

Fisher Funds rally after market gloom

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A strong earnings-reporting season underscored by positive outlooks for the year ahead have provided a welcome boost for Fisher Funds' flagship New Zealand Growth Fund.

The fund - which invests in 12 Kiwi favourites including Mainfreight, Pumpkin Patch and Ryman Healthcare - plummeted over 33 per cent for the year to the end of March, wiping some \$46 million off its total value. But the fund rose 6 per cent in July.

The rally should provide unit holders with some cheer, said managing director Carmel Fisher, with share prices beginning to reflect business performance and not just investor sentiment.

"March was certainly a low point," she said. "There's not been a recovery since then; overall the sharemarket has fallen 4 per cent, but we're up 6 per cent, so we've outperformed ...

"In March we had people wanting to sell out of any asset that represented risk. Now we're actually getting share prices reflecting what's happening with those underlying companies."

Mainfreight, for example, was up 20 per cent since March and forecast 15 per cent profit growth across all its divisions, while

Ryman was waiting on resource consents to open more villages and sell units to a growing waiting list.

"[Earlier this year] the share prices of good companies were being slashed for no reason at all," Ms Fisher said. "It's only when we start getting results, which is now, that the messages are a whole lot more positive."

The fund, worth \$108 million as of yesterday, has enjoyed a 12.3 per cent average annual compound return since its launch in August 1998 when the fund manager entered the market.