



## Lipper award means national attention for Guilderland equity fund

BY BARBARA PINCKNEY  
THE BUSINESS REVIEW

The **Adirondack Small Cap Fund**, the Guilderland-based equity fund owned and managed by Matt Reiner and Greg Roeder, was named by **Lipper Inc.** as the best small cap value fund in the nation.

The award was based on its performance for the tumultuous three years ended Dec. 31, during which the fund, which now has about \$60 million in assets, had an annualized return of 9.9 percent.

"We were ranked No. 1 among 196 funds," Reiner said.

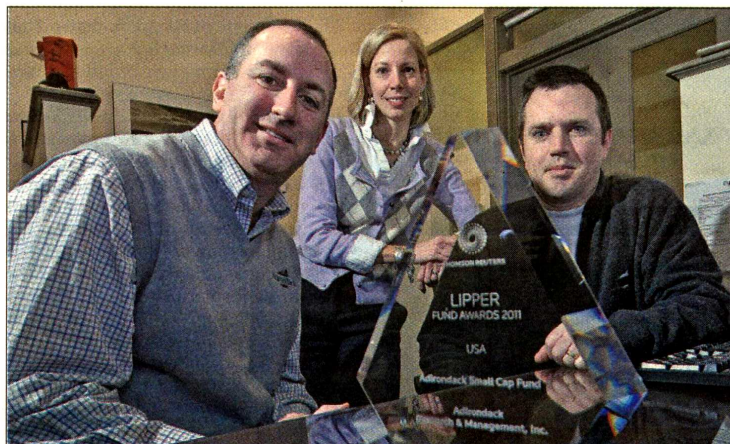
Reiner believes the four-employee Adirondack was the smallest of the 37 firms whose funds received Lipper Awards in different categories during the Thomson Reuters Awards for Excellence March 23 in New York City. But, he said, it got the biggest applause.

Now Adirondack, which has the bulk of its clients in the Northeast, is getting attention—and client cash—from all over the country.

"I anticipate that our mostly regional firm will have a more national client base as we move forward," said Steve Gonick, a principal in Adirondack.

### SLOW, FAT PITCHES

Reiner and Roeder, both of whom had



(From left) Steve Gonick, executive vice president of marketing and a principal of the Adirondack Small Cap Fund, analyst Alicia Lasch and portfolio manager and principal Matt Reiner.

worked for larger firms before starting Adirondack, consider themselves "contrarian" investors.

They look for companies that are "misunderstood" or undervalued by Wall Street, that are improving their competitive positions in attractive industries.

"In the baseball metaphor, we look for the slow, fat pitch and we're very pa-

tient," Roeder said. "In 2008 it felt like some of those pitches were hitting us in the head, but then it changed. We got some of those pitches and we hit them out of the park."

The 9.9 percent annualized three-year return compares to a 2.2 percent return for the Russell 2000 Value Index, a benchmark for small cap value funds.

The performance also earned Adirondack a perfect five-star rating from Morningstar.

The three years covered by the award were a time of pain, transition and growth for Adirondack.

After a few years of offering their fund primarily to family and friends, Reiner and Roeder were preparing to reach out to a broader clientele just when the financial industry meltdown occurred.

They put their growth plans on hold to focus on stock selection and soothing the clients they already had.

"We were hiding under our desks in 2008, but we answered the phone," Roeder said.

### KNOCKING ON DOORS

When the equity markets improved in 2009, the partners hired Gonick—one of their early investors, who met Reiner when their daughters played softball together—to raise the fund's profile among financial advisers.

Gonick had worked in sales and marketing for Fortune 500 companies, including **Johnson & Johnson** and **Bristol Myers Squibb**.

"People thought I was crazy to leave the pharmaceutical industry and join a financial services firm in 2009," Gonick

SEE FUND, 9

## FUND: Award puts focus on performance; opens doors to big financial service firms

### FROM PAGE 3

said. "But I have no regrets."

The fund started 2010 with \$11.6 million in assets, and ended the year at \$44 million. It has added about \$13 million during the first quarter.

"We built it mainly by knocking on doors in upstate New York," Gonick said.

The firm concentrated its marketing efforts within a 200-mile radius where it could build relationships with clients.

"For me it is really two-tiered," said Charles Leach, chief investment officer for Pittsfield, Mass.-based **Berkshire Bank**, who began putting his asset management clients in the Adirondack fund about 18 months ago. "One is performance, the other is access. They are local and they always make themselves available. We almost feel they are an extension of us."

### 'A REALLY BIG THING'

The Lipper Award will put the focus on performance, opening doors for Adirondack with large, national financial services firms.

"Lipper is at the top of the list for equity fund rankings," Leach said. "This is a really big thing."

The partners expect the fund to grow

### Quick info

#### Adirondack Small Cap Fund (ADKSX)

**Started:** April 6, 2005

**Assets:** \$56 million

**Investment style:** small cap value

**52-week range:** \$11.79-\$16.32

**Minimum investment:** \$3,000

**Managers:** Matthew Reiner, Gregory Roeder

rapidly now. They will keep it open until it reaches \$700 million in assets.

Adirondack Research will also grow, but will remain a small firm. It added its fourth employee, analyst Alicia Lasch, most recently of **The Women's Fund of the Capital Region**, in November.

"We may need a few more people to round it out, but we don't see ourselves getting much beyond 10 people," Reiner said.

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