

# Syndicated Loan Facility

Media Release

The SILC Group is pleased to have recently been appointed as Payment Agent and Security Trustee of a syndicated vendor financing transaction led by Executive Director, Michelle Tay.

The circa \$125m total transaction value involved the divestment of a transport and logistics company by several shareholders who also provided a vendor financing facility to the incoming purchaser which was subordinated via an intercreditor agreement to debt provided by a major Australian trading bank. The SILC Group security trustee was appointed to hold security on trust and manage all interest and principal payments for the lenders (vendors).

Michelle noted that “We are seeing more activity in the middle market financing sector, typically comprising foreign banks, domestic and international funds, and other corporate lenders, which in addition to an arranger, has a need for an independent facility agent and security trustee. In these roles we assist the group of lenders to streamline and co-ordinate what could otherwise be a potentially complex transaction to manage on an ongoing basis”.

Tony Symons and Stuart Weir of Clarendon Lawyers who led the legal team on this transaction commented “We were pleased to work with The SILC Group team to establish a security trust on behalf of the vendors. Given the multiple vendors involved, establishing a security trust was clearly the best path forward to create straightforward arrangements for the vendors’ security interests. Michelle and her team were a pleasure to deal with on this transaction, and helped us navigate some complex structural issues on some tight timeframes to ensure a successful outcome for the vendors.”

## Security Trustee and Facility Agent

In a syndicated debt transaction, The SILC Group provides Security Trustee and Facility Agent services, acting on behalf of lenders in corporate, project financing and securitisation transactions which includes the following roles:

- Managing all drawdown, repayment and rollover notices
- Ensuring payments are executed promptly and accurately
- Manage lender consents, waivers, facility amendments and approvals process
- Organise meetings, correspondence and requests between syndicated members, borrowers, legal advisers and other third-party advisers, ensuring a facility continues to operate efficiently and cost effectively
- Holding securities on trust for lenders
- Act as paying agent in club loan facilities and calculating and remitting interest, commitment fees and principal payments

We would like to extend our sincere appreciation to Tony Symons and Stuart Weir of Clarendon Lawyers for their innovative structuring, solutions focussed approach and excellent legal work.

## About The SILC Group

The SILC Group is a multi-faceted financial solutions provider focussed on the unique needs of discerning wholesale clients across private, commercial and institutional segments. Our experienced team of specialists acts as advisors, arrangers, trustee and managers of investment assets, funding solutions and financial markets products.