

NUMBER CRUNCHER / MUTUAL FUNDS

## Small packages with good track records



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### What We're Looking For

Small, possibly overlooked mutual funds that have excellent long-term records, but haven't done so well lately.

### Today's Screen


Funds on our list have 10-year compound average annual returns that rank in the first quartile.

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Quartiles divide funds in a category into four groups according to their returns, and the first quartile is at the top.

Lately, though, these funds have lagged enough to have landed in the third or fourth quartile for the 12 months to July 31.

We focus on the smallest of funds in today's list, whereas yesterday we looked at big funds that have done well in the long term.

### What We Found

We turned up some worthy funds, such as Leith Wheeler Canadian Equity, which has a terrific 15-year compound average annual return of 9.6 per cent, compared with 7 per cent for the average Canadian equity fund, and 8.7 per cent for the S&P/TSX composite total return index (including dividends).

Lately, though, this fund has fallen a little below average. Note: You need a minimum \$25,000 to buy into this low-fee fund, and it's not available in Quebec or Atlantic Canada.

Leith Wheeler Canadian Equity can be classified as a core investment for a portfolio.

Front Street Growth, in contrast, is the sort of fund that can be considered a much riskier complement.

Its 10-year numbers are outstanding - almost triple its peer average - but last year it plunged just over 50 per cent. Recent data suggest the slump is over.

Another fund focusing on small- and medium-sized stocks is Northwest Special Equity, which was hit reasonably hard last year but has made 11 per cent annually, on average, for the past 15 years.

The Norrep Fund looks like a similar proposition, but unfortunately it's closed to new investment.

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### Fallen Stars - Part 2 (ranked by lowest assets)

Fund name	(As of July 31/09)	Latest % returns (as of July 31)	
	Category Assets (\$-mil)	MER	1-yr 10-yr
Tradex Global Equity	Global Equity	6.8	2.23 -18.6 0.5
BMO GDN Monthly Dividend Fd Classic	Canadian Neutral Balanced	25.9	1.53 -8.0 5.8
Fidelity Latin America-A	Miscellaneous	32.4	2.65 -23.2 10.1
SEI Balanced 60/40-O	Global Neutral Balanced	36.2	0.27 -9.7 5.3

Integra Short Term Investment	Canadian Money Market	56.9	0.95	0.5	3.0
Norrep Fund	Canadian Small or Mid Cap Equity	75.9	2.49	-25.9	16.0
CIBC International Small Companies	International Equity	80.7	2.76	-25.7	2.6
SEI U.S. Large Cap Synthetic-O	U.S. Equity	86.3	0.16	-24.0	-2.5
GBC International Growth	International Equity	88.7	2.14	-23.7	0.1
Front Street Growth-B	Canadian Small or Mid Cap Equity	89.2	2.73	-28.8	16.3
TD U.S. Index Currency Neutral-I	U.S. Equity	89.6	0.84	-24.7	-3.0
Altamira US Currency Neutral Index	U.S. Equity	92.3	0.57	-25.0	-3.0
Montrusco Bolton Quantitative Cd Eq	Canadian Equity	98.6	1.21	-31.9	11.4
Dynamic Strategic Growth Portfolio	Global Neutral Balanced	131.1	2.49	-9.4	4.5
Leith Wheeler Canadian Equity B	Canadian Equity	141.5	1.50	-19.2	8.4
Altamira Dividend	Canadian Neutral Balanced	154.4	1.76	-8.6	5.6
TD Latin American Growth	Miscellaneous	182.1	2.73	-25.2	11.7
Northwest Specialty Equity	Canadian Small or Mid Cap Equity	187.1	2.57	-23.2	9.8
CI Synergy Tactical AA	Tactical Balanced	198.1	2.20	-7.5	4.7
RBC U.S. Index Currency Neutral	U.S. Equity	208.9	0.69	-25.8	-3.2
FÉRIQUE Bond	Canadian Fixed Income	212.1	0.64	4.8	5.7
Dynamic Power American Growth	U.S. Equity	265.8	5.10	-39.5	-2.1
Fidelity Europe-B	European Equity	267.0	2.33	-29.5	-1.1
Sceptre Equity Growth-A	Canadian Small or Mid Cap Equity	297.0	1.58	-34.4	10.9
Highstreet Balanced	Canadian Fixed Income Balanced	319.2	1.25	-9.5	5.4
Fidelity Cdn Disciplined Equity-A	Canadian Equity	485.3	2.40	-19.4	8.7
Manulife Growth Opportunities Fund	Canadian Small or Mid Cap Equity	501.0	2.61	-23.3	11.3
BMO U.S. Equity	U.S. Equity	507.6	2.39	-19.9	-2.9
Renaissance Millennium High Income	Canadian Dividend and Income Equity	524.8	2.36	-22.7	8.9

Source: Globe Investor

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