

## **Don't let Wall St raider put trusts at risk! Baroness Altmann cautions against a repeat of Neil Woodford savings scandal**

By CALUM MUIRHEAD, The Daily Mail, 12 February 2025:

The latest assault on UK investment trusts by Wall Street raider Saba Capital could risk a scandal similar to the collapse of Neil Woodford's fund management empire, a former pensions minister has warned.

Baroness Ros Altmann said plans by Saba's Boaz Weinstein to change the structure of four London-listed trusts from closed-ended funds into open-ended ones could put investor savings at risk.

This is because open-ended funds are sometimes forced to sell assets if a large number of shareholders try to take money out, potentially reducing future returns.

Closed-ended funds have their shares traded freely on the stock exchange, making it easier for investors to cash out, meaning a rush is less likely.

Open-ended funds can also deny investors the opportunity to sell, effectively locking up their money, as was the case when Woodford's Equity Income fund collapsed in 2019..

The peer's intervention came as CQS Natural Resources Growth and Income, one of the trusts targeted in Saba's latest broadside, accused the hedge fund of trying to 'undermine' its strategy..

'We are disappointed to receive another requisition from Saba without any dialogue and which follows a very recent shareholder vote firmly endorsing the ongoing strategy,' said chairman Christopher Casey.

Matthew Read, senior analyst at QuotedData, warned that shareholders would have less control over their investment under Saba's new strategy.

He said: 'Unlike with open-ended funds, shareholders are able to vote at meetings of the company. From a governance perspective, the lack of shareholder democracy is one of the most significant failings of the open-ended structure.'