

# Foresight Inheritance Tax Solution Factsheet

## Q1 2025

Consistent with typical investor goals, the Foresight Inheritance Tax Solution (Foresight ITS) aims to deliver modest, stable returns and reduce risk wherever possible.

Foresight ITS achieves these goals by investing in a diverse portfolio of Infrastructure and Real Assets.

Foresight ITS invests predominantly in solar and wind power generation, reserve power, regenerative agriculture, forestry and digital infrastructure such as fibre broadband. These businesses typically provide returns derived from long term revenue streams or other protected market positions and a measure of inflation linkage with limited correlation to listed markets. This factsheet provides information on the businesses within the Foresight ITS.

## Key information

Launch date	January 2012
Investee Company NAV	£1.909 billion (31/03/25)
Target sectors	Infrastructure and related businesses
Minimum subscription	£25,000
Top up facility	£10,000 or more at any time*
Max subscription	- Foresight ITS: No upper limit - Foresight Accelerated ITS: £1m single and £2m joint on net investment
Target return for investors	3.0% – 4.5% per annum net of charges
Regular withdrawals	Available from 1st anniversary**
Holding period until IHT exemption	2 years **

\*NB a top up subscription into your portfolio will require 2 years from date of allotment to achieve IHT exemption.  
\*\* IHT exemption will be lost on any amount withdrawn from your holding.

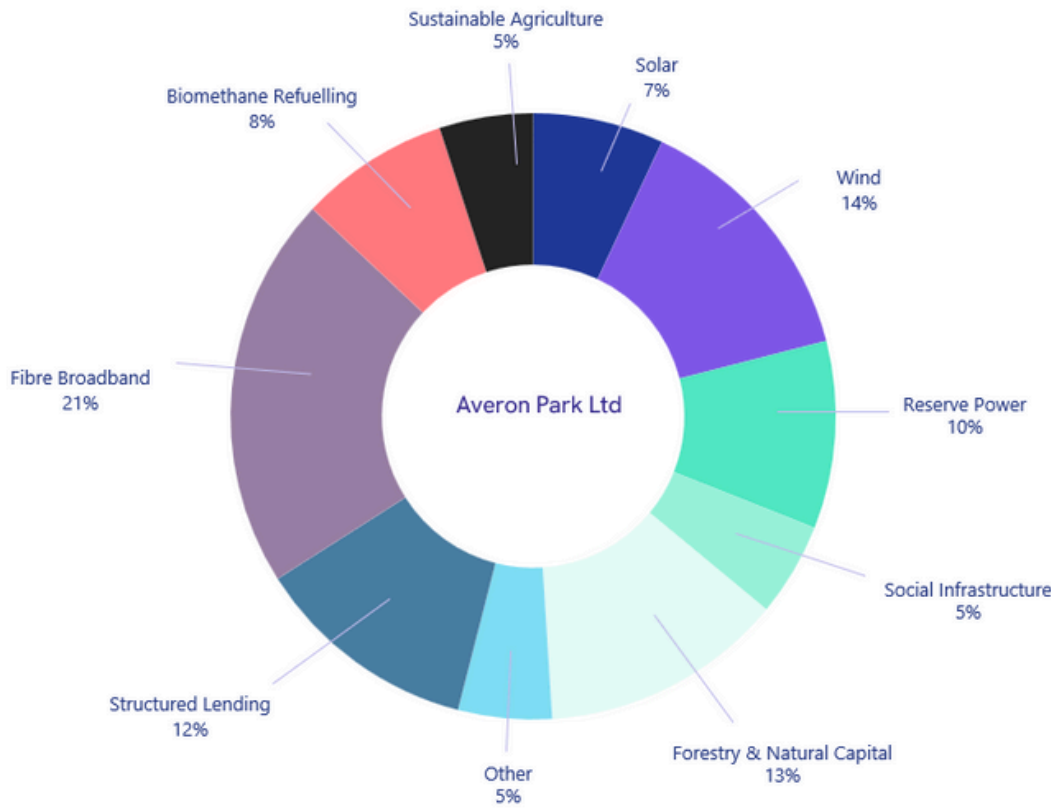
## Discrete Annual Performance for Foresight ITS

In the period 1 January 2025 to 31 March 2025 the value of holdings in the Foresight ITS increased by 2.3%.

2021	2022	2023	2024	2025
3.8%	11.9%	4.6%	3.5%	3.7%

Annual performance data is displayed for 12 month periods running from 1 April to 31 March beginning with the 12 month period from 1 April 2020 to 31 March 2021. Performance is net of all costs and charges.

## Foresight Inheritance Tax Solution Portfolio 31 March 2025



Past performance is not indicative of future performance and returns are not guaranteed

\*Investments in unquoted companies, by their nature, have limited liquidity. There is, therefore, no guarantee that withdrawals or encashments can be effected when requested or within the average or targeted timescales

## Liquidity\*

£27m

Liquidity provided in Q1

Since 3 May 2023, we have consistently provided liquidity within an average of fifteen working days.

## Direct Payment Scheme

Executors face a dilemma: Inheritance Tax (IHT) is due within six months, but estate assets are typically inaccessible until probate is granted, which itself often requires proof of IHT payment. This can force executors to pay IHT using personal funds or resort to expensive bridging loans.

This problem worsened in April 2025, when the interest HMRC charges on late IHT payments increased from 2.5% above base rate to 4%.

The Foresight ITS participates in the Direct Payment Scheme which allows IHT to be paid directly with HMRC, before probate has been granted. This can speed up probate and help bereaved families avoid high interest payments.



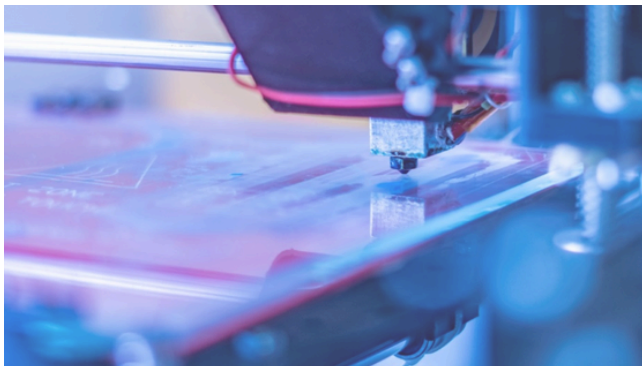
# Performance Commentary for the Period 01/01/2025 - 31/03/2025

**In the financial year ending 31 March 2025, the value of the businesses held by the Foresight ITS increased to £1.91 billion, delivering a net annual return of 3.7% for the financial year. During the quarter the share price increased from 124.25p at 31 December 2024 to 127.05p at 31 March 2025 with an increase in the value of the ITS holdings of 2.3% for the quarter.**

During the period, performance of the operational portfolio was strong while construction activities across the portfolio also progressed well. Notably, construction of the Rjukan land-based recirculating aquaculture facility entered its final stages with first revenues expected to be generated by the end of the calendar year. Volumes of biomethane dispensed from our biomethane refuelling network across the country continue to grow while numbers of customers signing up to fibre broadband packages sold by our fibre broadband companies are increasing at a steady rate which is pleasing to see in a challenging market.

The structured lending portfolio continued to diversify over the period. A facility for one of the largest trades, Reward Lending, was restructured. This resulted in an increase in the interest rate paid to Foresight ITS alongside a reduction in the overall size of the facility, reducing investment concentration in the portfolio. The facility was therefore partially repaid during the quarter, and this capital will now be redeployed into new and existing trades to rebalance and diversify the structured lending portfolio. More broadly, performance of the trades within the structured lending portfolio continue to perform well with distress and default levels remaining low and a consistent level of returns generated for the Foresight ITS.

From a macroeconomic perspective, we saw electricity prices over the quarter reduce however this was counteracted by medium term electricity price expectations increasing. Generally, the sentiment of stability we have seen over the last six months continues to be maintained, with levels of general inflation remaining at relatively constant levels while there have been successive reductions implemented to the UK Base Rate by the Bank of England. Nonetheless, there have been some wider geopolitical factors straining the UK economy however, the performance of the Foresight ITS portfolio with its UK-focus and exposure to a diverse range of real asset-based trades has been resilient against these geopolitical aspects.



Looking ahead, while certain aspects of the macroeconomic environment show signs of improvement there are still potential challenges for the economy ahead. The ITS portfolio is well positioned to continue its growth alongside a supportive, domestic political backdrop, with a sizeable pipeline of opportunities for new investment and a resilient portfolio of diverse trades into uncorrelated sectors.

**Matt Hammond, Foresight ITS**

## Case Study: Foresight Regional Investment Series

**Sector: Private Equity | Location: United Kingdom | Original Investment Date: June 2022**

Whilst the majority of Averon Park’s assets are invested into infrastructure, other real asset owning businesses and structured lending with a focus on mitigating risk whilst delivering stable, predictable returns; a small percentage of the portfolio is invested in assets with different return profiles, helping to create a balanced portfolio generating positive risk-adjusted returns for the ITS.

For example, the Foresight ITS has invested c.2% of its portfolio in several Foresight Regional Investment Funds as of 31 March 2025, consisting of funds located in the North West and North East of England with the most recent investment based in Ireland. These funds provide further diversification of the Foresight ITS portfolio, access to successful small cap equity funds in the UK and allow investors to benefit from private equity opportunities that retail investors would not normally have access to.

### Description:

The Foresight Regional Investment Fund LP’s make small initial equity investments in Small and Medium-sized Enterprises (SMEs) in each region. Each fund aims to deliver attractive economic returns with broader long-term benefits for regional communities such as sustainable, quality job creation, by applying a professional approach to private equity investment in an underserved part of the market. Foresight’s regional network of 13 offices means it is fully embedded in the communities that it invests in and its 60+ strong regional investment team are on hand to support SMEs up and down the UK and Ireland, continuing the strategy set out by the precedent fund, FRIF I.

Despite there being more than 5.5 million SMEs in the UK there remains a significant funding gap particularly in small-cap private equity. Only 34% of these SMEs are based in London and the South East yet these receive 52% of equity investment and much of this activity has been in venture and growth investing, oriented into earlier stage companies.



This dynamic leaves a material funding gap for more established companies looking for finance to support management buyouts and other replacement capital transactions. When supported by Foresight’s experienced team, SMEs have a sizeable opportunity for business transformation and accelerated sustainable growth. In turn, this positions the companies for exit to a pool of larger buyers, often at more competitive multiples.

Whilst the Foresight Regional Investment Funds that the Foresight ITS has invested in are still in their early phases, an illustration of the Foresight Regional Investment Fund strategy can be seen with Foresight Regional Investment Fund I (FRIF I). This fund supported 18 SMEs and created c.1,900 new, quality jobs in local communities while advancing Environmental, Social and Governance (“ESG”) matters across the portfolio.

The Foresight ITS therefore aims to take advantage of such strategies through its nominal investment in these funds to help achieve the target return for investors.

## Foresight Inheritance Tax Fund renewable energy statistics

Underlying ITS businesses produced  
**315.3 GWh**  
of green energy in the year






That’s enough to power  
**116,774**  
UK households

Source: Foresight Group using Ofgem TDCV and data from IPCC’s SRREN report. Data taken from 1 April 2024 – 31 March 2025.



# Contribution to the Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a set of 17 goals for sustainable development to be achieved by 2030. They recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection and job opportunities, while tackling climate change and environmental protection too. Using recognised frameworks for calculation, Foresight measures and quantifies the Foresight Inheritance Tax Fund renewable energy portfolio's contribution to the SDGs and their underlying targets:

Goal	SDG Target	Contribution for the quarter
	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Foresight Inheritance Tax Fund avoided: - <b>22,982 tonnes</b> CO2 equivalent (compared to the electricity grid) - <b>42 tonnes</b> of NOx (Nitrous Oxide) - <b>31 tonnes</b> of SOx (Sulphur Dioxide) - <b>0.7 tonnes</b> of PM10 (µm10 Particulate Matter) - <b>0.3 tonnes</b> of PM2.5 (µm2.5 Particulate Matter)
	7.2 Increase substantially the share of renewable energy in the global energy mix.	Foresight Inheritance Tax Fund businesses produced: - <b>77 GWh</b> of renewable energy - Enough electricity to <b>power 28,629 homes</b>
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Foresight Inheritance Tax Fund businesses added: - <b>430.2MW</b> of renewable generation capacity to the grid
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Foresight Inheritance Tax Fund renewable generation businesses raise awareness and improve human capacity for climate change mitigation.
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2030, protect and prevent the extinction of threatened species.	Contributing to the avoidance of fossil fuel use, Foresight Inheritance Tax Fund businesses saved: - <b>6,646 Tonnes of Oil Equivalent</b> (TOE)

Source: Foresight Group using Ofgem TDCV and data from IPCC’s SRREN report. Data taken from 1 January 2025 – 31 March 2025.

Foresight Group has recently updated its Carbon Avoided methodology to use country-specific grid emissions factors for the geography in which the asset is based. It follows the International Financial Institutions (“IFI”) Approach to GHG Accounting for Renewable Energy Projects and uses the Harmonised IFI Default Grid Factors for calculation. The previous methodology used coal as the sole comparator and was used until Q1 2024. These figures are no longer reported.

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### Important Information

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This document relates to the Foresight Inheritance Tax Solution (“Foresight ITS”) which is part of the Foresight Inheritance Tax Fund (“Fund”).

This document is addressed and distributed by Foresight to (i) existing investors in the Fund through the Foresight ITS and (ii) financial advisers that are authorised and regulated by the Financial Conduct Authority. Investment in the Fund through Foresight ITS is only permitted through financial advisers. Financial advisers are required to explain to clients the risks of investing in the product and confirm the product is suitable for their clients. Financial advisers should only provide this document to potential investors if provided together with the Foresight ITS Investor Guide (“Investor Guide”), highlighting the FCA Prescribed Risk Warning section at the beginning of that document.

It is important to read the Investor Guide in full, in particular the customer agreement, and understand the key risks that are set out in that document, before a potential investor comes to an investment decision. An investment in the Fund is NOT suitable for all investors.

Applications to invest in the Fund through the Foresight ITS will only be accepted on the basis of the content and terms of the Investor Guide.

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