

10 January 2019

Hipgnosis Songs Fund Limited (“Hipgnosis” or the “Company”)

Portfolio Update

The Board of Hipgnosis Songs Fund Limited and its Investment Adviser, The Family (Music) Limited, are pleased to announce that the Company has acquired six music catalogues since its IPO in July 2018.

The catalogues acquired to date comprise 1,230 songs in total. The songs in the portfolio have achieved 1,646 Top 10 chart positions around the world including 402 Number 1's. 20 songs were Number 1's in both the US and UK with over 107 Top 10 chart positions in those markets, many of which are Grammy Award winners or nominees. The catalogues acquired to date comprise songs written for more than 100 recording artists.

While the Company is constrained by confidentiality undertakings as to disclosing the valuation multiples paid for each catalogue, a total of £73.0 million has now been invested on an aggregate multiple of 12.2x historic annual net income. The Company's target returns, as set out in its IPO prospectus, remain unchanged.

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NOTES TO EDITORS

About Hipgnosis Songs Fund Limited

(www.hipgnosissongs.com)

Hipgnosis, which was founded by Merck Mercuriadis, is a Guernsey registered investment company established to offer investors a pure-play exposure to songs and associated musical intellectual property rights. In its Initial Public Offering on the Specialist Fund Segment of the London Stock Exchange's main market on 11 July 2018, the Company raised approximately £200m gross equity capital.

About The Family (Music) Limited

The Company's Investment Adviser is The Family (Music) Limited, which was founded by Merck Mercuriadis, former manager of globally successful recording artists, such as Elton John, Guns N' Roses, Morrissey, Iron Maiden and Beyoncé, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream, and former CEO of The Sanctuary Group plc. The Investment Adviser has assembled an Advisory Board of highly successful music industry experts which include award winning members of the artist, songwriter, publishing, legal, financial, recorded music and music management communities, all with in-depth knowledge of music publishing. Members of The Family (Music) Limited

Advisory Board include Nile Rodgers, The-Dream, Giorgio Tuinfort, Bill Leibowitz, Ian Montone, and Jason Flom.