



## **Key Information Document (KID)**

(August 2023)

Mineral & Financial Investments Ltd, (M&FI) is an LSE-AIM listed investment company. This document is to be in compliance with the Packaged Retail and Insurance-based Investment Products ("PRIIPs") Regulation that comes into effect in January 2018. Within the PRIIP regulations there is the requirement that the company release a Key Information Document ("KID"). The KID is available on the Company's website in the Investor Relations Section.

### **Purpose**

---

This document provides you with key information about this investment 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 this investment company and to help you compare it with other products.

### **Product**

---

|                     |                                                                              |
|---------------------|------------------------------------------------------------------------------|
| Name:               | Mineral & Financial Investments Limited                                      |
| ISIN:               | KYG6181G1055                                                                 |
| Sedol:              | B9NJBZ8                                                                      |
| Regulator:          | Financial Conduct Authority                                                  |
| Investor Inquiries: | Tel: +44 780 226 8247                                                        |
| Website:            | <a href="http://www.mineralandfinancial.com">www.mineralandfinancial.com</a> |
| Relevant Date:      | <b>This information is accurate as of 31 August 2023.</b>                    |

### **What is this product?**

---

#### **Type:**

This product is a non-UCITS investment company as defined in Section 833 of the Companies Act 2006. Mineral and Financial Investments Limited is a Cayman Island incorporated company and therefore not subject to the UK Companies Act of 2006, but subject to the UK Listing Authority Rules. Ordinary shares in a public limited company incorporated in Cayman Islands with an unlimited life under the Companies Act 2006, there is no maturity date for the ordinary shares. Save for payments of dividends or other returns (e.g. on a winding up), the Company is not expecting to pay out. Investors are expected to generate returns through selling their shares, through a bank or stockbroker. 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. The price at which you can sell your shares will vary depending on market conditions and will not necessarily reflect the net asset value of the Company.

#### **Strategy:**

To maximize shareholder returns by investing in the natural resources sector through the securities of quoted and un-quoted companies and their assets, units in open-ended investment companies, exchange traded funds, physical commodities, derivatives, and other hybrid securities.

The Company invests in quoted and unquoted companies and projects, in the UK and internationally, in the natural resources and mining sector. Investments may be made by direct acquisition or through farm-



ins; may be in companies, partnerships, joint ventures; or direct interests in mining projects. Target investments will be involved in projects in the exploration and/or development stage and/or producing mines. The Company's equity interest in a proposed investment may range from a minority position to, on occasion as high as 100 percent ownership.

The Company intends to deliver Shareholder returns principally through capital growth rather than income distribution via dividends and actively manages its investment portfolio to achieve this aim.

#### **Intended and Suitable Investor:**

The ordinary shares of Mineral & Financial Investments are quoted on the AIM market of the London Stock Exchange and as such are intended for investors who understand and are willing to assume the potential risks of capital loss associated with investments in such companies. This may include retail and sophisticated investors, as well as high net worth individuals and institutional investors who already have a portfolio of investments. Investors need to be comfortable that investing in smaller quoted and unquoted companies carries a higher risk than some other investments, that the mining and resources sector is highly cyclical and that market sentiment on the AIM market can create significant deviations between the share price of the Company and its net asset value.

#### **Maturity:**

The investment has no maturity date. The company reserves the right raise capital.

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

Mineral and Financial Investments Limited is an investment company which is focused on making investments in and financing mining companies at early stages of their development. As a result, M&FI has and will continue to have a broad range of risks which are characteristic of small cap companies, but also carry a range of risks which are associated with venture capitalism and natural resource investing. With these risks M&FI works towards and expects to generate above market average returns for the risks' an investment in its shares carries.

Amongst some of the risks which an investment in M&FI will carry are:

- A. Observed risks: including, but not limited to: Political risk; Geological Risk; Metallurgical risks; Exploration risks; Title risk; Permitting risk; Project risk; Financing risk; Development risk; Logistical and energy risk; Commodity Risk; Market Risk; Currency risk; Equity market risk.
- B. Unobserved risk: Including, but not limited to; Transaction risk; Execution risk; Productivity risk; Feasibility risks; Cyber-security risk; Innovation Risk; regulation risk; Management risk; Cash optimization risk; Pricing risk; Resource nationalism risk; Social risk; Commodity substitution risk; Climactic risk; Skill shortage risk, and; Fiscal risks.

#### **Description of the risk-reward profile of Mineral & Financial Investments Limited**

|   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|   |   |   |   |   | ✓ |   |   |

Lower Risk ◀ ..... ▶ Higher Risk

The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less than your initial investment. Details of all the relevant risks, including discount, gearing and regulatory risks are on the Company's website and in the latest Annual Report which can be found at [www.mineralandfinancial.com](http://www.mineralandfinancial.com)



The following are some of the other risks materially relevant to the PRIIP which are not taken into account in the summary risk indicator:

Emerging markets may have less advanced regulatory and control environments. The fund is exposed to exchange rate volatility, as it holds assets denominated in multiple currencies. See our site for further risk information.

The summary risk indicator is a guide to this product's level of risk compared to other products. It shows how likely it is that the product will lose money because of movements in the markets.

We have classified this product as 6 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 for you to receive a positive return on your investment.

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

### Value at Risk (VaR) Performance Scenarios

The following are not forecasted levels of performance, but rather measures of the "Value at Risk" of your investment. The lowest levels of VaR are expected with the longer periods. The recommended holding period is five years.

BASED UPON AN INVESTMENT OF \$10,000:

| Investment Scenarios for £10,000 |                                            | (Recommended holding Period) |                  |                |
|----------------------------------|--------------------------------------------|------------------------------|------------------|----------------|
|                                  |                                            | 1 Year                       | 3 Year           | 5 Years        |
| <b>Stressed</b>                  | <b>What you might get back after costs</b> | <b>£7,060</b>                | <b>£3,564.01</b> | <b>£804</b>    |
|                                  | Average returns each year                  | -29.4%                       | -29.1%           | -39.6%         |
| <b>Unfavourable</b>              | <b>What you might get back after costs</b> | <b>£7,810</b>                | <b>£5,534</b>    | <b>£3,939</b>  |
|                                  | Average returns each year                  | -21.9%                       | -17.9%           | -17.0%         |
| <b>Base Case</b>                 | <b>What you might get back after costs</b> | <b>£11,730</b>               | <b>£16,098</b>   | <b>£18,588</b> |
|                                  | Average returns each year                  | 17.3%                        | 17.2%            | 13.4%          |
| <b>Favourable</b>                | <b>What you might get back after costs</b> | <b>£12,400</b>               | <b>£26,110</b>   | <b>£57,532</b> |
|                                  | Average returns each year                  | 24.0%                        | 37.7%            | 41.9%          |

This table shows the money you could get back over the next 5 years (recommended holding period), under different scenarios, if you invest £10,000. The scenarios shown illustrate how your investment could perform. 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 the market performs and how long you keep the product. The stress scenario shows what you might get back in extreme market circumstances, and it does not consider the situation where we are not able to pay you.

The figures shown include all the costs of the product itself but may not include all the costs you pay to your advisor or distributor. The figures do not consider your personal tax situation, which may also affect how much you get back.



***ATTENTION: References to the company paying you money are required but are misleading. In line with the company's investing policy, it is unlikely you will receive dividends from the company during your investment, and most of your return will be realised when you sell your shares in the market. The amount received upon sale will depend upon market conditions and the bid price quoted by your broker and is likely to be lower than the mid-market price. Investors are advised to consult their broker for applicable dealing charges.***

## **What happens if Mineral & Financial Investments is unable to pay out?**

---

As a shareholder of Mineral and Financial Investments Limited, you would not be able to make a claim to the Financial Services Compensation Scheme or any other compensation body about the Company in the event that the Company were unable to pay any dividends or other returns it may elect to pay from time to time, or if it were unable to pay any amounts due to you on a winding up of the Company. If you sell your shares on the London Stock Exchange, your bank or stockbroker will receive cash on delivery of your shares and should pass that to you. Mineral and Financial is an investment company whose purpose is capital appreciation; pay-outs are not and should not be anticipated to occur. You may face a financial loss should any of the investments, investment decisions or investment market conditions deteriorate beyond expected levels. There is no compensation or guarantee scheme in place which may offset, all or any of, this loss.

## **What are the costs?**

---

### **Presentation of 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 consider one-off, ongoing 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.

The Company is required by law to include the information above and below without any changes. That law was drafted for investment products which pay returns directly to investors, not those for which a return may be delivered by the investor selling shares on a market. All ongoing costs and incidental are borne by the Company and have no direct impact on share price performance of the Company's shares.

If you chose to sell your shares on the market, you would pay your bank's 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 other investors could buy shares at that time. Prices quoted for shares in the media are typically the mid-price, being half way between the offer price and the bid price.

### **Costs Over Time**

| Investment Scenarios for £10,000 | Year 1  | Year 2  | Year 3  |
|----------------------------------|---------|---------|---------|
| Total Costs                      | £519.57 | £519.57 | £519.57 |
| Impact on returns per year (RIY) | 5.2%    | 2.6%    | 1.7%    |

### **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.
- the meaning of the different cost categories.

| This table shows the impact on returns per year |                             |                          |                                                                                                                                                                                                                  |
|-------------------------------------------------|-----------------------------|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| One-off costs                                   | Entry costs                 | Your broker's commission | There are no direct entry fees charged by the Company for this product. The entry cost represents the impact of typical market making costs upon buying in the secondary market under typical market conditions. |
|                                                 | Exit costs                  | Your broker's commission | There are no direct entry fees charged by the Company for this product. The cost represents the impact of typical market making costs upon selling in the secondary market under typical market conditions.      |
| Ongoing costs                                   | Portfolio transaction costs | 0.00%                    | The impact of the costs of us buying and selling underlying investments for the product.                                                                                                                         |
|                                                 | Other ongoing costs         | 0.00%                    | The impact of the costs that we take each year for managing your investments and the costs associated with running the Company.                                                                                  |
| 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 is 5 years. This company has no required minimum holding period but is designed for long term investment; you should be prepared to stay invested for at least 5 years. You may sell your shares in the product, without penalty, on any day on which the banks are normally open for business in United Kingdom.

### How can I complain?

If you have any complaints about the Company, you may lodge your complaint in one of three ways:

- Email: [info@mineralandfinancial.com](mailto:info@mineralandfinancial.com)
- Phone: +44 (0) 207.467.1709
- Write: Steinengraben 18, Suite 300, Basel 4051, Switzerland

### Other relevant information

We are required to provide you with further documentation, such as the product's latest, admission documents, annual, semi-annual, and quarterly reports. These documents and other product information are available online at [www.mineralandfinancial.com](http://www.mineralandfinancial.com)

**The past performance of the Company is not a guide to future performance. The price of the Company's shares can go down as well as up.**