



Loss-making Marlin under attack

[TIM HUNTER](#) Last updated 13:45 01/11/2012

In a sometimes testy annual meeting, the board and manager of \$75 million listed investment fund Marlin Global defended their performance in the face of an attack from a shareholder activist.

After two hours of presentations, shareholders were given the chance to consider a resolution from fund manager Elevation Capital proposing a wind up of the Marlin fund and a return of capital to shareholders.

Elevation managing director Chris Swasbrook told the meeting Marlin had returned minus 12 per cent since floating and had performed well below its equity benchmarks over time.

In that time, Marlin's manager Fisher Funds had received fees of nearly \$6.7m, he said.

With the management contract for Fisher due for renewal by October 31, he said, the board should have given shareholders an opportunity to consider alternatives.

"You can send your directors a message of real significance," said Swasbrook.

With chairman Alistair Ryan and director Carol Campbell also serving on the boards of two other investment funds managed by Fisher, "can you be confident they will consider other proposals that may cause tension with Carmel Fisher?" he asked.

Ryan and Campbell said they consider themselves fully independent.

"I'm not scared of Carmel Fisher," said Ryan. "She is a formidable woman, but I have responsibilities as an independent director."

Fisher told Swasbrook that Marlin operated in a competitive fund management industry.

"Shareholders have been able to consider [investing in] Elevation [funds]," she said. "If they wanted to they would invest with you."

In the following question and answer sessions shareholders expressed support for the current management and favourable comments drew applause from the gathering at a conference room in Auckland's Ellerslie.

Earlier in the meeting Fisher's new investment managers running Marlin, Roger Garrett and Manuel Greenland, told shareholders they had reviewed the portfolio of international stocks and found 17 per cent of Marlin's holdings no longer fitted the investment criteria.

"A few bad apples were spoiling the return from a good portfolio," said Greenland.

Addressing the fund's performance during the year, Ryan told shareholders the net loss of \$12m was disappointing. "There is no getting away from that," he said.

But it was important to take a medium to long term view of performance.

"We would certainly want the total shareholder return to return to positive territory as a matter of priority," he said.

Voting on the resolutions will be released to the stock exchange later today.

Marlin shares were trading at 71c on the NZX this morning, a discount to asset value of about 14 per cent.