

News

BCLP ADVISES AXIOM EUROPEAN FINANCIAL DEBT FUND ON RECONSTRUCTION SCHEME

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International Law Firm BCLP is advising Axiom European Financial Debt Fund (“AEFD”) on a scheme of reconstruction, under which AEFD will be liquidated and shareholders will be entitled to roll over their investment into another fund managed by the same investment manager, with the option to instead receive a cash distribution. The transaction was announced on 1 August 2023 and approved by shareholders at an EGM on August 29 2023. The transaction is expected to close in early September 2023. The BCLP deal team was led by Partner Richard Werner and also included Tom Bacon, Jessica Kain, Paul Spence and John Adamson. Mark Brailsford provided tax advice.

AEFD is a Guernsey-incorporated Premium Listed investment fund which invests in regulatory capital instruments issued by European financial institutions. BCLP advised on the IPO of AEFD on the Specialist Fund Segment of the LSE’s Main Market in 2015 and on the fund’s transfer to the Premium Listing category in 2018. AEFD is managed by Axiom Alternative Investments (“Axiom”), a specialist asset manager focused on the European financial sector. AEFD has a market capitalization of approximately £80 million.

Despite the strong performance of AEFD’s investment portfolio since its launch, investors expressed frustration at the limited stock market liquidity in AEFD’s shares and the persistent discount to net asset value at which the shares have traded. Therefore, AEFD proposed the scheme of reconstruction under which AEFD will be liquidated and its assets transferred to Axiom Obligataire, a compartment of a Luxembourg SICAV also managed by Axiom, with a similar investment strategy to AEFD. Axiom Obligataire is open-ended with daily liquidity, thereby ensuring that investors will be able to achieve liquidity at a price reflecting the net asset value per share of the compartment. Under the scheme of reconstruction shareholders were given the options to roll over into one of two different share classes in Axiom Obligataire (subject to eligibility) or to receive a cash distribution from AEFD. At the EGM on 29 August, the scheme was approved with the support of 99% of votes cast. Holders of approximately 31% of AEFD’s shares elected to receive a cash distribution with the remainder rolling over into Axiom Obligataire.

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MEET THE TEAM



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