

Three Underappreciated Smaller-Cap Managers

Fund Spy

by William Samuel Rocco

Most of the fund managers with genuine talent and histories of success have garnered lots of praise and are well known to the majority of investors. However, there also are some skippers with impressive abilities and strong records who haven't received much acclaim and thus might be overlooked by most readers.

Understanding that many investors are on the lookout for underappreciated managers, in a January column we identified three international-stock managers who deserve more notice, and in a February column we highlighted five large-cap skippers who warrant more recognition. Now it's time for us to highlight three smaller-cap managers who merit more attention. Bob Bergson of Northern Small Cap Value NOSGX, Alex Motola of Thornburg Core Growth THCGX, and Philip Tasho of Aston/TAMRO Small Cap ATASX have proven skills and attractive records but haven't received a lot of recognition. Here are the details on the three managers.

Alex Motola

Alex Motola has certainly demonstrated a lot of talent at Thornburg Core Growth. The fund, which Motola has run since it opened at the end of 2000, boasts some of the very best three- and five-year returns in the mid-growth group. Motola has earned these topnotch results with an approach that is both wide-ranging and focused. Indeed, while he makes full use of the market-cap spectrum, pursues three different types of growth stocks, and readily considers overseas opportunities, he also builds big stakes in individual sectors and runs a compact portfolio of just 30 to 45 names. This distinctive style comes with real risks—and the fund has been more explosive than its typical peer—but the wide-ranging aspects of the strategy and Motola's skill has kept volatility from getting out of hand.

This is an excerpt of the full article. The other two managers were omitted from this reprint.

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