

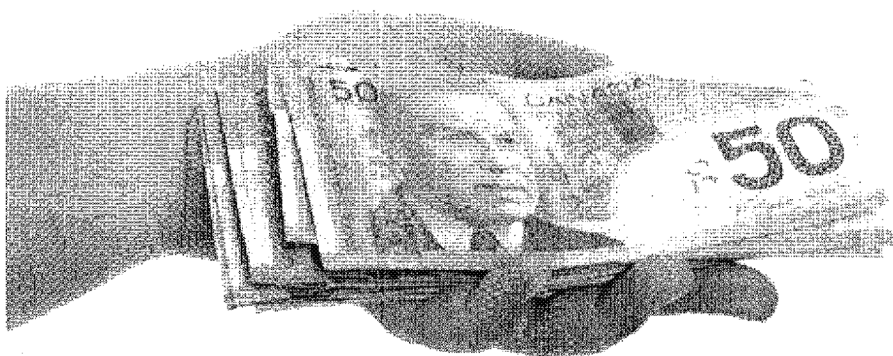
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West Face Capital launches \$600-million special situations fund

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West Face's new offering will benefit from companies that face special situations that fuel their need to raise money or issue debt.

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West Face Capital Inc., the hedge-fund firm that accelerated the overhaul of Maple Leaf Foods Inc., opened a credit fund to provide alternative debt financing to companies that don't access traditional markets.

West Face, led by Chief Executive Officer Greg Boland, formed the Alternative Credit Fund in December 2013 and plans to raise \$600-million for the offering, according to an e-mailed statement from the Toronto-based company. The fund currently has \$400-million in commitments.

West Face's new offering will benefit from companies that face special situations that fuel their need to raise money or issue debt. Global credit hedge funds returned an average 8.6% in 2013, according to data compiled by HSBC Holdings Plc, outperforming the 1.5% decline in Bank of America Merrill Lynch's Canada Broad Market Index.

The fund "allows us to address opportunities of greater maturity and with less liquidity than is appropriate" for the firm's core funds, Partner Tom Dea said in the statement. The fund will invest primarily in special situation credit and privately negotiated debt, he said.

West Face's new fund, which will seek opportunities mainly in Canada, can invest in second-lien debt, mezzanine loans, acquisition financing, and bridge loans focused on special situations. Special situations are events that can have an impact on a company's operations, including proxy battles, takeovers, executive changes and board shake-ups. The term can also apply to companies in

financial distress.

Activist Approach

West Face, an investor known for its activist approach, manages more than \$2-billion. The firm closed its first deal for the credit fund in December as lead investor in an US\$80-million unsecured debt financing for Xcite Energy Ltd., a North Sea oil and gas explorer. The financing also included a common equity and warrant component.

West Face's Boland in 2011 won a seat on the board of Maple Leaf, a Toronto-based producer of foods from hamburgers to frozen pasta, and has pushed for changes at the company. Maple Leaf is considering selling its bread unit, garnering interest from Grupo Bimbo SAB and others. West Face owned 11% of the company's shares as of March 2013, according to data compiled by Bloomberg.

Boland was also elected to the board of directors of Longreach Oil and Gas Ltd. by shareholders proposing a change. Most recently, funds advised by West Face provided US\$250-million of equity funding to department-store chain Hudson's Bay Co. in its acquisition of Saks Inc.

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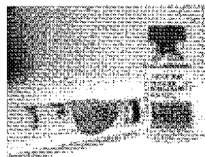
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