



Activist Insight

Morrow Sodali brings fund solicitations in house

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Global proxy solicitor Morrow Sodali has hired Vincent Di Costa as head of strategic and solicitation services for mutual and exchange-traded funds (ETFs).

"The vision behind this business combination is very much focused on the future and on the growing importance of retail investors," said Morrow Sodali CEO Alvis Recchi. "Together, Morrow Sodali and Di Costa Partners are equipped to reach the full spectrum of shareholders, regardless of whether their shares are registered, held in street name, or through mutual funds or ETFs."

As well as retail investors becoming a bigger factor in corporate governance, the partnership could help Morrow Sodali win business from funds facing activist pressure.

According to *Activist Insight Online*, between 16 and 23 closed-end funds have faced shareholder pressure in each of the last five years, often from the likes of Bulldog Investors, Karpus Investment Management, and Saba Capital Management.

According to Di Costa, it's a common issue when funds trade at a heavy discount to net asset value. "It really comes down to performance," he told *Activist Insight Online* in an interview. "If you're not doing well over a long period of time, that's when an activist might seek board representation or attempt to kick off the board."

Di Costa, a 35-year veteran of soliciting investors in funds, also told *Activist Insight Online* that Morrow Sodali and his firm, Di Costa Partners, would share expertise in governance advisory and vote projections, before adding that the partnership could also benefit from Morrow Sodali's shareholder identification capabilities and global reach.

For its part, Morrow Sodali is off to a good start in 2019. Its client, Luby's, won the first major proxy contest of the year last week.