



## NEED A HERRO?

A well-known name sits atop the Foreign Small/Mid Value category

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### TOP PERFORMERS

DAVID HERRO, JUSTIN HANCE & MICHAEL MANELLI

OAKMARK INTERNATIONAL SMALL CAP

The managers with the best three-year risk-adjusted returns in the Morningstar Foreign Small/Mid Value category are the veteran team of David Herro, Justin Hance, and Michael Manelli, who run the \$1.7bn Oakmark International Small Cap fund. The trio clocks in with a shared manager ratio of 0.29.

Herro has run the fund since 1995. Manelli joined him in 2011, and Hance came on board in 2016.

They have guided the fund to a 10.11% annualized return for the three-year period ending in May. By comparison, the MSCI ACWI Ex USA Small Value index returned 6.85%, and the average fund in the category returned 6.71%.

The fund comes with an extra dose of volatility, which is typical for Herro-led vehicles.



<b>1/23</b>	3-YEAR RISK-ADJUSTED RANKING
<b>0.29</b>	MANAGER RATIO
<b>\$1.73bn</b>	ASSETS UNDER MANAGEMENT
<b>33.5%</b>	3-YEAR TOTAL RETURN
<b>10.1%</b>	3-YEAR ANNUALIZED RETURN
<b>5.93%</b>	MARKET SHARE



Its three-year standard deviation of returns is 28.4% versus 22.1% for the category average and 22.03% for the index.

Herro likes to buy deeply out-of-favor securities, and that invariably involves owning securities before they've registered their absolute lowest prices.

Currently, the fund has a whopping 39% of its portfolio in industrials compared to 19% for its average peer. It is also very light on consumer defensive names – 2.8% of the portfolio versus 7.7% for its average peer – and materials – 3.5% of the portfolio versus 10.3% for its average peer.

The top holding, Finnish crane and engineering company Konecranes, occupies more than 4% of the fund's assets. ■