

Takeover offer for Arrow Energy

Renewed takeover activity in international markets is bringing another windfall to Fisher Funds investors, but this time in the Australian market.

A takeover offer for leading Australian coal seam methane producer Arrow Energy has provided a significant boost for three funds managed by Fisher Funds with the Fisher Funds KiwiSaver Scheme again benefiting alongside the Australian Growth Fund and listed company Barramundi Limited. All three funds are significant holders of shares in Arrow.

“We have been long term investors in Arrow Energy, backing the company from its infancy when its share price was less than \$0.60” said Fisher Funds Senior Portfolio Manager Frank Jasper.

Yesterday (March 8) Arrow Energy received a non binding, conditional takeover proposal from a company jointly owned by Royal Dutch Shell and PetroChina. Under the proposal Arrow shareholders would receive consideration of \$4.45 per share plus a share in a new entity comprised of Arrow’s international business. In response to the bid Arrow’s share price today soared by over 40%.

“Arrow Energy is the second largest position in our Australian portfolios after Pipe Networks, which is also under takeover offer,” said Fisher Funds Managing Director Carmel Fisher.

“This illustrates that our strategy of accumulating significant positions in market leading companies and waiting patiently for the market to recognise their value pays off for our investors. When combined the takeover offers for Arrow Energy and Pipe Networks mean that more than 20% of the Fisher Fund’s Australian portfolio is currently under takeover offer. That’s a real endorsement of our investment process.”

The offer is also another significant gain for Fisher Funds KiwiSaver scheme with investors gaining from three other international takeover bids in the China and US markets since mid January as well as the most recent offers on the Australian exchange.

The Directors of Arrow Energy recommend that shareholders take no action in relation to their Arrow shares. Fisher Funds will be considering its position with respect to the investment in Arrow Energy in coming days.