

# THE WALL STREET JOURNAL.

MONDAY, JANUARY 9, 2023

© 2023 Dow Jones & Company, Inc. All Rights Reserved.



WINNERS' CIRCLE

## THE BEST STOCK-FUND MANAGERS OF 2022

© 2023 Dow Jones & Co. Inc.  
Licensed Use: Web post, email and social media  
Licensed To: Ave Maria Mutual Funds  
Expiration Date: 01/19/2024

THE PUBLISHER'S SALE OF THIS REPRINT DOES NOT CONSTITUTE OR IMPLY ANY ENDORSEMENT OR SPONSORSHIP OF ANY PRODUCT, SERVICE, COMPANY OR ORGANIZATION.  
Custom Reprints 800.803.9100 [www.djreprints.com](http://www.djreprints.com) DO NOT EDIT OR ALTER REPRINT/REPRODUCTIONS NOT PERMITTED 2366820



# Best Stock-Fund Managers of 2022

In a brutal year for investing, a handful of stock pickers managed to post positive returns. The winner was up nearly 32%.

**By Suzanne McGee**

Well at least it wasn't as dreadful as the Great Depression. Or even the financial crisis of 2008.

But for any mutual-fund manager trying to cope with the sea of red ink that flooded financial markets in 2022, that's meager consolation. In a year when soaring interest rates and sky-high inflation left the S&P 500 index with a 19% loss and triggered an even worse year for the bond market, an estimated \$8.2 trillion of stock-market wealth in the U.S. simply evaporated.

Even most of those value- and income-focused mutual-fund managers who "outperformed" the broad index did so by confining their losses to the single digits—little comfort for investors.

Indeed, of the 1,410 actively managed mutual funds that met the criteria for inclusion in the Winners' Circle, The Wall Street Journal's quarterly survey of top-performing stock managers on a 12-month basis, a mere 40 wrapped up 2022 in positive territory. The average loss for the whole group, according to data provided by Morningstar Direct, was 18.2%.

## A faithful finish

Unsurprisingly, other top-performing managers in the 2022 year-end Winners' Circle also beat the odds and triumphed by bucking conventional wisdom.

The year's third-place finisher is one of the smallest funds in the survey. Schwartz Value Focused



**No. 3: George Schwartz of Schwartz Value, up 21.2%**

PHOTO: SCHWARTZ INVESTMENT COUNCIL INC.

Fund (RCMFX) may have only \$51.7 million in assets, but it turned in an impressive return for its investors, wrapping up the year with a 21.2% gain. And the fund is managed by Schwartz Investment Counsel in Plymouth, Mich., which oversees a universe of other portfolios,

including Ave Maria Value Fund (AVEMX), the Catholic-values fund that ended the year with a 4.2% advance, putting it in 11th place in our survey.

Both funds are overseen by a team headed by George Schwartz, the founder, chairman and CEO

---

# Winners' Circle

Best 12-month total return, actively managed U.S.-stock funds

1. Kinetics Small Cap Opportunities (KSCOX) 31.9%
2. Kinetics Paradigm (WWNPX) 29.2%
3. Schwartz Value Focused Fund (RCMFX) 21.2%
4. Kinetics Market Opportunities (KMKNX) 14.9%
5. Aegis Value (AVALX) 10.5%
6. Federated Hermes Strategic Value Dividend (SVAIX) 8.5%
7. Hennessy Cornerstone Value (HFCVX) 6.1%
8. Marshfield Concentrated Opportunity (MRFOX) 5.1%
9. BNY Mellon Income Stock (MPISX) 4.4%
10. Invesco Small Cap Value (VSCAX) 4.3%

The Wall Street Journal, from Morningstar Direct data

---

of Schwartz Investment Counsel. He and son Tim, the firm's chief investment officer, began adding energy stocks to Schwartz Value a few years ago, just as the pressure on pension funds and other mutual funds to divest their fossil-fuel holdings began to take effect.

"Our focus is on buying out-of-favor stocks when they are cheap, and when we believe they have a great recovery potential," the elder Mr. Schwartz says. "When the energy sector had gotten so depressed it was ridiculous, we bought those stocks aggressively." By the end of 2022, 41% of Schwartz Value's assets were invested in an array of energy companies. "That

decision has been a big boon for us," he says.

Like Mr. Davolos, Mr. Schwartz is a fan of Texas Pacific Land, by far the fund's single largest holding at 27.6% of fund assets. But he adopts a more, ahem, catholic (as in "all encompassing") approach to energy investing, allocating capital to major global integrated producers and refiners like Chevron Corp., exploration-and-production companies such as Devon Energy Corp. and service companies like Schlumberger NV.

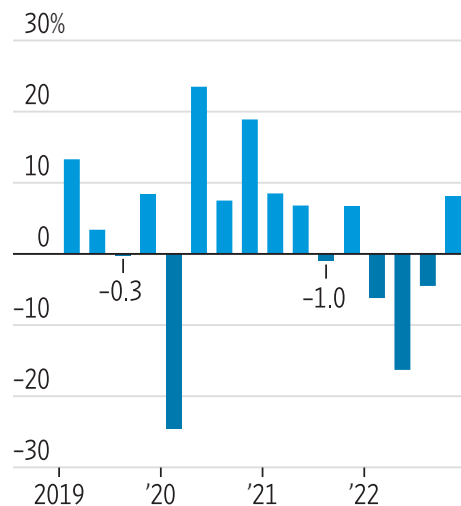
## A Yeti fan

And he, too, is casting a (slightly) wider net. While hanging on to

precious metals investments (Franco-Nevada and producer Barrick Gold) and what he sees as core value holdings in Berkshire Hathaway, last year Mr. Schwartz added new positions in an array of specialty manufacturing companies like A.O. Smith Corp. (water treatment and heating) and Yeti Holdings Inc. (drink coolers, drinkware and related gear). One of his largest new holdings is in RH, formerly known as Restoration Hardware, the specialty retailer of luxury furniture. "We like companies that are out of the mainstream," he says, adding that RH shares now change hands for 15% more than the average price Schwartz Counsel paid to establish its position starting in September 2022.

## Score at the Quarter

Stock funds posted a positive fourth quarter, but it wasn't nearly enough to pull the full year out of the red. Average total return for U.S. diversified funds.



Source: Refinitiv Lipper

---

As of December 31, 2022	1 Yr.	3 Yrs.^	5 Yrs.^	10 Yrs.^	Prospectus Expense Ratio
Ave Maria Value Fund	4.18%	11.44%	8.77%	8.35%	0.97%
Schwartz Value Focused Fund	21.15%	21.04%	14.09%	10.06%	1.26%

^ Annualized

**Performance data quoted represents past performance, which is no guarantee of future results. Investment return and principal value are historical and may fluctuate so that redemption value may be worth more or less than the original cost. Current performance may be lower or higher than what is quoted. The investment performance assumes reinvestment of dividends and capital gains distributions. For Ave Maria Value Fund call 1-866-AVE-MARIA or visit [www.avemariafunds.com](http://www.avemariafunds.com) for the most current month-end performance. For Schwartz Value Focused Fund call 1-800-448-9240 or visit [www.schwartzvaluefocusedfund.com](http://www.schwartzvaluefocusedfund.com) for the most current month-end performance.** The adviser to the Schwartz Value Focused Fund has contractually agreed to limit the Fund's ordinary operating expenses to an amount not exceeding 1.25% of the Fund's average daily net assets until at least May 1, 2023.

### IMPORTANT INFORMATION FOR INVESTORS

The thoughts and opinions expressed in the article are solely those of the author as of January 7, 2023. As of 12-31-22, the holding percentages in the Ave Maria Value Fund/Schwartz Value Focused Fund of the stocks mentioned in this commentary are as follows; Texas Pacific Land Corporation (16.1%/24.9%), Chevron Corporation (4.8%/4.2%), Devon Energy Corporation (not held/2.4%), Schlumberger Limited (4.7%/3.1%), Franco Nevada Corporation (3.8%/4.6%), Barrick Gold Corporation (0.8%/1.2%), Berkshire Hathaway, Inc. (not held/1.8%), A.O. Smith Corporation (1.7%/1.2%), YETI Holdings, Inc. (1.5%/1.6%) and RH (1.0%/4.6%). Fund holdings are subject to change and should not be considered purchase recommendations. There is no assurance that the securities mentioned remain in the Fund's portfolio or that securities sold have not been repurchased. **The Ave Maria Value Fund's** top ten holdings as of 12-31-22: Texas Pacific Land Corporation (16.1%), Pioneer Natural Resources Co. (5.6%), Chevron Corporation (4.8%), Schlumberger Limited (4.7%), Haemonetics Corporation (3.9%), Franco Nevada Corporation (3.8%), Chesapeake Energy Corporation (3.8%), Valvoline, Inc. (2.9%), Intercontinental Exchange, Inc. (2.8%) and Vontier Corporation (2.6%). **The Schwartz Value Focused Fund's** top ten holdings as of 12-31-22: Texas Pacific Land Corporation (24.9%), Intercontinental Exchange, Inc. (4.8%), RH (4.6%), Franco Nevada Corporation (4.6%), Chevron Corporation (4.2%), CME Group, Inc. (4.1%), The St. Joe Company (3.5%), Vontier Corporation (3.2%), Schlumberger Limited (3.1%) and Pioneer Natural Resources Co. (2.7%). The most current available data regarding portfolio holdings can be found on our website, [www.avemariafunds.com](http://www.avemariafunds.com) or [www.schwartzvaluefocusedfund.com](http://www.schwartzvaluefocusedfund.com). Current and future portfolio holdings are subject to risk.

**For the Ave Maria Value Fund, the Adviser invests only in securities that meet the Fund's investment and religious requirements. The returns may be lower or higher than if decisions were based solely on investment considerations.** The method of security selection may or may not be successful and the Fund may underperform or outperform the stock market as a whole. All mutual funds are subject to market risk, including possible loss of principal. The Fund's investments in small- and mid-capitalization companies could experience greater volatility than investments in large-capitalization companies.

**Request a prospectus, which includes investment objectives, risks, fees, charges and expenses and other information that you should read and consider carefully before investing. The prospectus can be obtained by calling 1-866-283-6274 or online at [www.avemariafunds.com](http://www.avemariafunds.com). Distributed by Ultimus Fund Distributors, LLC.**

The Schwartz Value Focused Fund is a non-diversified fund. Because the fund may invest in securities of smaller numbers of issuers, the Fund may be more exposed to the risks associated with and developments affecting an individual issuer than a fund that invests more widely. This may, therefore, have a greater impact on the Fund's performance. Performance can be affected by market and investment style risk. Mutual Fund investing involves risk and principal loss is possible. The Fund's investments in small- and mid-capitalization companies could experience greater volatility than investments in large-capitalization companies.

**Prospective investors should read the prospectus carefully and consider the Fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus, which can be obtained by calling 1-800-449-9240 or online at [www.schwartzvaluefocusedfund.com](http://www.schwartzvaluefocusedfund.com), contains this and other important information. Distributed by Ultimus Fund Distributors, LLC.**