

## Local investors make top grade

By David Hendrick  
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Beth Morris (from left), Charles King, Stewart Darrell and John Darrell make up the Darrell & King investment firm. The firm was recently ranked No. 1 by Money Manager Review. The Daily Progress/Brady Wolfe Brady Wolfe (The Daily Progress)

It takes a long time to become No. 1. In the case of Charlottesville investment firm Darrell & King, it took about 30 years.

The firm was recently rated as having the top multi-cap blend fund by Money Manager Review, no small feat for an operation that began as a one-man operation with \$900,000 in accounts. The rankings were based on the fund's annual returns of almost 17 percent during the past five years, a total unsurpassed by the other 85 ranked funds - many of which are attached to some of the biggest names in the investment industry - on the list.

"Obviously it's above average, or even superior," said Peter Walker, proprietor of Money Manager Review. "It is pretty neat," firm partner Charles King said of the ranking. "Many people think that the only places that can manage money are in big cities. We've shown ... that a firm in Charlottesville can take them all on."

As to how a four-person outfit came to gain national recognition and manage about \$300 million in assets, firm founder John Darrell cited the Woody Allen adage that "90 percent of life is showing up."

In other words, there were few in Charlottesville providing the services the firm offered 30 years ago. "I was in business, I was earnest and I thought I had some knowledge," said Darrell, who, after graduating from the University of Virginia, did a stint as a stockbroker in New York prior to moving back to Charlottesville and striking out on his own. Some knowledge was evidently on hand, as the firm grew to manage about \$50 million in its first 10 years.

King, a former portfolio manager with Chase Investment Counsel Corp., joined Darrell in 1986. More recent additions to the firm have included Darrell's son, Stewart Darrell, who recently left Fisher Investments in San Francisco to join the family business. The fourth employee, assistant investment counselor Beth Morris, joined the firm as an office manager, worked her way through UVa and is now taking the chartered financial analyst exams.

Among the benefits of operating in the relatively small pond of Charlottesville is an ability to avoid much of the hype generated by trends in the market, firm members say. During the boom in Internet stocks, the firm stayed away from the volatile technology companies, instead putting their clients' money into so-called old economy stocks that had fallen out of favor. "The rallying cry was that the old economy was dead and the new economy would live forever," King said. And while some clients were dismayed by an equities fund that essentially remained flat from 1998 to 2000 while everything else was seemingly hitting the roof, the technology bubble soon burst, and the stocks of the old economy soon chugged upwards. "We do our own research," John Darrell said. "We generate our own ideas."

In the current market, the pair said they were looking at stocks "that can continue to grow in a less dynamic market." The firm did, however, get in on the current wave of speculation by investing in real estate - but they bought about five years ago.

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