Burkenroad mutual fund celebrates 10-year anniversary

March 11, 2012

The mutual fund based in part on the Freeman School's Burkenroad Reports investment research program recently celebrated its 10-year anniversary with a pair of prestigious honors.



Peter Ricchiuti says the performance of the Hancock Horizon Burkenroad Small Cap Fund has been phenomenal.

Morningstar awarded the Hancock Horizon Burkenroad Small Cap Fund a coveted five-star overall rating, and Lipper ranked the fund as the second-best performer out of 303 funds in the small-cap core category over the last 10 years.

“It’s just a phenomenal story,” says Peter Ricchiuti, professor of practice and director of research for Burkenroad Reports. “I had high hopes for the fund, but its performance has exceeded my expectations.”

Inspired by the “stocks under rocks” philosophy of Burkenroad Reports, Hancock Bank launched the Burkenroad Fund in December 2001 to target companies located in the South with market capitalizations of less than $2 billion, a category that often flies under the radar of Wall Street. Befitting its name, fund managers use Burkenroad Reports as a significant source of research and invest in many of the companies followed by the program’s student analysts.

From less than $1 million in assets at launch, the fund has grown to more than $90 million. Even more impressively, it’s generated a return of 10.59 percent since inception, almost double that of the benchmark Russell 2000 index.

“The fund has outperformed about 99 percent of all equity mutual funds in its lifetime, and if you break it down to one-year, three-year and five-year numbers, the fund beat the benchmarks in those years too,” Ricchiuti says. “That’s unusual because you’re usually going to have times where some sectors or investment styles do better than others. To beat the S&P 500 and Russell 2000 in every period over 10 years is kind of amazing.”

To date, nearly 600 graduates of the Burkenroad Reports program have gone on to careers in the investment field. Ricchiuti says the success of the mutual fund gives students seeking to follow in those footsteps another valuable talking point for job interviews.

“The students not only have Burkenroad Reports to show prospective employers, but now they have the fund to talk about as well,” Ricchiuti says. “To be able to say your recommendations are going into a $90 million five-star mutual fund is a pretty impressive thing.”