



GRANT COUNTY HISTORICAL SOCIETY
NEWSLETTER
OCTOBER 2014

**Grant County Historical Society
will meet on:
Wednesday, October 15, 2014
7:00 p.m.
Marion Public Library
Meeting Room B**

PROGRAM:

Indiana Underground Railroad

**Presented by
Jeannie Regan-Dinius
Director of Special Initiatives
at the
Division of Historic Preservation
and Archaeology
Indiana Department of Natural Resources**



Jeannie Regan-Dinius has a life-long interest in history, family history, and research. She earned her Bachelors in Public History from Ball State University. She has her Masters in Urban Planning and Information Management from Indiana University-Purdue University at Indianapolis with additional graduate course work in public history. In 2000 she came to the State to help work on the Underground Railroad research initiative.

UNDERGROUND RAILROAD

As enslaved Africans tried to gain their freedom, many decided that their only option was to run north into states that did not allow slavery or into Canada. Many slaves escaped with no assistance, but others were helped by participants of what has become known as the Underground Railroad. The Underground Railroad was most active in Indiana between 1830 and 1865.

The Underground Railroad was neither underground nor a railroad. The Underground Railroad refers to the network of individuals and communities that helped fugitive slaves. Sometimes the assistance was spontaneous, other times highly organized. Because aiding an escaping slave was illegal, the activity was usually carried out in secret.

Underground Railroad participants were diverse. Blacks and whites, slaves and freed, men and women from the North and South helped those searching for freedom. Food, clothing, shelter, guidance, and protection from slave hunters were given at a risk to everyone involved.

Every Indiana community has oral histories about those individuals who participated in the Underground Railroad, but the nature of the network sometimes makes it difficult to find evidence to substantiate the stories. A statewide initiative, the Indiana Freedom Trails, is working to confirm and document sites that can be definitively linked to the Underground Railroad. Every day, researchers comb the archives in local historical societies looking for information about Indiana's involvement in the Underground Railroad.

On October 15, our speaker will discuss Indiana's role in the events, talk about documenting stories, and offer suggestions for use in our county.

Is Your Fund Company Putting You First?

Commentary

Laura Pavlenko Lutton

Everyone wants to be treated like a star. Okay, red carpets and paparazzi are overkill for most, but we all want to feel as though our life savings mean just as much to a fund company as the millionaire's next door.

How well your money is treated by mutual funds depends primarily on the fund shop's corporate culture, and Morningstar analysts evaluate firms' corporate cultures through the Stewardship Grades for mutual funds. As part of our analysis, we draw on years of conversations with fund managers and executives, as well as fund-company visits. We also read SEC disclosures and comb through data to determine whether fundholders come first at a particular shop. Funds that consistently act in shareholders' best interests earn top marks for corporate culture.

We've also found that a firm's corporate culture sets the tone for other areas of stewardship, namely fund-board independence, manager incentives, fees, and regulatory history. Funds that earn A's for corporate culture from our analysts also tend to score well in those other four areas of the Stewardship Grade. In fact, of the 214 funds that earn A's for corporate culture, only two have overall grades lower than a B.

Current Shareholders Get Top Billing

So, how do we tell a good culture from a bad one? We start by determining what priorities are paramount at the firm. The industry's best fund shops consistently demonstrate that caring for current shareholders' capital is their utmost goal. Gathering more assets is not the primary focus of these firms. Rather, growth comes naturally based on the success of existing offerings.

One example of a firm that consistently puts shareholders first is First Pacific Advisors, parent to the FPA funds. Firm founder and fund manager Bob Rodriguez is very risk-aware and is more concerned about protecting shareholders' capital than attracting more assets. The firm's largest fund, FPA Capital FPPTX, has been closed to new investors since mid-2004 because Rodriguez was

having trouble putting new cash to work and wanted to protect the fund's current shareholders, which includes Rodriguez himself. (He has more than \$1 million invested in the fund.) In another sign of taking his fiduciary responsibility to heart, Rodriguez announced in December 2007 that he stopped buying stocks and high-yield bonds because he saw too much risk in the market to justify current prices. Such decisions don't do much to help First Pacific's profits, but they were made with shareholders' best interests in mind.

While growth is not a top priority at FPA, it takes center stage at other firms. We frown on fund companies that are dramatically beefing up their sales staff, launching trendy funds, or keeping large funds open that would clearly benefit from a smaller asset base. Each of those actions suggests that more of the firm's resources and attention may be devoted to bringing in new shareholders than caring for current shareholders. At Morgan Stanley, for instance, the funds' parent has said that it wants to maintain double-digit revenue growth, and it is largely relying on new products and sales to achieve that goal. The firm has plans to launch 30 or more new products in the coming years, which seems like a lot given that Morgan Stanley's current fund lineup is already well diversified and quite redundant. This emphasis on growth is a big reason why Morgan Stanley funds earn D's for corporate culture.

Top Firms Retain Talent

Another thing that we consider when evaluating corporate cultures is whether a fund firm can draw in top investing talent and keep those analysts and fund managers in place for all or most of their careers. The best corporate cultures, in our view, are careful when hiring personnel and planning for retirements. Dodge & Cox is one firm where manager-retention rates are very high. What's more, when former chairman Harry Hagey retired last year, the firm planned for the move for years and kept the funds' investors informed of the upcoming changes. Such transparency is a best practice and helped the Dodge & Cox funds earn A's for corporate culture.

Meanwhile, other firms have struggled with personnel turnover. Putnam funds earn D's for corporate culture mainly because the firm has one of the lowest manager-retention rates among the industry's biggest firms. Key fund managers have left the firm in droves in recent years--mostly at

Summary Section

Volume 56, Issue 3

Access Morningstar Mutual Funds Online at: mf.morningstar.com

► Featured Funds [S3]

AIM Technology's Management Turnover is Discouraging

Aston/Optimum Mid Cap Offers a Unique Blend

► News, Views [S37] & Research

Best Core Foreign Funds Dedicated to Developed Markets

Dodge & Cox Is Going Global

Veteran Vanguard Bond Skipper to Retire

Funds Feel Effect of Putnam Turmoil

Leaders and Laggards [S4]

Highest- and lowest-returning funds.

Fund Analyst Picks [S6]

Category Averages [S8]

Performance Close-Ups [S10]

Fund-category and index averages.

Fund Index [S12]

Quick Reference [S36]

Editor's Note [S40]

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1st Section of 2 Sections