, a young farm boy from Tennessee went into his boss's office and begged for a \$10,000 loan. He got it, and invested the 10 grand in every small-cap stock trading on a major exchange for \$1 or less. There were 100 stocks in all, and John Templeton bought 'em just as stocks were most hated... Then he watched as those 100 stocks led the U.S. out of the Great Depression – and Templeton into the Investing Hall of Fame. Today the famed global investor is worth about \$2 billion and lives in the Bahamas. The fund bearing his name is still making people lots of money some 65 years down the line.

4. SAM ZELL

Not far behind Templeton with a net worth of about \$1.8 billion, Sam Zell is known as the father of Real Estate Investment Trusts (REITS). His investments have certainly been going gangbusters the past few years, including his Equity Office Properties (EOP) REIT, but real estate profits are old hat for Zell. He began buying real estate in down markets in the 1960s and, with his partners, speculated with spot-on accuracy for the next four decades running. Zell's also known for jumping out of the commercial real estate market in the early 1990s, with the mantra of: "Stay alive till '95." Sure enough, that was exactly when the EOP honcho got back onboard and made another wave of windfall profits in the sector.

5. EDUARDO ELSZTAIN

In 1990, an unknown young man from Argentina walked into the New York City offices of George Soros and sweet-talked him out of \$10 million. Not an easy thing to do – the wily and hard-nosed Soros is best known for breaking the Bank of England, and pocketing \$1 billion in a single day shorting the pound. Elsztain turned the \$10 million into a \$500 million Argentine real estate portfolio. Investors who got onboard with him and Soros in their Dolphin Fund would have turned \$100,000 into \$1.9 million in a decade. Today, Elsztain heads Cresud, a huge Argentine real estate company (Nasdaq: CRESY) and the biggest commercial landlord in Buenos Aires. And he's still making money for investors, holding his ground right through the Argentine currency crash of 2001.

6. GEORGE SOROS

In 1970, this Hungarian-born contrarian investor-philosopher created the Quantum Fund with Jim Rogers... It went on to return about 3,999%, compounded, over the next 30 years... Soros is famous for going short the British pound and earning \$1 billion in a single day, Black Wednesday, 1992. He was dubbed the "Man who broke the bank of England" for his move, which forced major reforms to the British banking system. Today he fights the "evils" of the U.S. brand of capitalism even while profiting handsomely from it (he's worth an estimated \$7.1 billion). So there you have it...some of the top contrarian investors of our time, and the stories that got them there. They didn't get caught up in the hype, and neither should you.

Good investing,
Jay

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