

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information it contains 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.

## Product

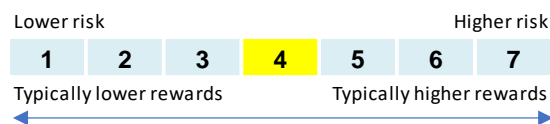
Name	Ordinary shares in Herald Investment Trust PLC
ISIN	GB0004228648
Manufacturer	Herald Investment Trust PLC (HIT). Contact HIT's investment manager Herald Investment Management Limited (HIML) for more information. Website: <a href="http://www.heralduk.com">www.heralduk.com</a> ; call +44 20 7553 6300
Regulator	Financial Conduct Authority, United Kingdom (FCA)
Publication date	1 September 2021 – information shown is accurate at 30 June 2021

## What is this product?

Type	This product is an investment trust, a UK publicly listed company which complies with the rules of the UK Listing Authority, part of the FCA.
Objectives	This product aims to achieve capital appreciation through investment in smaller quoted companies in the telecommunications, media and technology sectors. Investments may be made globally.
Intended retail investor	This product is suitable for retail investors who are prepared to take on some risk of loss to their original capital to get a higher potential return, who plan to stay invested for at least 5 years, who do not require an income from the investment during that period, and who will hold it as part of a diversified portfolio of investments.
Maturity	This product is closed ended and the ordinary shares in issue have no maturity date, although with shareholder approval HIT may buy back its own shares at market prices and cancel them.

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

### Summary risk indicator



The above summary risk indicator is a guide to the level of risk associated with this investment and will help you assess it and compare it to other investments. This product is classified as 4 out of 7, which is a medium risk class. It is based on the historical volatility of the price of shares in HIT and assumes that you hold your shares for 5 years. Historical data may not be a reliable indicator of the future risk profile of this investment and the risk category shown may change over time. HIT is



exposed to material risks that the risk indicator may not adequately capture including:

**Concentration risk.** HIT gives investors exposure to sectors stimulated by rapidly evolving technology and these may prove more volatile than the market in general.

**Currency risk.** HIT is exposed to exchange rate volatility as about one third of its investments are denominated in foreign currencies.

**Borrowing risk.** HIT currently has no borrowings but may borrow up to 50% of its net assets to make further investments.

**Market risk.** This investment holds no capital protection against market risk.

## What are the risks and what could I get in return? (continued)

These and other risks – more fully described in ‘Principal Risks and Uncertainties’ in the [HIT annual report](#) - mean that HIT may not achieve its

investment objective and investors could suffer losses of up to the amount invested.

### Performance scenarios

This table shows the money you could get back over the next 5 years, assuming you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

Assuming an investment of £10,000				
*Recommended holding period				
Scenarios		1 Year	3 Years	5 Years*
Stress Scenario	What you might get back after costs	£8,575	£6,933	£4,651
	Average return each year	-14.3%	-10.2%	-10.7%
Unfavourable Scenario	What you might get back after costs	£10,294	£13,526	£18,619
	Average return each year	2.9%	11.8%	17.2%
Moderate Scenario	What you might get back after costs	£12,103	£18,001	£26,996
	Average return each year	21.0%	26.7%	34.0%
Favourable Scenario	What you might get back after costs	£14,257	£23,977	£39,125
	Average return each year	42.6%	46.6%	58.2%

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies and are not an exact indicator. The stress scenario shows what you might get back in extreme market circumstances. What you get will depend on how the market performs and how long you keep the investment. The figures shown include all the costs of the investment itself, but may not include all the costs that you pay to your adviser 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 HIT is unable to pay out?

As a shareholder of HIT you will not be able to obtain compensation from the [Financial Services Compensation Scheme](#).

## What are the costs?

### Costs over time

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling you this product or advising you about it may charge you other costs. If so that person will provide you with information about those costs and show you the impact that all costs will have on your investment over time.

The Reduction in Yield (RIY) in the table below shows you what impact the total costs you pay will have on the investment return you might get. The total costs shown in the table below take into account one-off, ongoing and incidental costs.

## What are the costs? (continued)

On an investment of £10,000			
	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total Costs	£137	£430	£758
Impact on return (RIY) per year	1.37%	1.43%	1.52%

### Composition of costs

This table shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period, and the meaning of the different cost categories.

One-off costs	Entry costs	0%	Neither HIML nor HIT make charges when you purchase your investment
	Exit costs	0%	Neither HIML nor HIT make charges when you sell your investment
Ongoing costs	Portfolio transaction costs	0.06%	The impact of the cost of HIT buying and selling underlying investments
	Borrowing costs	0.00%	The impact of the costs of HIT borrowing to make further investments or for efficient portfolio management
	Other ongoing costs	1.06%	The impact of the costs taken each year for managing your investment
Incidental costs	Performance fees	0%	HIML charges no performance fees

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

<b>Recommended holding period:</b>	<b>5 years</b>
------------------------------------	----------------

This investment is designed to be held for the medium to long term and you should be prepared to stay invested for at least 5 years. In normal market conditions you should be able to sell your shares on any day the London Stock Exchange is open for business.

## How can I complain?

As a shareholder in HIT you will not have the right to complain to the [Financial Ombudsman Service](#) about its management. If you have a complaint about this document or any aspect of this investment you should first write to the Compliance Officer, Herald Investment Management Limited, 10-11 Charterhouse Square, London EC1M 6EE (or email your complaint to [info@heralduk.com](mailto:info@heralduk.com)).

## Other relevant information

Depending on how you buy these shares you may incur other costs, including broker commission, platform fees and stamp duty. The distributor will provide you with additional documents where necessary.

Information of interest to prospective investors in HIT, including annual and interim financial statements, can be found on the HIML website [www.heralduk.com](http://www.heralduk.com).