



KEY INFORMATION DOCUMENT

DISCLAIMER

3i Group plc (“3i”, or “the Company”) is required to produce and publish this document by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (the “Regulation”). 3i is required to follow the Regulation’s prescribed methodology in preparing the document, including for the determination of the Summary Risk Indicator. 3i believes that the methodology prescribed by the Regulation for the preparation of the information in this document is primarily designed for packaged retail investment products rather than shares in a listed company such as 3i and, in 3i’s case, produces results which, in 3i’s view, could be misleading.

Shares in the Company are intended for investors wishing to gain exposure to a portfolio of unlisted private equity and infrastructure assets, with an objective of generating long-term capital growth and regular dividends. An investment in the Company is suitable for investors who have a long-term investment horizon, are capable of evaluating the merits and risks of such an investment, and who understand the potential risk of capital loss, which may equal the whole amount invested. Past performance is not a guide to future performance.

PURPOSE

This document provides you with key information about 3i Group plc (“3i” or “the Company”). It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of the Company and to help you compare it with other products.

3i Group plc

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PRIIP manufacturer (for the purposes of this document only): 3i Group plc
Competent Authority of the PRIIP Manufacturer in relation to the KID: UK Financial Conduct Authority

This key information document was updated on 18 July 2024

WHAT IS THIS PRODUCT?

Type	Ordinary shares of 3i Group plc, a closed-ended investment company incorporated in England and Wales (“3i” or the “Company”). The ordinary shares are traded on the Main Market of the London Stock Exchange. The Company has an unlimited life and there is no maturity date for the ordinary shares. There is no recommended holding period for the ordinary shares (although a holding period of five years has been used for the purposes of the determination of the Risk Indicator included in this document). The return from an investment in the ordinary shares will be driven by the price at which the ordinary shares are sold compared to the original purchase price, and by any dividends paid by the Company to the investors in its ordinary shares during the holding period. The Company may, but is under no obligation to, repurchase ordinary shares and investors should expect that the primary means of disposing of ordinary shares will be by sales on the secondary market. The price at which an investor may dispose of ordinary shares will depend on the prevailing secondary market price, which may, or may not, reflect the prevailing net asset value per ordinary share.
Objectives	<p>3i aims to provide its shareholders with long-term capital growth and regular dividends through quoted access to private equity and infrastructure investments. Its objective is to provide a mid-teen return to shareholders through the cycle. The current portfolio is weighted towards investments in northern Europe, North America, the US and the UK. The geographies, economic sectors, funds and asset classes in which 3i invests continue to evolve as opportunities are identified.</p> <p>3i seeks to diversify its portfolio by making new investments on a regular basis across different sectors and geographies. Using its permanent capital, 3i has the ability to hold investments for the long term or sell investments on shorter timescales.</p> <p>Investments are generally funded with a mixture of debt and shareholders’ funds with a view to maximising returns to shareholders, whilst maintaining a strong capital base. In addition, the Company’s portfolio investments may also incur borrowings. 3i’s gearing depends not only on its level of debt, but also on the impact of market movements and other factors on the value of its investments. The Company’s borrowing may magnify any gains or losses made by the Company.</p>
Intended retail investor	Shares in 3i are intended for investors wishing to gain exposure to a portfolio of unlisted private equity and infrastructure assets, with an objective of generating long-term capital growth and regular dividends. An investment in the Company is suitable for investors who have a long-term investment horizon, are capable of evaluating the merits and risks of such an investment, and who understand the potential risk of capital loss, which may equal the whole amount invested.

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WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk indicator



There is no specific recommended holding period for shares in the Company. You may not be able to sell shares in the Company easily or you may have to sell at a price below the price that you paid or below the prevailing net asset value. The price at which the shares may be traded will be determined at arms' length based on trading prices at the time on the London Stock Exchange on any normal business day.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because the Company is not able to pay you.

We have classified this product as 6 out of 7, which is the second highest risk class.

Other risks materially relevant to the ordinary shares that are not included in the summary risk indicator include:

- The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely.
- The Company is exposed to the risks arising from any failure of its systems and controls or of those of its service providers.
- While there are a number of methods by which the Company could seek to manage any discount to net asset value at which the Company's shares may trade in the secondary market, there is no guarantee that the Company can or will utilise any or all of these methods or, if it does, that it will be successful.

This product does not include any protection from future market performance so you could lose some or all of your investment.

Investment performance information

The Company delivered an average annual total return on equity of 25% and an average annual total shareholder return (share price appreciation with dividend reinvested in the shares) of 26% in the ten years to 31 March 2024. These returns should be benchmarked against the Company's stated return objectives, set out on page 1 of this document. Future performance will be driven mainly by:

- the financial performance of the Company's investments, measured principally as the growth in the portfolio companies' profits and cash generation that would allow the portfolio companies to deliver their business plans and service their debt. This performance could be affected by broader geopolitical and macro-economic factors, including economic growth, inflation and monetary policy, among others;
- the valuation of the Company's investments, which is based on their financial performance but also on broader market benchmarks which can fluctuate over time; and
- the ability of the Company to continue to make new investments and sell portfolio companies to crystallise returns at least in line with the Company's stated return objectives. This ability is affected by the competitive dynamics in the Private Equity and Infrastructure markets, broader market volatility and the availability of bank funding for investments, among other factors.

Other factors that could impact performance include, but are not limited to, the ability to attract and retain able investment professionals, the evolving legal and regulatory landscape in which 3i and its portfolio companies operate, the ESG (environmental, social and governance) performance of portfolio companies and foreign exchange fluctuations.

What could affect my return positively? Factors that could affect returns positively include 3i's ability to make good investments and manage its portfolio companies to deliver sustainable growth in their profits during the holding period. Good investment performance could be supported further by a positive macro-economic environment and buoyant financial markets.

What could affect my return negatively? In addition to the factors above, factors that could affect returns negatively include poor investment decisions by 3i and poor management of its portfolio companies. Negative outcomes could also be caused or exacerbated by a negative macro-economic outlook, geopolitical instability and/or volatile financial markets.

Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors. There is no compensation or guarantee scheme in place that applies to the Company and, if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

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WHAT ARE THE COSTS?

The Reduction in Yield (“RIY”) shows what impact the total costs incurred by the Company will have on the investment return you might get. Ongoing costs exclude costs incurred by the Company’s portfolio investments (including borrowing costs). The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the Company itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future. **You should note that these costs are paid by the Company whereas the return that you may receive will depend on the Company’s share price performance. There is no direct link between the Company’s share price and the costs that it pays and the share price already takes into account the costs borne by the Company.**

If you sell your shares, you would pay your bank or stockbroker’s dealing charges and be selling at the then available market offer price. That is likely to be lower than the bid price at which others could buy shares at that time. In addition, the cost information below does not reflect any stamp duty payable by the retail investor.

Table 1: Costs over time

The person 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 AFTER 5 YEARS
Total costs	£284	£853	£1,422
Impact on return (RIY) per year	2.4%	2.4%	2.4%

Table 2: Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return that you might get;
- the meaning of the different cost categories.

One-off costs	Entry costs	N/A	No entry costs are payable when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions, or stamp duty.
	Exit costs	N/A	No exit costs are payable when you dispose of ordinary shares, although you may be required to pay brokerage fees or commissions.
Ongoing costs	Portfolio transaction costs	0.1%	The impact of the costs of buying and selling underlying investments for the Company. These costs are paid by the Company.
	Other ongoing costs	0.8%	The impact of the Company’s operating costs, which include, among others, staff costs, borrowing costs and the fees and expenses of its service providers. These costs are paid by the Company.
Incidental costs	Performance fees	N/A	The Company does not pay a performance fee.
	Carried interest	1.9%	The impact of the net carried interest. These costs are paid by the Company.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

There is no required minimum holding period for the shares in the Company, with investors being able to sell their investment in the Company’s shares at will on the London Stock Exchange. The recommended holding period in this document is for illustrative purposes only. The Company is not obliged to acquire any of the Company’s shares. You may sell your shares in the Company on any day which is a dealing day on the London Stock Exchange. No fees or penalties are payable to the Company on sale of your investment but you may be required to pay fees or commissions to any person arranging the sale on your behalf.

HOW CAN I COMPLAIN?

As a shareholder in the Company you do not have the right to complain to the Financial Ombudsman Service about the way it is managed. If you have any complaints about the Company, you may lodge your complaint by writing an email to IRTeam@3i.com or by sending a letter to: Group Investor Relations, 3i Group plc, 16 Palace Street, London SW1E 5JD. If you have a complaint about a person who is advising on, or selling, an investment in the Company’s shares you should pursue that complaint with the relevant person in the first instance.

OTHER RELEVANT INFORMATION

Further documentation, including the Company’s annual and semi-annual reports, regulatory disclosures and disclaimers, is available on the Company’s website at www.3i.com. This documentation is made available in accordance with the Listing Rules and the Disclosure Guidance and Transparency Rules of the United Kingdom Listing Authority and the Alternative Investment Fund Managers Directive (2011/61/EU). The cost, performance and risk calculations included in this KID follow the methodology prescribed by the Regulation.