

Key Information Document

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.

The Investment Company PLC (GB0004658257)

<https://theinvestmentcompanyplc.co.uk>
Competent Authority: Financial Conduct Authority
Call 020 3934 6630 for more information
This document was published on 31-12-2024

You are about to purchase a product that is not simple and may be difficult to understand.

What is this product?

Type The Company is a closed-ended investment company whose shares are listed on the London Stock Exchange and an alternative investment fund under the Alternative Investment Fund Managers Directive ("AIFMD"). The Company's shares are therefore available to the general public.

Objectives The Company's investment objective is to maximise capital growth for Shareholders over the long-term by investing in high-quality, quoted, UK small and mid-cap companies.

The Company intends to fulfil its investment objective through investing in cash-generative quoted UK small and mid-cap companies that are expected to grow faster than the UK stock market as a whole over the long term and which can finance their own organic growth. The Company will primarily invest in equity securities of companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of less than £250 million at the time of investment. The Company may also invest in companies with shares admitted to listing on the Main Market, the AQSE or to trading on AIM with a market capitalisation of £250 million or more at the time of investment for liquidity purposes. The Company will identify prospective companies through a formal quantitative and qualitative screening process which focuses on criteria such as the ability to convert a high proportion of profit into cash, sustainable margins, limited working capital intensity and a strong management team. Companies that successfully pass the screening process will form part of the Company's 'investable universe' of prospective companies.

The Company has not set any limits on sector weightings within the portfolio but its exposures to sectors and stocks will be reported to, and monitored by, the Board in order to ensure that adequate diversification is achieved. The Company will maintain a diversified portfolio of a minimum of 60 holdings in UK small and mid-cap companies.

The Company may also invest in cash, cash equivalents, near cash instruments and money market instruments.

The Company will apply the following restrictions on its investments:

- not more than 10% of the Company's Gross Assets at the time of investment will be invested in the securities of a single issuer;

- no investment will be made in companies that are not listed or traded on the Main Market, the AQSE or AIM at the time of investment, nor in any companies which have not applied for their shares to be admitted to listing or trading on these markets;

- no investment will be made in other listed or unlisted closed-ended investment funds or in any open-ended investment funds; and

- the Company will not invest directly in FTSE 100 companies (preference shares, loan stocks or notes, convertible securities or fixed interest securities or any similar securities convertible into shares), nor will it invest in the securities of other investment trusts or in unquoted companies. The Company may, on some occasions, hold such investments as a result of corporate actions by investee companies. If the Company holds shares in a company which enters the FTSE 100, it may not immediately divest of those shares but will do so when it considers appropriate, subject to market conditions.

The Company may hold assets acquired by the Company prior to the adoption of its investment policy for which there is no market and whose value the Company has written down to zero. The Company shall dispose of such assets as soon as is reasonably practicable.

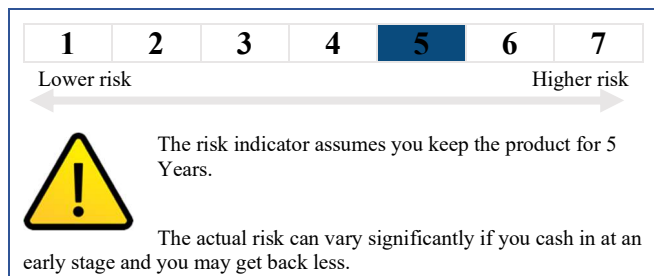
No material change will be made to the investment policy without the approval of Shareholders by ordinary resolution.

Intended retail investor The target investors are institutions and individual retail investors.

Term There is no fixed maturity date. There is no ability for the Company to terminate shareholdings of investors in the Company unilaterally or automatically. Shareholders can next vote on the continuation of the Company as an investment trust in 2028. If shareholders vote in a simple majority against continuation, the Board would have to put forward a proposal for the future of the Company, which could include liquidation. The shares of the Company are bought and sold via markets. Typically, at any given time on any given day, the price you pay for a share will be higher than the price at which you could sell it.

What are the risks and what could I get in return?

Risk Indicator



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 you what is owed, you could lose your entire investment.

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 we are not able to pay you.

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 will likely impact the capacity to pay you.

Investment performance information

The main risks arising from the Company's financial instruments are due to fluctuations in their market prices, business risk, concentration risk, monetary risk, operational risk, regulatory risk, credit risk and liquidity risk..

Other geopolitical issues may affect the Company's investments. The conflicts in Ukraine and the Middle East have had a significant impact, inter alia, on inflation and, in conjunction with affairs in Chjna, an impact on supply chains and globalisation. Investee companies will vary as to the impact on them and their ability to adapt.

The Company is reliant on service providers. Failure of the internal control systems of these parties could result in losses to the Company.

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

The Board and investment manager seek to mitigate risks through various policies and procedures and further details regarding the specific risks applicable to this Company are included in the Annual Report which may be obtained from the Company website at <https://theinvestmentcompanyplc.co.uk>

What could affect my return positively?

The Company looks to invest in businesses that can demonstrate resilient characteristics and a shared philosophy around long term creation of value. The Company looks to own a portfolio of assets that possess an enduring real value whether from the value of the underlying assets in an investment, or in the investee's ability to create an enduring profit stream.

What could affect my return negatively?

The profitability, market positioning and outlook for companies in which the Company is invested may decline or fail to make expected progress. This may be because of internal factors at the investee company or external factors such as competitive pressures, economic downturns or political events.

What happens if The Investment Company PLC is unable to pay out?

As a shareholder of a listed company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event the Company becomes insolvent. A default by the Company or any of the underlying holdings could affect the value of your investment.

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, ongoing and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods.

They include potential early exit penalties. The figures assume you invest 10 000 GBP. The figures are estimates and may change in the future.

Costs over time

The person selling you or 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 GBP 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	298.00	894.00	1 490.00
Impact on return (RIY) per year	2.98%	2.98%	2.98%

Composition of costs

The table below shows the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year

One-off costs	Entry costs	0.00%	The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio transaction costs	0.98%	The impact of the costs of us buying and selling underlying investments for the product.
	Other ongoing costs	2.00%	The impact of the costs that we take each year for managing your investments.
Incidental costs	Performance fees	0.00%	The impact of the performance fee.
	Carried interests	0.00%	The impact of carried interests.

How long should I hold it and can I take my money out early?

Recommended holding period: 5 Years

The recommended minimum holding period of 5 years has been selected for illustrative purposes only and reflects the long-term nature of the Company's investment objectives, but investors may elect to sell their shares on the market at any time without penalty by the Company. The value of shares and the income derived from them (if any) may go down as well as up, and investors may not get back the full value of their investments. Whilst the shares are traded on the main market, it is possible that there may not be a liquid market in the shares and investors may have difficulty selling them.

How can I complain?

As a Shareholder of the Company you do not have the right to complain to the Financial Ombudsman Service about the management of the Company. Complaints about the Company should be sent to: 1) Email: tic@iscaadmin.co.uk 2) Mail: The Company Secretary, The Investment Company plc, ISCA Administration Services Limited, The Office Suite, Den House, Den Promenade, Teignmouth, TQ14 8SY

Other relevant information

Other relevant information on the Company and all documentation can be obtained from the Company's website: <https://theinvestmentcompanyplc.co.uk>>