



Ogier advise on innovative \$450 million structured finance deal

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Established in December, 2004 Dominion launched its flagship product "Dominion PCC Limited", offering 12 funds that invests through life policies in the With-Profits funds of Prudential International Assurance Plc and Norwich Union International Limited on either a leveraged or unleveraged basis. The unique fund structure of Dominion seeks to combine the benefits of the smoothed (non volatile) performance of With-Profits with financial leverage and sophisticated risk management techniques.

Dominion has been highly successful in the two years since launch, achieving assets under management across these funds in excess of €400 million. This strong growth looks set to continue unabated with demand from investors increasing by 47% in 2006.

As an integral part of the product Dominion requires substantial amounts of institutional credit finance. William Simpson, Managing Partner of Ogier Guernsey and Michaela Jesson, Senior Associate of Ogier Guernsey have acted as legal advisers to Dominion throughout.

Securitisation by design

A second Ogier Guernsey legal team led by Marcus Leese advised Guernsey bank NM Rothschild & Sons (CI) Limited ("NMRCI") in conjunction with its investment banking specialists in London and ABN AMRO on the design and implementation of an innovative funding structure that now gives Dominion access to the international capital markets to provide the required funding at the most competitive pricing possible.

The structure resulted in the creation of Dominion Funding Limited, a purpose built vehicle to access capital markets, that draws initial funding from both NM Rothschild and ABN AMRO, but also encompasses Bank of New York (London) as Security Trustee, HSBC (Custodian to Dominion PCC Limited) and Northern Trust (Administrator of the funds).

A first in many ways

The securitisation project which is pioneering in both design and construction is thought to be the first occasion on which an open ended investment fund structured as a Guernsey Protected Cell Company has been used to access the international capital markets. It is also thought to be the first time that a securitisation program of its type has been successful where the underlying security for such substantial debt is Life Insurance policies invested in With-Profit funds.

William Simpson commented

“This has been an extensive project that was made all the more interesting and challenging by the fact that Dominion has broken new ground with a structure which I believe has not been contemplated before with a Protected Cell Company. The structure combines some of the highest profile financial services groups and consequently the involvement of some of the UK’s leading law firms.”

A Platform for Success

The conclusion to this securitisation program allows Dominion to continue to meet the steadily increasing demand for its funds whilst ensuring the best possible return for its investors. The success seen so far is not limited to any particular market or market sector:

Dominion Chief Executive Alex Bell explains:

“Dominion continues to attract investors from a wide variety of sources. While the funds are targeted at the sophisticated, high net worth and professional investors there is an increasing demand from the institutional sector. Our experience to date suggests that the funds have a growing appeal internationally and we are now seeing substantial inflows from a number of European markets, the Middle East and increasingly Asia”

“This securitisation is a key milestone for Dominion; it affords a significant and immediate benefit to our existing investors and importantly, provides the platform for our plans for the further growth of these funds.”

“We are delighted with the structure that NM Rothschild have put in place and the level of help and cooperation received from all of the companies involved”

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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