

## Nation's top performing mutual fund is managed by a family in Wayzata

By Jason Jenkins

### Perkins Capital Management is run by a father and two sons

Among the many restaurants and shops that line Lake Street in downtown Wayzata sits a modest looking two-story building – one that might be mistaken for a home if not for a small sign hanging above the door that reads “Perkins Capital Management.”

The building, constructed in 1970s for Fox-Herfurth Real Estate, is the office for the Perkins family's capital management company. The founder of the business, Richard W. Perkins, known to many simply as Perk, started Perkins Capital Management in 1984 in Wayzata. The company was first located in Twelve Oaks Center before moving into its current spot at 730 Lake St.

At 87, Perk is still president of the company, running it alongside his sons, Richard C. Perkins, known as Dick, and Dan Perkins, who both serve as executive vice presidents. The company serves as the investment advisor to private and institutional accounts totaling more than \$163 million.



Perkins Capital Management founder and president Richard W. Perkins, also known as Perk, stands in between with his two sons, Richard W. Perkins, left, and Dan Perkins. The sons serve as executive vice presidents of the Wayzata-based company. (Sun Sailor staff photo by Jason Jenkins)

The family-run operation has gained some national attention in the capital management industry as of late because of the company's Perkins Discover Fund (stock symbol: PDFDX), which has been the best performing mutual fund in the nation so far this year.

The fund is a micro-cap boutique fund with around \$10 million in holdings. As of June 15, the fund was up around 33 percent so far this year. The benchmark S&P 500 was up only about 4 percent year to date.

The fund, which was created in 1998 as a place for smaller accounts and children's IRAs, was worth around \$8 per share when it opened. Today, the fund is worth around \$50 per share.

The primary emphasis of the fund is investing in micro-cap companies, which are small companies that have a market capitalization below \$1 billion. These types of companies have the greatest growth potential but also have the most risk, Dan Perkins said.

“That's really the nature of micro-cap investing,” he said. “Micro-caps are more volatile than large, more conservative stocks, but over the long term they can have a bigger return.”

While the fund is a small part of the business, it's been exciting to follow over the years as its maintained a strong track record.



Perkins Capital Management is at 730 Lake St. in downtown Wayzata. (Sun Sailor staff photo by Jason Jenkins)

“We look for companies to invest in that are going to be the beneficiary of significant positive change, and right now there are many positive changes going on in society,” Dick Perkins said. “There are new medical technologies, new software, the internet, there are so many. It’s just endless.”

“We don’t throw darts,” Perk Perkins said with a laugh.

More than 65 percent of the fund’s portfolio is in the health care sector: supplies, drugs/services, manufacturing and health care support, with much of the remaining in software services, computer programming and oil and gas.

The team said it meets with hundreds of companies each year in its Wayzata office to determine where to invest.

“As a small company investor, we have a pretty good national reputation,” Dick said. “So, that’s why they come here.”

Together, the three Perkins men, who are all chartered financial analysts, have around 130 years of experiences in the investment business. When the senior Perkins, who has been in the industry for more than 60 years, was asked how much longer he wants to remain in the business, he said he had no plans to retire.

“I’ll do this until they put me in a box and carry me out. It’s the only thing I know how to do,” he grinned.

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