

Key Information Document

Investor Class (ISIN: GG00BLPHZK78)

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 – ‘C’ class shares

Name of PRIIP Manufacturer: Hipgnosis Songs Fund Limited

ISIN: GG00BLPHZK78

Contact details: www.hipgnosissongs.com or telephone number +44 20 3289 2176

Competent authority: The Financial Conduct Authority

Date of production of this document: 30th June 2020.

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 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.

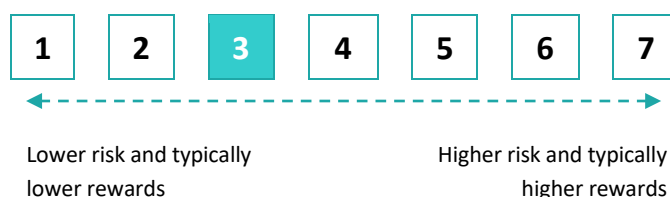
Intended retail investor: Investors in the Company are expected to be retail investors and investors who meet the criteria of professional clients and eligible counterparties who understand, or who have been advised of, the potential risks from investing in the Company including: that the price of the C Shares may decline and investors could lose all or part of their investment; the C Shares offer no guaranteed income and no capital protection; and an investment in the C 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: The C Shares to be issued pursuant to the Issue would be required to be converted into New Ordinary Shares within one month from the Calculation Time, being the earlier of: (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the Net Issue Proceeds has been invested in accordance with the Company’s Investment Objective and Policy; or (ii) the close of business on 15 July 2021 (being the date that is 12 months following Admission). However, given the difficulties in finalising independent valuations within the time period prescribed in the Articles and the administrative and financial burden of revaluing the Portfolio, it is proposed that the Calculation Time be linked to the valuations published by the Company on the semi-annual NAV Calculation Dates (being 31 March and 30 September of each year, or such other dates as the Directors may determine).



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

Risk indicator



This risk indicator assumes you keep the product for 5 years which is the recommended holding period. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

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 3 out of 7, which is a medium-low risk class. This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to 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	£8,239	£7,919	£6,293
	Average Return each year	-17.61%	-7.48%	-8.85%
Unfavourable Scenario	What you might get back after costs	£9,858	£10,801	£12,092
	Average Return each year	-1.42%	2.60%	3.87%
Moderate Scenario	What you might get back after costs	£10,841	£12,729	£14,946
	Average Return each year	8.41%	8.38%	8.37%
Favourable Scenario	What you might get back after costs	£11,904	£14,979	£18,446
	Average Return each year	19.04%	14.42%	13.03%

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 unfavourable 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 figure shown 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 Hipgnosis Songs Fund Limited is unable to pay out?

The C 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. Upon a winding-up of the Company

- the assets attributable to Ordinary Shares shall be divided amongst the holders of the Ordinary Shares pro rata to their holdings of Ordinary Shares; and
- the assets attributable to a class of C Shares shall be divided amongst the holders of the C Shares pro rata according to their holdings of the C Shares.

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	£240	£864	£1,730
Impact on return (RIY) per year	2.40%	2.40%	2.40%

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.
	Exit costs	0.00%	The impact of costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.14%	The impact of the costs of us buying and selling underlying investments for the product.
	Other on-going costs	2.19%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.07%	The Performance fee is calculated as 10% of outperformance above the Excess Total Return. No performance fee is payable on the C Shares. Performance Fee is payable on the ordinary shares and therefore, once the C shares convert into ordinary shares, the investors will have their new ordinary shares and the performance thereon counted for the purposes of the performance fee payable on ordinary shares but that will be covered by the ordinary share KID at the relevant time.
	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: 1 year

Each class of C Shares will ordinarily convert into new Ordinary Shares:

- at any time as the Directors may determine occurring not before the day on which the Board becomes aware or is notified by the Investment Adviser that 80 per cent. of the assets attributable to C Shares have been invested in accordance with the Company's investment policy; or
- the close of business on the business day following twelve months after the admission of the C Shares to trading on the Main Market of the London Stock Exchange to listing and trading on the Official List of the FCA.

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. No C Shares will be repurchased by the Company.

How can I complain?

Complaints should be addressed to Ocorian Limited, 26 New Street, Jersey JE2 3RA, Channel Islands. 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.hipgnosissongs.com