

Our Five Nominees for Morningstar Domestic-Stock Manager of the Year

Will Bruce Berkowitz repeat, or will we have a new winner?

Fund Spy | 12-13-10 | by Russel Kinnel

It's that time of year again—time to choose our Morningstar Fund Managers of the Year. Each year we recognize a standout mutual fund manager of the year for domestic stocks, international stocks, and fixed income.

We're not simply looking for who had the highest returns in the calendar year. We're seeking to acknowledge managers who have produced great long-term results for investors and who have been great stewards of investors' capital, as well as those who have had an exceptional calendar year. "Manager of the Year" makes a catchier name than "Great Steward Who Produced Strong Long-Term Results and Excellent Single-Year Returns and Showed the Courage of His or Her Convictions to Stick with His or Her Approach Through Thick-and-Thin Award."

Over the years, many illustrious names in the fund world have won, including Bill Gross, Peter Lynch, Marty Whitman, the Primecap team, and Hakan Castegren. Last year's winners were Bruce Berkowitz of Fairholme (FAIRX), the team from American Funds EuroPacific Growth (AEPGX), and the team from Loomis Sayles Bond (LSBRX).

The award is intended as recognition of great service for shareholders, not necessarily as a recommendation for the future. The award is really more like the Hall of Fame, whereas our Analyst Picks would be more like the all-star team.

Today we're naming our five nominees for Domestic-Stock Manager of the Year. We'll name our international-stock nominees on Tuesday and our fixed-income nominees on Wednesday. We will announce the winners in the first week of January.

We found a wealth of deserving candidates this year, but these are the five domestic-stock managers we found most deserving.

Andy Stephens and James Hamel—Artisan Mid Cap (ARTMX)

Since this fund was launched, Stephens has produced great results with only one calendar year that was well below the mid-growth median. It helps that he closed the fund to new investors in 2002, but the fund still got rather bloated. However, redemptions have brought assets down, and the fund is thriving. Management blends aggressive fast-growing names with steadier lower-valuation stocks in a way that has made it a more consistent performer. Since its inception, the fund has produced a cumulative return (457%) that is more than double that of its benchmark (179%). Note: Matthew Kamm was named comanager Jan. 13, 2010. We left him off the nominees' list because he was not there for a full year.

Conclusion

We'll be reviewing and debating each of these funds merits over the next couple of weeks. Then we'll vote on the winner later this month.

This is only an excerpt of the full article. The sections for the other four nominees were omitted for reprint purposes. To view the full article, please go to www.morningstar.com.

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Artisan Mid Cap Fund

AVERAGE ANNUAL TOTAL RETURNS (as of 11/30/10)							
	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Expense Ratio ²
Artisan Mid Cap Fund (ARTMX)³	24.65%	32.81%	1.67%	7.01%	6.22%	13.97%	1.23%
Russell Mid Cap [®] Index	17.35%	24.04%	-1.28%	3.48%	6.61%	8.07%	
Russell Mid Cap [®] Growth Index	18.97%	26.33%	-0.96%	3.85%	3.02%	6.16%	
AVERAGE ANNUAL TOTAL RETURNS (as of 9/30/10)							
Artisan Mid Cap Fund (ARTMX)³	15.61%	21.71%	-1.12%	6.16%	3.48%	13.51%	1.23%
Russell Mid Cap [®] Index	10.97%	17.54%	-4.16%	2.60%	4.86%	7.72%	
Russell Mid Cap [®] Growth Index	10.85%	18.27%	-3.90%	2.86%	-0.88%	5.67%	

Source: Artisan Partners/Russell. ¹Returns are not annualized. ²For the fiscal year ended 9/30/09. ³Fund inception 6/27/97.

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