

# KEY INFORMATION DOCUMENT



## PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is designed to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products. This document has been prepared in accordance with the Financial Conduct Authority's statement on forbearance in relation to investment trust disclosure requirements dated 19 September 2024. It does not seek to comply with the UK PRIIPS Regulation, and therefore its content may look different to other Key Information Documents for other products.

## HICL INFRASTRUCTURE PLC ORDINARY SHARES

ISIN: GB00BJLP1Y77

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PRIP manufacturer (for the purposes of this document only): InfraRed Capital Partners Ltd

This key information document was produced on 3 October 2024<sup>1</sup>

## WHAT IS THIS PRODUCT?

### Type

Ordinary shares in HICL Infrastructure PLC (the "Company"), public limited company incorporated in the UK and operating as an investment trust. The Company's investment Manager is InfraRed Capital Partners Limited. The ordinary shares are traded in Sterling on the Premium Segment of 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 five years have been used for the purposes of the calculations in this document. 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. Typically, at any given time on any given day, the price at which an ordinary share can be bought will be higher than the price at which an ordinary share can be sold.

The Company was incorporated in 2018 and acquired the assets of HICL Infrastructure Company Limited in April 2019, as a mechanism to move domicile from Guernsey to the UK. The Company uses the historical data of HICL Infrastructure Company Limited as a proxy in lieu of historical data, assuming that the performance of the Company would not have materially differed from the actual performance of HICL Infrastructure Company Limited, on the same portfolio of assets and management.

### Investment Policy

The Company seeks to offer investors stable, sustainable long-term returns from a diversified portfolio of investments in core infrastructure that is critical to the functioning of society. The Company aims to deliver a sustainable dividend, with an annual distribution of at least that achieved in the prior year, fully cash covered and supported by long-term portfolio earnings. In addition to sustainable dividends, the Company intends to preserve and grow the capital value of the investment portfolio over the long term and to build a diversified portfolio to manage risk through high-quality assets across the core infrastructure market.

The Company's investment policy is to ensure a diversified portfolio which has a number of similarly sized investments and is not dominated by any single investment. The Company will seek to acquire infrastructure equity with similar risk/reward characteristics to the current portfolio, which may include (but is not limited to) public sector, government-backed or regulated revenues; concessions which are predominantly "availability" based (i.e. the payments from the concession do not generally depend on the level of use of the project asset); and/or companies in the regulated utilities sector. In addition to mature assets, the Company's investments may include assets that are under construction or the demand for which is not yet established. The Company is not subject to specific geographical limitations on where it may invest.

The Company may borrow to purchase investments, which may magnify any gains or losses made by the Company. In addition, the Company's portfolio investments typically have long-term amortising project finance debt which has no recourse to the Company.

### Intended retail investor

Intended investors in the Company are UK based asset and wealth managers, other institutional or sophisticated investors and private individuals. An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the ordinary shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment.

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<sup>1</sup> Summary Risk Indicator generated as at 31 March 2024

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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 this product, although five years have been used for the purposes of the calculations and risk indicator in this document. There is no committed liquidity offered by market makers or the Company, so liquidity depends only on the availability of buyers and sellers on the secondary market. You may not be able to sell your ordinary shares easily or you may have to sell at a price below the price that you paid or below the prevailing net asset value per ordinary share.**

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 you are not able to sell or redeem your shares in HICL.

We have classified this product as 5 out of 7, which is a medium-high risk class. This rates the potential losses from future performance at a medium-high level, and poor market conditions could impact the value of the ordinary shares. However, the summary risk indicator only reflects historic share price volatility of the Company's shares. It excludes other risks which may affect the Company and, therefore, does not show the full risk to the investor.

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

### Performance Information

Future returns to investors will depend on (amongst other things) the performance of the Company's infrastructure investments which may be affected by a number of factors such as counterparties failing to perform in accordance with contractual obligations, operational issues, shorter than anticipated asset lifespans, failure by clients to fulfil payment obligations, portfolio-wide increases/decreases in inflation at variance to the Company's inflation expectations, changes in market rates of interest leading to higher discount rates, changes in policy, regulatory and legal requirements as well as adverse or punitive changes of law affecting the Company's assets that are subject to formal regulatory regimes.

### What could affect my return positively?

Any one, or combination, of the following conditions has the potential to impact returns positively: performance of the portfolio exceeding expectations as a result of higher revenue or decreased operational costs; inflation above expected levels; increased investor demand for infrastructure assets; increased demand for HICL's shares; increased political, and legal or regulatory support for infrastructure; and success of processes and controls in the operations and execution of the Company's Investment Manager and other service providers.

### What could affect my return negatively?

Any one, or combination, of the following conditions has the potential to impact returns negatively: performance of the portfolio falling short of expectations as a result of lower revenue or increased operational costs; inflation persistently below expected levels; decreased investor demand for infrastructure assets; decreased demand for HICL's shares; lack of political, legal or regulatory support for infrastructure; failure of processes and controls in the operations and execution of the Company's Investment Manager and other service providers.

### Adverse conditions

This product cannot be cashed in or redeemed under any circumstances, including severely adverse market conditions.

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 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.

## 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. The Company's Investment Manager has no obligation to make any payment to you in respect of the ordinary shares. 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.

## WHAT ARE THE COSTS?

This disclosure has been prepared with reference to the Financial Conduct Authority's Statement on forbearance in relation to investment trust disclosure requirements dated 19 September 2024. It does not seek to comply with the requirements of the PRIIPS Regulation in this regard.

The Reduction in Yield ("RIY") shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, on-going and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest £10,000. The figures are estimates and may change in the future. We have not included operating and interest expenses paid by the Company, which are disclosed in the [Company's Annual Report and Accounts](#), and its portfolio of investments on the basis that the return that you may

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receive will depend on the Company's share price performance and there is no direct link between the Company's share price and the expenses that it incurs. The operating and interest expenses incurred by the Company (together with other market factors) can affect the share price of the Company. You can find more information in [the Company's Article 23](#) pre-investment disclosure to investors.

## Table 1: Costs over time

The person advising you about this product and / or the product distributor may charge you other costs. If so, this person and / or the product distributor will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. The figures shown include all the costs of the product itself, but exclude operating and interest expenses incurred by the Company and its portfolio of investments, and do not include any of the costs that you may pay to your adviser and / or distributor. The figures do not take into account your personal taxation circumstances, which may also affect how much you might recover from the sale of your shares.

### 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	£0	£0	£0
Impact on return (RIY) per year	0%	0%	0%

## Table 2: Composition of costs

The table below describes:

- the impact each year of the different types of **product** costs on the investment return that you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

One-off costs	Entry costs	N/A	No entry costs are payable to the Company or its Investment Manager when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
	Exit costs	N/A	No exit costs are payable to the Company or its Investment Manager when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
Ongoing costs	Portfolio transaction costs	N/A	No portfolio transaction costs, relating to the buying and selling of underlying investments, are payable by you to the Company or its investment manager. <b>You should be aware that portfolio transaction expenses are incurred by the Company</b> , as set out in the <a href="#">Company's Annual Report and Accounts</a> .
	Other ongoing costs	N/A	No management or advisory fees are payable by you to the Company, its investment manager or other service providers including its operations manager. <b>You should be aware that management, advisory and administrative expenses are incurred by the Company</b> , as set out in the <a href="#">Company's Annual Report and Accounts</a> .
Incidental costs	Performance fees	N/A	The Company does not charge a performance fee.
	Carried interest	N/A	The Company does not pay carried interest.

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

This product has no required minimum holding period, although five years have been used for the purposes of the calculations in this document. It is designed for long-term investment with investors being able to sell their investment on the London Stock Exchange. 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 the 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?

If you have any complaints about the product or conduct of the product manufacturer, please contact the Company's Administrator, Aztec Financial Services (UK) Limited, on +44 (0) 203 818 0246. You do not have the right to complain to the UK Financial Ombudsman Service (FOS) about the management of the Company. If you have a complaint about a person who is advising on, or selling, the product 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 and regulatory disclosures, is available on the Company's website at <http://www.hicl.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). Your attention is particularly drawn to the risk disclosures in the Company's annual report. The cost, performance and risk calculations included in this KID follow the methodology prescribed by the UK version of Regulation (EU) 1286/2014 of the European Parliament and the Council.