

6 August 2019

HIPGNOSIS SONGS FUND LIMITED (“Hipgnosis” or the “Company”)

Publication of Circular and Proposed Change to Borrowing Policy

Hipgnosis announces that it will today be posting to shareholders a circular in relation to the Company seeking approval from Shareholders to adopt an amended borrowing policy (the “**Proposed Borrowing Policy**”).

Since IPO the Company has acquired, or entered into exclusivity agreements to acquire, 41 catalogues of proven established songs producing predictable long term cash flows which are uncorrelated to equity markets and global economic performance. These catalogues are therefore well suited to supporting leverage. The Board believes that it is appropriate to adopt a new borrowing policy under which the Company may incur indebtedness of up to a maximum of 40% of its gross asset value. This would provide the Company with a level of borrowing powers that is more appropriate to the nature and attributes of its assets.

The Proposed Borrowing Policy will provide the Company with greater flexibility to use borrowing tactically for short term purposes.

This adoption of the Proposed Borrowing Policy is considered to constitute a material change to the Company's published Investment Policy. Therefore as stated in its prospectus dated 27 June 2018 the Company is required to obtain prior approval by Shareholders at a general meeting which is to be held at 2nd Floor, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 2JA on 21 August 2019 at 3:00 pm (the “**General Meeting**”).

A circular, including a notice of General Meeting, setting out details of the Proposed Borrowing Policy will be posted to shareholders today.

The circular, notice of General Meeting, together with the form of proxy, will be submitted to the National Storage Mechanism and will shortly be available for inspection at www.morningstar.co.uk/uk/NSM and will shortly be available to download from the Company's website at www.hipgnosissongs.com. Each of the documents may also be obtained from the Company Secretary.

For further information, please contact:

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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. In its Subsequent Placing under its Placing Programme on 12 April 2019, the Company raised approximately £140m of further 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, Starrah, Nick Jarjour, David A. Stewart, Bill Leibowitz, Ian Montone, and Jason Flom.