

HIPGNOSIS CHARTS MUSIC SUCCESS WITH ADVICE FROM HERBERT SMITH FREEHILLS

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Deals and cases

Herbert Smith Freehills has helped Hipgnosis Songs Fund Limited (LSE: SONG) hit new musical high notes by providing advice on a upsized credit agreement with a syndicated group of lenders. The terms provide for a \$400 million New York law Net Asset Value-based secured revolving credit facility (RCF).

The deal ensures that Hipgnosis have successfully closed a substantial upsizing to its RCF from £150m to US\$400m. It involved a syndicate of twelve banks, including JPMorgan. It follows Hipgnosis' recent admission to the FTSE250 index and an oversubscribed share issuance - which represents the largest fundraising by an LSE-listed investment trust since Covid-19 lockdown began in the UK.

Hipgnosis was founded by Merck Mercuriadis (former manager of recording artists such as Iron Maiden, Elton John, Guns N' Roses, Morrissey and Beyoncé). It offers investors a pure-play exposure to songs and associated musical intellectual property rights (including its recent highly publicised acquisitions of 100% of three-time Grammy winning producer and songwriter RedOne's music catalogue and a 70% stake in Mark Ronson's publishing and writing catalogue). The fund's Investment Adviser is The Family (Music) Limited, also founded by Merck Mercuriadis.

Herbert Smith Freehills' team was led by [Gabrielle Wong](#). She was supported by senior associate [Soumya Rao](#), associates [Ben Robinson](#) and [Chelsea Fish](#) and trainee Natassja Moczarski (with partner [Heather Culshaw](#) leading on UK-related aspects). Funds partner, [Nigel Farr](#), and senior associate [Adam Hickey](#), advised on the funds aspects of the transaction.

Gabrielle Wong, partner in Herbert Smith Freehills' finance practice, commented: "We are delighted to have advised Hipgnosis on the successful completion of its debt upsizing which is testament to the strong conviction the financial community holds in songs as an asset class. We look forward to continue supporting the Hipgnosis team as they expand their business and go from strength to strength."

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