

Fisher Funds join Stewart family snapping up shares

By MARTA STEEMAN - The Press | Friday, 13 June 2008

High-profile fund manager Carmel Fisher has bought a substantial stake in private hospital firm Wakefield Health on the back of the Stewart family's efforts to snap up a cornerstone stake.

Fisher Funds, the fund run by Carmel Fisher, declared a 5.68% stake in Wakefield Health yesterday, paying an average of 899c a share.

Fisher Funds spent just over \$7.23 million from June 3 to June 11 on Wakefield shares but most of that was spent on Wednesday when the Stewart family was in the market.

The company owns and runs three private hospitals two in Wellington and one in Hastings.

Mark Stewart and his family's investment company, Masthead, were still in the market yesterday for Wakefield shares at 900 a share. Masthead lifted its stake to 16.23 per cent yesterday from 15.17 per cent the day before.

Stewart appears to want to get to under 20 per cent, the threshold which triggers the obligation to make a takeover offer.

If a takeover was the eventual end game, Stewart would have to contend not only with Fisher but also AMP Capital Investors which retains nearly 11 per cent in Wakefield.

Carmel Fisher said Fisher Funds had not been aware of Masthead's interest. Fisher placed its order on Monday because it believed the action in the stock that day would release shares. Previously the shares were little traded and hard to get.

"We didn't know the Stewarts were going to be involved. It doesn't change our view of the company that they are involved but our research was quite separate to theirs," Fisher said.

Fisher Funds liked the aged care sector and had stakes in Ryman Healthcare and Metlifecare.

Government public health services were becoming stretched and more non-urgent and elective surgery was going to private hospitals. Wakefield had a capable management and had performed well, she said.

She said for Fisher 5.68 per cent of Wakefield was a toe in the water and if it liked the stock it would build a larger stake.

Fisher Funds was a portfolio owner of shares and did not get involved at board level or with management as the Stewarts did.

Wakefield had been off people's radar screens and Fisher Funds had only looked closer at it recently.

"For us, we like the business irrespective (of the Stewarts involvement). If Masthead or the Stewart family can add value obviously we will benefit from that as well.

"I don't think Wakefield need to have some value added from Masthead but if they do, great," Fisher said.

Stewart could not be contacted yesterday for comment.

Stewart has a record of being hands on in the companies Masthead invests in. He has said the family is interested in the health sector.

He made \$16.7m profit this year from a stake in healthcare company Abano. He bought into Abano in October 2006 at 155c a share and launched a partial takeover bid a year later. The 500c bid was trumped by Australian investors Crescent Capital at 520c and Stewart bowed out with profits. Crescent's bid was defeated.