



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: 01 August 2023.

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 or 100 per cent ownership of a particular 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.

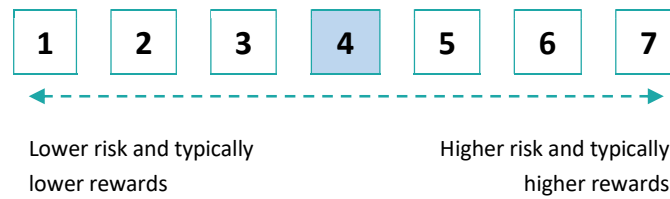
Intended retail investor: Investors in the Company are expected to be retail investors and investors who meet the criteria of professional clients and eligible counterparties who understand, or who have been advised of, the potential risks from investing in the Company including: that the price of the 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. Be aware of currency risk. The bulk of the Group's revenues are paid 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

The figures shown include 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 you will get from this product depends on future market performance. Market developments in the future are uncertain and cannot be accurately predicted. The unfavourable, moderate, and favourable scenarios shown are illustrations using the worst, average, and best performance of a suitable Benchmark¹ over the last 10 years. Markets could develop very differently in the future. The stress scenario shows what you might get back in extreme market circumstances.

Recommended Holding Period: 5 years

Example Investment: £10,000 Sterling

Scenarios		If you exit after 1 year	If you exit after 5 years <i>Recommended Holding Period</i>
Minimum	There is no minimum guaranteed return if you exit before 5 years. You could lose some or all of your investment.		
Stress Scenario	What you might get back after costs	2,790 GBP	2,370 GBP
	Average Return each year	-72.08 %	-25.02 %
Unfavourable Scenario¹	What you might get back after costs	7,020 GBP	6,600 GBP
	Average Return each year	-29.82 %	-7.96 %
Moderate Scenario²	What you might get back after costs	10,800 GBP	16,160 GBP
	Average Return each year	7.91 %	10.07 %
Favourable Scenario³	What you might get back after costs	12,650 GBP	18,210 GBP
	Average Return each year	26.48 %	12.73 %

¹ This type of one year scenario occurred for an investment in the Product between Dec 2021 and Dec 2022 the five-year scenario is representative of an investment in the Product between Dec 2021 and Aug 2023.

² This type of one year scenario occurred for an investment in the Benchmark between Jan 2016 and Jan 2017, the five-year scenario occurred for an investment in the Benchmark between Apr 2014 and Apr 2019.

³ This type of one year scenario occurred for an investment in the Benchmark between Apr 2020 and Apr 2021, the five-year scenario occurred for an investment in the Benchmark between Dec 2016 and Dec 2021.

What happens if Hipgnosis 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.

¹ The Benchmark/ Proxy is formed from the Company's total return index from 11 July 2018 to 01 August 2023, backfilled by a 50/50 blend of the total return indices of the FTSE 250 and the FTSE All-Share Media index from 01 August 2013 to 10 July 2018.



What are the costs?

The person advising on or selling you this product may charge you other costs. If so, this person will provide you with information about these costs and how they affect your investment.

Costs over time

The tables show the amounts that are taken from your investment to cover different types of costs. These amounts depend on how much you invest, how long you hold the product, and how well the product does. The amounts shown here are illustrations based on an example investment amount and different possible investment periods. We have assumed:

- In the first year you would get back the amount that you invested (0 % annual return).
- For the other holding periods we have assumed the product performs as shown in the moderate scenario.

Investment of £10,000 Sterling

	If you exit after 1 year	If you exit after 5 years <i>Recommended Holding Period</i>
Total Costs	295 GBP	2,531 GBP
Annual Cost Impact (*)	2.9 %	3.3 %

(*) This illustrates how costs reduce your return each year over the holding period. For example, it shows that if you exit at the recommended holding period your average return per year is projected to be 13.32% per annum before costs and 10.07% per annum after costs.

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

If you exit after the recommended holding period			
One-off costs	Entry costs	0.0 %	We do not charge an entry fee.
	Exit costs	0.0 %	We do not charge an exit fee.
Ongoing costs	Management fees and other administrative costs	3.13 %	3.13% of the value of your investment per year. This is an estimate based on actual costs over the last year. This figure includes 0.15% paid in corporation tax and 1.67% paid in bank charges.
	Transaction Costs	0.07 %	0.07% of the value of your investment per year. This is an estimate of the costs incurred when we buy and sell the underlying investments for the product. The actual amount will vary depending on how much we buy and sell.
Incidental costs taken under specific conditions	Performance fees	0.06 %	The impact of the performance fee. We take these from your investment if the Product outperforms its benchmark. The Performance fee is calculated as 10% of the Ordinary Share Excess Total Return relating to that Accounting Period. The actual amount will vary depending on how well your investment performs. The aggregated cost estimation includes the average Performance Fee over the last 5 years since inception.

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.hipgnosissongs.com