

Marlin defends Fisher Funds contract

Listed investment firm Marlin Global has rejected fund manager Elevation Capital's criticism of its decision to renew Fisher Funds' management contract before next week's annual meeting.

Friday, October 26th 2012, 10:40AM

by Niko Kloeten



Elevation is pushing for the contract with Fisher Funds to be terminated and for Marlin to be wound up, claiming this would give shareholders a return of about 81c per share, 14% more than the current trading price of 71c.

It will take the proposal to Marlin's annual meeting next Thursday, after it was rejected by Marlin earlier this month.

Marlin independent directors Alistair Ryan and Carol Campbell said Elevation was a rival fund manager and had only been a shareholder for a few weeks, while Carmel Fisher said Elevation was focused on making a one-off gain.

Yesterday Elevation published a presentation on its website criticising Marlin for renewing Fisher Funds' contract: "Why did the independent directors not want to hear from all shareholders as to the future of Marlin Global before reappointing the manager?"

It said Marlin is already returning capital to shareholders by paying out more in dividends than what it earns.

"There exists better performing and a more diverse range of international equity offerings available to shareholders with more attractive risk/reward profiles," Elevation said.

Marlin Global told the stock exchange this morning that Elevation had misunderstood the terms of the management agreement, the timing for and the factors relevant to the renewal decision.

"The Agreement is a contract between Marlin and Fisher and contains specific renewal provisions which must be followed. Renewal of the Agreement is based on Fisher's delivery of management services according to the Agreement over the initial five year term," it said.

Marlin said there were no grounds for the independent directors not to renew the agreement, and it was prudent for the directors to renew to ensure continuity of management.

"The renewal process is set out in the Management Agreement and was completed over a period from late June through to mid-September, prior to receipt of the Elevation proposal," it said.

"The final timing of the conclusion of the renewal process and the receipt of the Elevation shareholder resolution coincided but they were two separate processes.

"Nothing in the Elevation resolution would change the renewal process undertaken or the outcome."

Niko Kloeten can be contacted at niko@goodreturns.co.nz

[« Advisers to benefit from FATCA deal](#)

[Fund managers call for level playing field »](#)

Special Offers