

# KEY INFORMATION DOCUMENT



## IMPORTANT NOTICE:

HICL has followed the methodology prescribed by the Regulation (EU) 1286/2014 of the European Parliament and the Council ('the Regulation') for the preparation of this document. HICL believes the Regulation is targeted at packaged retail investment products rather than shares in a listed company such as HICL. In particular, the Regulation requires that the potential future returns shown by the Performance Scenarios must be calculated using share price returns over the past five years which, in HICL's view, may prove to be too optimistic and not necessarily indicative of future performance. Accordingly, HICL cautions investors against relying on this Key Information Document to estimate future returns for HICL and as a useful comparison against other investment products.

## 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.

## HICL INFRASTRUCTURE COMPANY LIMITED ORDINARY SHARES

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PRIIP manufacturer (for the purposes of this document only): HICL Infrastructure Company Limited

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## WHAT IS THIS PRODUCT?

### Type

Ordinary shares in HICL Infrastructure Company Limited, a closed-ended investment company incorporated in Guernsey (the "Company"). The Company's investment adviser is InfraRed Capital Partners Limited. The ordinary shares are traded in Sterling 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 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.

### Investment Policy

The Company's investment objective is to provide investors with long-term, stable income from a diversified portfolio of infrastructure investments that is positioned at the lower end of the risk spectrum. In addition to generating sustainable dividends, the Company aims to preserve the capital value of its investment portfolio over the long term, with potential for capital growth, and provide a degree of correlation between the return to shareholders and changes in inflation rates. The Company targets an internal rate of return of 7 to 8 per cent. on the original issue price of its ordinary shares in March 2006, to be achieved over the long term through active management, including the acquisition of further investments and by the prudent use of gearing.

The Company's investment policy is to ensure a diversified portfolio of infrastructure equity investments which is not dominated by any single investment. 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 may also invest in other infrastructure funds. 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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## 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 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 HICL is not able to redeem your shares.

This product is classified as 3 out of 7, which is mid-to-low risk class. This rates the potential losses from future performance at a relatively low level, and poor market conditions are relatively unlikely to impact the value of the ordinary shares.

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

- > The Company is exposed to political risk and sentiment regarding privately financed infrastructure investment in general as well as operational and counterparty risk in the case of individual investments.
- > The Company is reliant for its success upon, and exposed to the risks arising from any failure of systems and controls in the operations of, its investment adviser and its other service providers.

While there are 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.

### Performance Scenarios

#### Investment of £10,000

Scenarios		1 year	3 years	5 years
<b>Stress scenario</b>	<b>What you might get back after costs</b>	£5,363	£6,567	£5,671
	Average return each year	-46.4%	-13.1%	-10.7%
<b>Unfavourable scenario</b>	<b>What you might get back after costs</b>	£9,350	£9,556	£10,045
	Average return each year	-6.5%	-1.5%	0.1%
<b>Moderate scenario</b>	<b>What you might get back after costs</b>	£10,582	£11,833	£13,236
	Average return each year	5.8%	5.8%	5.8%
<b>Favourable scenario</b>	<b>What you might get back after costs</b>	£11,954	£14,627	£17,409
	Average return each year	19.5%	13.5%	11.7%

This table shows the money you could get back over the next five years, under different scenarios, assuming that you make an initial investment of £10,000. The scenarios shown illustrate how your investment could perform. The returns in the scenarios are on the basis that the costs outlined on page 3 of this document have been incurred by the Company. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how your underlying investment performs, how the overall market performs and how long you keep the investment. The stress scenario shows what you might get back in secondary trading in extreme market circumstances, and it does not take into account the situation where the Company is in liquidation.

This product cannot be cashed in or redeemed. The figures shown include all the costs of the product itself but do not include all the costs that you may pay to your adviser 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.

### 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.

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## WHAT ARE THE COSTS?

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. Ongoing costs exclude costs incurred by the Company's portfolio investments (including borrowing 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. 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.

### 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	£140.26	£420.77	£701.28
Impact on return (RIY) per year	1.40%	1.40%	1.40%

### 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 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 Adviser 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 Adviser when you acquire ordinary shares, although you may be required to pay brokerage fees or commissions.
Ongoing costs	Portfolio transaction costs	0.32%	The impact of the costs of buying and selling underlying investments for the product.
	Other ongoing costs	1.08%	The impact of the advisory fee payable to the Company's investment adviser and the fees and expenses of the Company's other service providers.
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 at will 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 (Guernsey) Limited, on +44 (0)1481 749 700. 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). The cost, performance and risk calculations included in this KID follow the methodology prescribed by EU rules.