

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.

PRODUCT

Name: Foresight Accelerated Inheritance Tax Solution (part of the Foresight Inheritance Tax Fund, the "Fund") – Joint Life Cover, Category A **ISIN:** N/A

Manufacturer: Foresight Group LLP (Foresight, Investment Manager) **Competent Authority:** Financial Conduct Authority (FCA No. 198020)

Contact Details: Foresight Group LLP, The Shard, 32 London Bridge Street London SE1 9SG +44 (0)20 3667 8100 www.foresightgroup.eu **Date:** This key information document (KID) has been approved by the Investment Manager for publication on 26 July 2024

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

WHAT IS THIS PRODUCT?

Type:	The fund is an Alternative Investment Fund ("AIF") for the purposes of the Alternative Investment Fund Managers Directive. There is no specified maturity date or unilateral termination date.
Objectives:	To offer potential for IHT exemption through Business Relief ("BR") on the net invested amount after two years by selecting investments with stable and predictable cashflows, low market correlation and relatively low default rates to deliver modest returns with low volatility. The product provides additional cover against the investor's estate's IHT liability over the first two years through group life insurance policies. The value of the return on an investor's portfolio will depend on the performance of the underlying investments.
Intended retail investor:	Clients of financial advisers, regulated by the FCA who have passed the suitability criteria for investors defined under the FCA Conduct of Business ("COBS") rule (COBS 9), professional investors (COBS 3.5); certified high net worth (COBS 4.7.9) and certified or self-certified sophisticated investors (COBS 4.7.9) or restricted investors (COBS 4.7.10). Intended retail investors are those seeking inheritance tax relief, who are willing to invest for the long term, who understand the risks of investing in higher risk products and who have the ability to bear any losses that may result from such an investment.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

Risk Indicator	<div><div>1</div><div>2</div><div>3</div><div>4</div><div>5</div><div>6</div><div>7</div></div> <div><div>←</div><div>→</div></div> <div>Lower riskHigher Risk</div> <div><div><div>!</div></div><div>The risk indicator assumes you keep the product for 5 years or until date of death. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to cash in early.</div></div>
Investment Performance Information	<div><div>What are the main factors likely to affect future returns?</div><div>The main factors likely to affect future returns include:</div><div><div><div>•</div><div>Underlying investments - While underlying investments through the Foresight ITS are sought to be made in companies and trades which offer predictable cash flows and low correlation to equity market, investment in unquoted companies by its nature involves a higher degree of risk than investments in listed and/or traded on regulated markets. Infrastructure investments are particularly susceptible to fluctuations in energy prices and demand, as well as the availability of raw materials. Underlying companies and trades might have leverage that ranks in priority to the investor’s investment. This might increase the exposure to adverse economic factors.</div></div><div><div>•</div><div>Valuation – There is no guarantee that the valuation of an investment (from time to time) will fully reflect its underlying value or that it can be sold at that valuation.</div></div><div><div>•</div><div>Qualifying Companies – The Foresight Inheritance Tax Fund targets investments in companies which are reasonably believed to qualify for BR. In the event that a company in which an investment through the Foresight ITS is made ceased to be a qualifying investment, BR would be lost. Shares in BR qualifying companies held for at least two years should fall outside an individual’s estate for the purposes of inheritance tax. There is a risk that HMRC determines that shares held through the Foresight ITS are not BR qualifying. Foresight ITS</div></div></div></div>

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receives ongoing legal advice on its qualifying status, is confident that this risk is sufficiently mitigated and has had no issues in this area since inception in 2013.

- Tax legislation- Rates of taxes, tax benefits, reliefs and allowances are based on current legislation and HMRC practice which might change over time, and it is not guaranteed. There is also a risk that BR itself it materially changed by government such that the inheritance tax benefit no longer applies. This is out of the control of Foresight, but we closely monitor the legislative environment and do not consider that this is a material risk in the medium term.
- Insurance Policy - Insurance company that provides the Insurance Policy might become bankrupt or for any reason might not be able to pay claims.

How does the target compare with performance and volatility?

The Foresight ITS targets an annual return of 3.0% to 4.5% p.a. net of all Foresight charges. This is achieved through exposure to the cash flows of infrastructure, and infrastructure-like, assets which are minimally correlated to equities and have high levels of contracted revenues. Many of these exposures carry equity risk, where all your capital is at risk.

What is the most relevant benchmark?

No relevant benchmark is available as there is no single benchmark that adequately measures the performance of small, unquoted companies.

What could affect my return positively?

Increased business earning capacity of investee companies, diversified portfolio, and external factors such as economic growth, strong fiscal policy, regulations and political stability might positively affect returns.

What could affect my return negatively?

General market risks, including inflation rates increase, real or perceived unfavourable market conditions, market volatility, movements in interest rates, spending cuts, changes in domestic and international economic conditions, geopolitical crisis, and physical climate change risk may impact the level of economic growth and the business earning capacity of companies in which the Foresight ITS Fund has invested or may invest.

What could happen under severely adverse market conditions?

An investment in the Fund might be difficult to realise due to the nature of unquoted companies, particularly in severely adverse market conditions. Investee companies' performance might be negatively affected by the adverse market conditions. You could lose some or all of your investment.

WHAT HAPPENS IF FORESIGHT GROUP LLP IS UNABLE TO PAY OUT?

Foresight Group LLP participates in the Financial Services Compensation Scheme ("FSCS"). The FSCS may provide compensation to eligible claimants in the event of the firm being unable to meet its liabilities. The FSCS does not cover losses in the event of the poor performance of a fund or failure of an investee company. Further information about the FSCS can be found at fscs.org.uk.

WHAT ARE THE COSTS?

Costs over Time	Investment £10,000	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years	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. The figures assume you invest £10,000 gross of Foresight Initial Charges. The figures are estimates and may change in the future.
	Scenarios				
	Total costs	£675	£1,523	£2,416	
	Impact of return (RIY) per year	-6.75%	-4.63%	-3.97%	
Composition of Costs	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.				
	The table below shows:				
	<ul style="list-style-type: none"> • The impact each year of the different types of costs on the investment returns you might get at the end of the recommended holding period; and • The meaning of the different cost categories 				

WHAT ARE THE COSTS?

This table shows the impact on return per year

One off costs	Entry costs	0.52%	The impact of the costs you pay when entering your investment. This includes the costs of distribution of your product.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.
Ongoing costs	Portfolio Transaction Cost	2.05%	The impact of the costs that we take each year for managing your investments.
	Other ongoing costs	0.92%	Other costs are variable and include investee company tax, legal, director and audit costs.
Incidental costs	Initial period annual management charge	0.48%	The impact of the cost to mitigate IHT during the first two years of your investment.
	Carried interests	0.00%	The product does not have any carried interest costs.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

RECOMMENDED HOLDING PERIOD: 5 years

An investment in Foresight Accelerated Inheritance Tax Solution ("Accelerated ITS") should not be considered a short to medium term investment since investments in BR qualifying companies must be held for at least two years in order to benefit from the IHT relief and a longer holding period is typically recommended. Our calculations above for the Summary Risk Indicator and Performance Scenarios are based on a recommended five-year holding period.

If you withdraw any of your holdings after two years, you will lose the relief on the amount withdrawn and retain IHT exemption only on your remaining investment. Investors may request to take regular withdrawals after the second anniversary of their investment on a monthly, quarterly, six-monthly or annual basis. Partial withdrawals are not permitted during the two-year initial period other than to meet ongoing adviser fees. During the initial period, a full withdrawal will be possible, however, please note that this will terminate your cover under the Insurance Policy and you will lose your IHT shelter.

The Fund invests in unquoted companies, which are illiquid, and withdrawals may take considerably longer to effect and are not guaranteed. Foresight will endeavour to effect withdrawals in as tax efficient a manner as possible at the time, typically with a capital gains tax treatment, but withdrawals, and their tax treatment, cannot be guaranteed. In certain circumstances, withdrawals may be facilitated by share buy backs, in which case the growth will be subject to income tax. The IHT relief will be lost on the amount withdrawn and the value of the remaining investment will be reduced in respect of the amount withdrawn.

HOW CAN I COMPLAIN?

The Investment Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from it on request. Should an investor have a complaint about the product or this KID, they should contact the Investment Manager, who will investigate the complaint and provide the investor with a final response. If the investor is dissatisfied with the Investment Manager's final response, the investor may be entitled to refer their complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Investment Manager's final response.

Complaints should be addressed to The Head of Investor Relations, Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG. T: +44 (0)20 3667 8181. Emails can be sent to - investorrelations@foresightgroup.eu.

OTHER RELEVANT INFORMATION

The cost, performance and risk calculations included in this KID follow the methodology set out in Commission Delegated Regulation (EU) 2017/653 as adopted by the United Kingdom and amended by the FCA pursuant to the Packaged Retail and Insurance-based Investment Products (Scope Rules and Technical Standards) Instrument 2022. Current factsheets and other marketing documentation can be found at <https://www.foresightgroup.eu/products/foresight-accelerated-inheritance-tax-solution>.

An investment in the Fund must only be made on the basis of the information set out in the Investor Guide and Customer Agreement, dated July 2024. The depositary of the Fund is NCM Depositary Services Limited.