

Orchard agitators spoil for vote

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ORCHARD Funds Management's extraordinary meeting next month promises to be a fiery affair as disgruntled investors continue to call for the dismissal of the chairman, Charles Macek.

In a notice of meeting, set down for April 8, Orchard's directors said the refinancing proposal received last month from Barwon Investments, and the call to oust the directors, would be put to shareholders, but warned that approving one of the plans will veto the other.

The notice advised investors to take no action until all documents had been issued regarding the Barwon refinancing plan. Barwon is run by the former AMP Capital directors Rob Morrison and Peter Connors.

Leading the charge to change the chairman are Curt Roberts, Hans Sprangers and David Minear, who have also fiercely rejected the planned deal between Orchard and Barwon.

Mr Roberts pointed to the poor financial performance of Orchard in the past two years. He said there was a fall in profit - on a comparative basis after eliminating costs and discontinued operations - of 65 per cent in the 2009 financial year and a loss in 2010.

"We have grown increasingly annoyed at Orchard's lack of any progress in shareholder value in recent years and Orchard's ongoing conflict with the financial advisers and other stakeholders," said Mr Roberts, the spokesman for the rebel group. "We just can't stand by and see what's left evaporate further.

"Mr Macek's unrealistic view of Orchard was underlined to us in his recent note to shareholders where he said 'Orchard had weathered the GFC storm'.

"Mr Macek clearly has a different perception to the average investor that we have spoken to."

Robert Coyte, from Centre Capital Securities, said independent financial planning groups had also rejected the bid by Barwon Investment Partners to take over Orchard Funds.

"The groups, who have remained in close contact throughout the Orchard ordeal, have told Barwon that in the absence of a plan for the troubled Diversified Property Fund they would not want to see control of Orchard pass to Barwon," Mr Coyte said. "Industry consensus is that if Roberts and his team gain control they will seek to bring together unitholders and shareholders because the rebels have a foot in both camps."

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