

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. It helps you understand the nature, risks and potential gains and losses of this product and to help you compare it with other products. This is a brief document and you should read other documents which are available to help you understand the product such as the annual report & financial statements, half-yearly financial report and the factsheets.

## Product

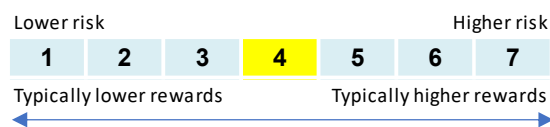
Name	Ordinary shares in Herald Investment Trust PLC (HIT)
ISIN	GB0004228648
Manufacturer	Herald Investment Management Limited (HIML) Website: <a href="http://www.heralduk.com">www.heralduk.com</a> ; or call +44 20 7553 6300
Regulator	Financial Conduct Authority, United Kingdom (FCA)
Publication date	29 August 2025 – information is accurate at 30 June 2025

## What is this product?

<b>Type</b>	This product is an investment trust, a UK publicly listed company which complies with the rules of the UK Listing Authority, part of the FCA.
<b>Objectives</b>	This product aims to achieve capital appreciation through investments in smaller quoted companies in the areas of technology and communications. Investments may be made across the world.
<b>Intended retail investor</b>	This product is suitable for retail investors who are prepared to take on some risk of loss to their original capital to get a higher potential return, who plan to stay invested for at least 5 years, who do not require an income or expect dividends from the investment during that period, and who will hold it as part of a diversified portfolio of investments.
<b>Maturity</b>	This product is closed ended and the ordinary shares in issue have no maturity date although, with shareholder approval, HIT may buy back its own shares at market prices and cancel them.

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

### Summary risk indicator



The above summary risk indicator is a guide to the level of risk associated with this investment and will help you assess it and compare it to other investments. It is based on the historical volatility of the price of shares in HIT and assumes that you hold your shares for 5 years. We have classified this product as 4 out of 7, which is a medium risk class and means you could potentially suffer losses in poor market conditions. Historical data may not be a reliable indicator of the future risk profile of this investment and the risk category shown may



change over time. HIT is exposed to material risks that the risk indicator may not adequately capture including:

**Concentration risk.** HIT gives investors exposure to sectors stimulated by rapidly evolving technology and these may prove more volatile than the market in general.

**Currency risk.** HIT is exposed to exchange rate volatility as a number of its investments are denominated in foreign currencies.

**Borrowing risk.** HIT currently has no borrowings but may borrow up to 50% of its net assets to make further investments.

**Market risk.** This investment holds no capital protection against market risk.

These and other risks (more fully described in 'Principal Risks and Uncertainties' in the [HIT annual report & financial statements](#)) mean that HIT may not achieve its investment objective and investors could suffer losses of up to the amount invested.

#### *Performance information*

Potential investors should visit the HIML website and read recent HIT monthly factsheets. These provide a range of information about historical performance as well as portfolio composition. Charts in the factsheets compare performance to certain relevant indices.

#### *What could affect my return positively?*

The investment manager recommends holding your shares in HIT for at least 5 years. Shareholder returns are expected to come from the growth in value of HIT investee companies developing innovative services and products to gain competitive advantage; and that process takes time. With circa 300 investments, few of which accounted for more than 3% of the value of HIT at 30 June 2025, generally, future returns depend on the overall performance of the technology and communications sectors.

#### *What could affect my return negatively?*

HIT typically invests in small companies trying to grow rapidly. They will do so best in a benign global economic climate where potential customers and investors are optimistic and funding is available; and not so well when funding is more expensive and increased geopolitical risk makes investors more cautious. Sudden unfavourable changes in government policy, particularly taxation, are always a threat.

HIT invests in companies inevitably exposed to market downturns caused by factors beyond their control, but unless economic conditions become so severe that stock markets cease to function, retail investors should not have difficulty realising their investment in a closed-ended fund such as HIT, albeit often at a discount to the underlying net asset value of the portfolio.

## What happens if HIT is unable to pay out?

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As a shareholder of HIT you will not be able to obtain compensation from the [Financial Services Compensation Scheme](#).

## What are the costs?

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On 19 September 2024, the FCA released a statement that investment trusts are no longer required to follow the PRIIPS cost disclosure rules, which was later ratified through legislation passed 22 November 2024. HIT has followed the Association of Investment Companies' (AIC) guidance to disclose an Ongoing Charges Figure (OCF) and to provide an indication of the underlying day-to-day operating costs of HIT. The OCF is calculated in accordance with AIC guidelines: annualised charges, i.e. total expenses excluding non-recurring expenses and debt interest (if applicable), incurred by HIT, divided by the average daily net asset values throughout the 2024 calendar year.

As a listed company, HIT's operating costs are disclosed in detail in the annual report & financial statements. The most recent OCF for the year ended 31 December 2024 was 1.08%.

For the avoidance of doubt, the OCF is not a fee that is additional to the operating costs of HIT or a further fee that shareholders pay directly to HIT. The operating costs are incurred by HIT, reflected in HIT's Net Asset Value (NAV) and summarised in the OCF.

HIT's share price already reflects market sentiment of its value taking into consideration publicly disclosed information on expenses, which are fully disclosed in the annual report & financial statements and other public disclosures.

### Costs over time

The costs set out in the below tables are now marked as Not Applicable (N/A). These costs are not payable by you to HIT or HIML. All costs incurred by HIT (and within its underlying investment portfolio) are disclosed in the annual report & financial statements.

On an investment of £10,000			
	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total Costs	N/A	N/A	N/A
Impact on return (RIY) per year	N/A	N/A	N/A

### Composition of costs

The costs set out in the below tables are now marked as N/A. These costs are not payable by you to HIT or HIML. All costs incurred by HIT (and within its underlying investment portfolio) are disclosed in the annual report & financial statements.

One-off costs	Entry costs	N/A	Neither HIML nor HIT charge entry costs when you purchase your investment.
	Exit costs	N/A	Neither HIML nor HIT charge exit costs when you sell your investment.
Ongoing costs	Portfolio transaction costs	N/A	The impact of the costs of HIT buying and selling underlying investments. Portfolio transaction costs are not payable by you. Any costs are incurred by HIT as disclosed in the annual report & financial statements.
	Borrowing costs	N/A	The impact of the costs of HIT borrowing to make further investments or for efficient portfolio management. If applicable, borrowing costs are not payable by you. Any costs are incurred by HIT as disclosed in the annual report & financial statements.
	Other ongoing costs	N/A	The impact of the costs taken each year for managing your investment. Any other ongoing costs are not payable by you. Any costs are incurred by HIT as disclosed in the annual report & financial statements.
Incidental costs	Performance fees	N/A	Neither HIML nor HIT charge performance fees.

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

**Recommended holding period:** 5 years

This investment is designed to be held for the medium to long term and you should be prepared to stay invested for at least 5 years. In normal market conditions you should be able to sell your shares on any day the London Stock Exchange is open for business.

## How can I complain?

As a shareholder in HIT, you will not have the right to complain to the [Financial Ombudsman Service](#) about its management. If you have a complaint about this document or any aspect of this investment you should first write to the Compliance Officer, Herald Investment Management Limited, 10-11 Charterhouse Square, London EC1M 6EE (or email your complaint to [info@heralduk.com](mailto:info@heralduk.com)).

## Other relevant information

The company selling or advising you about this product may charge you costs (e.g. broker commission, platform fees, advisory fees and/or stamp duty). If so, this company should provide you with the necessary information. Information of interest to prospective investors in HIT, including the annual report & financial statements, half-yearly financial report and factsheets, can be found on the HIML website [www.heralduk.com](http://www.heralduk.com).