



Key Information Document

Investor Class (ISIN: GG00BFYT9H72)

Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

You are about to purchase a product that is not simple and may be difficult to understand.

Product

Name: Hipgnosis Songs Fund Limited – Ordinary share

Name of PRIIP Manufacturer: Hipgnosis Songs Fund Limited

ISIN: GG00BFYT9H72

Contact details: www.hipgnosissongs.com or telephone number +44 20 3828 7664

Competent authority: The Financial Conduct Authority

Date of production of this document: 8 July 2021.

What is this product?

Type: Hipgnosis Songs Fund Limited (the “Company”) is an investment company incorporated in Guernsey. It was registered in Guernsey under the Companies (Guernsey) Law, 2008 (as amended) on 8 June 2018.

Objectives: The Company’s investment objective is to provide Shareholders with an attractive and growing level of income, together with the potential for capital growth, from investment in songs and associated musical intellectual property rights (including, but not limited to, master recordings, rights over future Songs that are acquired by the Group through the payment of Advances to such songwriter and secured against the future Songs, and producer royalties).

The Company will diversify risk through investments in portfolios of songs and associated musical intellectual property rights. The Company will seek to acquire 100 per cent of a songwriter’s copyright interest in each song, which would comprise their writer’s share, their publisher’s share and their performance rights. In appropriate cases, however, the Company may not acquire all three elements of the songwriter’s interest. The Company will acquire interests in Songs which are sole authored or co-authored. The Company may also acquire interests in songs jointly with another purchaser. Each song will be considered by the Company to be a separate asset.

The Company will, directly or indirectly via portfolio administrators, enter into licensing agreements, under which the Company will receive payments attributable to the copyright interest in the songs which it owns. Such payments may take the form of royalties, licence fees, and/or advance payments.

The Company will focus on delivering income growth and capital growth by pursuing efficiencies in the collection of payments and active management of the songs it owns.

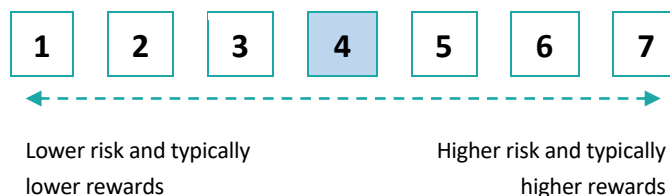
Intended retail investor: Investors in the Company are expected to be retail investors and investors who meet the criteria of professional clients and eligible counterparties who understand, or who have been advised of, the potential risks from investing in the Company including: that the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom.

Maturity: There is no maturity date.



What are the risks and what could I get in return?

Risk indicator



The risk indicator assumes you keep the Product for 5 years. The actual risk can vary significantly if you redeem at an early stage and you may get back less. Be aware of currency risk. The bulk of the Group's revenues are earned in US Dollars, which is also the currency in which the Group reports its accounts. However, the Company's shares are traded in Sterling and it pays its dividends and management expenses in Sterling. Foreign currency fluctuations, particularly as between US dollars and Sterling, may therefore have an adverse impact on the Group's financial position. This risk is not considered in the indicator show above.

The summary risk indicator is a guide to the level of risk of the Product compared to other products. It shows how likely it is that the Product will lose money because of movements in the market or because we are not able to pay you. We have classified this Product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact our capacity to pay you. This Product does not include any protection from future market performance so you could lose some or all of your investment. If we are not able to pay what is owed, you could lose your entire investment.

Performance Scenarios

Investment of £10,000

		<i>Recommended holding period</i>		
Scenarios		1 year	3 years	5 years
Stress Scenario	What you might get back after costs	£5,416	£4,930	£3,887
	Average Return each year	-45.84%	-21.00%	-17.22%
Unfavourable Scenario	What you might get back after costs	£9,026	£9,270	£9,948
	Average Return each year	-9.74%	-2.50%	-0.10%
Moderate Scenario	What you might get back after costs	£10,827	£12,792	£15,114
	Average Return each year	8.27%	8.55%	8.61%
Favourable Scenario	What you might get back after costs	£13,157	£17,884	£23,263
	Average Return each year	31.57%	21.38%	18.39%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are a reasonable and conservative best estimate of the expected values, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you. The figures show includes all the costs of the product itself but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

What happens if Hipnosis Songs Fund Limited is unable to pay out?

The ordinary shares are listed on the premium listing segment of the main market of the London Stock Exchange. Should the Company be liquidated, the amount you receive for your holding will be based on the value of assets available for distribution after all other liabilities have been paid.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future.



Costs over time

The person selling you, or advising you, about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in at the end of the recommended holding period
Total Costs	£289	£1,053	£2,129
Impact on return (RIY) per year	2.89%	2.90%	2.90%

Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment returns you might get at the end of the recommended holding period; and
- The meaning of the different cost categories

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment, this is the most you could pay and you could pay less. The impact of costs is already included in the price.
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.07%	The impact of the costs of us buying and selling underlying investments for the Product.
	Other on-going costs	2.76%	The impact of the costs that we take each year for managing your investment includes 0.34% paid in corporation tax and 0.44% paid in bank charges.
Incidental costs	Performance fees	0.07%	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it, and can I take money out early?

Recommended holding period: 5 years

The company is a closed-ended investment company whose ordinary shares are traded on the premium listing segment of the main market of the London Stock Exchange. Shareholders who wish to realise their investment may only do so by selling their shares on the market. The price at which the shares are traded will be based on trading prices at the time on the London Stock Exchange on any normal business day.

How can I complain?

Complaints should be addressed to Ocorian Administration (Guernsey) Limited, 2nd Floor, Trafalgar Court, Les Banques, St Peter Port, Guernsey, GY1 4LY. If we cannot resolve your complaint to your satisfaction, you may be entitled to refer it to the Financial Ombudsman Service.

Other relevant information

We are required to provide you with further documentation, such as the product's latest prospectus, annual and semi-annual reports. These documents and other product information are available online at www.hipnosisongs.com