

Mutual Fund Research Example

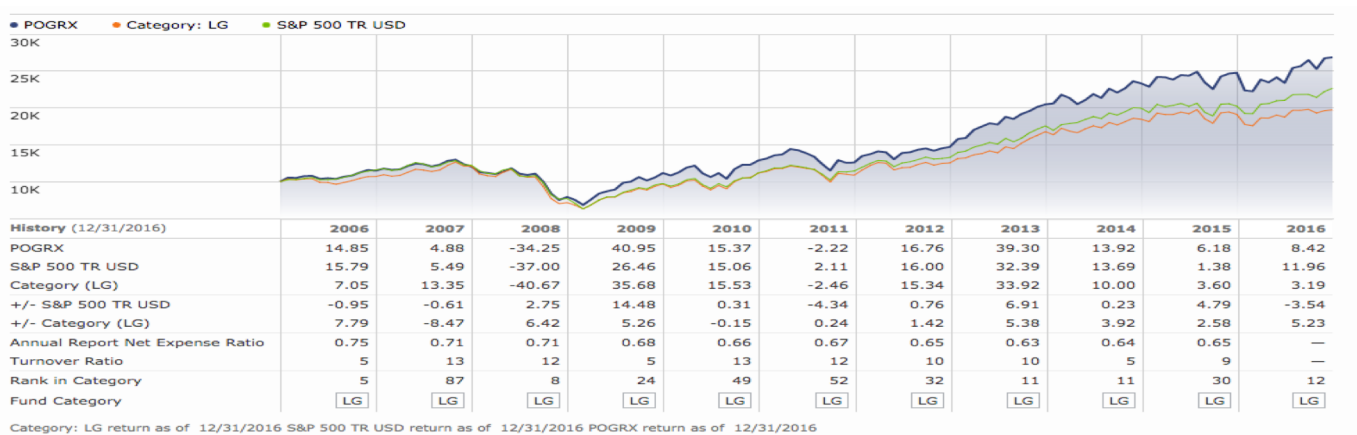
PRIMECAP Odyssey Growth Fund (POGRX)

Strategy

- The PRIMECAP Odyssey Growth Fund is in the Large Cap Growth asset class.
- Joel Fried has been manager since 2004 and has over \$1,000,000 of his own money in the fund. He has an MBA degree. The fund is tax efficient and has a high sustainability rating by Morningstar.
- Management looks for companies that have grown rapidly in the past and have good potential to continue the growth but that have become temporarily cheap for some reason. Stocks are sold when the company or the economic environment has shifted significantly or for valuation reasons. They tend to have more-pronounced sector bets. Technology, financial and healthcare had above benchmark ratings in the fund in 2016.
- The turnover rate is low at 9%.
- The fund has a low expense ratio of 0.65%.
- The fund size is small at \$7 billion in assets under management.

Performance

- The fund outperformed its category by 4% annually in the past 3 years, by 3% in the past 5 years and by 2% in the past 10 years.



Source: www.morningstar.com

Performance Consistency

- The fund has outperformed its category in 80% of the years between 2005 and 2016.

Risk & Reward

- The fund volatility and variation is the same as its category.
- The risk-adjusted return is 20% higher than its category risk-adjusted return.
- The maximum downdraft was 34% in 2008, less than the S&P 500 loss of 37%.
- The up/down capture ratio is positive at 1.1.

Valuation

- The fund valuation is lower than its category.

Summary

- This fund is strong with an A overall rating, making it one of the best funds in its category.
- The fund is OPEN to new investors with a \$2,000 minimum for taxable accounts and \$1,000 for IRAs.
- The fund is no-load but carries a transaction fee through Scottrade and Schwab.