

January 18, 2021

In this Newsletter, we highlight a couple of our recent projects that convey the complex challenges and breadth of issues that our clients face, and the ways in which we have helped to navigate them: the board of Murray Income Trust plc (Murray Income) on its combination of assets with Perpetual Income & Growth Investment Trust plc (PLI), and HSBC on a US\$70 million stapled secondary infrastructure investment.

Combination of Murray Income Trust plc and Perpetual Income & Growth Investment Trust plc

Our Listed Funds team recently advised the board of Murray Income Trust plc (Murray Income) on its combination of assets with Perpetual Income & Growth Investment Trust plc (PLI). The board believes the combination has benefits for both Murray Income's shareholders at the time and the PLI shareholders rolling over into the enlarged company. The combination resulted in Murray Income becoming one of the largest investment trusts in the UK Equity Income sector, with gross assets of around £1 billion. The enlarged company has significant scale, offering investors low-cost exposure to the market-leading UK Equities investment team at Aberdeen Standard Investments, with Charles Luke as lead manager.

Legally, the combination was effected by a scheme of reconstruction under section 110 of the Insolvency Act 1986 resulting in the voluntary liquidation of PLI and the rollover of its assets into Murray Income in exchange for the issue of new Murray Income shares to PLI shareholders. PLI shareholders were offered the option of a cash exit for up to 20% of PLI's shares in issue.

Whilst section 110 schemes are a well-trodden path for combining two investment trusts, this transaction also involved the novation of the PLI privately placed loan notes, where we were supported by our Banking and Finance team.

The scheme became effective on 17 November and the new Murray Income shares admitted to trading on 18 November.

[Client quote] "A lot of hard work has brought us to this point, much of it unsung and behind the scenes. It has not been easy doing everything remotely and there were some difficult issues to overcome as we went along. But throughout I have been very impressed by the quality and support of our team at Dentons and their commitment to getting the deal done." - **Neil Rogan, Chairman at Murray Income Trust.**

Stapled secondary investment in infrastructure fund

Our Private Funds team recently advised HSBC in relation to a US\$70 million investment into two funds managed by an independent, infrastructure investment firm solely focused on mid-market transactions primarily in the power, transport, communication and utilities sectors in Western Europe and North America.

The transaction took the form of a stapled secondary deal, consisting of two parts. Firstly, a US\$35 million interest in the manager's existing Fund II was purchased. Simultaneously, a primary investment of US\$35 million was made into the manager's new Fund III.

Our team, led by Ted Craig, assisted by Owen McLennan and Nicola Harvey, advised on the review of key fund documentation, and the preparation and negotiation of the purchase and sale agreement, transfer documentation and side letter. This deal demonstrates our team's capabilities in all aspects of acting for large institutional investors on both the primary and secondary markets, which allowed us to navigate not only the standard investment documents and processes, but also the bespoke regulatory and policy profiles that come with large multinational institutional clients.

The transaction completed on 6 November 2020.

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