

**Daniel Loeb**

## Loeb's Third Point rejects dissatisfied investors' call for meeting

UK investment trust denies shareholders a vote on how to address share price discount



Dan Loeb, who is known for his bruising activist fights with companies, faces a challenge from several of his own shareholders © Alamy

**Joshua Oliver** 2 HOURS AGO

The UK investment trust managed by billionaire activist investor Dan Loeb has struck back in a running battle with a group of discontented investors, rebuffing their calls for a shareholder meeting.

The board of Third Point Investors Limited (TPIL) has rejected a move to call a general meeting to vote on shareholders' proposal to narrow the discount between the trust's share price and the value of its asset.

Loeb, who is known for his bruising activist fights with companies such as Sony and Sotheby's, faces a challenge from several of his own shareholders who have complained about the persistent discount.

Asset Value Investors, a London fund manager that owns 10.1 per cent of TPIL, in May [published a letter](#) proposing that investors should have the right to cash out their shares quarterly at close to their underlying value in order to narrow the discount. TPIL, which acts as a feeder fund for Loeb's New York-based hedge fund, said the changes would threaten the company's long-term viability.

The public face-off followed tense exchanges behind the scenes. In a call with investors this year, Loeb said he would not bow to shareholders "seeking to earn a quick buck by trying to bully or force the board or me to do something that isn't in the long-term interests of all of our investors".

Tom Treanor, executive director at AVI, in May said the comments were “remarkable for their hypocrisy and lack of self-awareness” given Loeb’s long record of agitating for change at companies he invests in.

AVI last week secured the backing of three smaller TPIL shareholders, including Staude Capital and Metage Capital, giving it enough support to call for a general meeting to force a vote on the measures.

But the TPIL board on Tuesday said the proposed shareholder vote could not go ahead because it would “inappropriately infringe on the board’s ability and obligation to manage the Company [and] would have no legal effect” under the company’s rules.

AVI said it was consulting with other shareholders and considering its response.

The board said it had already considered and rejected AVI’s proposals as part of its strategic review. “Principally . . . the Board determined [that] such actions would, over time, meaningfully reduce the trading float and overall size of the Company, which would render it significantly less attractive to investors and threaten its long-term viability,” TPIL said.

A share exchange facility proposed by the board as part of its own plan to narrow the discount was backed by shareholders at TPIL’s annual general meeting last week.

However, the meeting revealed signs of discontent with more than 20 per cent of votes cast against the exchange facility and the re-election of Josh Targoff, general counsel and chief operating officer of Third Point, as a management representative on the board.

The board said strong performance from Loeb’s strategies and its discount control plan had helped boost the share price 28 per cent so far this year, and close the discount to 12 per cent from 17 per cent in May.

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