

OVERALL PERFORMANCE

T H E G L O B E 1 0 0

Pioneer Group Inc.

6 Pioneer Group Inc. may have grabbed headlines last year for its derring-do Polish mutual funds, but the secret of Pioneer's success may have been more elemental — gold.

Pioneer, which lays claim to being the fourth-oldest mutual fund company in America, obtained more than half of its 1994 earnings from its gold-mining operations in Ghana and elsewhere. Those mines, along with a healthy return on its Polish mutual funds, helped push Pioneer into the No. 6 spot on the Globe 100 list of best-performing companies in Massachusetts, up from No. 27 last year.

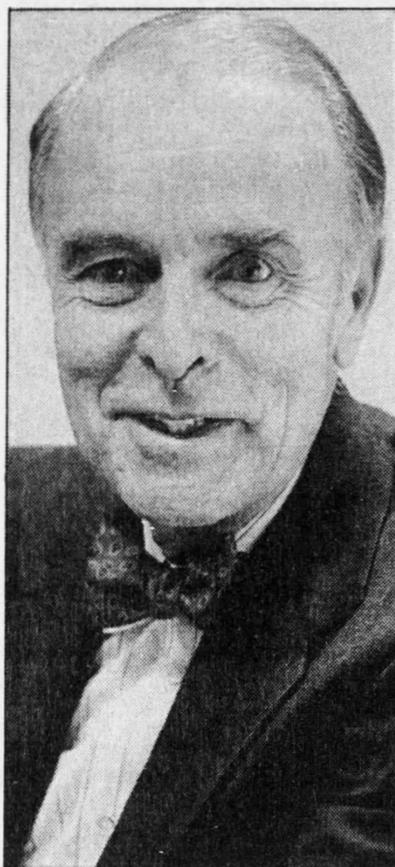
Pioneer's crazy-quilt mix of businesses makes it a difficult company to peg. It is a mutual fund firm, a venture capitalist, a majority owner of one of the world's richest gold mines and, most recently, a timber company.

So far, the mix has yielded some golden results: Revenues grew 33 percent in 1994 to \$172 million from \$129 million in 1993, while net income jumped 85 percent to \$33.5 million.

"They have a lot of irons in the fire," said Michael S. Beall, analyst with Davenport & Co. in Charlottesville, Va. "Investors tend to look at it in one of two ways: either as a mess or as a pretty interesting company."

Pioneer's executives insist that there is a method to the apparent madness. "We believe that gold is countercyclical to interest rates and inflation," explained William H. Keough, Pioneer's chief financial officer. "When stock isn't doing well, gold does well." Pioneer's 90 percent interest in the Teberebie Goldfields Ltd. in Ghana also gives Pioneer cash to invest in its other ventures in Europe, Russia and the Czech Republic.

Established in Boston in 1928, Pioneer ventured to the frontiers of Eastern Europe in 1992, setting up Poland's first mutual fund for local investors. The Pioneer First Polish Trust fund last year became the



JOHN F. COGAN:
Running a mix of businesses

company's fourth-biggest fund with close to \$600 million in assets.

Since then, however, Poland has given investors a rollercoaster ride. Pioneer has sought to avoid the swings by investing in relatively safe Polish government Treasury bills and long-term bonds. As a result, while the Warsaw Stock Exchange dropped 12 percent in the 12 months ended May 12, Pioneer's fund managed to gain 24 percent, Keough said.

Poland has not satiated Pioneer's appetite for investments in the former Eastern bloc. This year, Pioneer purchased a 51 percent stake in a Russian financial services firm, First Investment Voucher Fund. By July, Pioneer also plans to launch a mutual fund for Czech and Slovak investors fashioned after its Polish fund.

"We're trying to do some things that are imaginative," said John F. Cogan, Pioneer's president, at the company's annual meeting in early May. "And that carries some risks."

ALEX PHAM

Duracraft Corp.

By Tina Cassidy
SPECIAL TO THE GLOBE

7 Bernard Chiu has built the American dream with colorful plastic components.

His 6-year-old Whitinsville company makes space heaters, humidifiers, vaporizers, fans and air cleaners using plastic in fashionable hues.

Duracraft Corp. has been profitable from early on and in 1994 nearly doubled its sales to \$143 million, capturing the greatest American market share in three of its product categories.

Chiu, who learned the plastics manufacturing trade by working in his father's toy-making company in China, founded Duracraft in the Blackstone Valley area in 1989 with \$750,000 from two investors.

He had come to the United States just six years earlier, settling near his in-laws in Massachusetts and finding work at Holmes Products Co., a small maker of fans and heaters in Milford.



ARTHUR J. REMILLARD JR.:
Planning expansion

Chiu became executive vice president at Holmes before leaving the company to start Duracraft with two other Holmes employees.

Chiu prides himself on product innovation, design, esthetics and quality.

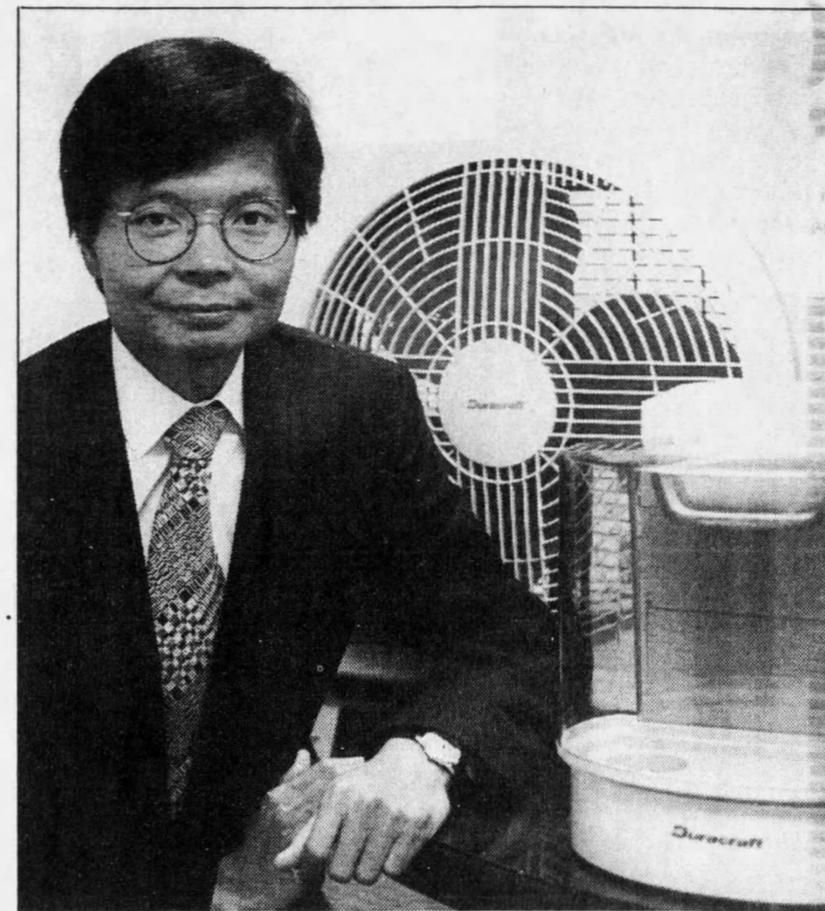
Last year, the company entered the Canadian and European markets, and this year, Duracraft is focusing on developing products.

"We're getting more market penetration, more shelf space with our customers. . . . Our products are doing well," said chief financial officer Keith Seidman. "The No. 1 emphasis is on product design and innovation. . . . That permeates the organization."

Duracraft sells its products to catalog retailers, home centers, drug stores, and major chains, such as Kmart, Sears, Wal-Mart and Service Merchandise.

Duracraft, with 2,200 employees, makes its Globe 100 debut in seventh place with a 92.2 percent increase in revenue and a 22 percent return on equity.

Meanwhile, profits soared 144 percent to \$12.6 million in 1994.



GLOBE STAFF PHOTO / JANET KNOTT

BERNARD CHIU: Building the American Dream in plastics.

Commerce Group Inc.

8 In an unexpected way, Commerce Group Inc. — the largest personal automobile insurer in Massachusetts — is benefiting from this year's 6.2 percent rate cut.

Many of the country's biggest and best-known insurers — Allstate Corp. and USF&G Corp., among others — reacted to the lower rates by reducing or eliminating underwriting in the state. That left Commerce Group with fewer competitors and a growing bottom line.

The Webster-based property-and-casualty insurance company, with \$698 million in revenues in 1994, made its Globe 100 debut in eighth place, and captured 40th place in the Globe's Sales 100.

Besides topping the personal-auto insurance business in the com-

monwealth, Commerce Group is the second-largest writer of homeowner policies and the fourth-largest commercial automobile insurer in Massachusetts.

Last year, the company's profits increased nearly 7 percent, its return on equity was 30 percent, and it moved its stock listing from Nasdaq to the New York Stock Exchange.

"We've had a tremendous amount of growth over the past five years," said spokesman Anthony J. Battista. Commerce Group, with about 1,100 employees, was founded in 1972 by Arthur J. Remillard Jr., who remains chief executive. The company is highly centralized and automated, with few branch offices, although it recently announced un-specific plans to expand out of state.

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