



Business
Fink joins trading supergroup

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423 words

28 February 2010

The Sunday Times

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English

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A BOARD of City heavyweights including **Stanley Fink**, the "godfather of hedge funds", has been recruited to turn the commodities firm Marex Financial into a global powerhouse.

JRJ Group, the investment firm started by Jeremy Isaacs, previously European head of Lehman Brothers, and Roger Nagioff, another former Lehman executive, bought a 74% stake in Marex in December.

The firm, which made a £26m profit last year, is one of the top brokers on the London Metal Exchange (LME) but has limited presence in certain markets beyond Britain. Isaacs has ambitious plans to push it into America and Asia as well as into new asset classes.

"We have very substantial amounts of capital behind us, so if there are big things to buy, we can do it," he said. "There is no reason why this can't be a billion-pound company."

Fink is the former chief executive of Man Group, the world's largest listed hedge fund. Isaacs, who will chair the Marex board, has also drafted in John Phizackerley, a top executive at Nomura Bank, Peter Kadas, vice-chairman of New World Resources, the London-listed coal miner, and Simon Heale, former chief executive of the LME and a director of several public companies, including Kazakhmys, the miner, and Panmure Gordon, the stockbroker. Marex will be run by the current management and expects to draw heavily on the contacts and experience of the new board. "What we've done so far has all been organic," said Mark Slade, the chief executive.

"We've not had the access to capital to grow. Now we do."

Marex acts as a go-between for the buyers and sellers of futures contracts, a method of betting on the prices of commodities such as coffee, tin and oil at a certain date in the future.

The market for such contracts is small compared with the more developed markets for financial instruments. They are expected to grow strongly as competition between the West and big rawmaterial users such as China and India makes prices increasingly volatile.

Gavin Prentice, managing director of Marex, said: "The ratio of interest rate [futures] to the underlying assets is 15 to one. For metals and soft commodities, the ratio is 0.5. The trends in commodities are starting to mirror those of financials."

Marex's staff and managers retain a 6% stake. The rest is held by Marathon Asset Management, which bought the business after its former parent, Refco, collapsed in 2005.

Isaacs: billion-pound hope

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