

# GRANT'S

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## Exit, Michael Novogratz

"It's the plaint of the Fortress bulls that Mr. Market chooses not to focus on the company's successes, but rather its principal disappointment," this publication observed in the issue dated Sept. 18. "The Drawbridge Global Macro Fund is that corporate problem child."

It will soon be closed. Both the fund and its manager, Michael Novogratz, one of the Fortress founders, will take their leave at year-end. News of the shuttering of the Macro Fund sent the price of Fortress' shares down to \$5.07 in Monday's aftermarket, a 7% fall from the 4 p.m. close.

For us, we remain bullish. On Tuesday, Fortress disclosed its intention to purchase Novogratz's stock—56.8 million shares—at \$4.50 per share, a 17% discount from the closing Monday price. The transaction will result in a 13% shrinkage of the Fortress share count. In the 12 months through June 30, Fortress' liquid-markets division, which housed the Macro Fund, chipped in just 2% of distributable earnings. As *Grant's* went to press on Tuesday, Fortress was on the upswing. It deserves to be.

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