



Wholly owned again: Liantamer's founders Janine Starks, left, and Laetitia Petersen are back in full control of the boutique fund manager.

Liantamer comes back to full New Zealand control

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Less than two years after New Zealand fund manager Liantamer sold majority ownership to Belgium bank KBC, the boutique firm is solidly back under Kiwi control.

KBC, a troubled banking behemoth and the recent recipient of €3.5 billion (NZ\$8.6 billion) bailout by the Belgium government, sold its 51 per cent stake back to Liantamer under an agreement made public this week.

Control of Liantamer's global water fund in Australia will fall to KBC. Terms of the deal, which takes effect on January 30, were not disclosed.

But Liantamer investment director Janine Starks said it was a coup for the company as it was able to buy back shares at a bargain price. The change in ownership would have no impact on investors, she said.

"And any new fund we bring out, the most important question is not who the shareholders are, but who the

entity is that is providing capital protection."

Capital protection is like a form of insurance where investors are guaranteed a full return on their money (less whatever interest they might otherwise have made) on funds that fail to perform as expected.

To that end, Starks said Liantamer would keep ties with KBC as one of the parties that provided capital protection on its funds.

Starks said Liantamer was also exploring the possibility of partnering with some New Zealand banks with expectations that might bolster investor confidence.

"I think the sentiment among New Zealand investors is that they are concerned and they like the local names.

"People feel comfortable when they can see ANZ, Westpac or BNZ and know that they're real and that they exist because they have friends that work there."

Apart from a possible change in capital protection

partnerships, Starks said the new ownership structure would not impact operations greatly. However, having full control of the company would be advantageous.

"It puts us back to boutique status and that's really good from our point of view because we can take the company forward in ways that perhaps we couldn't have done before."

Liantamer was started in 2003 by Laetitia Peterson, a former director of capital markets for the Bank of New Zealand. Starks joined the business soon after as partner.

Today, the company has more than \$200 million under management and employs more than a dozen people.

Apart from their rarity as female fund managers, the pair put Liantamer on the map designing innovative retail products that are capital protected.

Starks said the demise this week of one of those funds, Fallen Angels (billed as a cheap buying opportunity for bank

stocks with good prospects for recovery) was unfortunate, but inconsequential in the wider scheme of things.

An unprecedented decision was made this week to shut the fund in advance of its start date this month because of sagging interest rates and market volatility. Investors would be fully refunded with interest, she said.

Despite bleak market conditions, Starks said she and Petersen remained optimistic.

"We're just waiting for things to calm down, we're looking at bringing out something with New Zealand bank protection on it and it takes quite a bit of structuring behind the scenes, so our team is busy doing that and pricing them up with various international banks and looking at what works, what doesn't, what good asset classes are at the moment.

"I think it pays not to rush into things when the market is quite volatile and just hang back and do your homework," she said.