



**FORESIGHT
WILLIAMS
TECHNOLOGY
EIS FUND**

INFORMATION MEMORANDUM

JUNE 2022

Foresight
FOR A SMARTER FUTURE

IMPORTANT NOTICE

This information memorandum (“Information Memorandum”) dated June 2022 constitutes a financial promotion pursuant to section 21 of the Financial Services and Markets Act 2000 (“FSMA”) issued by Foresight Group LLP (“Foresight”) of The Shard, 32 London Bridge Street, London SE1 9SG. Foresight is authorised and regulated in the United Kingdom by the Financial Conduct Authority (“FCA”) under firm reference number: 198020. This document relates to the Foresight Williams Technology EIS Fund (“Fund”). This Information Memorandum is issued solely for the purposes of seeking applications to the Fund. The opportunity described in this document is NOT suitable for all investors. All investors are recommended to seek advice from a financial intermediary authorised under FSMA who specialises in advising on opportunities of this type.

This Information Memorandum is only being distributed by Foresight to professional clients or eligible counterparties, including intermediaries such as independent financial advisers. If any such person to whom this Information Memorandum is distributed by Foresight wishes to provide it to its own clients who are retail clients, they must each fall within one of the following categories and the intermediary is responsible for ensuring compliance with this requirement.

- a) An existing client of a financial intermediary regulated by the FCA which has advised that the Fund is a suitable Investment for them in accordance with COBS rule 9;
- b) A person who meets the requirements for being a professional client in accordance with COBS rule 3.5;
- c) A person who qualifies as a certified high net worth individual in accordance with COBS rule 4.7.9;
- d) A person who qualifies as a certified sophisticated investor in accordance with COBS rule 4.7.9;
- e) A person who qualifies as a self-certified sophisticated investor in accordance with COBS rule 4.7.9; or
- f) A person certified as a restricted investor within the meaning of COBS rule 4.7.10.

You should note that the Fund is an ‘alternative Investment fund’ (or AIF) for the purposes of the AIFM Regulations and its “units” are non-readily realisable securities.

Foresight is the alternative investment fund manager (AIFM) in respect of the Fund and is authorised by the FCA to act as a full scope AIFM for the purposes of AIFM Regulations.

Prospective investors will, therefore, benefit from any rights in the AIFM Regulations in respect of which Foresight is obliged to comply. As an AIFM, Foresight is required to manage the Fund in accordance with AIFM Regulations and must disclose certain prescribed information pursuant to the FCA Rules (FUND 3.2.2). Your attention is, therefore, drawn to the disclosures on pages 74 to 75.

The Fund is classified as a retail investment product and does not constitute an unregulated collective investment scheme under FSMA because it satisfies the conditions of paragraph 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 and is therefore not subject to the additional restrictions in section 238 of FSMA or those in COBS 4.12 regarding the promotion of non-mainstream pooled Investments.

The Fund comprises Investments by individual investors in a selection of EIS Qualifying Companies and uninvested cash. Each Investor, for legal and tax purposes, will be the beneficial owner of a specific number of Shares in each Investee Company.

All Shares and cash are managed on a collective basis in accordance with the investment objectives and restrictions set out in Schedule 1 of the Investor’s Agreement.

Your application will be subject to your financial intermediary either confirming an investment in the Fund is suitable for you (if they are providing Investment advice) or appropriate for you (if they are providing execution-only services). Investors who do not have financial intermediaries will only be able to participate in the Fund at Foresight’s discretion.

Your attention is drawn to the risk factors set out on pages 50 to 53 which should be carefully considered. The value of your investment in the Fund could go down as well as up and should be considered a long-term investment. Investing in unquoted shares may expose you to a significant risk of losing all the money you invest. Furthermore, unquoted securities may be difficult to sell. You should consider carefully the suitability of an Investment in small to medium-sized unquoted companies. Tax reliefs are dependent on individual circumstances and any reference to tax laws or levels in this document is subject to change. Changes in legislation in respect of the tax advantages in general, and qualifying Investments and qualifying trades in particular, may affect the ability of the Fund to meet its objectives and/or reduce the level of returns which would otherwise have been achievable.

Past performance is not a guide to future performance and may not be repeated.

This document and the information contained in it do not constitute an offer or invitation to any person in any jurisdiction apart from the UK, and may not be used for the purposes of such an offer or invitation or published or distributed to persons outside of the UK. This promotion does not constitute a public offering in the UK.

Foresight has taken all reasonable care to ensure that all the facts stated in this document are true and accurate in all material respects and that there are no other material facts or opinions which have been omitted where the omission of such would render this document misleading. All statements of opinion or belief contained in this document and all views expressed and statements made represent Foresight’s own assessment and interpretation of information available to them as at the date of this document. No representation is made, or assurance given, that any statements, views or forecasts are correct or that the objectives of the Fund will be achieved.

Neither Williams Technology Ventures Limited (being a service provider to and authorised representative of Foresight) nor any member of Williams Advanced Engineering Limited (WAE) assumes any responsibility for the contents of this Information Memorandum. The information in this document was produced in June 2022 and may not be current.

Nothing in this document should be regarded as constituting legal, taxation, investment or other advice and prospective investors are advised to consult their own professional advisers before contemplating any Investment. Any decision to invest in the Fund should be made on the basis of the information contained in this document.

For further information on our terms of business, please see the Investor’s Agreement on pages 65 to 68 and the separate Application Form relating to this Information Memorandum.

Foresight is covered by the Financial Services Compensation Scheme (FSCS). The FSCS may pay compensation to qualifying investors in the event that investors have a qualifying claim against Foresight, and Foresight is unable to meet its obligations. The maximum sum of compensation payable under the FSCS is currently £85,000 per investor.

Save as mentioned below, references to “Foresight”, the “Fund Manager”, “Foresight Group”, “we” and “our” are to Foresight Group LLP and/or, where applicable, any wholly-owned subsidiary of Foresight Group LLP that has been appointed as promoter of the Fund.

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Further Information

If you require any further information relating to the Fund please contact the sales team at Foresight by telephone on **020 3667 8199** or by e-mail to sales@foresightgroup.eu.

Please note that Foresight is not able to provide you with Investment, financial or tax advice.

LETTER OF INTRODUCTION



The Foresight Williams Technology platform represents an exciting investment opportunity.

Bernard Fairman
Chairman

Dear Investor,

The Foresight Williams Technology platform represents an exciting investment opportunity made possible by the collaboration between Foresight Group and Williams Advanced Engineering (“WAE”).

The platform offers investors the opportunity to invest in a portfolio of early-stage companies developing innovative and transformational technologies across a range of different sectors. The investments are intended to be structured to qualify for the tax reliefs available through the Enterprise Investment Scheme.

We are seeking to generate significant returns for investors that are possible through early-stage investing.

The relationship between WAE and Foresight began in early 2015 and based on our combined vision and respective fields of expertise, Foresight launched the Foresight Williams Technology EIS Fund (“the Fund”) in November 2016. At the time of writing the Fund had raised in excess of £50m and made 44 investments of which 14 are follow-on investments. As you will see from the case studies on pages 32 to 39 many of the companies have made positive progress since the Fund invested initially. A number of portfolio companies have raised follow-on funding rounds subsequent to the Fund’s first investment, typically at uplifts in value, with the follow-on funding rounds often led and priced by other investors, thereby providing independent validation of the uplift in valuations.

In December 2019 the Foresight Williams Technology VCT Share class was launched to complement the EIS strategy. The VCT has a similar investment strategy and the intention is that the Fund and Foresight Williams Technology VCT Share class will invest alongside one another in the future.

Foresight has a 38-year track record of fund raising and investing into smaller companies in the UK through tax efficient schemes, working alongside management teams to grow their businesses before exiting to deliver returns for investors.

We believe that the collaboration between Foresight and WAE provides a sustainable competitive advantage when it comes to sourcing investment opportunities, carrying out due diligence and working with portfolio companies to maximise development and growth through the investment period. We believe this proposition should ultimately lead to more successful exits at higher multiples.

We believe there are four key reasons why you might consider this an attractive investment opportunity.



01

Engineering and technology adviser

Williams Advanced Engineering Limited (WAE) operates as a technology and engineering services business.

In 2010, Williams Grand Prix Engineering Limited began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which has now become Williams Advanced Engineering Limited.

Combining cutting-edge technology and some of the industry's best engineers with four decades of success in the ultra-competitive environment of Formula One, WAE provides technical innovation, engineering, testing, manufacturing and operational consultancy services across industry sectors.

Working in close collaboration with its customers and partners, WAE helps meet the sustainability and technology challenges of the 21st century by applying its expertise in aerodynamics, thermodynamics, electrification, advanced lightweight materials, simulation and vehicle integration. WAE provides services to a number of corporate clients operating internationally and employs more than 400 people.

WAE was acquired by Fortescue Metals Group (FMG) in March 2022. WAE continues to service its existing customers and commercialise new technology opportunities, in addition to playing a key role in supporting Fortescue's decarbonisation strategy.

With its work across a range of industry sectors, WAE is well-positioned to identify growing market opportunities. Through its reputation and commercial relationships, WAE also has access to an exciting pool of investment opportunities. Indeed, to date over half of the investments made by the Fund have been sourced by WAE. During the investment process, its expertise is harnessed to oversee technical due diligence.

Post-investment, portfolio companies can benefit from WAE's technical, commercial and marketing support.

02

Disruptive technologies

The Fund will target businesses with potentially market-leading technologies that have made significant progress prior to Investment. This may be a mixture of defensive intellectual property ("IP"), promising market trials or initial uptake from customers, and a clear road map for how to move the technology and business towards commercialisation.

A powerful delivery-focused collaboration results from combining specialist support from the WAE team, alongside the strong investment track record from Foresight.

02

Disruptive technologies continued

The UK is a hotbed of innovation and Williams' location just south of Oxford places it within one of the UK's most important technology regions, with a thriving early stage community backed by world class academics and technology institutions.

A powerful delivery-focused collaboration results from combining specialist support from the WAE team, alongside the strong Investment track record that Foresight has demonstrated in supporting entrepreneurial and innovative businesses over the last 38 years.

The Fund will seek to generate significant returns for Investors. The pipeline of qualified opportunities is strong and growing with good coverage from a mix of traditional technologies being used in new applications, as well as newer advanced data-rich technologies. This Information Memorandum provides several case studies of investments made by the Fund, which demonstrate how EIS investment can help drive businesses through to commercialisation and exit.

03

Foresight's track record

Established in 1984, Foresight is proud of its 38-year track record of investing into and growing small companies. Foresight now has over £8.7 billion (unaudited) of assets under management and a wide and varied investor base of private and institutional investors.

Foresight-managed Venture Capital Trusts and Enterprise Investment Schemes have over 24,000 shareholders with some £420 million invested. Foresight VCT, formerly Foresight Technology VCT, remains one of the UK's most successful VCTs since launch, having paid out more than £86 million in dividends, which are tax-free to qualifying investors, much of which derived from successful Investments and exits in the technology and engineering sectors.

Using its extensive network of non-executive directors and entrepreneurs, Foresight is well positioned to introduce senior resource to investee companies to optimise opportunities for commercial success. Foresight's established network of corporate finance advisers and intermediaries unlocks access to many similar business opportunities.

The Fund will continue Foresight's long history of supporting innovative and entrepreneurial businesses.

04

EIS qualifying Investments for Tax Relief

The Fund will invest in companies that are expected to qualify under the Enterprise Investment Scheme (EIS), one of a very small number of tax-efficient investment schemes officially sanctioned by HM Revenue and Customs. Subject to your personal circumstances and qualifying conditions being satisfied, Investments should qualify for a number of EIS tax reliefs including 30% income tax relief and capital gains tax deferral on amounts invested and capital gains tax exempt growth of Investments. Further details of the tax reliefs are available on pages 40 to 42. It is our intention that all of the monies invested will be into EIS-qualifying companies.

We hope that you find this Information Memorandum clear and easy to understand. You can call us on 020 3667 8199 for more information at any time. You should seek financial advice before you invest in the Fund.

Bernard Fairman

Chairman

Foresight Group

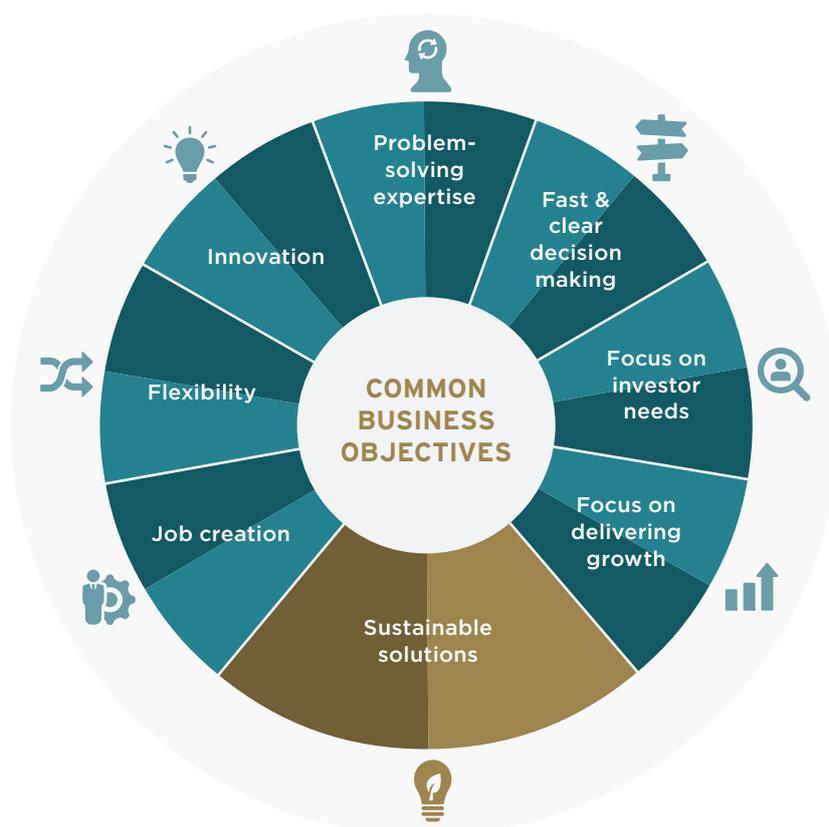
KEY FACTS

Foresight and WAE are entrepreneurial businesses that focus on innovation, flexibility and sustainability.

Fund name	Foresight Williams Technology EIS Fund
Fund structure	Unapproved EIS Fund
Minimum investment	£10,000
Sector focus	Unquoted, often early stage companies, that are commercialising potentially disruptive hardware technology or industrial software
Target expected portfolio size	Minimum of six investee companies per investor ¹
Cohort closing dates	Last working day in March, June, September and December
Investment horizon	Target 18 months from each respective closing date
Fundraising timetable	Evergreen - the Fund is open for subscription on an ongoing quarterly basis ²

1. Depending on the funds raised and the Investment opportunities secured.

2. The Fund may be closed for new subscriptions at any time.



INVESTMENT OPPORTUNITY & STRATEGY

“The EIS fund fits perfectly with our business model and allows us to take the learnings and technologies from Motor Sport and apply them to other industries.”

Craig Wilson

Managing Director, WAE

1. Investment thesis

2. Investment strategy

3. Investment process

4. Portfolio management

Investor considerations

1. INVESTMENT THESIS

Industry trends

The Foresight Williams Technology (FWT) EIS Fund’s underlying investment thesis is that there remains a vast opportunity to improve the productivity, efficiency and environmental impact of nearly every industrial sector from manufacturing through to energy via the intelligent application of automation and digitalisation. To facilitate this transition, there will be an increasing need for enabling technologies, including industrial machine learning software, novel sensors, low-cost robotics and 3D printers.

Some of the most exciting investment opportunities will come from companies that combine technologies, such as robotics, computer vision and machine learning, to deliver a solution that is greater than the sum of its parts. Another trend of particular interest is the application of cutting edge technologies from highly developed sectors into more traditional industries; for example, the application of augmented reality technology from the gaming sector into the industrial maintenance sector to enable remote collaboration.

Internal expertise

The sector agnostic investment strategy of the FWT EIS Fund focuses on early-stage companies with strong Intellectual Property (“IP”), operating in attractive, substantive markets where, in the majority of cases, WAE’s technical knowledge, commercial opportunity understanding or marketing support offer attractive added value potential to Investee Companies. This means the FWT EIS Fund will invest in opportunities which other funds may overlook due to the apparent complexity of the technology or the market. It also means the FWT EIS Fund can avoid investing in opportunities where WAE’s unique insights identify potential technical, commercial, market or regulatory forces which are likely to prove challenging for the potential Investee Company to overcome.

External factors

The UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture. For example, the European Digital City Index report identified London as the best city in Europe to start up and scale a digital enterprise (source: <https://digitalcityindex.eu/>). This entrepreneurial ecosystem is not limited to London or the South East, with Glasgow, Edinburgh, Manchester, Birmingham, Bristol, Cardiff, Oxford and Cambridge all featuring in the top 60 European cities supporting digital entrepreneurship. This mirrors Foresight’s experience of the wider UK SME market and is the reason Foresight’s team source deal flow from across the country through six regional offices and its London HQ. The UK’s decision to leave the EU, coupled with the economic challenges borne by the COVID-19 pandemic has resulted in significant uncertainty in the UK economy, potentially limiting the availability of funding for early-stage, advanced technology companies. EIS’ schemes are potentially an appealing source of funding for entrepreneurs and help to fill this investment funding gap.

2. INVESTMENT STRATEGY

Investment criteria

FWT believes there are a number of elements that lead to a successful investment and will focus on the following criteria when evaluating potential investment opportunities for the FWT EIS Fund:



Innovative technology:

The Fund will seek businesses that have developed market leading and/or innovative technology that has clear commercial advantages to the end customer.



A roadmap to commercialisation:

Investee Companies will have a clear path to commercialisation in less than 24 months from the point of initial investment.



Market opportunity greater than £100 million:

The opportunity should have a minimum global addressable market size of £100 million per year.



WAE Value-Add:

The focus will be on early-stage companies where WAE's technical and/or commercial understanding offer a distinct advantage and/or WAE's technical, commercial and promotional support could add value.



High risk, high growth potential companies:

Targeting businesses with the potential to deliver 10x multiples at exit.



A strong and ambitious management team:

The Fund will focus on working with and building experienced teams with a track record of success in the sectors and markets in which their companies operate.

These criteria are indicative only and the FWT EIS Fund will have the discretion to invest in companies which may not exhibit all or most of these characteristics.

Technology readiness

The FWT EIS Fund is seeking to deploy capital into businesses that are both pre and post-revenue, i.e. from technologies that have reached proof of concept up to technologies that, having proven commercial designs in test markets, are launched into their initial markets but have yet to reach full commercial deployment and scale.

These opportunities correlate to levels 4 to 9 on the Technology Readiness Level (TRL) index, a scale originally developed by NASA to describe the level of technology maturity. The scale, shown on page 8, ranges from 1 (basic research) up to 9 (full commercial deployment) and is widely used across government, academia and industry. The TRL range of the FWT EIS Fund corresponds to Commercialisation Readiness Levels (CRL) 2 to 4b (seed to market launch and growth), also shown below. The CRL scale helps to classify the commercial maturity of a technology and business.

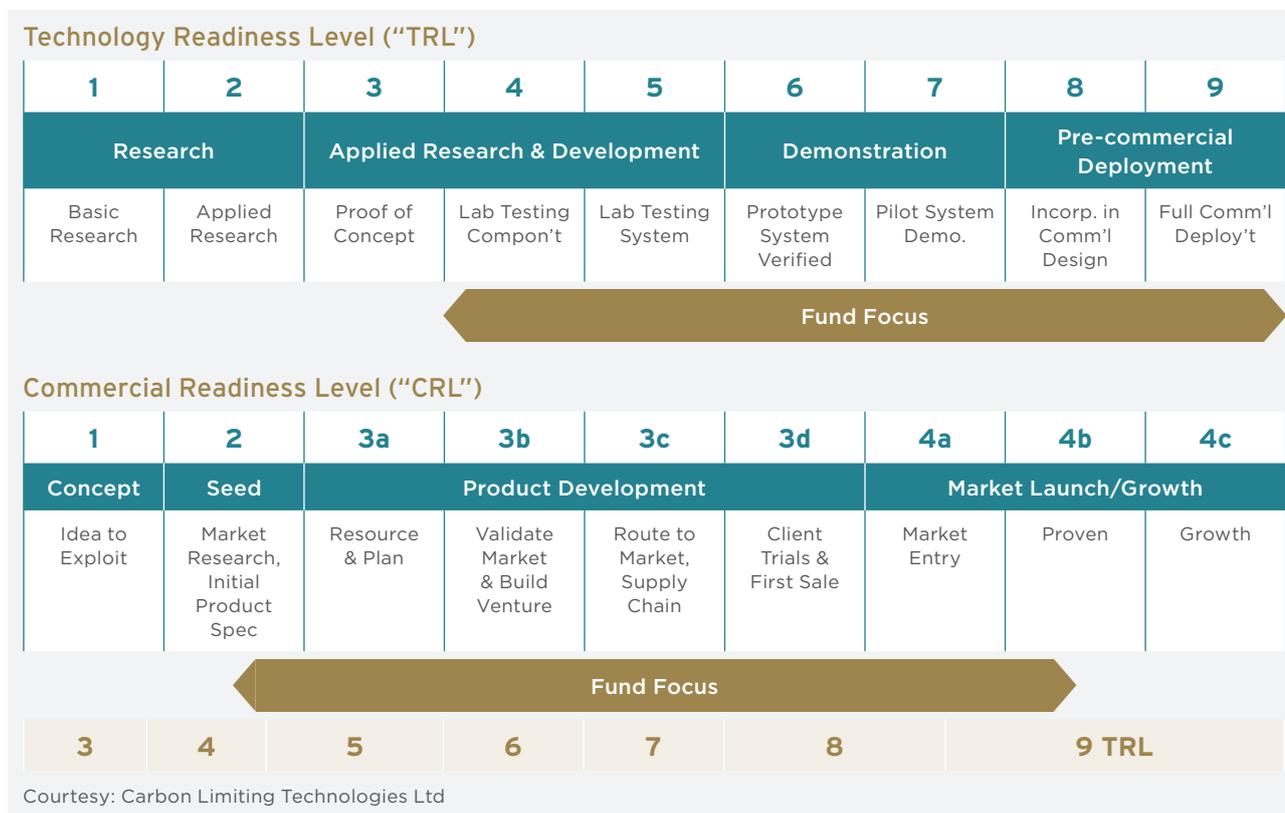
In summary, the goals of the technical and IP due diligence are to assess the following:

Technical capabilities of the technology including the maturity of the technology (TRL) and, where applicable, manufacturing readiness

Technical capabilities of the team and supporting engineering processes

Strength of patents

Potential for WAE to add value

2. INVESTMENT STRATEGY CONTINUED**Intellectual Property and team**

Crucially, the technology developed by the Investee Companies will be protected, usually in the form of IP such as patents, but also as know-how, computing code or trade secrets. This helps to protect the technology from replication by a competitor, giving the Investee Company a sustainable competitive advantage and a strong opportunity to generate attractive commercial returns from its technology. Furthermore, companies that have developed a defensible technology which has successfully proven market adoption are often attractive acquisition targets for strategic buyers or corporates. This is because strategic buyers and particularly corporates can struggle to replicate the same success with their resources as quickly due to their larger-size and corporate inertia, which leads to slow decision making and technical progress.

In addition to world-class technologies, the FWT Funds are also seeking to invest in outstanding entrepreneurs who have both the technical, commercial and emotional skills to successfully bring their technology to market and scale rapidly. However, no one individual can grow a successful company single-handedly, so the FWT team will often work with the Investee Company to appoint a non-executive chair, C-level hires and independent advisers to help support the founding team on their growth journey.

Investment round structure

Companies that sit within the TRL and CRL levels discussed above are typically looking to raise funds at a 'Seed' or 'Series A' stage. This means that the Company has typically raised some funds before its involvement with FWT, either through equity funding (friends and family; seed funds) or non-dilutive funding (academic funding; R&D grants), but may not have received funding from an institutional or corporate Venture Capital fund.

The FWT EIS Fund looks to invest between £0.5m and £3.0m into companies at this stage, often as part of an investment syndicate comprising of both existing and new investors. This syndicated approach is often preferable should the Investee Company need to raise its next large funding round – its "Series A" or "Series B". Investing alongside another institutional investor also provides a third party validation of FWT's view on the technology, market opportunity, team, valuation and exit potential.

Following industry best practice, Foresight typically expects a new, incoming investor to set the value for future rounds as this approach helps to independently validate the value of the Investee Company.

3. INVESTMENT PROCESS

Deal Flow – FWT's network

After five years of investing in 30 advanced technology companies through the FWT EIS Fund, the Investment Manager believes that the FWT team has built a strong reputation in the UK early-stage ecosystem and is now seen as one of the UK's top investors in the deep technology and advanced hardware sectors. Over this period, the FWT team has reviewed more than 1,500 opportunities across a multitude of sectors from transport and manufacturing to energy and industrial engineering.

FWT's growing reputation drives deal-sourcing activities across the UK and the team now has a robust network of contacts with Technology Hubs, Universities and their Technology Transfer Offices, Innovation Networks and Business Accelerators. This is in addition to a wide network of other early-stage investors including Institutional Venture Capital funds, Corporate Venture Capital funds and Angel Investment networks. This expansive network within the UK start-up ecosystem means that FWT gains visibility of investment opportunities which are not widely publicised in the market.

The growing reputation of FWT also results in the team receiving direct approaches from entrepreneurs seeking funding.

The FWT EIS Fund will derive pipeline from sources as diverse as:

University Technology Transfer Offices	UK Research and Innovation Councils
Business Incubators and Accelerators	Innovation Networks
Foresight's own network of 1,300+ corporate advisers	WAE's internal and external networks
Other VC Funds with similar or complementary objectives	Angel Investor Networks
Family offices	Self-sourced

To date, FWT Funds have co-invested on more than 30 occasions with more than 40 different investors.

3. INVESTMENT PROCESS
CONTINUED

Deal sourcing-regional presence

The FWT EIS Fund also benefits from the wider network of Foresight's Private Equity team which generally reviews more than 2,200 investment opportunities every year across all funds in the UK at various stages of the growth cycle, including early-and later-stage technology-oriented businesses.

Foresight is committed to developing a strong regional presence across the UK and in the last three years alone has been appointed the equity Fund Manager for three new regional funds. In 2018 Foresight launched the Midlands Engine Investment Fund, supported by the European Investment Bank and the British Business Bank, with responsibility for the East Midlands and South East Midlands regions. That mandate was followed in 2019 by the opening of an additional regional office in Cambridge to support the £100 million Foresight East of England Fund, which is the first evergreen pool of patient capital in the UK targeting businesses in the region and beyond.

In 2019 Foresight also launched the £20 million Scottish Growth Fund, financed by the Scottish Growth Scheme through a combination of Scottish Government funds and the European Regional Development Fund (ERDF) from the 2014-20 European Structural Funds Programme in Scotland.

Through this expanding regional presence, Foresight has built up an extensive network of active corporate finance advisers and other professional Small and Medium Enterprise ("SME") advisers through investment teams based in its Cambridge, Nottingham, Manchester, Edinburgh, Leicester and Milton Keynes regional offices and its head office in London. That network now numbers more than 1,300.

The investment process

The investment process for a new company will typically take three to four months to complete. Once the FWT team has identified an opportunity, a series of initial fact-finding calls, meetings and visits are arranged between the company and multiple members of both the Foresight and WAE teams. Each opportunity is then assessed against a comprehensive scorecard system and the opportunity must meet a certain threshold to be progressed further. This process also helps to identify aspects of the opportunity which need to be addressed further during due diligence.

Once the opportunity has passed this scorecard process, the team negotiates a non-binding offer letter which outlines the structure of the proposed investment. Once agreed, the company presents to both the Foresight and WAE investment committees, which comprise members of the senior leadership team of the respective organisations.



4. PORTFOLIO MANAGEMENT

The opportunity must be recommended by the WAE investment committee and approved by the Foresight investment committee before progressing to confirmatory due diligence, a c.8 weeks process which assesses the legal, financial, commercial, technical, intellectual property and leadership attributes of the company. Incorporating the key findings from the due diligence process, the FWT team submits a detailed investment proposal for final sign-off by both investment committees.

This rigorous process ensures that the material aspects of the opportunity are carefully considered by multiple individuals with technical, commercial, financial and legal backgrounds, preventing potential 'group think' and ensuring a high level of scrutiny is applied.

This approach also means the potential risks with the investment are well understood and mitigated against where possible before completion. Of the more than 1,500 opportunities assessed by the FWT team to date, only 30 companies have received investment from the FWT EIS Fund at the time of going to print, clearly illustrating the high standards set by the team and this process.

Continuous improvement

The FWT team operates with a continuous improvement mindset. This is best embodied by the framework illustrated below. By seeking to operate a best-in-class investment process, demonstrating flexibility on the stage and terms of investment and offering industry specialist value-add, the FWT team seeks to build a positive relationship within the ecosystem, attracting the best talent who want to work for FWT and the best entrepreneurs who want to receive investment from FWT Funds.

The FWT team believes this combination will lead to the FWT EIS Fund delivering attractive returns to its investors, thereby further improving our reputation in the market.

Governance

From a governance perspective, Foresight, as Fund Manager, will ensure each Investee Company has a formally constituted board in place which may comprise an independent chair, senior leadership of the company, non-executives and an investor director. Typically, Foresight will appoint a member of its team as investor director and where appropriate normally introduce an independent non-executive chairperson to the Investee Company. These appointees will provide guidance and support to the management team and help drive the development strategy of each business.



4. PORTFOLIO MANAGEMENT CONTINUED

Governance continued

Approximately 100 days after the initial investment, all new Investee Companies are required to present back to the Foresight investment committee on their progress since investment. In addition to ensuring that the management team continues with the momentum built up during the investment period, this process ensures the Investee Company undertakes the outstanding actions which were captured in the 100 day plan as part of the due diligence process. As a result, the Investee Company finishes the process with a robust governance and operating structure in place, providing a solid foundation on which to grow.

Finally, growth update meetings, which take place around 18 months after the initial investment, are an opportunity for the FWT team to assess an Investee Company's growth plans. In a situation where the Investee Company is planning to fundraise, both investment committees will also attend to give a recommendation on participation.

WAE Support

Investee Companies can benefit from direct access to WAE's partnerships team who work with the portfolio to identify and deliver WAE value add services. The scope of these services may vary depending on the technology and stage of development and can include engineering, prototyping, programme management, marketing support and IP guidance. Investee Companies can also be introduced to WAE's strategic partners and wider customer network which has led to trials and sales.

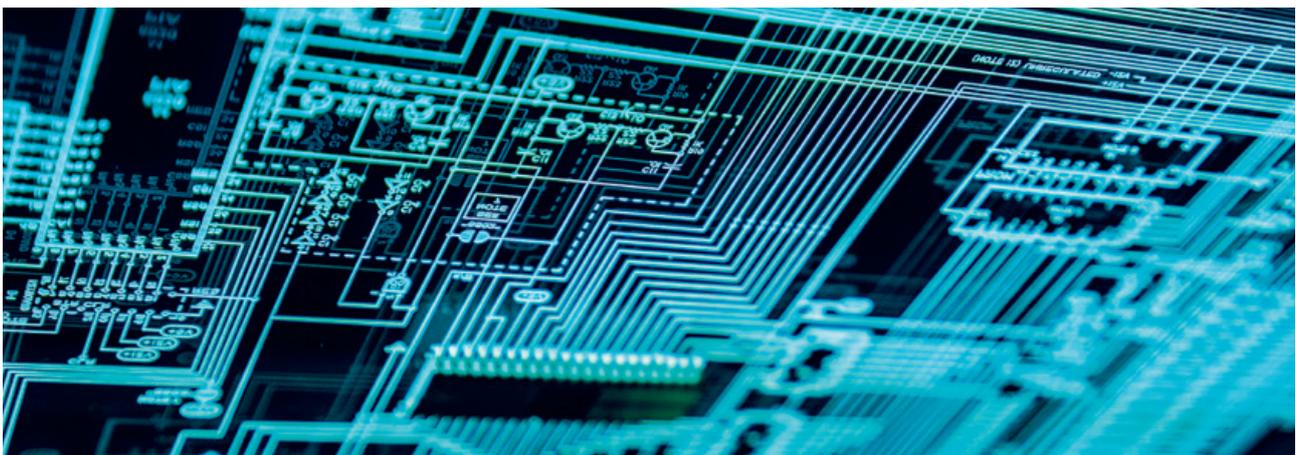
WAE has already provided value add services to many of the companies invested in by the FWT Funds. Selected examples include:

- Technical programme advisory service to advance Freeflow's e-bike product development
- Mechanical system design, prototyping and testing to unlock new applications for Synaptec's optical fibres sensors
- Thermodynamic modelling of Mixergy's smart hot water tank to engage technical audiences and speed up future redesign work

- Cross functional design review to improve robustness of Novosound's high temperature corrosion monitoring sensor
- User feedback and strategic guidance on Master of Pie's collaborative engineering platform
- WAE have also contracted Novosound to develop a new, high value application of their thin film, flexible sensors for which WAE could provide a route to market

In addition to pro bono support, where WAE and an Investee Company agree to work together on specific projects, a Master Services Agreement ("MSA") is put in place between WAE and the Investee Company to enable the two organisations to work closely together.

Although WAE's technical and commercial understanding alone can offer a distinct advantage in identifying and securing investment opportunities, the opportunity for WAE post-investment support for Investee Companies is an important part of the investment strategy. However, it should be noted that not all Investee Companies will require WAE support.





PART ONE:

INVESTMENT OPPORTUNITY & STRATEGY CONTINUED

4. PORTFOLIO MANAGEMENT CONTINUED

Collaborative working relationship:

Foresight and WAE seek to work collaboratively, and the diagram below illustrates how responsibilities are split between the teams.

Foresight
FOR A SMARTER FUTURE

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ENGINEERING

Fundraising	Fundraising support through events and knowledge sharing
Fund management and administration	Technical due diligence for each investment opportunity¹
Fundraising for portfolio companies through relationships with other investors	Production of IP due diligence relating to the strength of any patents (unless otherwise agreed with Foresight Group)
Transaction management and investment negotiation	Investee Company technical, commercial & marketing support
Investee Company financial & commercial support	
Board representation	Commercial introductions
Exit planning	
Regular investor communication	
Co-investment sourcing	
Sourcing of Non-Executive Chairpersons/Directors	Sourcing of Non-Executive Chairpersons/Directors
Proprietary deal flow and sourcing of investment opportunities	Deal flow and sourcing of investment opportunities

1. Where possible, WAE will undertake technical due diligence.

Fee sharing arrangements between Foresight Group and WAE

The collaboration between Foresight Group and WAE is a full commercial partnership reflected in the following fee sharing arrangements agreed between the two firms:

- **Initial Fee** to be paid to the Promoter of 2.5% (in most cases) to be divided 80% to the Promoter and 20% to WAE
- **Annual Management Fee** of 2.0% to be divided 1.5% to the Manager and 0.5% to WAE
- **Performance Fee:** any performance fees which become due will be shared equally between the Manager and WAE

Full details of the fees and charges are set out in Part Three of this document.

The FWT team strongly believes ESG benefits should be identified, monitored and celebrated.

Why is environmental, social and governance (ESG) important?

The primary aim of the FWT Funds is to invest in deep technology businesses with potentially game-changing technologies. Innovation within the hardware and advanced engineering space can often lead to significant Environmental, Social and Governance (“ESG”) benefits. Many early-stage companies face enough challenges in developing a new product and bringing it to market without also having to think about their environmental or social impact. Despite this, there are at least three compelling answers to this question:

01

Delivers Better Financial Returns

Academic literature on ESG concludes that strong ESG propositions correlate with higher equity returns while also reducing downside risk¹. This is because a focus on ESG can help to facilitate top-line growth, reduce costs, increase employee productivity and optimise investment and capital expenditure². In short, companies with an ESG focus can deliver profit and purpose.

02

Motivates Employees

There is greater awareness amongst society of the need to change consumption habits to reduce humans’ impact on the environment. This awareness is strongest amongst millennials, of whom 85% say that environmental sustainability is extremely important to them³. As millennials now make up the largest single generation in the workforce, companies with a strong ESG proposition are more likely to attract and retain high performing employees, enhance employee motivation and increase productivity.

03

Attracts Investment

In 2018, global sustainable investment exceeded \$30 trillion⁴, up 68% since 2014 and 10x since 2004. This growth has, in part, been driven by the realisation that a strong ESG proposition can safeguard a company’s long-term success. Early-stage companies with a strong ESG culture are therefore more likely to have a wider range of funding options available to them as they grow.

We believe that companies in the FWT Funds’ portfolio can have a positive ESG impact in one of two ways.

Firstly, FWT Funds may choose to invest in companies which have a direct positive ESG impact through their core business activities. Some examples of such existing portfolio companies are shown on page 16. All these companies are addressing large market opportunities which are forecast to grow as the World adapts to the energy, climate and social challenges it faces. Indeed, it is because these opportunities are large and growing which makes companies solving these challenges attractive investments.

1. Mozaffar Khan, George Serafeim, and Aaron Yoon, “Corporate sustainability: First evidence on materiality,” *The Accounting Review*, November 2016, Volume 91, Number 6, pp. 1697-724, ssrn.com; Zoltán Nagy, Altaf Kassam, and Linda-Eling Lee, “Can ESG add alpha? An analysis of ESG tilt and momentum strategies,” *Journal of Investing*, Summer 2015, Volume 25, Number 2, pp. 113-24, joi.pm-research.com.

2. <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/five-ways-that-esg-creates-value#>

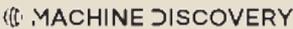
3. <https://www.nielsen.com/eu/en/insights/article/2018/global-consumers-look-for-companies-that-care-about-environmental-issues/>

4. Global Sustainable Investment Review 2018, Global Sustainable Investment Alliance, 2018, gsi-alliance.org.

PART ONE:

INVESTMENT OPPORTUNITY & STRATEGY CONTINUED

ESG impact themes across the FWT portfolio

Theme	Example Investments	Impact
RESOURCE EFFICIENCY Improving productivity and economic output while using fewer resources		Enables greater adoption of 3D printing by reducing the cost of 'post-processing' which is currently a significant contributor to the cost of the final component
		Enables virtual collaboration on large 3D models, speeding up development time and reducing the requirement for engineers to co-locate
DECARBONISATION OF THE ENERGY SYSTEM Enabling the transition to a low carbon energy system		Advanced hot water tank which enables the decarbonisation of domestic hot water while also acting as an energy load to balance the National Grid
		Advanced monitoring of sub-sea infrastructure, including wind farms, helping to improve operational availability while reducing maintenance costs
		Remote monitoring of gas grids, enabling the injection of bio-methane into the grid while monitoring leaks
ADVANCED SIMULATION AND AI To solve meta-scale problems with direct impact		Combining Satellite imagery with AI to rapidly assess impact from natural disasters and continuously monitor critical infrastructure
		Accelerating the computation of complex climate models by several orders of magnitude
		Real time flood forecasting and warning system, helping to increase safety in flood-prone areas and reduce damage and loss to property and possessions
DIRECT IMPACT ON END USERS Improving the quality of life for end-users and local communities		3D printed bionic arms which help to overcome the social stigma of conventional prosthetics. Helping to turn disabilities into superpowers
		Advanced nebuliser technology to improve the absorption of respiratory drugs

Foresight has developed a five-principle framework for ESG monitoring.

Secondly, all companies within the FWT portfolio can have an ESG impact through the choices they make regarding their organisation and daily operations. To help new companies understand this, Foresight has developed a five-principle framework for ESG monitoring, illustrated below. The UN's Sustainable Development Goals are then overlaid on this framework to help determine outcomes that are measured and intentional.

Five Principles Overview:		
	01 AWARENESS	<ul style="list-style-type: none"> Does the business demonstrate a good awareness of corporate social responsibility? Is this reflected in its processes and management structure?
	02 ENVIRONMENTAL	<ul style="list-style-type: none"> Does the company follow good practice for limiting or mitigating its environmental impact, in the context of its industry? How does it encourage the responsible use of the World's resources?
	03 SOCIAL	<ul style="list-style-type: none"> What impact does the company have on its employees, customers and society as a whole? Is it taking steps to improve the lives of others, either directly, such as through job creation, or indirectly?
	04 GOVERNANCE	<ul style="list-style-type: none"> Does the company and its leadership team demonstrate integrity? Are the correct policies and structures in place to ensure it meets its legislative and regulatory requirements?
	05 THIRD PARTY INTERACTIONS	<ul style="list-style-type: none"> Is the principle of corporate responsibility evidenced in the company's supply chain and customers? How does it promote ESG values and share best practice?

Example evaluation of criteria within the five principles

At the point of the initial investment and on a recurring annual basis, the Investment team undertakes an extensive assessment of the company's performance against this framework. The results are presented in a spider chart as illustrated below. This framework allows areas for improvement to be easily identified and monitored on an ongoing basis, for example through a specific Key Performance Indicator (KPI) reported monthly at board meetings.



PART ONE: FUND DETAILS

The Fund invests into early-stage, unquoted companies that in some instances are yet to achieve any revenues and in the majority of instances will not have reached the point of profitability.

Investments of this type carry a high degree of risk of loss of capital

The Fund is open on an evergreen basis but investors will be grouped into Investor Cohorts. Investor Cohorts will be determined by the calendar quarter in which you invest. Calendar quarters will end on the last working day in March, June, September and December. For example, if we accept your application and funds on 1st February you will be included in the Investor Cohort which has a Closing Date of the last working day in March. We will start to invest your money after the Closing Date which applies to you. We will aim to invest your money within 18 months of your Closing Date, but it could take up to two years.

Investors' portfolios will be diversified across at least six different holdings

Investors' portfolios should benefit from diversification through at least six Investments (depending on funds raised and investment opportunities secured). As Investments arise at different times, an Investor might not make the same Investments as another Investor. The Fund Manager will normally allocate Investments with regard to the value and date of Investors' original Subscriptions and the value of Investors' remaining Subscriptions at the time the opportunity arises.

The Fund is structured as an Unapproved EIS Fund

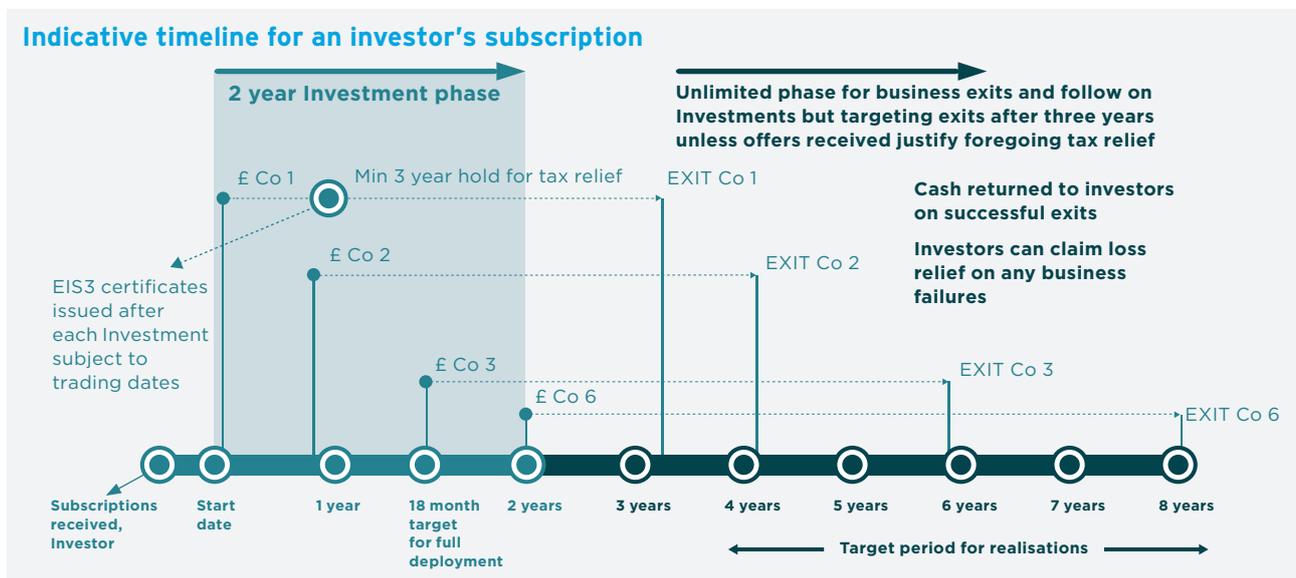
The word 'unapproved' applies to the tax status of the Fund, not the qualifying nature of the underlying Investments. Investors in unapproved EIS funds become entitled to claim the tax reliefs (as explained below) as and when shares in the underlying companies are issued.

The Fund should be viewed as a long-term Investment (4 to 8+ years)

It could take up to two years to deploy Investors' Subscriptions into underlying companies, although we aim to complete this in 18 months. Each Investment must be held for a minimum of three years from the point of Investment to maintain the income tax relief and it may take considerably longer than three years to realise Investments on behalf of Investors in order to return money to them. Investments are also not expected to exit in a consecutive fashion, meaning the last investments could potentially exit before an early one.

Returns will be generated through the sale of shares in portfolio companies

Monies will not be returned in consolidated form at one time. Instead Investors should expect to receive their proceeds over a period of time. Portfolio holdings in the Fund will be illiquid and will be realised from time-to-time as and when opportunities arise. Liquidity is likely to arise over a 4 to 8+ year period.



INVESTOR SUITABILITY

Prospective investors into the Fund should consider the following prior to deciding whether or not to invest:

1

It is almost inevitable that certain companies within the Portfolio will reduce in value, possibly to zero.

2

Investing into companies at an early stage offers the potential for very high returns on the 'winners' within the Portfolio. Typically, the earlier an Investment is made into a company, the greater the potential return.

3

It is typically the case with early-stage venture capital that Investments go through a 'J' curve effect over the Fund's lifetime. In the early years, Fund portfolio valuations tend to reduce as Investments are made and fees are incurred. Normally, the weaker Investments within the Portfolio come to light before the stronger Investments emerge. In other words, it is likely that some Investments in the Portfolio will be written down prior to others in the Portfolio being written up or realised.

Foresight is not responsible for confirming whether this Fund is suitable for any particular investor. Any investor who is unsure should consult a financial adviser.



WILLIAMS ADVANCED ENGINEERING (WAE)

WAE has grown from an embryonic business in 2010 to a company employing more than 400 people engaged in many innovative and transformative technical areas.

WAE is a technology and engineering services business and, until December 2019, was part of the Williams Group, which also includes Williams Grand Prix Engineering Limited, a company that operates a Formula One racing team. Williams Grand Prix Engineering Limited was formed in 1977 by the late Sir Frank Williams and Sir Patrick Head and has secured 16 FIA Formula One World Championship titles since its foundation.

In 2010, Williams Grand Prix Engineering Limited began diversifying its operations, leading to the establishment of the Williams Advanced Engineering division, which later became Williams Advanced Engineering Limited. In December 2019, Williams Grand Prix Holdings plc agreed to the sale of a majority equity stake in WAE to EMK Capital, with Williams retaining a minority stake in the business.

In March 2022 Fortescue Metals Group (FMG) completed its acquisition of WAE. WAE continues to service its existing customers and commercialise new technology opportunities, in addition to playing a key role in supporting Fortescue's decarbonisation strategy.

Headquartered at the Grove campus in Oxfordshire alongside the Williams Racing F1 team, WAE has grown from an embryonic business in 2010 to a company employing more than 400 people engaged in many innovative and transformative technical areas for a growing list of clients.

Technology incubation and commercialisation

The genesis of the diversification of the Williams Group was the hybridisation of Formula One in 2009. However, the origins of WAE can be traced back even further, as the Williams Group had undertaken projects outside Formula One on an ad hoc basis for over 30 years, such as creating the Metro 6R4 rally car in the 1980s and running touring cars for Renault and Le Mans cars for BMW in the 1990s.

Composite flywheel energy storage technology had been evaluated by the Williams Group for use in Formula One. It also identified uses for the technology in other industries such as public transport and began to commercialise the technology through a new venture, Williams Hybrid Power Limited, which was sold to global engineering firm GKN plc in 2014. In parallel WAE developed similar composite flywheel energy storage technology for stationary applications such as renewable energy micro grid stabilisation and successfully deployed systems on two remote Scottish islands (Fair Isle and Isle of Eigg) as part of a UK Government supported initiative.

WAE's expertise in battery energy storage systems has been applied across different industry sectors. Its high performance batteries have been used in the Formula E racing series, which is a test bed for electrification and new technologies for the automotive industry. Working with Nissan Europe it has repurposed electric vehicle batteries to help power buildings in combination with solar photovoltaic (PV) energy. In partnership with Unipart Manufacturing Group it has established Hyperbat to create the UK's largest independent vehicle battery manufacturer. WAE is working closely with its parent company, FMG, a global leader in the iron ore industry, to design, build, test and integrate a battery system to power an electric mining haul truck, as an important first step to decarbonising FMG's mining haul fleet.

The team at WAE is deployed across a wide range of engineering skill sets.

Broad diversity of skills

The team at WAE is deployed across a wide range of engineering skill sets including mechanical and industrial design, electrical, electronics and control systems design, and working in areas such as prototype, additive and advanced manufacturing. Engineering programmes are supported by specialists across disciplines including aerodynamics, thermodynamics, materials and structures.

In addition to investing in its own facilities, WAE contracts with Williams Grand Prix Engineering Limited to make use of the Williams Racing team's extensive testing and manufacturing facilities which include wind tunnels, test cells, materials labs, additive manufacturing, composite production and conventional machining facilities. Engineering projects are supported by dedicated programme management and procurement teams.

Technical due diligence

Both Foresight and WAE will source investment opportunities. Foresight will take responsibility for selection, structuring and execution while WAE will, where possible, undertake technical due diligence and unless otherwise agreed with Foresight, will arrange for IP due diligence to assess the strength of any patents. As part of this due diligence process, WAE will analyse the technical maturity of the technology including its TRL, identify any significant hurdles and determine where WAE may be able to add value. The type of target company and its assets will influence to some extent the technical due diligence necessary. For example, for a control systems company, WAE may want to assess whether the control algorithms developed by the company comply with recognised code development standards, whereas for a manufacturing business, WAE will want to assess manufacturing processes and quality standards. The overall process will be largely similar irrespective of the business type but adjusted to suit where more depth is necessary.

ESG

WAE aspires to become one of the world's leading providers of innovative electrification and lightweight technologies that will drive the future of global mobility and create a positive impact on the World. Advancing sustainability is at the heart of everything that WAE does, and its approach to sustainable development is founded on an understanding of its responsibility towards its partners, its staff members, the society and the environment. WAE is fully committed to the promotion and delivery of its sustainability principles to attain sustainable growth and focuses its approach to sustainability using its ESG framework.

“As a technology business, we understand first-hand the challenges companies face when commercialising their technologies.”

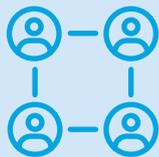
Matthew Burke

Head of Technology Ventures, WAE

PART ONE:

WILLIAMS ADVANCED ENGINEERING (WAE) CONTINUED

The Benefits WAE bring to the FWT portfolio:

		
CREDIBILITY	EXPERTISE	NETWORK
<ul style="list-style-type: none">• WAE confirmation of core technology• WAE confirmation of IP strategy and defensibility• WAE confirmation of product development, manufacturing and supply chain plans	<ul style="list-style-type: none">• Dedicated WAE partnerships team• Technical specialist feedback• Guidance from WAE's business and leadership team• WAE consultancy at preferential rates	<ul style="list-style-type: none">• Introductions to WAE's suppliers, customers and partners• Marketing via WAE's news and social media• Access to WAE's brand and journalist contracts• Introduction to co-investor network

WAE's specialisms

 Product strategy & investment	 Intellectual Property	 Industrial Design	 Mechanical Engineering	 Data Analytics	 Electronics	 Battery Technology	 Prototype & Test
 Composites/Lightweighting	 Street Testing & CAE Analysis	 Aerodynamics	 Thermodynamics	 Supplier Sourcing	 Manufacturing & Assembly	 Compliance & Certification	 New Product Induction Process



Image courtesy of the FIA

WAE AWARDS

2021	MIA Business Excellence Award Business of the Year 2021	2015	Royal Automobile Club Simms Medal For the Formula E battery
2020	E&T Innovation Award Winner – Sustainable Planet The Engineer Collaborate to Innovate Awards Finalist – Energy and Environment		Race Tech World Motorsport Symposium Most Innovative New Motorsport Product of the Year for the Formula E battery IET Innovation Awards Finalist
2018	Queen's Award for Enterprise in Innovation Royal Academy of Engineering MacRobert Award Finalist	2014	British Renewable Energy Awards Pioneer Award – for stationary flywheel energy storage
2017	MIA Business Excellence Award for Technology and Innovation	2013	Oxford Brookes Innovation Award
2016	IET Innovation Awards Winner – Horizontal Innovation British Engineering Excellence Awards Winner – Consultancy of the Year 2016	2012	Motorsport Industry Association Business of the Year 2012

SELECTED WAE CUSTOMERS



AEROFOIL

In 2015 WAE partnered with UK start-up Aerofoil Energy to develop a new aerodynamic device that significantly reduces the energy usage of refrigerators in supermarkets and convenience stores.

Energy consumption makes up a significant percentage of a supermarket's operational costs. Open fronted multideck refrigerators consume excessive energy, with some of the cold air used to cool produce spilling out into the aisles resulting in increased energy consumption and "cold aisle syndrome" which can be unpleasant for shoppers. Aerofoil Energy and WAE have developed a new retrofittable aerofoil system that attaches onto each refrigerator shelf to keep more of the cool air inside the refrigerator cabinet. This innovative technology delivers significant energy savings for supermarkets and convenience stores, with corresponding benefits for their carbon footprint. Aerofoil Energy is working closely with WAE to refine the aerofoil concept, utilising WAE's proven expertise in aerodynamic design and testing from four decades of success in Formula One racing.

WAE uses computational fluid dynamics to model and simulate new designs before testing at its facilities in Oxfordshire.

Sainsbury's uses 1% of the UK's energy in total. As part of its Sustainability Plan, Sainsbury's has committed £1bn to become a net zero business by 2040 and this technology can play a key role in achieving this target.

In November 2017 Sainsbury's announced that it would roll out aerofoils across its 1,400 UK stores. Aerofoils have also been rolled out by Tesco, Asda, Marks and Spencer and other high-profile retailers. The technology is currently being evaluated by Walmart, the world's largest bricks and mortar retailer. To date over 1 million aerofoils have been installed in thousands of stores across nine countries.

Aerofoil Energy is a good example of the type of company in which the FWT EIS Fund might invest.

We're committed to becoming a net zero business by 2040 and have already begun to make headway by investing substantial time, research and money into different areas that can help us achieve this goal – including the fitting of the pioneering Aerofoil technology. Since rolling out Aerofoils, we've seen a 15% reduction in energy created from fridges across our estate and over the next few years we'll continue innovating and investing in technology to help us combat climate change.

Dave Merefieid,

Carbon, Utilities and Engineering Manager, Sainsbury's



Keeping energy costs down in Sainsbury's with more than 1 million aerofoils on fridges

Foresight Group is a leading listed infrastructure and private equity investment manager.

Foresight Group was founded in 1984, initially as an early-stage technology investor. The two founders, Bernard Fairman and Peter English, raised a £20 million venture capital fund, which was invested in unquoted technology companies in the UK, Europe and USA and returned £80 million to investors. Building on the success of the first fund, in 1997 Foresight raised one of the first VCTs, the technology/media focused Foresight VCT plc which remains one of the best-performing VCTs ever launched 23 years later.

The FWT EIS Fund heralds a return to technology investing which is a core part of the firm's DNA.

The investment teams operate on a collaborative basis with a pro-active and pragmatic investment style. Foresight Group's vision to be a leader in investing in trends ahead of the curve is achieved through its dynamic and entrepreneurial values of flexibility, innovation, problem-solving and a commitment to attracting and retaining the best professionals in the industry.

The other side of Foresight Group's business growth has been a successful diversification into infrastructure with a specialist focus on renewable energy projects including Solar, Wind, Bioenergy, Battery Storage, Flexible Generation and Renewable Fuel. Foresight has its principal offices in London and Guernsey and has operations in Italy, Spain and Australia.

With assets under management of over £8.7 billion (unaudited), raised from UK and international private and high net worth individuals, pension funds and other institutional investors, Foresight Group strives to generate capital appreciation and yield for its investors over the long term alongside the additional benefit to UK taxpayers of tax reliefs available through Venture Capital Trusts, the Enterprise Investment Scheme and Business Relief.

Over the last seven years, Foresight Group has raised a number of Regional Growth Funds based out of Foresight offices in Nottingham, Manchester and most recently Edinburgh, Cambridge and Ireland.

These funds, cornerstoned by various local government pension funds, the British Business Bank and the Scottish Government, are targeting growth capital deals across these regions, investing between £100,000 and £5 million into technology-related and more traditional management-led businesses.

ESG

Foresight is committed to making investments with an ESG impact and is proud of its ESG credentials. The company is accredited as a Living Wage Employer and is a signatory of the HM Treasury Women in Finance Charter. Foresight has also been a member of the UK Sustainable Investment and Finance Association since 2009 and a member of the Climate Bonds Initiative since 2018. Finally, Foresight has been a signatory to the United Nations-backed Principles for Responsible Investment ("PRI") since 2013 and in 2019 received an 'A+' for Strategy and Governance and an 'A' for Private Equity.

PART ONE:

FORESIGHT GROUP CONTINUED



**£8.7 BILLION¹ ASSETS
UNDER MANAGEMENT**



**AVG. 3.0X SME RETURNS ON FULL
OR PARTIAL EXITS SINCE 2010**



**MORE THAN 200 SMES
SUPPORTED IN 30 YEARS**



**54 NEW INVESTMENTS INCLUDING
18 FOLLOW ONs IN 2021**



**CURRENT PORTFOLIO
OF 120+ SMES**



1. Unaudited.

AWARDS

2021

ESG Champion of the Year

Growth Investor Awards 2021

Unquote British Private Equity Awards

Winner – Venture/Growth Cap House of the year

Insider South East Dealmakers Awards

Winner – Emerging Dealmaker of the Year: Chris Wiles

2020

Best BR Investment Manager (unlisted)

Growth Investor Awards 2020

Best New Product or Service Runner Up

Growth Investor Awards 2020

Best Sustainable & ESG Alternative Assets Fund (JLEN)

Investment Week Sustainable & ESG Awards 2020

Best Communication of ESG Award (JLEN)

IR Society Best Practice Awards 2020

Best Venture Capital Trust Provider (Commended)

ILP Moneyfacts Awards 2020

2018

Generalist VCT of the Year

Investment Week Tax Efficiency Awards 2018

Fund Manager of the Year

Plc Awards 2018

Exit of the Year - Highly Commended - (Simulity)

Investment Week Tax Efficiency Awards 2018/19

2018

SME Deal of the Year (200 Degrees)

Insider East Midlands Dealmakers Awards 2018

Deal of the Year (The Naked Deli)

Insider North East Dealmakers Awards 2018

Exit of the Year - 'One to Watch' - (Simulity)

Growth Investors Awards 2018

2017

Best VCT Investment Manager

Growth Investor Awards 2017

Infrastructure Financier of the Year

Green Innovation And Finance Awards 2017

Deal of the Year (sub £10m)

Insider Central And East Dealmakers Awards 2017

British Renewable Energy Project 2017 - Shotwick

Renewable Energy Association Awards

Best on-farm AD Plant UK

AD Biogas Industry Awards

Best Generation Project 2017 - Ballymena

Sustainable Ireland Awards 2017

2016

VCT House of the Year

Unquote British Private Equity Awards 2016

Best IHT Portfolio Service, Foresight AITS

Tax Efficiency Awards 2016



PART ONE:
FORESIGHT GROUP CONTINUED

SUCCESSFUL EXITS

These examples are illustrative only and not necessarily representative of the investments or returns the FWT Shares fund may make. Capital at risk.

SIMULITY

Technology:	Embedded communications software for SIM cards	3x
Amount invested:	£4.0m	
Exit:	Purchased by ARM, part of Softbank	
Proceeds:	£11.7m	

ALARIC

Technology:	Credit & debit card authorisation & anti-fraud software	5x
Amount invested:	£2.2m	
Exit:	Purchased by NCR Corporation	
Proceeds:	£10.9m	

ADVANCED COMPOSITES GROUP

Technology:	High performance composite materials	6x
Amount invested:	£1.6m	
Exit:	Purchased by UMECO	
Proceeds:	£10m	

APPDNA

Technology:	Aptitude software to evaluate compatibility of a change in software operating systems	32x
Amount invested:	£0.8m	
Exit:	Purchased by Citrix Systems Inc	
Proceeds:	£25.0m	

GEMPLUS

Technology:	Smart cards	30x
Amount invested:	£1.9m	
Exit:	Floated on Euronext Paris and Nasdaq	
Proceeds:	£57.5m	

INVESTMENT COMMITTEES

There are separate Foresight and WAE Investment Committees including the following team members:

Bernard Fairman

Chairman, Foresight Group

Bernard has more than 40 years' investment experience. He founded Foresight Group, formerly VCF Partners, with Peter English in 1984, having worked with several small electronics companies before joining the newly formed 3i Ventures in 1981. Bernard began his career with a degree in economics from Nottingham University as an oil investment analyst with Panmure Gordon, then moved to Edward Bates, a specialist City Investment bank.

David Hughes

Chief Investment Officer, Foresight Group

David is responsible for Foresight's overall Investment activities and portfolio management. He has 40+ years' experience of unquoted investment management, initially with 3i and subsequently establishing fund management operations for Framlington Investment Management Ltd, Bank Austria AG, London and technology VCT investing at Advent Venture Partners. David has been involved in VCT management since 2002.

Matt Smith

Partner, Foresight Group

Matt is a Partner in our Private Equity team. Prior to Foresight, Matt worked at Rothschild. Matt holds a post graduate Diploma with distinction in Physiology and an MA in Biological Sciences, both from Oxford University.

James Livingston

Partner, Foresight Group

James is a Partner in our Private Equity team. Prior to Foresight, James worked at Deloitte. James holds a MA in Natural Sciences and Management Studies from Cambridge University, as well as the CIMA Advanced Diploma in Management Accounting.

Craig Wilson

Chief Executive Officer, WAE

Craig joined WAE in November 2013 as Managing Director and has seen the business successfully grow across industrial sectors. Before joining WAE, Craig co-founded an engineering consultancy specialising in bringing sustainable transport projects to market. Craig is also a Director of Williams Technology Ventures Limited.

Alistair Ball

Chief Financial Officer, WAE

Alistair joined WAE in July 2021. He has over 20 years' experience in finance leadership within the engineering technology sector with a focus on value creation, operational delivery, business protection and stakeholder management. He has held senior financial roles at Intelligent Energy, Nissan and Rolls-Royce. Alistair is also a Director of Williams Technology Ventures Limited.

Paul McNamara

Technical Director, WAE

Paul joined WAE in 2015 and oversees technical management and project excellence across the company. He has previously held executive director positions at Shanghai Automotive Industries and Ricardo. Paul is key to ensuring that WAE continues to build a reputation for delivering innovative projects and developing new technology.

Matthew Burke

Head of Technology Ventures, WAE

Matthew joined WAE in 2011 and led the commercialisation of its stationary flywheel energy storage technology at Williams Technology Centre Qatar. He returned to the UK in 2014 and established Technology Ventures to lead wider technology commercialisation activities. He is a Chartered Engineer and Fellow of the IMechE. Matthew is also a Director of Williams Technology Ventures Limited.

Rupert Finch

General Counsel, WAE

Rupert joined WAE in September 2021. Prior to WAE, Rupert spent 11 years at Johnson Matthey Plc and for the last 2 years was Sector General Counsel of the Johnson Matthey Battery Systems, Fuel Cells and Green Hydrogen businesses. Rupert is responsible for all legal aspects at WAE, managing a team of 4 lawyers who work closely with the commercial, procurement, programmes, finance and ventures functions. His focus is on managing legal risk and enabling WAE navigate complex contractual relationships with customers, suppliers and other third parties.

Craig Wilson, Alistair Ball, Matthew Burke, Kusal Ranawaka, Kirsten Spry and Matthew Hicks have been appointed to carry out the customer functions for and on behalf of Williams Technology Ventures Limited, in its capacity as appointed representative of Foresight.

PART ONE:

THE INVESTMENT TEAM

The core team that will be responsible for identifying investment opportunities and making investments for the FWT EIS Fund, alongside the FWT VCT Share class, is shown below.

Andrew Bloxam

Director, Foresight Group

Andrew joined the FWT Funds team in 2018 and brings over 15 years' experience advising and investing in fast growing UK technology SMEs. Most recently, Andrew was a Director at Committed Capital, a technology-focused EIS investor. Previously he was an Associate at Strata Partners, a technology-focused corporate finance adviser, and an Analyst at investment bank JP Morgan, in the London technology M&A team. Andrew holds an MA in Economics from Cambridge and an MBA from the University of Surrey.

Chris Wiles

Senior Investment Fund Manager, Foresight Group

Chris joined Foresight Group in September 2019 to focus on the FWT Funds. Having started his career with McLaren Automotive as a Project Engineer, he moved to PwC to work in Strategy Consulting. Subsequently Chris joined Centrica Plc where he managed Centrica's £10m early stage impact fund and was a Venture Principal in Centrica Innovations, the £100m Corporate Innovation fund. Chris holds a first class masters in Mechanical Engineering from the University of Southampton and an MBA with Distinction from Warwick Business School.

Anastasia Sagaidachna

Investment Manager, Foresight Group

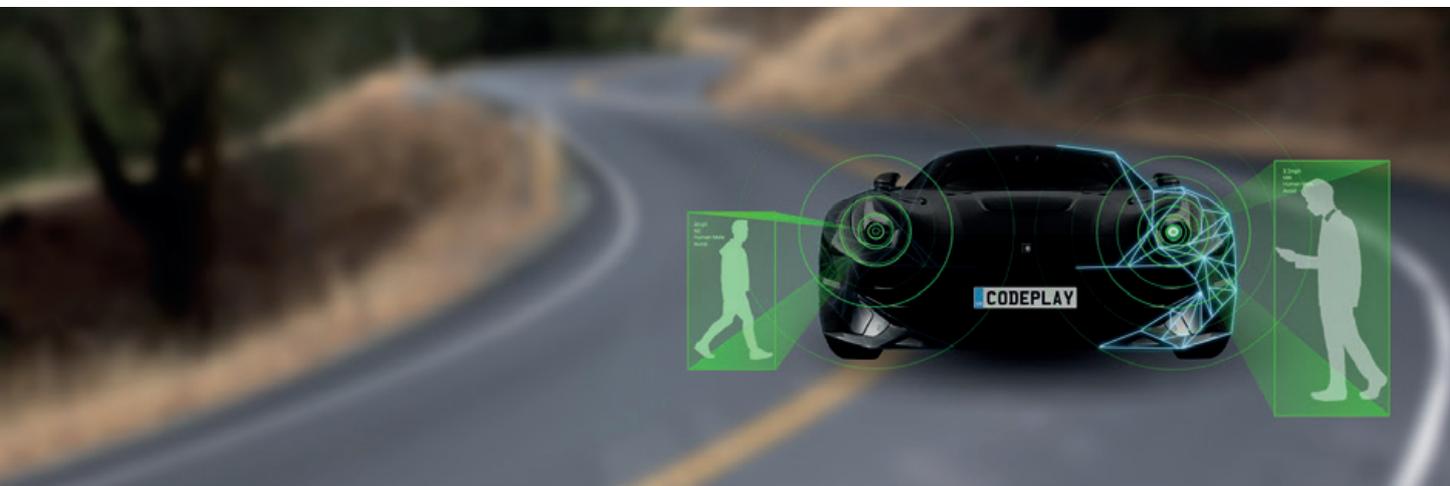
Anastasia joined Foresight's Private Equity team in March 2022. She has over eight years of experience in growth equity investments and co-investments in Europe and emerging markets. Prior to joining Foresight Anastasia was part of the Private Equity team of EBRD, covering the consumer and retail sector and focusing on tech enabled investments. Prior to that, she worked at a lower mid-market private equity fund focusing on B2B SaaS and generalist investments.

Anastasia holds an MSc in Corporate Finance from Bayes Business School (former Cass Business School) and a BSc in Business Administration from University of Economics Prague.

Bill Yost

Investment Manager, Foresight Group

Bill joined Foresight Group in 2020 to focus on the FWT Funds. Bill has over 24 years' experience spanning buy-side, sell-side, operational and advisory roles with technology companies. Most recently, Bill worked at Mercia Asset Management and headed the Technology Innovation Management team at PA Consulting. Bill also founded two hardware start-ups, GelSight Inc., and Electrolytic Ozone Inc. and previously held engineering roles at Sony and Corning. Bill holds a BSc in Physics from Cornell University, an MSc in Electrical Engineering from the University of Pittsburgh and an MSc in the Management and Regulation of Risk from the London School of Economics.



Matt Hicks

Investment Associate, WAE

Matt's principal focus will be in scouting opportunities and working on the end-to-end investment process for the FWT Funds. Matt is a graduate of the University of Southampton with a BSc in Geography and an MSC in Sustainability.

Kusal Ranawaka

Investment Associate, WAE

Kusal focuses on scouting and evaluating new opportunities and working across all stages of the investment process. He previously worked at the Creative Destruction Lab, a deep-tech accelerator at the University of Oxford and before this, spent time performing venture development at a cleantech start-up. He holds a MEng in Mechanical Engineering from University of Sussex.

Kirsten Spry

Partnerships Associate, WAE

Kirsten supports the provision of WAE value add services to the FWT Funds portfolio companies. Prior to her current role, she successfully completed Williams' Business Graduate Scheme. Kirsten holds an MSc in Natural Sciences from the University of Cambridge.

The Foresight team will draw on the expertise and experience from other members of Foresight's 40-strong award-winning Private Equity team as required.

REFEYN

Developer and manufacturer of first-in-class scientific instruments, which determine molecular mass using light.

Technology

Refeyn's revolutionary patented technology, 'Mass Photometry' was spun out of, the University of Oxford in 2018, building on a decade of cutting-edge academic research. Identifying and measuring protein molecules is an integral part of life sciences research, particularly in the development of new medicines. Refeyn's technology is disrupting this high value market.

Mass photometry detects light scattered by individual molecules in a solution. From the degree of scattering observed, Refeyn's software can calculate the molecule's mass, a key parameter used in protein science.

Refeyn's instruments are easy to use and allow users to characterise molecules, such as proteins, significantly faster and at a lower cost than existing techniques.

Initial Investment Thesis

The technology developed by Refeyn had been packaged into a compact desktop instrument with a simple user interface, the 'OneMP'. It could provide data within seconds, reducing the duration of protein research projects or quality control checks by 40%. The associated increase in productivity translates directly into cost savings and should lead to the acceleration of highly expensive drug development.

The technology had already enabled researchers to perform experiments that were previously impossible due to the limitations of other techniques.

Refeyn had demonstrated a strong demand for its technology and presented a plan to establish a rapidly growing presence with global customers in both the academic and commercial sectors.

We believed the company would be an attractive trade sale prospect within five years, with the most likely acquirer being a large pharmaceutical or instrumentation company. Acquisitions in the sector are frequent and can attract high multiples.

COMPANY KEY FACTS

Name:	Refeyn Ltd
Industry:	Mass photometry
Initial FWT EIS Fund investment:	January 2019 currently held at 6.5x cost

REFEYN



Timeline

June 2018

Company is incorporated and sells its first OneMP mass photometer instrument.

July 2018

Matthias Langhorst joins as Chief Product Officer from Thermo Fisher and Andrew Justo joins as Chief Financial Officer from OSE.

February 2019

Completes seed financing round led by FWT EIS Fund and strongly supported by existing investors OSE and Oxford University.

July 2019

Jonathan Flint, previously CEO of £300m+ revenue Oxford Instruments plc, joins as Executive Chair.

September 2019

Moves to new labs and offices in Oxford.

December 2019

Mass photometry wins at three prestigious science and innovation awards:

- Royal Society of Chemistry's Emerging Technologies Competition
- R&D100 Awards by R&D World Magazine
- The Scientist Top 10 Innovations

February 2020

Founders Prof. Philipp Kukura and Prof. Justin Benesch are recognised for their contributions towards mass photometry at the Mathematical, Physical and Life Sciences (MPLS) Impact Awards 2020.

November 2020

Successfully completes an oversubscribed Series A round, led by Northpond Ventures. The round was strongly supported by existing investors OSE, FWT EIS Fund and FWT VCT Share class, Oxford University, and new investors Horizons Ventures.

January 2021

Appoints Anthony Fernandez as its new Chief Executive Officer (CEO). Anthony has experience through the full product lifecycle within both, corporate and start-up environments, with a specific focus on commercializing disruptive and innovative technologies, most recently as the Vice President of Teledyne e2v Asia Pacific.

January 2022

Launches the SamuxMP, enabling users to rapidly and cost-effectively determine empty/full capsid ratios for adeno-associated-virus (AAV), a common vector used in the administration of next-generation gene therapies. Through simpler and quicker workflows, the SamuxMP will make gene therapy R&D and process development significantly more efficient.

February 2022

Launches the TwoMP Auto, an industrial version of the OneMP instrument for protein characterisation at the single-molecule level, incorporating a liquid-handling robot for the automatic loading and analysis of up to 14 samples per hour.

February 2022

Reports how its mass photometry had proven valuable in COVID-19 research, overcoming some of problems of analysing the SARS-CoV-2 spike (S) protein that had limited the value of other techniques.

April 2022

Successfully completes an oversubscribed Series B round, led by Northpond Ventures, a leading scientific, medical, and technology-driven US venture firm. The round was also supported by existing investors Oxford Science Enterprises ("OSE"), Foresight Group, Oxford University and Horizons Ventures.

FWT Value-add

Refeyn's instruments consist of optical and electrical components mounted in aluminium housing that is responsible for passive vibration isolation and cooling. The design and manufacturing challenges faced by Refeyn overlap with WAE's experience in other fields.

Since FWT EIS Fund's initial investment, Refeyn has worked with the team at WAE on product design and manufacture, and electrical systems design and development. The engagement resulted in a sleek industrial design for the Refeyn OneMP instrument and optimisation of the electronic system design specification.

What next?

Since FWT's initial investment in 2019, Refeyn has achieved many of the milestones laid out in the business plan. This has allowed the company to grow rapidly and attract two further rounds of funding, both of which were oversubscribed and at a significant uplift to the previous round's valuation. The company continues to impress customers with its products' applications and ease of use. Also, as hoped, its disruptive technology is piquing the interest of some very large and acquisitive industry incumbents.

PART ONE: CASE STUDY: 02

CODEPLAY

An Edinburgh-based software developer with acknowledged expertise in heterogeneous computing systems.

Technology

In order to achieve optimal performance it is necessary for an artificial intelligence (AI) model and the hardware on which it runs, to be carefully matched. This is a time-consuming and expensive process which is usually beyond the scope of most software development companies and leads to applications being “hardware locked”. Codeplay Software’s technology streamlines this process, automatically optimising AI models for operation on the underlying hardware.

Codeplay was established in 2002 in Edinburgh, Scotland and developed some of the first tools enabling AI to be accelerated using graphics processors (“GPUs”). Today, most AI software is developed using GPUs, but as AI algorithms have become more complex, so has the hardware, leading to the design of specialised AI and computer vision accelerators.

Codeplay aimed to help vendors of AI accelerators gain design wins by establishing an open standards-based, hardware-agnostic software layer and ecosystem.

Most competing software is typically tied to a single architecture and often supports only a limited number of programming models. The dominant incumbent in this space was NVIDIA with its CUDA software platform, which has built up a broad and established ecosystem aimed at AI developers. However, CUDA only works with NVIDIA GPUs.

Initial Investment Thesis

Codeplay had built software tools for a large number of top-tier, Fortune 500 companies, including Qualcomm, Broadcom, Imagination Technologies and Renesas, which mass produce and sell hardware chips, to enable software written for their chip to extract the best performance from the chip.

Codeplay had also developed a new technology which addressed the pain point of deploying and optimising Artificial Intelligence (“AI”) applications into mass produced devices, with an initial focus on the automotive sector and, specifically, Advanced Driver Assistance Systems (“ADAS”) and autonomous vehicles.

The increasing use of sensors and associated AI models within road vehicles has been a clear trend over the last 15 years and has been exacerbated by the rise of autonomous and electric vehicles. Codeplay is well-placed to service this rapidly growing market, enabling AI developers to more rapidly deploy algorithms into vehicles.

COMPANY KEY FACTS

Name:	Codeplay Software Ltd
Industry:	Software development
Initial FWT EIS Fund investment:	April 2018 currently held at 15.7x¹ cost

1. At the time of announcement. Final figure will be subject to US\$ exchange rate at full completion.



Timeline

April 2018

FWT invested to grow Codeplay's world-leading team with safety specialist engineers needed for safe and reliable artificial intelligence in automotive systems.

June 2018

A major semiconductor customer launched a new operating system using Codeplay technology.

August 2018

Mark Whitby joined as Non-Executive Chair. Mark's experience included sales, marketing and partner channels at Intel and Seagate up to Global SVP level, as well as a Commercial Director at telecoms giant Vodafone.

August 2018

Announces world's first fully conformant accelerator tools in SYCL, an open standard for developers writing code in C++ for heterogeneous system processing acceleration, giving developers a platform to write high-performance code in standard C++, unlocking the performance of accelerators and specialised processors from companies such as AMD, Intel, Renesas and Arm.

September 2019

Linley Group white paper examines how an open software ecosystem is critical to enable developments to write artificial intelligence software that takes full advantage of the latest processors. The paper cited an example of Nvidia processors and proprietary software stack creating high barriers to entry for challengers. It cited Codeplay as the only open alternative that has multivendor support, enabling customers to move to higher performance hardware while retaining software flexibility.

October 2019

New joiner, Stuart Adams, won the "Young Scottish Software Engineer of the Year".

October 2019

Jim Nicholas, currently CEO of Uniphy, joins as Chair. He was previously CEO of MIPS, EVP at Imagination Technologies and had VP responsibilities at ARM, ST-Ericsson, and Frontier Smart Technologies, as well as the GM of STMicroelectronics's Microcontroller Division.

November 2019

Codeplay Software announces Acoran, providing all the performance and programmability solutions that developers need to target accelerated processors. It delivers a software platform that accelerates a range of AI software on a wide range of hardware platforms, compatible with industry standards such as Intel's OneAPI platform.

September 2020

John Abbott at 451 Research announces: "The availability of new architectures will inevitably challenge NVIDIA's dominance. Codeplay's migration capabilities will help open up the choices."

June 2021

Argonne National Laboratory (ANL) in collaboration with Oak Ridge National Laboratory (ORNL), awards Codeplay a contract implementing its open standard software, to support AMD GPU-based high-performance compute (HPC) supercomputers.

November 2021

eSOL, a global developer of real-time embedded software solutions, and Codeplay, a leader in enabling acceleration technologies for AI and HPC, announce their partnership to develop high-performance, secure embedded applications for automotive and industrial applications running on multicore real-time systems.

FWT Value-add

In 2019, Foresight instrumented a change in the Codeplay Chairman, appointing Jim Nicholas to provide a more technical and hands-on approach. Jim had a background working with a number of Codeplay's current and potential customers and had experience in delivering efficient growth from development teams. This gave Codeplay a renewed focus on margins, efficiency and relationships with customers and potential acquirers.

Codeplay has been working with WAE to raise the company's profile with the large automotive equipment manufacturers. This is leading to conversations with large companies in the automotive sector that were not possible previously.

What next?

Codeplay has grown steadily to become a profitable business and an attractive acquisition target. It is establishing itself as a leader in software tool development for multi-core processor "heterogeneous" systems. It is gaining momentum working on increasingly high-profile projects, offering 'silicon enablement' services to the world's largest chipmakers.

On 1 June 2022, it was announced that a US corporate buyer had offered to acquire Codeplay at over 15x FWT's investment cost.

PART ONE:
CASE STUDY: 03

SALVALCO

Eco-friendly aerosol valve technology company

Technology

Salvalco has developed the “Eco-Valve”, a ground-breaking, patented valve design which uses air or inert gases as a propellant instead of widely used hydrocarbons. The technology was originally developed by Professor Ghasem Nasr, a world leading authority on sprays and atomisation at Salford University.

The Eco-Valve jets the liquid product, such as deodorant or sun cream, into a flow of compressed air, mixing it into a ‘bubbly flow’ of product and propellant. This delivers the same performance and user experience as traditional products, thus meeting the requirements of major brands whilst reducing the environmental impact.

Initial Investment Thesis

Since CFCs were banned in 1987, aerosols have used butane and other polluting, highly flammable hydrocarbons as propellants. These not only add risk, complexity and a regulatory burden to the supply chain, but are also extremely damaging to our environment.

A study¹ by the University of York and the National Centre for Atmospheric Science revealed that Aerosol products used in the home now emit more harmful volatile organic compound (VOC) air pollution than all the vehicles in the UK.

The world’s population is now using more than 25 billion disposable aerosol cans per year which is estimated to lead to the release of more than 1.3 million tonnes of VOC air pollution each year, and could rise to 2.2 million tonnes by 2050. In the presence of sunlight, VOCs combine with a second pollutant, nitrogen oxides, to cause photochemical smog which is harmful to human health and damages crops and plants.

To date no viable alternative has emerged. The global market for aerosol cans is currently growing at 3% year on year and is forecast to reach 18 billion units by 2022, at a value of \$1.7 billion. Salvalco’s technology has the potential to revolutionise this market.

COMPANY KEY FACTS

Name:	Salford Valve Company Ltd
Industry:	Containers and Packaging
Initial FWT EIS Fund investment:	Apr 2018 currently held at 1.4x cost

salvalco



1. source: <https://www.york.ac.uk/news-and-events/news/2021/research/aerosols-smog-vehicles-uk/>

The company had developed three different valves, which covered 85% of all aerosol applications. Patents covering the core features of the technology had been granted and the “Salvalco Eco-Valve” brand name had been trademarked, presenting the opportunity to earn licence royalties from customers wishing to use the name on their packaging.

Salvalco had begun building relationships with customers globally and had also established production relationships with two major valve manufacturers in Taiwan and China.

Timeline

April 2018

The FWT EIS Fund invests £1.6m into Salvalco.

December 2018

Pace of Salvalco’s progress is slower than hoped and new Senior Marketing Director is identified.

June 2019

The company’s holding value is impaired to reflect underperformance in trading.

July 2019

With FWT’s support, NED, Paul Martin, with experience in the industry both at Unilever, Jeyes and at PwC, is appointed Chair of the company. Peter Shaw, previously the UK Sales Director at Aptar, a New York Stock Exchange listed company and a market-leader in dispensers for the packaging industry, joined as sales lead and Neil Dew Gosling as an experience finance director.

August 2019

Strategic focus moved away from sales of valves towards licensing the company’s Eco-Valve designs to valve and container manufacturers.

September 2019

Following management reorganisation and strategic refocus, The FWT EIS Fund commits to invest a further £1.575m, of which £500k is subject to new external investment.

March 2020

Beiersdorf (“BDF”), a large German skincare business that owns NIVEA and other premium brands, invests through its venture platform, validating both the technology and the market opportunity. FWT invests its £500k alongside BDF.

SALVALCO CONTINUED

As global demand for aerosols continues to increase, Salvalco anticipates that more consumer goods companies will switch to its eco-friendly valve.

Timeline continued

October 2020

Begins to make progress with customers, having secured some early initial orders. The priority is now scaling up capacity to support these orders and future growth.

March 2021

Started producing the first two million units of the “Eco-Valve” for Beiersdorf.

April 2021

“Eco-Valve” technology is adopted by major European brand Rossmann for its own brand deodorant ‘Alterra’. Rossmann is one of the largest pharmacy store chains in Europe, operating in Germany, Poland, Hungary, Czechia, Albania, Kosovo, Spain and Turkey.

December 2021

Nivea launch NIVEA Naturally Good deodorant range with Salvalco Eco-Valve technology.

May 2022

Announces latest round of investment of £2.5million from Beiersdorf, FWT, AWI Ltd, Fin.Esse S.p.A., Growthdeck Ltd and Green Angel Syndicate.

FWT Value-add

WAE’s technical, commercial, and promotional support proved invaluable during the formative stages of the company’s growth. This has included several introductions to key stakeholders, partners and potential customers across the supply chain. The business has also engaged with the team on R&D and manufacturing.

In addition, business research support, product development, engineering expertise and overall guidance around facilitating growth have been key benefits.

Foresight challenged the Company’s strategy and led the reorganisation of the management team, which unlocked commercial progress and the investment from Beiersdorf.

What next?

Since the reset of the management team in 2019, the company has made good progress commercially in developing the product and gaining market adoption. The Eco-Valve, which is protected by eight global patents, is fast becoming a popular alternative to traditional valves and helping to support consumer demand for more environmentally friendly aerosol options.

The latest funding round will be used to expand manufacturing capacity at Salvalco’s plant in Thailand. It will also be invested in R&D operations and to further develop the patent portfolio.

As global demand for aerosols continues to increase (with aerosol use forecast to rise 25% in the next 4 years), Salvalco anticipates that more consumer goods companies will switch to its eco-friendly valve. We believe that the technology will provide a substantial differentiator to a number of valve manufacturers, providing them with a commercial advantage in a marketplace that is currently preoccupied by price. As such, we believe the company could become an attractive acquisition target within 2 to 3 years.

“We are delighted to be working with a number of brands which are seeing a real difference when using Eco-Valve. Not only are there clear environmental benefits of reduced VOCs and hydrocarbons when using our valve technology, but it is also helping brand owners achieve a stronger user experience too. And most importantly create perfumed aerosol products that complement their main range fragrances – extending and enhancing the consumer’s fragrance ritual.

Removal of butane also removes the choking effect that you so often get when spraying aerosol products as well as creating a homogeneous, soft delicate spray, which leaves a nice texture on the skin.”

Peter Shaw

Managing Director, Salvalco

PART ONE:

SUMMARY OF TAX RELIEFS

The tax treatment of any Investment will depend on investors' individual circumstances and all potential investors should, therefore, seek personal tax and financial advice before investing.

EIS tax reliefs

Amongst other qualifying requirements, investors must hold each Investment for a three year period from the commencement of each investee company's trade or issuance of their shares, whichever is the later, (the "Three Year Period") to retain the EIS tax reliefs summarised below.

EIS tax reliefs are only available on EIS qualifying shares. Please note that some fees will be deducted prior to investors' monies being invested in qualifying shares so investors will not receive the tax reliefs on 100% of the money that they invest into the Fund. See Charges for further information.

A more detailed explanation of the tax reliefs and EIS requirements is set out in Part Three.

All references to taxation in this document are to UK taxation and (unless the contrary is stated) assume that an investor is an individual resident and domiciled in the United Kingdom for tax purposes. Investors who are resident in other jurisdictions are strongly urged to seek their own tax advice. **Nothing in this document constitutes tax, legal or investment advice.**

Effective Date

The 'Effective Date' is the date that shares in the underlying Investee Companies are issued to you, provided the Investee Company is carrying on its trade at that time. The date that monies are paid to the Fund has no bearing on the timing of the tax reliefs.

Income tax relief

Eligible Investors may reduce the amount of income tax they pay by 30% of the amount invested in EIS qualifying shares made through the Fund. For example, if an Investor invests £100,000 in EIS qualifying Investments through the Fund, the Investor can reduce the amount of income tax paid by £30,000. This relief is available on the first £2,000,000 of EIS qualifying Investments, provided any amounts invested over £1,000,000 are invested in "knowledge-intensive companies". For further details, please refer to Part Three. The amount of income tax relief claimed cannot exceed the income tax which an eligible Investor is due to pay.

Eligible Investors can claim the relief against their income tax liability in the tax year that the Fund makes the relevant EIS qualifying Investment (the tax year in which the Effective Date (as defined above) falls). They can also carry back some or all of the relief to the preceding tax year to the extent that they have not used their annual limit in the previous tax year. For example, EIS income tax relief in respect of Investments in the 2022/23 tax year may be carried back into the 2021/22 tax year up to the annual limit.

The income tax relief can be used to offset any form of income tax including, for example, taxes on dividends, tax on savings income and income tax on property income.

Capital gains tax deferral relief

Eligible Investors may defer capital gains tax up to the amount invested in EIS eligible Investments made through the Fund. This applies to gains made in the three years before the Effective Date and future gains made up to one year after the Effective Date. Gains are deferred until the EIS qualifying Investments are realised. Capital gains tax will apply to the deferred gain at the rate in force when the Investments are sold.

Loss relief against income at the marginal rate

	45%	40%
Initial Investment	£100,000	£100,000
Less income tax relief at 30%	(£30,000)	(£30,000)
Net Investment	£70,000	£70,000
Net loss on Investment if shares sold for nil value	(£70,000)	(£70,000)
Loss relief claimed against Income Tax	£31,500	£28,000
Net loss	(£38,500)	(£42,000)
Percentage of initial Investment cost	38.5%	42%

Capital gains tax exemption

Any capital gains realised on a disposal of Investments made through the Fund after the Three Year Period, and on which EIS relief has been given and not withdrawn, will be capital gains tax free. Any capital gains realised on a disposal within the Three Year Period will (in addition to giving rise to a claw back of income tax relief) be subject to capital gains tax, at the current rate which is either 10% or 20% for individuals (the tax rate used depends on the total amount of the individual's taxable income).

Loss relief

Any capital losses arising on a disposal of shares in EIS Qualifying Companies can be offset against the individual's gains in the tax year in which the disposal occurs, or, if not fully used, against gains of a subsequent year. Alternatively, on making a claim, the loss less any income tax relief given may be offset against the individual's income in either the tax year in which the disposal occurs, or the previous tax year.

Under the current tax regime, loss relief of up to 45% can be claimed depending on the Investor's marginal tax rate. Loss relief of up to 20% can be claimed against capital gains tax given the prevailing tax rate. The amount of loss relief that can be claimed is net of any income tax relief claimed on that Investment. Losses on each Investee Company are determined independently of the overall performance of the portfolio. Loss relief is not subject to the Three Year Period, it can be claimed on losses arising at any time.

Worked examples showing how loss relief can be claimed against income tax are shown in the table below.

Timing

The timing of the EIS tax reliefs is dependent on the time when Foresight makes the Investments into the EIS Qualifying Companies (the Effective Date) and when they each commence trading. The Fund Manager will aim to make Investments from Investors' Subscriptions within 18 months following subscription but may take up to two years.

As a result, the Investments will qualify for income tax relief for the tax years in which the Investments are made as well as the preceding tax year via the carry back facility. Each Investee Company will issue an EIS3 certificate as soon as practical following the Effective Date. Timings are subject to HM Revenue & Customs ("HMRC"). If the Investee Company is not yet trading, it must trade for a period of not less than 4 months before the application for the EIS3 certificate can be made to HMRC. The EIS3 certificates will be sent to Investors as and when they become available. These certificates provide the evidence required to claim income tax relief and capital gains tax deferral relief.

Foresight reserves the right to return uninvested funds if it concludes that the funds cannot be properly invested. Income tax relief may be withdrawn or reduced in certain circumstances.

The relationship between capital gains free growth and loss relief

One of the attractive aspects of the Fund is the relationship between the different tax treatment of holdings at point of realisation. Investors do not have to pay CGT on qualifying holdings which are realised for a profit other than on a deferred gain. If qualifying holdings are sold for a loss (net of initial income tax received), then loss relief can be claimed against those holdings as described above.

Each Investment is assessed for the reliefs as opposed to the performance of the whole portfolio. Consider the following example:

Company	Initial Investment	Income Tax Relief	Net Cost	Exit Value ¹	Loss Relief	Total Returns
A	£10,000	£3,000	£7,000	£0	£3,150	£6,150
B	£10,000	£3,000	£7,000	£40,000	£0	£43,000
C	£10,000	£3,000	£7,000	£2,000	£2,250	£7,250
D	£10,000	£3,000	£7,000	£0	£3,150	£6,150
E	£10,000	£3,000	£7,000	£10,000	£0	£13,000
Totals	£50,000	£15,000	£35,000	£52,000	£8,550	£75,550

1. Net of all fees.

Initial Investment amounts are amounts invested into underlying companies. Assumes investor is able to use all of the available income tax relief. Investor's tax rate is assumed here to be 45% at the time of exit for loss relief calculation.

As illustrated by the example above, notwithstanding the portfolio delivers only £2,000 of investment gains compared with the initial cash investment, if the amount of the income tax relief and loss relief available to the investor are taken into account the return is £25,550.

Please note that the above figures are illustrative worked examples only and the availability of tax reliefs will depend on each Investor's personal circumstances.

PART ONE:

CLAIMING TAX RELIEFS

Inheritance tax relief:

Once an Investment made through the Fund has been held for two years, it is expected to qualify for 100% Business Relief. This means that an Investment would be an exempt asset for IHT purposes, provided the Investment is held at the date of death. The two year qualifying period commences on the date that shares are allocated.

Income tax relief:

Once you have received your EIS3 certificate(s), you should enter the amount invested on your tax return for the year you are entitled to claim the income tax relief at 30%. If you have already submitted your tax return, complete the claim section on the EIS3 Certificate and send it to your tax office.

NB: You will receive one EIS3 Certificate per EIS Qualifying Company and these will arrive separately.

Capital gains tax deferral relief:

Once you have received your EIS3 Form, you should enter the amount invested on your tax return for the year in which you are entitled to claim capital gains tax deferral, complete the claim section on the EIS3 form and send it to your tax office with your return. If you have already submitted your tax return for the relevant gain, you will also need to send the completed EIS3 to your tax office in order to support your claim.

Loss relief:

You may claim the loss against your capital gains in the tax year in which the disposal occurs, or, if not fully used, against capital gains of a subsequent year. Alternatively, on making a claim, you may claim the loss against your income in either the tax year in which the disposal occurs, and/or the previous tax year. You can claim loss relief (if applicable) within one year of 31 January following the year in which the loss was made. You can claim by entering the allowable loss in the relevant box on your tax return.

For Foresight's guide on claiming tax relief please contact our Investor Relations team on: 020 3667 8181.

The Fund has not been approved by HMRC under section 251 of the Income Tax Act and is not intending to seek such approval. This means that the Investor can obtain EIS Relief in the tax year in which Investments in EIS Qualifying Companies are made by the Fund and in the preceding tax year to the extent that Carry Back Relief is claimed in respect of the Investments rather than the tax year in which the investor makes his investment in the Fund.

A close-up photograph of a metal threaded rod and nut assembly. The rod is in the foreground, showing its fine threads. The nut is positioned behind it, with its hexagonal shape and several circular holes visible. The lighting is dramatic, highlighting the metallic textures and creating strong shadows.

“Revolutions are not obvious when they happen. When James Watt started the industrial revolution with the steam engine in 1775 no one said, ‘Today, everything changes.’ When Karl Benz drove around Mannheim in 1885, no one said, ‘There will be 500 million of these driving around in a century.’ And certainly in 1958 when Noyce and Kilby invented the integrated circuit, the idea of a quintillion (10 to the 18th power) transistors being produced each year seemed ludicrous.”

Steve Blank

Silicon Valley Entrepreneur,
Mentor and Author

PART ONE:

FUND OPERATION

Investor communications

Following receipt of an Investor's Subscription, Investors will receive a confirmation letter and initial Portfolio Statement confirming their Subscription, a summary of charges and their Policy Number. A copy of the correspondence will be sent to the Investor's financial intermediary in advance. When Investments into underlying companies are made, the Investor will receive a contract note confirming Investment details such as the Investment date, the company invested in, the number of shares acquired and the price paid per share. An overview of the Investee Company will also be enclosed.

Annual investor day

Foresight intends to hold an Annual Investor Day. Foresight will endeavour to host this as a hybrid event, where those who cannot attend in person can join virtually, or can gain access to view a recording of the event after it has taken place. The event will include an update from the Investment Team and presentations from some of the portfolio companies. Six-monthly valuation statements which will include information on trading and Investment activity over the report period will also be provided.

Reports

Semi-annual valuation statements will be provided at the end of February (for the period ending 31 December) and at the end of August (for the period ending 30 June) and will include information on trading and Investment activity over the period and the latest net asset value of the Investor's interest in the Fund. Audited accounts of the Fund, which includes the AIFM annual report, are produced annually and are available to each Investor on request.

Advance assurance

It is intended that each Investment will meet the EIS qualifying conditions. As part of the comprehensive due diligence process on each prospective investment, Foresight will ensure that the Company's Advance Assurance is in place prior to any Fund Investment or will seek formal advice and a letter of comfort from an EIS specialist adviser.

WHAT HAPPENS AFTER INVESTING

	01	On day 1 the Investor and financial intermediary complete an application form and send it to the Receiving Agent.
	02	An acknowledgement is sent to the Investor and a copy is emailed to their financial intermediary. The Investor has a 14-day cooling-off period from the date of this letter to change their mind and cancel the Investment with no penalties. Fund closing date: Following the Closing Date eligible Investors will be grouped into an Investor Cohort. All Investors within an Investor Cohort are expected to be invested in the same Investee Companies on a pro rata basis based on their initial Subscription.
	03	Intermediary Initial Charges and the Foresight Intermediary Initial Charges are deducted and paid shortly after the Start Date of each Investor's Subscription.
	04	The remaining charges - the total ongoing adviser charges (if applicable), one year's Annual Management Charge and one year's Secretarial Charges - also start to accrue from the Start Date of each Investor's Subscription but are deducted on the first working day of the calendar quarter following the Start Date.
	05	It is expected that an Investor's net subscription will be invested in qualifying companies within 18 months, but it may take up to two years of each respective Closing Date.
	06	Following an Investment in an EIS Qualifying Company, the company makes an EIS1 application to HM Revenue & Customs ("HMRC"). Once HMRC has approved the Investment they will issue EIS3 certificates to the company. Foresight will then add the Investors' details to the certificates and send them to Investors to allow them to claim the tax relief. The timings of this process are subject to HMRC.
	07	Investors will be sent half-yearly reports by post updating them on the Fund. These will be sent at the end of February and August, reporting on the six months to 31 December and 30 June, respectively.
	08	This is a long-term investment. Exits will be pursued on a case-by-case basis. Investors should start to see their holdings realised between four and eight years from Investment as exit opportunities arise.

PART ONE: CHARGES

1. Initial Charge (no commission payable)

For the majority of investments into the Fund, the Investor's subscription is subject to an initial charge of 2.5% of the Investor's Subscription (ignoring any agreed adviser charges) payable immediately. This initial charge will be taken prior to any Investments being made in the underlying companies. As a result Investors will not be able to claim tax relief on this amount.

The Initial Charge will cover the costs in connection with deal and fund raising activity where applicable.

The Initial Charge will not be paid on any uninvested monies returned to an Investor who has changed his mind and cancelled the investment in his 14-day cooling-off period.

2. Initial Charge (commission payable)

Financial intermediaries that provide execution-only services may, in certain situations, be permitted to receive commission.

In such permitted situations the Investor will pay an initial charge of up to 5.5% of the Investor's Subscription, payable immediately, of which a proportion of the initial charge will be shared between Foresight and WAE as they agree from time to time, and the remainder (usually 3%) will be available for the financial intermediary to be remunerated through commission. The charge will be taken prior to any Investments in the underlying companies. As a result Investors will not be able to claim tax relief on this amount.

The Initial Charge will not be paid on any uninvested monies returned to an Investor who has changed his mind and cancelled the investment in his 14-day cooling-off period.

3. Annual management charge (AMC)

An AMC of 2% plus VAT applies, calculated daily, based on the most recent quarterly portfolio value and this will be charged for all Investors from the Start Date following the Investor's Subscription.

The AMC is shared between Foresight and WAE, in such proportions as Foresight and WAE may agree from time to time. One year's AMC will be deducted from Investors' Subscriptions (net of any agreed adviser charges and the Initial Charge) on the first working day of the calendar quarter following the Completion Date. **As a result Investors will not be able to claim tax relief on this amount.**

From year two onwards, the AMC will accrue quarterly and will be deducted from investee company exit proceeds, dividends or income.

4. Secretarial charge

The Secretarial Charge of 0.3% plus VAT (subject to an RPI-linked minimum of £60,000 in aggregate) applies, calculated daily based on the most recent quarterly portfolio value and this will be charged for each Investor from the Start Date following the Investor's Subscription. This charge relates to the costs associated with administering the Fund and its Investments. For further information see Schedule 2, section 2 of the Investor's Agreement on page 58.

Foresight product charges	
Initial Charge (no commission payable)	2.5%
Initial Charge (commission payable)	5.5%
Annual Management Charge	2.0% of the Portfolio value + VAT
Secretarial Charge	0.3% of the value of the Portfolio + VAT (subject to an RPI-linked minimum of £60,000 in aggregate)

Adviser charges	
Adviser Initial Charge	Variable
Ongoing Charges	Variable (0.5% p.a. optional)

Performance incentive	
Calculated against realised Investments on each Investor's portfolio shared 50:50 between Foresight and WAE	20% of proceeds received in excess of an Investor's Subscription + VAT

One year's Secretarial Charge will be deducted from Investors' Subscription (net of any agreed adviser charges and the Initial Charge) in advance at the same time as the AMC. **As a result Investors will not be able to claim tax relief on this amount.** From year two onwards, the Secretarial Charge will accrue quarterly and will be deducted from Investee Company exits, dividends or income.

5. Adviser initial charges

An Investor can specify on the Application Form the amount of any up front charges agreed with their financial intermediary in connection with the Fund. Foresight will deduct such agreed up-front charges from the amount subscribed and facilitate payment to the financial intermediary. **As a result Investors will not be able to claim tax relief on this amount.**

Where an Investor is paying commission to his financial intermediary, this will be facilitated separately out of the higher Initial Charge as noted in paragraph 2 above.

6. Ongoing charges

Investors can confirm in the Application Form the amount of any ongoing charges agreed with their financial intermediaries in connection with the Fund. All sums to be facilitated (up-front or ongoing) will be deducted from the Investors' Subscription. As a result Investors will not be able to claim tax relief on this amount. The amount of any ongoing charges to be facilitated by Foresight will be deposited in a bank account with a third party pending payment to advisers.

7. Performance incentive

Foresight and WAE will be entitled to a Performance Incentive Fee, payable from the proceeds of realised Investments. This fee, which will be deducted from realisation proceeds, is only payable by each Investor when that Investor has received proceeds in excess of their Subscription (gross of initial fees). The Performance Incentive Fee is calculated against each Investor's portfolio as 20% plus VAT of proceeds in excess of their Subscription split equally between Foresight and WAE.

In the event of an early withdrawal by the Investor pursuant to the terms of the Investors' Agreement the Performance Incentive Fee may become payable as detailed in Schedule 2 of the Investor's Agreement.

8. Other fees

Foresight shall be entitled to charge the Fund a pro rata proportion of expenses (plus VAT to the extent applicable) reasonably incurred by the Administrator in respect of the administration of the Fund, including depository costs and audit costs. Such costs will be deducted from the Investors' Subscription from time to time. **As a result Investors will not be able to claim tax relief on this amount (please see page 72 for more detail).** Any legal, accounting and other fees incurred by the Fund in connection with potential Investments that do not proceed to completion (abort fees), which are not covered by the Investee Companies, will be borne by Foresight. The Investee Companies may also pay Foresight and WAE arrangement fees, directors' fees or monitoring fees relating to the Fund's Investment, which Foresight and WAE may retain for their own benefit. The level of these fees are variable and cannot be determined at the outset.

Example illustration of actual investment amount in EIS qualifying shares

Description	%	£	Running Total £	Comments
Investor's Subscription		£100,000.00		
Less Adviser Initial Charge	e.g. 2.5%	£2,500.00	£97,500.00	% of Investor's Subscription
Initial Charge (no commission payable)	2.5%	£2,437.50	£95,062.50	% of Investor's Subscription less adviser charges
One year's AMC in advance	2.0% + VAT	£2,281.50	£92,781.00	% of Investor's Subscription less adviser & Foresight initial charges
One year's Secretarial Charges in advance	0.3% +VAT	£342.22	£92,438.78	% of sum submitted less adviser & Foresight charges
Eligible for EIS Relief			£92,438.78	

Please note: this is for illustrative purposes only. Actual amount invested into EIS Qualifying Shares will depend on level of fees charged to each individual Investor.

PART ONE:

Liquidity

As the Investments will be in unquoted companies, there will be no readily available market for the sale of shares. Options for realising Investments and returning funds to Investors will usually be considered after their respective Three Year Periods. However, the timescale for realising Investments will almost always be longer than the end of a Three Year Period. Investors should view their investment in the Fund as a long-term investment with proceeds being received over a 4 to 8+ year window. It is possible that realisations occur prior to the end of the Three Year Period. In this scenario, EIS tax reliefs will not apply and any tax relief claimed against such an Investment would have to be repaid.

Options at exit

The proceeds from the sale of Investments in the portfolio will be returned to investors as and when they are received. If Foresight continues to offer a similar type of EIS at the point of exit, Investors will be offered the option of re-investing Investment proceeds into new opportunities.

Valuation of investments

Investors in the Fund will receive a Portfolio valuation every six months. These valuations will be prepared by Foresight based on recently available management information from each Investee Company and adhere to the valuation principles stated below.

The fair value of an unlisted security is established using International Private Equity and Venture Capital Valuation Guidelines (“IPEVC Guidelines”). The following considerations are used when calculating the fair value using the Valuation Guidelines:

For recent Investments, the cost will often be the most relevant indication of fair value;

- Where there has been any recent investment by third parties, the price of that investment will often be the most relevant basis of fair value
- Alternative methodologies, such as comparable transactions or discounting a potential future exit value, as set out in the IPEVC Guidelines may also be considered in determining fair value
- All recorded values of Investments are regularly reviewed for any indication of impairment and adjusted accordingly

The Fund: regulatory structure

The Fund will comprise Investments by individual investors in shares in a selection of EIS Qualifying Companies, which are collectively managed on behalf of all Investors in accordance with the Investment objectives and restrictions set out in Schedule 1 of the Investor’s Agreement. The Investor’s Agreement is made between each Investor and Foresight (on behalf of itself (as Fund Manager and Administrator) and the Nominee) and sets out the terms applicable to an investment in to the Fund. The Investor’s Agreement is provided in Part Four to this Information Memorandum. Foresight will be responsible for the discretionary management of all cash and Shares within the Fund but each Investor, for legal and tax purposes, will be the beneficial owner of a specific number of Shares in each Investee Company. The Fund is an unapproved EIS fund. The Nominee will be the registered holder of all Investments of the Fund.

The Fund is an Alternative Investment Fund for the purposes of the Alternative Investment Fund Managers Regulations 2013 (“AIFM Regulations”).

The Fund is not a collective investment scheme within the meaning of section 235 FSMA nor a non-mainstream pooled investment by virtue of it being a fund complying with Article 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001 and, pursuant to clause 15.2 of the Investor’s Agreement, Investors are entitled only to the withdrawal rights prescribed by that clause. Investors in the Fund will make Investments together and their Investments will be managed by Foresight on a common basis. The Fund will, therefore, constitute a collective Investment undertaking within the meaning of the Markets in Financial Instruments Directive (MiFID) and, by virtue of the exemption for collective investment undertakings and their operators in Article 2.1(h) of MiFID, the Fund (and the management by Foresight thereof) falls outside the remit of MiFID.

For the avoidance of doubt, as the Fund is an AIF, Foresight will, for regulatory purposes, treat the Fund as its client and, other than as set out above, will not owe any client obligations under the FCA Rules to Investors.

To the extent an Investor does become a direct client of the Fund Manager, that Investor will be categorised as a “Retail Client” unless otherwise agreed between the Fund Manager and the relevant Investor.

Unless otherwise specifically agreed with Foresight on a case by case basis, applications to the Fund will require the Investor's financial intermediary to sign the Intermediary Certificate included as part of the Application Form. Financial intermediaries must either confirm an investment in the Fund is suitable for an Investor (if they are providing investment advice) or appropriate for an Investor (if they are providing execution-only services). Applications without signed Intermediary Certificates will not be accepted unless Foresight is otherwise satisfied with all applicable legal and regulatory requirements. Foresight is covered by the Financial Services Compensation Scheme. An Investor may be entitled to compensation from this scheme if Foresight cannot meet its obligations, as described in greater detail in the Investor's Agreement.

The Fund's service providers

The Fund will be managed by Foresight, and Foresight has appointed Williams Technology Ventures Limited to provide it with certain services with respect to the Fund. Foresight's role is to act as the Fund Manager and provide all investment management advice and support to each of the Investee Companies. In addition, Foresight is responsible for sourcing investment opportunities and for all interaction and communication with Investors in the Fund and their respective advisers. Williams Technology Ventures Limited is primarily responsible for sourcing investment opportunities and will undertake technical due diligence in respect of investment opportunities and, unless otherwise agreed with Foresight, will procure IP due diligence relating to the strength of any patents. Williams Technology Ventures Limited (or an affiliate) will also be providing ongoing support to Investee Companies with which it enters into an Master Services Agreement, for the life of the Investment by the Fund.

Williams Technology Ventures Limited has also separately been appointed as an appointed representative of Foresight in connection with the sourcing of the investment opportunities for the Fund.

NCM Depositary Services Limited will act as depositary to the Fund. Documents evidencing title to the Investee Company shares will be held in custody by the Nominee.

Woodside Corporate Services Limited has been appointed by Foresight to act as both Receiving Agent and Cash Custodian in respect of the Fund. In its capacity as Receiving Agent, Woodside will be responsible for the processing and administration of Application Forms and the initial holding of application monies. In its capacity as Cash Custodian, Woodside will be responsible for the ongoing custody and administration of cash in an Investor's Portfolio following their acceptance into the Fund. The Auditor, Menzies LLP, audits the fund level aggregated accounts.

Summary of material agreements

The terms governing the Investor's investment in the Fund are set out in the Investor's Agreement in Part Four, and Investors should read this in full before deciding to invest in the Fund. Foresight and Williams Technology Ventures Limited have also entered into a Joint Venture and Services Agreement relating to the FWT Funds.

This agreement sets out in detail all of the duties and obligations of Williams Technology Ventures Limited relating to the provision of services by WAE to Foresight under the Joint Venture and Services Agreement including the agreed process for investigating the investment opportunities, the fees payable to Williams Technology Ventures Limited and the agreed standards of liability between Foresight and WAE. The key terms of this agreement which affect the Investors have been described in this Information Memorandum.

Other Foresight funds co-investment policy

Foresight currently manages other funds which may invest alongside the Fund. In particular, Foresight acts as manager of Foresight Solar & Technology VCT Plc, in respect of its share class established and branded as the Foresight Williams Technology Shares (FWT VCT Share class), and investment opportunities which are allocated to the Fund shall generally, subject to being over a minimum size as agreed between the Fund Manager and WAE from time to time, be allocated pro rata to the Fund and the FWT VCT Share class based on, among other factors, available capital to the Fund and the FWT VCT Share class. Where an Investee Company has specifically requested Investment from either the Fund or the FWT VCT Share class, the allocation of such investment opportunity shall be decided by the Fund Manager. When co-investing with the FWT VCT Share class, the Fund will receive a lesser allocation of such investment opportunities than may otherwise have been the case.

Investment opportunities which have been solely identified by WAE or jointly identified by WAE and the Fund Manager as being suitable for the Fund and the FWT VCT Share class, or which are follow-on investment opportunities in Investee Companies, shall be offered to the Fund and the FWT VCT Share class in priority to any other funds managed by the Fund Manager or its Associates.

Any other investment opportunities which are suitable for the Fund and other funds or accounts managed by the Fund Manager or its Associates shall be allocated by the Fund Manager in accordance with its allocation policy as in place from time to time.

PART TWO:

RISK FACTORS

Investment in smaller, unquoted companies, by its nature, involves a high degree of risk.

Investors should seek financial advice about whether participation in the Fund is suitable for them in the light of the information in this document and their personal circumstances.

This section sets out Foresight's view of the key risks associated with participating in the Fund.

General early stage investment risks

Prospective Investors should be aware that the value of Investments through the Fund can fall as well as rise. In addition, there is no guarantee that the valuation of Shares will fully reflect their underlying value, or that the Shares can be sold at that valuation. The value of Investments and income from them may go down as well as up and Investors may not get back the amount they originally invest through the Fund. Investors should only invest in the Fund if they can withstand a total loss of their investment. Past performance is not necessarily a guide to future performance and may not necessarily be repeated.

Liquidity and exit

The Investee Companies will be small, unquoted companies. Realisation of Investments in unquoted companies can be difficult and may take considerable time. Proper information for determining their value or the risks to which they are exposed may also not be available. Investment in such companies by its nature is illiquid and uncertain and consequently involves a higher degree of risk than a portfolio of quoted shares.

There is no market, nor is there intended to be a market, for Investments; as such, an Investment will not be readily realisable. It is not intended that any income or capital will be returned to Investors during the Three Year Period. After the Three Year Period, it may still be difficult to realise Investments or to obtain reliable information about their value as the market for shares in smaller companies is often less liquid than that for shares in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such shares. An EIS investment should, therefore, be seen as a longer-term investment.

Diversification

The Fund will seek to create a diverse portfolio of Investments. The Fund's portfolio may include a small number of large positions at any given time. If the Fund's Investments are concentrated in a few companies or industries, any adverse change in one or more of such companies or industries could have a material adverse effect on the Fund's Investments.

The Fund Manager will normally allocate Investments between investors with regard to the value and date of Investors' original Subscriptions and the value of Investors' remaining Subscriptions at the time the opportunity arises. As Investments arise at different times, and Subscriptions may be accepted on an ongoing basis, the Subscription of a later investor in the Fund may not be invested in all or any of the Investee Companies in which an earlier Investor is invested. Similarly an early Investor in the Fund may not have sufficient uninvested cash in his or her Portfolio to participate in the same Investments as a later Investor. The Fund Manager may depart from this basis of allocation if, in its absolute discretion, it considers it appropriate to do so having regard to the overall investment policy of the Fund and the benefit of creating diversity within the Portfolios of Investors.

Investee Company performance

The performance of the Fund is dependent on the ability of the Fund Manager to identify appropriate Investee Companies and on the ability of the Investee Companies to perform in line with their respective business plans. Early-stage businesses will be dependent on the skills of a small group of individuals, the loss of any of which may be particularly detrimental to those companies. Moreover, products and technologies developed by Investee Companies may prove not to be commercially or technically successful. While Investments in these companies may present greater opportunities for growth, such Investments may also entail greater risks than are customarily associated with investments in large companies. Commensurate with the nature of venture capital investing it should be expected that some companies, and the Investments in those companies, may fail.

Portfolio/fund performance

The level of returns from Investments may be less than expected if there is delay in the time taken to invest funds raised, such that all or part of the Fund is held in cash or near cash Investments for longer than expected, or if the returns obtained on Investments are less than planned, or if Investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Fund's objectives.

Fund Manager

The departure of any of the Fund Manager's members, partners or employees or those of its Associates could have a material adverse effect on the performance of the Fund. Whilst the Fund Manager has entered into appropriate agreements with its members, partners, employees and Associates, the retention of their services cannot be guaranteed. The past performance of Foresight Group is not necessarily a guide to its future performance and may not necessarily be repeated. The value of Investments and income from them may go down as well as up and Investors may not get back the amount they originally invest in the Fund.

WAE

The departure of any of WAE's (or its affiliates') directors, officers or employees could have a material impact on WAE's ability to fulfil its added value services which could potentially have a material adverse effect on the performance of the Fund.

Tax and policy changes

The information contained in this Information Memorandum makes reference to the current laws concerning EIS Relief, Capital Gains Tax Deferral Relief, CGT exemption, Loss Relief, Business Relief and Carry Back Relief. The levels and bases of relief may be subject to change. The tax reliefs referred to in this Information Memorandum are those currently available and their value depends on individual circumstances.

These tax reliefs are discussed further in Part Three (Taxation). As with all information in this Information Memorandum, they remain subject to further change and may, in certain circumstances, be withdrawn if the qualifying conditions cease to be satisfied.

Any change of governmental, economic, fiscal, monetary or political policy and, in particular any spending cuts or material movements in interest rates could materially affect, directly or indirectly, the operation of Investee Companies and/or the performance of Investment Companies and the value of and returns from Investments and/or their ability to achieve or maintain EIS qualifying status as more particularly, but not exhaustively, detailed below.

There is no guarantee that Foresight will be able to make suitable Investments and/or achieve the proposed investment strategy of the Fund, and Foresight reserves the right to return any uninvested monies to Investors (net only of any adviser charges and commission paid out) at its discretion.

EIS qualifying status of the Investor

There are circumstances in which an Investor could cease to qualify for the Tax Advantages offered by the EIS. For example, Capital Gains Tax Deferral Relief could be lost if an Investor ceases to be resident in the United Kingdom during the Three Year Period. In addition, an Investor could cease to qualify for EIS Relief and there may be a clawback of EIS Payment of a normal dividend, however, would not typically be regarded as a receipt of value.

PART TWO: RISK FACTORS CONTINUED

EIS qualifying status of the Investee Companies

If an Investee Company ceases to carry on business of the type prescribed for EIS Qualifying Companies during the Three Year Period or otherwise ceases to satisfy certain qualifying requirements, this could prejudice its qualifying status under the EIS. The situation will be closely monitored with a view to preserving the Investee Company's qualifying status, but this cannot be guaranteed. A failure to meet the qualifying requirements for EIS could result in:

- Investors being required to repay the 30% income tax relief received on subscription for Shares and interest on the same
- A liability to tax on capital gains on a disposal of the Shares
- Any deferred gain crystallising

Further details of the taxation implications of an Investment in an EIS Qualifying Company are set out in Part Three of this document.

Although provisional approval will usually be sought from HMRC that the Investee Companies are expected to be EIS Qualifying Companies and their activities should qualify under the EIS prior to making an Investment, there is no guarantee that the formal EIS claims will be agreed or that any Tax Advantages obtained will not be subsequently withdrawn. In those circumstances, Subscription monies will not be returned to Investors. If an Investee Company fails to obtain EIS Qualifying Company status, or if it is subsequently withdrawn, EIS income tax relief and Capital Gains Tax Deferral Relief may not be available to Investors or may be withdrawn.

Under HMRC EIS rules, EIS Qualifying Companies are required to have employed all of their funds (after the deduction of issue costs) within 24 months after the date of issue of Shares, except where the qualifying activity consists of preparing to carry on a trade in which case the time limit is 24 months after the date of commencing the trade. If an Investee Company fails to employ this level of funds within the required deadlines, the Investee Company would be in breach of the EIS regulations and tax relief may be withdrawn.

A sale of Shares in the Investee Companies within the Three Year Period will result in the 30% income tax relief available upon subscription for those Shares becoming repayable to HMRC and in any capital gains on such Shares and any deferred gain being subject to CGT. It is possible for Investors to lose their EIS Relief and/or Capital Gains Tax Deferral Relief and/or Business Relief by taking or not taking certain steps. Investors are advised to take appropriate independent professional advice on the tax aspects of their Investment. Changes in legislation concerning EIS rules, in particular, in relation to qualifying holdings and qualifying trades, may limit the number of available opportunities and/or reduce the level of returns which might otherwise have been achievable.

Potential conflicts of interest

Situations may arise where the interests of Investors conflict with the interests of other funds managed by the Fund Manager or its Associates, or with those of the Fund Manager, WAE (or any affiliate) or other funds, their associates and their officers, members or employees. The Fund may invest in companies in which WAE (or any affiliate) or other funds managed by the Fund Manager or its Associates may invest or may already hold Investments. Decisions made by the Fund Manager may be more beneficial for one fund managed or advised by the Fund Manager or its Associates than for any others and decisions made by the Fund Manager may also be beneficial to WAE (or any of its affiliates).

The Fund may co-invest with third parties (including WAE or its affiliates) or through joint ventures or other entities. Such co-investing may give rise to the possibility that a co-investor or partner may at any time have economic or business interests or goals which are inconsistent with those of the Investors, or that such person may take action contrary to the Fund's investment objectives. The entitlement of the Fund Manager and WAE to a performance incentive fee may create an incentive for the Fund Manager to make more speculative Investments on behalf of Investors than it would otherwise make in the absence of such a performance-based compensation arrangement. The Fund Manager may enter into fee sharing arrangements with third party marketers, including placement agents, or other advisers who refer Investors to the Fund, and such marketers may have a conflict of interest in advising prospective investors whether to invest in the Fund.

The Fund Manager may in its absolute discretion provide certain Investors with the opportunity to co-invest in Investments. Potential conflicts may be inherent in, or arise from, the Fund Manager's discretion in providing such opportunities to certain Investors. In addition, once such co-investments are made, the Investor's interests and those of co-investing Investors may subsequently diverge.

Fund Issues

The Fund Manager reserves the right to cease to manage the Fund in certain circumstances set out in the Investor's Agreement, in which event it will try to transfer the Fund to another Fund Manager or to terminate the Fund in an expeditious way, but there is a possibility that the Tax Advantages may be lost.

The Fund Manager will seek to realise Investments for each Investor in an orderly fashion over a period of 4 to 8 years from the date of Subscription but it cannot be guaranteed that the Investments made can easily be realised within this period and, even where they can be realised, that this can be done on an advantageous basis.

Financial Services Compensation Scheme

While the Fund Manager is an authorised firm covered by the Financial Services Compensation Scheme in certain circumstances there can be no guarantee that any individual investor in the Fund will be eligible for compensation under the Scheme nor that any Investor's losses might not exceed any amount of compensation that is so available. The Financial Services Compensation Scheme does not cover ordinary investment losses.

Use of third parties

Foresight will arrange for funds to be placed on deposit at the Investors' own risk. Initially, funds will be held in a client account operated by Woodside Corporate Services Limited. Funds set aside to facilitate ongoing charges will be placed on deposit in a bank account with a third party corporate services provider pending payment to advisers. Neither the Fund Manager, nor any person engaged by it to hold such funds as receiving agent or otherwise nor any director or officer of any of them, will be liable to any Investor in the event of an insolvency of any bank with which such funds are deposited, nor in the event of any restriction on the ability to withdraw funds from such bank for reasons beyond the reasonable control of any of them.

PART THREE:

TAXATION

EIS qualifying companies

In order to be a qualifying company, that Investee Company in which the Fund invests must initially (i.e. at the time of issue of the Shares) not be listed on a recognised stock exchange (as defined for the purposes of EIS Relief) and there must be no “arrangements” in place for it to become so listed. In addition, throughout the Three Year Period, it must not be a subsidiary of, or be controlled by, another company. It must either exist to carry on a qualifying trade or else be the parent company of a trading group and there must be no “arrangements” in existence for the Investee Company to become a subsidiary of, or be controlled by, another company.

A trading group is a group in which, directly or indirectly, more than 50% of the shares of each subsidiary is held by another member of the group, but any subsidiary employing any of the money raised by the issue of Shares must be a qualifying 90% subsidiary. Non-qualifying activities (broadly, investment activities and non-qualifying trades) must not comprise a substantial part of the business of the group as a whole. The Investee Company issuing the Shares under the EIS must have a permanent establishment in the UK. There must also be no ‘disqualifying arrangements’ in existence (i.e. broadly tax avoidance arrangements).

It is also a requirement that an Investee Company must not be ‘in difficulty’ when Shares are issued. The value of the gross assets of the Investee Company and any subsidiaries must not exceed £15 million immediately before the issue of Shares and £16 million immediately afterwards.

The maximum fund raising per Investee Company is restricted to £5 million in aggregate (from EIS and other state-aided risk capital sources) per year and the maximum number of full-time (or full-time equivalent) employees in the Investee Company at the time of Investment is restricted to fewer than 250 unless the Investee Company is regarded as “knowledge-intensive” (see below).

Investee Companies which qualify as knowledge-intensive (“Knowledge-Intensive Companies”) may receive Investments of up to £10 million in aggregate per year under the EIS and VCT schemes. A Knowledge-Intensive Company includes a company which (i) spends at least 15% of operating costs on research and development in any of the three accounting years that end prior to the Investment, or at least 10% of operating costs in all three of those years and which is (ii) involved in the creation of intellectual property and it is reasonable to assume that within 10 years the exploitation of intellectual property will form the greater part of its business, or (iii) that the workforce of the relevant company consists of at least 20% of skilled employees (i.e. generally employees with qualifications at masters level or above who work on research and development or innovation at the company or relevant group company).

Most types of trades are qualifying trades, but the following are excluded:

- Dealing in land, commodities or futures, or in shares, securities or other financial instruments
- Dealing in goods otherwise than in the course of an ordinary trade of wholesale or retail distribution, or acting as a wholesaler or retailer of goods of a kind which are collected or held as investments if stock is not actively sold
- Banking, insurance, money lending, debt factoring, hire purchase financing or other financial activities
- Leasing, except certain lettings of ships, or receiving royalties or licence fees (subject to certain exceptional cases)
- Providing legal or accountancy services
- Farming and market gardening
- Forestry and timber production
- Property development
- Shipbuilding
- Producing coal and/or steel
- Operating or managing hotels or similar establishments
- Operating or managing nursing homes and residential care homes
- Providing services to a trade consisting of any of the above carried on by a “connected person”
- The generation or export of electricity or making electricity generating capacity available
- Producing gas or fuel
- All heat and energy generation activities
- Providing services to another company in certain circumstances where the other company’s trade consists, to a substantial extent, of excluded activities

Shares only qualify for EIS Relief if they are ordinary shares which do not, at any time during the Three Year Period, carry any present or future preferential right to dividends (save where the amount and date of payment of the dividend is not dependent on the decision of any person and provided that the dividends are not cumulative) or to an Investee Company's assets on its winding up, or any present or future right to be redeemed.

Investee companies and the Investment must satisfy a 'risk to capital' condition in order for their shares to qualify for EIS Relief. Investee Companies have to demonstrate that they have objectives to grow and develop their trade and that there is a significant risk that there will be a loss of capital of an amount greater than the net Investment return for Investors.

Unapproved EIS fund

The Fund has not been approved by HMRC under section 251 of the Income Tax Act and is not intending to seek such approval. This means that the Investor can obtain EIS Relief in the tax year in which Investments in EIS Qualifying Companies are made by the Fund and in the preceding tax year to the extent that Carry Back Relief is claimed in respect of the Investments rather than the tax year in which the Investor makes his Investment in the Fund.

When an Investment has been made in an EIS Qualifying Company and that company has been trading for at least 4 months, the Fund Manager will send Investors an EIS3 Certificate once received from HMRC. The EIS3 Certificate can be used by an Investor to claim EIS Relief in respect of the amount invested in that company. The EIS3 Certificate will state the amount of the EIS qualifying Investment the Investor has made in the relevant EIS Qualifying Company through the Fund and is required when claiming EIS Relief through a personal taxation return. EIS Relief must be claimed no later than 5 years after 31 January following the year of assessment in which the Investment was made.

EIS tax reliefs

To obtain the tax reliefs described below, it is necessary to subscribe for Shares in EIS Qualifying Companies, for relevant qualifying conditions to be satisfied and to claim the relief. The summary in paragraphs (a) to (e) below is based on current law, and gives only a brief outline of the tax reliefs and assumes that the Investor is a taxpayer. It does not set out all the rules which must be met by EIS Qualifying Companies and an Investor. The tax reliefs will only be relevant to Investors who pay UK income tax and/or wish to defer a capital gain liable to capital gains tax in the UK.

(a) Income tax relief

Individuals can obtain income tax relief on the amount subscribed for Shares in EIS Qualifying Companies (up to £1,000,000 in each tax year for all EIS Investments, or up to £2,000,000 if up to a further £1,000,000 is invested in Knowledge-Intensive Companies) provided they are not connected with any issuing company. Husbands and wives and civil partners can each subscribe up to £1,000,000. To calculate the relief, 30% is multiplied by the amount subscribed for such Shares. The relief is given against the individual's income tax liability for the tax year in which the Shares are issued unless the individual makes a Carry Back Relief claim.

The annual investment limit in EIS Qualifying Companies is increased to £2,000,000, provided that any amount over £1,000,000 is invested in one or more Knowledge-Intensive Companies (see above).

(b) Carry back relief

Eligible Investors can claim income tax relief against their income tax liability for the tax year preceding that in which the qualifying Shares are issued to the extent that the eligible Investor has not used their annual limit in the previous tax year.

(c) Capital gains tax deferral relief

To the extent to which a UK resident Investor (including individuals and certain trustees) subscribes for qualifying Shares, they can claim to defer paying tax on all or part of a chargeable gain. The gain may have arisen on the disposal of any asset, or on a previously deferred gain which may have been brought back into charge. Although there is a limit of £2,000,000 for income tax relief (see (a) above) and for the exemption from capital gains tax upon a disposal (see (d) below), there is no limit on the amount of EIS Investments that can be used to defer a gain. If the Investor dies whilst still holding qualifying Shares, the deferred CGT liability is extinguished entirely. Shares must be issued within 1 year before and 3 years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. The gain is deferred until there is a chargeable event such as a disposal of Shares or an earlier breach of the EIS rules.

PART THREE: TAXATION CONTINUED

EIS tax reliefs continued

(d) Capital gains tax exemption

Any capital gains realised on a disposal of Shares in an EIS Qualifying Company after the Three Year Period, and on which EIS Relief (see (a) above) has been given and not withdrawn, will be capital gains tax-free. Any capital gains realised on a disposal within the Three Year Period will be subject to CGT, at 10% or 20% for individuals (depending on the individual's taxable income and gains).

(e) Loss relief against income or gains

Tax relief is available at any time in respect of any loss realised upon a disposal of Shares in an EIS Qualifying Company on which EIS income tax relief (see (a) above) has been given and not withdrawn. The amount of the loss (after taking account of any income tax relief initially obtained) can be set against the individual's gains in the tax year in which the disposal occurs, or, if not fully used, against gains of a subsequent year. Alternatively, on making a claim, the loss, net of income tax relief, may be offset against the individual's taxable income in either the tax year in which the disposal occurs, or the previous tax year.

Inheritance tax

Business relief

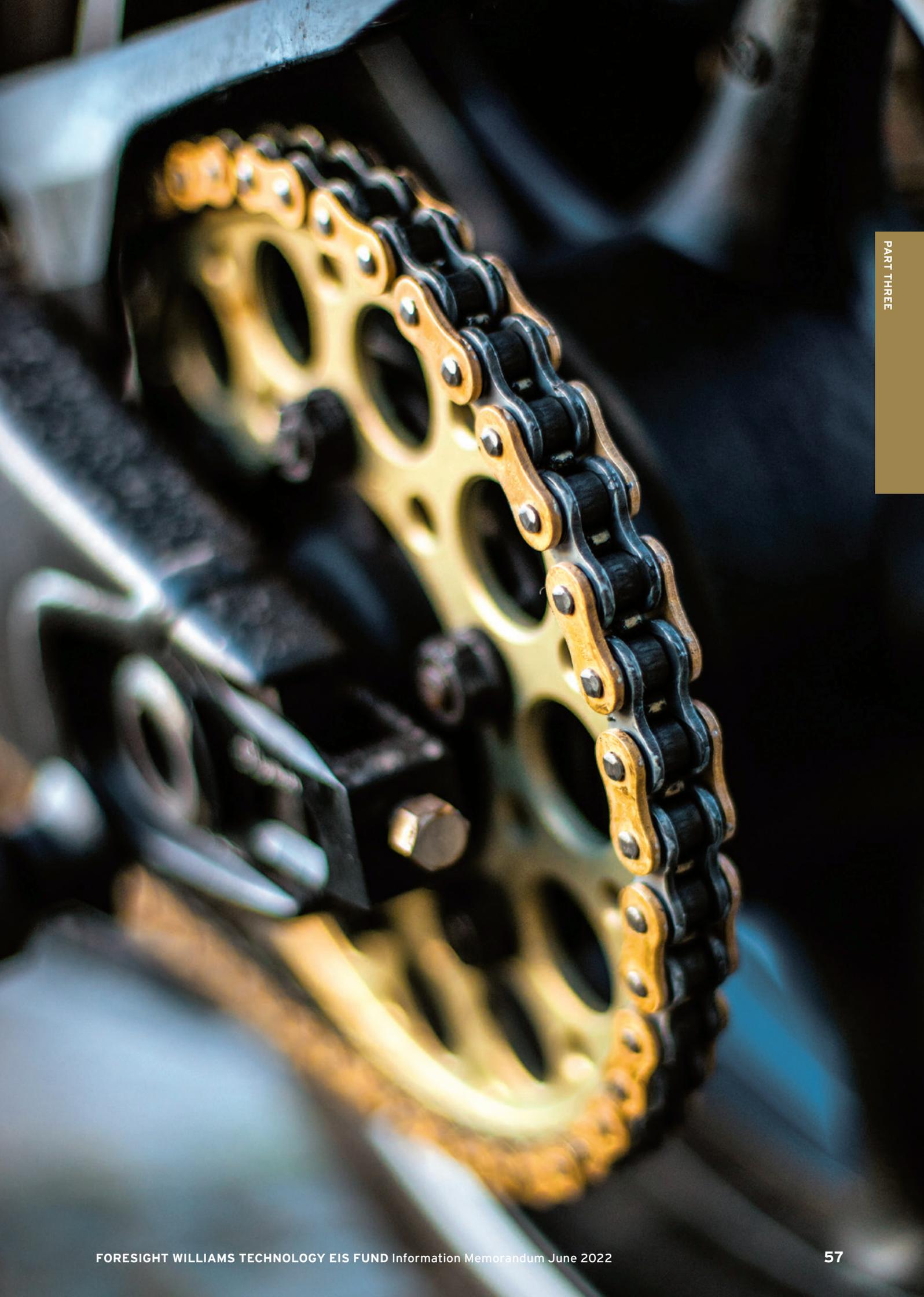
Although not an EIS tax relief as such, an Investment in qualifying shares in an EIS Qualifying Company should qualify for 100% relief from IHT under current legislation, provided the Investment has been held for at least two years and is still held at time of death. There is no upper limit on the amount of IHT Relief which can be claimed. The combined availability of the tax reliefs referred to above may depending on the Investor's personal circumstances result in significant tax savings.

Trusts

Reliefs from inheritance tax are available to UK resident Investors such as trustees of discretionary or life interest trusts. Capital Gains Tax Deferral Relief, as described above, may be claimed on the amount subscribed for Shares in EIS Qualifying Companies against any chargeable gains if the Investment is made within one year before and three years after the date of the disposal which gives rise to the gain or the date upon which a previously deferred gain crystallises. Loss Relief may be available under the normal capital loss rules in respect of any losses incurred on Investments made through the Fund.

Inheritance Tax: discretionary trusts may benefit from Business Relief on EIS Investments made by the Fund, provided they have been held in the trust for two years.

Please note that this is only a condensed summary of the relevant taxation legislation and should not be construed as constituting advice. A potential Investor should obtain individual advice from his or her own investment or taxation adviser before applying to participate in the Fund. The value of any tax reliefs will depend on the investor's individual circumstances.



INVESTOR'S AGREEMENT

This Investor's Agreement sets out the terms and conditions of the Fund

1. Definitions, construction and interpretation

- 1.1** In this Investor's Agreement the definitions contained in the Glossary set out in Part Six of the Information Memorandum dated June 2022, as amended from time to time shall apply.
- 1.2** Words and expressions defined in the FCA Rules which are not otherwise defined in this Investor's Agreement shall, unless the context otherwise requires, have the same meaning in this Investor's Agreement.
- 1.3** Any reference to a statute, statutory instrument or to rules or regulations in this Investor's Agreement shall be references to such statute, statutory instrument or rules or regulations as from time to time amended, re-enacted or replaced and to any codification, consolidation, re-enactment or substitution thereof as from time to time in force.
- 1.4** In this Investor's Agreement, unless the context otherwise requires, references to persons shall include the plural and vice versa; words importing the masculine gender shall include the feminine and neuter and vice versa; reference to persons shall include bodies corporate, unincorporated associations and partnerships.
- 1.5** Unless otherwise indicated in this Investor's Agreement, references to clauses and Schedules shall be to clauses and Schedules in this Investor's Agreement.
- 1.6** Headings to clauses and Schedules are for convenience only and shall not affect the interpretation of this Investor's Agreement.

2. Participating in the fund

- 2.1** This Investor's Agreement comes into force on the date on which the Investor's Application Form is formally accepted by the Fund Manager, provided that no Investments will be allocated to the Investor until after the Closing Date next following the date of acceptance, and no AMC or Secretarial Charge will be payable by the Investor until the Investor's Start Date.
- 2.2** This Investor's Agreement enables the Investor to participate in the Fund. The Fund will be a Complying Fund.
- 2.3** The Investor hereby appoints the Fund Manager, on the terms set out in this Investor's Agreement, to manage his cash and Investments within the Fund collectively with those of other Investors. The Fund Manager agrees to accept its appointment and obligations on the terms set out in this Investor's Agreement.
- 2.4** The Fund Manager is authorised and regulated by the FCA, and has permission to manage unauthorised AIFs. The Fund Manager is a party to this Investor's Agreement in its own right in its capacity as Fund Manager and the initial Administrator to the Fund, and is also a party to this Investor's Agreement as agent for and on behalf of the Nominee.
- 2.5** As the Fund Manager is a Full Scope UK AIFM and the Fund is an AIF, individual investors in the Fund will not be regulatory clients of the Fund Manager for the purposes of this Investor's Agreement. The Fund Manager will, nonetheless, be required to meet the "AIFMs' best interests rules" in COBS 2.1.4 of the FCA Rules which includes the requirement to act in the best interests of the investors in the Fund and to treat all investors fairly. To the extent an Investor does become a direct client of the Fund Manager, that Investor will be categorised as a "Retail Client" unless otherwise agreed between the Fund Manager and the relevant Investor.

2.6 The Investor confirms and warrants that:

- (a) He is an experienced investor in small to medium higher risk, unquoted companies and is suitably knowledgeable of the risks associated with non-Readily Realisable Investments;
- (b) If he has completed Option 1 in Section 3 of the Application Form, he has been advised as to the suitability of participation in the Fund by his financial intermediary; or
- (c) If he has completed Option 2 in Section 3 of the Application Form his financial intermediary has confirmed the appropriateness for him of an investment in the Fund.

2.7 The Investor confirms that he is not seeking advice from the Fund Manager or the Promoter on the merits of any Investment in the Fund.

2.8 The Investor agrees that the Information Holders may hold information about him and his affairs in order to verify his identity and financial standing or otherwise in the performance of this Investor's Agreement. All such use of information about the Investor which is personal data shall comply with the terms of clause 22 below.

2.9 Anti-money laundering regulations aim to prevent criminal property being used or disguised as legitimate wealth. The Fund Manager (and any entity appointed to hold cash) has a duty to comply with any applicable anti-money laundering provisions including the Proceeds of Crime Act 2002, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 and the FCA Rules. The Fund Manager (and any entity appointed to hold cash) must, therefore, verify the Investor's identity and report suspicious transactions to the appropriate enforcement agencies. If the Investor does not provide the identity verification information when requested, the Fund Manager may be unable to accept any instructions from him or to comply with its obligations under this Investor's Agreement in whole or in part. The Investor shall indemnify the Fund Manager for any loss resulting from the Investor's failure to provide such information when reasonably requested or failure to comply with applicable anti-money laundering legislation.

The Investor authorises the Fund Manager or its Associates or the Receiving Agent to undertake any electronic searches necessary for the purposes of verifying their identity and address and to check the details they supply against their particulars on any database (public or otherwise).

2.10 Following receipt of an Application Form, the Fund Manager will write to the Investor enclosing a cancellation notice form. If the Investor wishes to exercise his right to cancel, the Investor must notify the Fund Manager by delivering the duly completed form to the Fund Manager at The Shard, 32 London Bridge Street, London SE1 9SG within 14 days of the date of the letter from the Fund Manager enclosing the cancellation notice.

2.11 If the Investor exercises his cancellation rights, the Fund Manager shall arrange for the refund of any monies paid by the Investor, less any charges the Fund Manager or its agents or the Promoter (or any entity appointed to hold cash) has already incurred for any Services undertaken (or from any obligations to make payments) pursuant to the terms of this Investor's Agreement or paid out in respect of agreed adviser charges. The Fund Manager is obliged to hold Investors' subscription monies until the Fund Manager has satisfactorily completed its anti-money laundering checks and the Investor will not be entitled to interest on such monies.

2.12 The right to cancel set out in clauses 2.10 and 2.11 is without prejudice to the right under clause 15.2 to terminate this Investor's Agreement, which is a separate right.

2.13 The right to cancel under the FCA Rules does not give the Investor the right to cancel, terminate or reverse any particular Investment transaction executed for the account of the Investor before such cancellation takes effect.

2.14 The Fund Manager will comply with FCA COBS 11.2 as amended by COBS 18.5A.8.

2.15 WAE's services are being provided to the Fund Manager under a separate agreement between WAE and the Fund Manager, and WAE does not owe any fiduciary or other duties and/or obligations to the Investor under this Investor's Agreement.

3. Subscriptions

3.1 The Investor:

- (a) Must make a Subscription to the Fund of not less than £10,000, and must pay the total Subscription amount into the prescribed account at the same time as submitting his Application Form to invest in the Fund; and
 - (b) May make further Subscriptions (in multiples of £1,000).
- 3.2** The Investor may make withdrawals from the Fund and terminate this Investor's Agreement pursuant to clause 15.2.
- 3.3** Subscriptions received shall be deposited in a non-interest bearing client account pursuant to clause 7.7 pending their Investment.

4. Services

- 4.1** The Fund Manager will manage the Fund on the terms set out in this Investor's Agreement. The Fund Manager will exercise all discretionary powers in relation to the selection of, or exercising rights relating to, Investments on the terms set out in this Investor's Agreement, including, in particular the negotiation and execution of agreements and ancillary documentation relating to Investments. The Fund Manager intends to invest the Investor's Subscriptions to the Fund during the Investment Period relevant to each Subscription.
- 4.2** The Fund Manager will also arrange for the provision of administration services which does not extend to custody and the Fund Manager and the Nominee will arrange for depositary services in relation to the Fund by a suitably authorised person, as required. The Administrator shall initially be the Fund Manager, but the Fund Manager shall be entitled from time to time at its discretion to appoint another person who may be an Associate to replace the Fund Manager as Administrator.
- 4.3** The Fund Manager and the Nominee have appointed NCM Depositary Services Limited to act as depositary of the Fund pursuant to the Depositary Agreement. The Depositary will fulfil the duties and responsibilities provided for by the AIFM Regulations, and in particular will ensure that the Fund's cash flows are properly monitored and that all payments made by or on behalf of Investors in respect of their Subscriptions have been received and that all cash of the Fund has been booked in accounts opened in the name of the Fund or as otherwise provided for by the AIFM Regulations.

The Fund Manager and the Nominee will have the authority to enter into an agreement with the Depositary (or any successor depositary to the Depositary) appointed in accordance with the provisions of the AIFM Regulations and to issue orders and instructions (including, without limitation to, the Depositary) with respect to the making and disposition of Investments, the payment and/or the deposit of monies, securities and other assets of the Fund, in each case without the consent of the Investors.

- 4.4** The Investor hereby authorises the Fund Manager or its agents to act on his behalf and in the name of the Investor or his nominee to negotiate, agree, execute and do all such acts, transactions, agreements and deeds as the Fund Manager or its agents may deem necessary or desirable in connection with the Fund for the purposes of making, and managing and disposing of Investments and cash on behalf of the Investor and generally fulfilling the objectives and purposes of the Fund (including facilitating the payment of agreed charges on behalf of Investors to their financial intermediaries) and this authority shall be irrevocable and shall survive, and shall not be affected by, the subsequent death, disability, incapacity, incompetence, termination, bankruptcy, insolvency or dissolution of the Investor. This authority (subject to clause 7.7) will terminate upon the Investor ceasing to hold any cash or other assets in the Fund.
- 4.5** It is the Investor's responsibility to keep his financial circumstances, objectives and appetite for risk under review and to assess whether an Investment in the Fund remains suitable for his needs (and to seek advice from a suitably qualified and authorised professional financial adviser, if appropriate). The Fund Manager and the Promoter shall not be liable for any losses suffered or incurred by the Investor as a result of his investment in the Fund (whether or not he has received advice from a professional adviser) and cannot and do not make any representation that such investment is suitable or appropriate for the Investor's specific needs, requirements or personal circumstances.

4.6 If the Fund Manager shall acquire any Shares or other assets in which Investors in the Fund alone or with others, may, as a class, have a community of interest in relation to the continuing management of such Shares and assets by the Fund Manager, then the Fund Manager shall (alone or with such other third parties as it may nominate) have such power, right and authority on behalf of the Investor to execute such trusts and do such acts and transactions in relation to such assets for the benefit of the class (but not including incurring any liabilities for the account of the Investor in respect of such Shares or other assets) as the Fund Manager (in its absolute discretion) may think fit, including, without prejudice to the generality of the foregoing, the power to exercise or transfer all voting rights and powers of consent which may attach to or be relevant to such Shares or assets and/or to dispose of or consolidate such Shares and assets and/or to charge such Shares and assets as indirect security (without recourse to the Investor) for the discharge of financial obligations owed by third parties with or without receiving any consideration for the account of the Investor for so doing and on the basis that such Shares and assets may not be withdrawn from the Fund except on termination of the Fund or otherwise in accordance with this Investor's Agreement.

5. Investment objectives and restrictions

5.1 In performing the Services, the Fund Manager shall have regard to and shall comply with the investment objectives and the investment restrictions set out in Schedule 1 to this Investor's Agreement.

5.2 In performing the Services, the Fund Manager shall at all times have regard to:

- (a) The intention for Investments to attract the Tax Advantages in accordance with the investment objectives and restrictions set out in Schedule 1 of this Investor's Agreement; and
- (b) All Applicable Laws.

6. Terms applicable to dealing

6.1 In effecting transactions for the Investor, the Fund Manager will act in accordance with all applicable FCA Rules.

6.2 Where relevant, it is agreed that all transactions will be effected in accordance with the rules and regulations of any relevant market, exchange or clearing house (and the Fund Manager shall take all such steps as may be required or permitted by such rules and regulations and/or by good market practice) through which transactions are executed and to all Applicable Laws so that:

- (a) if there is any conflict between the provisions of this Investor's Agreement and any such rules, regulations or Applicable Laws, the latter shall prevail; and
- (b) action may be taken as thought fit in order to ensure compliance with any such rules, regulations or Applicable Laws. The Investor should, however, be aware that his Subscription will be invested in a range of unlisted securities and there is generally no relevant market or exchange and consequent rules and regulations and there will be varying practices for different securities.

6.3 Subject to the FCA Rules, transactions may be aggregated with those for other customers of the Fund Manager, and of its members, partners, employees and Associates and their employees and, if so, any Investments made pursuant to such transactions will be allocated on a fair and reasonable basis in accordance with applicable FCA Rules.

6.4 The Fund Manager will normally allocate Investments with regard to the value and date of Investor's original Subscriptions and the value of Investors' remaining Subscriptions at the time the opportunity arises. As Investments are made at different times, and Subscriptions may be accepted on an ongoing basis, the Subscription of a later Investor in the Fund may not be invested in all or any of the Investee Companies in which an earlier Investor is invested. Similarly an early Investor in the Fund may not have sufficient uninvested cash in his Portfolio to participate in the same Investments as a later Investor. The Fund Manager may depart from this basis of allocation if, in its absolute discretion, it considers it appropriate to do so having regard to the overall investment policy of the Fund and the benefit of creating diversity within the Portfolios of Investors.

6.5 Subject to both the FCA Rules and the Fund Manager's policy on the management of conflicts of interest, the Fund Manager may make use of soft commission arrangements in respect of transactions undertaken for the Fund as may be disclosed to the Investor from time to time.

6.6 The Fund Manager will act in good faith and with due diligence in its choice and use of counterparties but, subject to this obligation and to applicable FCA Rules, shall have no responsibility for the performance by any counterparty of its obligations in respect of transactions effected under this Investor's Agreement.

7. Custody and client money

- 7.1** The Fund Manager and the Nominee will arrange for a suitably authorised depository to carry out safekeeping duties with regard to the assets within the Fund. Cash will be dealt with as provided in clause 7.7.
- 7.2** Investments will be registered in the name of the Nominee. Investments will be beneficially owned by the Investor at all times but the Nominee will be the legal owner of the Investments of the Investors in the Fund. The Depository will not carry on any custody activity except as instructed by the Fund Manager.
- 7.3** The Nominee will hold any title documents or documents evidencing title to the Investments for the account of the Fund. Individual customer entitlements are not identifiable by separate certificates or other physical documents of title or external electronic records. In the event of a default of the Nominee, those for whom it holds securities on behalf of the Fund may share in any shortfall pro rata. Pursuant to section 250(1) of the Income Tax Act, shares subscribed for, issued to, held by or disposed of for an individual by a nominee are treated for the purposes of the EIS as subscribed for, issued to, held by or disposed of by the individual Investor. The Administrator shall maintain at all times a record sufficient to show the beneficial interest of each Investor in the whole number of Shares and cash allocated to him within the Fund.
- 7.4** Investments or title documents may not be lent to or deposited by way of collateral with a third party and nor may there be any borrowing against the security of the Investments or such title documents.
- 7.5** An Investment may be realised in whole or in part by the Fund Manager in order to discharge an obligation of the Investor under the Investor's Agreement, for example in relation to payment of fees, costs and expenses.
- 7.6** The Administrator will arrange for the Investor to receive details of any meetings of shareholders of the Investee Companies in Investments and any other information issued to shareholders of the Investee Companies if the Investor at any time in writing requests such details and information (either specifically in relation to a particular Investment or generally in respect of all Investments). The Investor shall be entitled, as a matter of right, to require the Nominee to appoint the Investor as its proxy so that the Investor may vote Shares beneficially owned by the Investor as the Investor may see fit at any meeting of shareholders in an Investee Company in which an investment is held for the Investor or in respect of any written resolution proposed by such an Investee Company.

Where the Investor has not elected to exercise this right, the Nominee will vote as the Fund Manager may direct and the Nominee may appoint proxies to vote at such meeting as instructed by the Fund Manager or as required under the FCA Rules.

The following applies to matters arising with regard to shareholder rights in each Investee Company:

- (a) A bonus or capitalisation issue will be automatically credited to the Investor's holding;
 - (b) Otherwise (where appropriate) the Fund Manager will be sent a summary of the proposal and the required action to be taken (if any) for instructions;
 - (c) If, on a rights issue, no instruction is received from the Fund Manager, the Nominee will allow the rights to lapse. Lapsed proceeds in excess of £3 will be credited to the Investor. Sums less than this will be retained for the benefit of the Administrator. However, if nil paid rights in a secondary market are acquired for the Investor, such rights will be taken up, unless the Fund Manager provides contrary instructions;
 - (d) All offers will be accepted upon going unconditional whether or not any instructions have been received;
 - (e) The Fund Manager may instruct the Nominee to allocate rights, or Shares acquired as a result of rights being taken up, to Investors other than those Investors which made the original Investment leading to the allocation of those rights if, in its absolute discretion, the Fund Manager considers it appropriate to do so having regard to the overall investment policy of the Fund and the allocation of investment opportunities amongst Investors in accordance with clause 6.4; and
 - (f) Entitlements to Shares will be to the nearest whole Share rounded down and the aggregate of fractional entitlements may be held by the Nominee for the Administrator. If partly paid Shares are held for the Investor and are the subject of a call for any due balance and no instruction is received, the Administrator may sell sufficient of the Investments to meet the call.
- 7.7** Application monies received in connection with the Fund will be held by the Receiving Agent until invested with an Approved Bank in a client account, together with application monies of other Investors. Interest will not accrue on the Investor's application monies.

- 7.8** Following processing of the Investor's Application Form and the Investor's application being accepted, cash within an Investor's portfolio prior to Investment or following realisations and withdrawals will be held by the Cash Custodian with an Approved Bank in one or more client accounts, together with cash balances belonging to other Investors. Interest will not accrue on any such cash balances.
- 7.9** The client accounts referred to in clauses 7.7 and 7.8 will have trust status and will be kept separate from any money belonging to the Fund Manager, the Receiving Agent, the Cash Custodian or to the Depositary. The Receiving Agent and the Cash Custodian are subject to the FCA's client money rules and, therefore, any of the Investor's monies held by the Receiving Agent and the Cash Custodian will receive the protections afforded by those rules.
- 7.10** No responsibility is accepted by the Fund Manager or its Associates for any acts or omissions of the Receiving Agent, the Cash Custodian or the Approved Bank. Should the Receiving Agent, the Cash Custodian or the Approved Bank become insolvent, the Fund Manager will claim on behalf of the Fund.
- 7.11** After termination of this Investor's Agreement, and subject to any Applicable Laws, the Fund Manager may direct the Investor's money be used at the Fund Manager's own discretion if it remains unclaimed for a period of at least six years and provided that the Fund Manager has taken reasonable steps (or has procured that such reasonable steps have been taken) to trace the Investor and return the balance.
- 8. Reports and information**
- 8.1** Contract notes will be provided for each transaction to the Investor.
- 8.2** The Fund Manager shall send the Investor a report relating to the Fund, complying with the FCA Rules, every six months, in respect of the periods ending on or around 30 June and 31 December. Reports will include a measure of performance in the later stages of the Fund once valuations are available for the Investments. Investments will be valued in accordance with appropriate IPEVC Guidelines from time to time prevailing.
- 8.3** The Fund Manager and Administrator shall supply such further information (so far as they do not consider such information to be commercially sensitive) which is in its respective possession or under its control as the Investor may reasonably request as soon as reasonably practicable after receipt of such request.
- 8.4** Any contract notes, statements, reports or further information relating to the Fund or the Investee Companies which are so provided by the Fund Manager or Administrator to the Investor will state the basis of any valuations of Investments provided.
- 9. Fees and expenses**
- 9.1** The Fund Manager, WAE, the Promoter, the Depositary and the Administrator shall receive fees for their services, and reimbursements of their costs and expenses, as set out in Schedule 2 to this Investor's Agreement.
- 9.2** The Fund Manager and the Promoter may facilitate, or procure the facilitation of payments in respect of charges which the Investor has agreed with his financial intermediary on his behalf as detailed in the Information Memorandum and the Application Form. The Investor confirms that any ongoing agreed charges payable to his financial intermediary is and will be for ongoing services to the Investor in relation to the Fund. The Investor has the right to cancel the facilitation of any ongoing charges at any time by notice in writing to the Fund Manager. The Investor may also request that facilitation of ongoing charges be paid to a new financial intermediary who is advising the Investor in relation to the Fund in place of the previous financial intermediary. Any such request must be made by at least 30 days' notice in writing to the Fund Manager. The Fund Manager may structure the funding and payment of such payments at its discretion for legal, tax and regulatory reasons from time to time. The administration of remuneration for advisers will be managed by the Administrator.
- 9.3** The Fund Manager shall be responsible for meeting all fees and expenses of the Nominee.
- 10. Management and administration obligations**
- 10.1** The Fund Manager and Administrator shall devote such time and attention and have all necessary competent personnel and equipment as may be required to enable them to provide their respective Services properly and efficiently, and in compliance with the FCA Rules.
- 10.2** Except as disclosed in the Information Memorandum and as otherwise provided in this Investor's Agreement (for example on early termination), neither the Fund Manager nor Administrator shall take any action which may prejudice obtaining the Tax Advantages for the Investments, save where the Fund Manager considers it to be in the best interests of the Investors.

11. Obligations of the investor

11.1 The Investor is admitted to the Fund, which is governed by this Investor's Agreement, on the basis of the declaration and elections made by the Investor in his Application Form which includes the following statements by the Investor in relation to his Subscription:

- (a) That he agrees to notify the Fund Manager if any Investment is in any company with which the Investor is connected within the meaning of Section 163 and Sections 166 to 171 of the Income Tax Act;
- (b) That he agrees to notify the Fund Manager if, within the Three Year Period, the Investor becomes connected with the Investee Company or receives value from such company;
- (c) That he will provide the Fund Manager with his tax district, tax reference number and National Insurance number;
- (d) That unless otherwise specifically agreed with the Fund Manager on a case by case basis, he has been advised as to the suitability of an Investment in the Fund by his financial intermediary; and
- (e) That unless otherwise specifically agreed with Foresight on a case by case basis, his financial intermediary will notify the Fund Manager in the event that his investment in the Fund is no longer suitable.

11.2 The Investor confirms that the information stated in the Application Form in these (and all other) respects is true and accurate as at the date of this Investor's Agreement.

11.3 The Investor must immediately inform the Fund Manager in writing of any change of tax status, other material change in circumstance and any change in the information provided in the Application Form to which clause 11.1 refers.

11.4 In addition, the Investor must provide the Fund Manager with any information which it reasonably requests for the purposes of managing the Fund pursuant to the terms of this Investor's Agreement.

12. Delegation

12.1 Without prejudice to any other provision of this Investor's Agreement, the Fund Manager may employ or otherwise appoint agents and advisers and other persons, including Associates, to perform any administrative, depositary, custodial or ancillary services to assist the Fund Manager in performing its Services and may rely on advice from any agent or advisers or other such persons, in which case it will act in good faith and with due diligence in the selection, use and monitoring of such persons but (save where any agent, adviser or other persons is an Associate of the Fund Manager, for whom the Fund Manager will remain directly responsible to the Investor for all acts and omission as if they were that of the Fund Manager) the Fund Manager will not be responsible for the acts and omissions of any such, agents, advisers or other persons.

12.2 Without prejudice to any other provision of this Investor's Agreement, the Fund Manager may, subject to Applicable Laws, delegate or subcontract any of its functions under this Investor's Agreement, subject to selecting such delegates with due skill and care and keeping all such appointments under review, but (save where the delegate is an Associate of the Fund Manager, for whom the Fund Manager will remain directly responsible to the Investor for all acts and omissions as if they were that of the Fund Manager), the Fund Manager will not be responsible for the acts and omissions of any such delegate.

12.3 For the avoidance of doubt, the provisions of clauses 12.1 and/or 12.2 shall apply if the Fund Manager appoints any person other than itself to be the Administrator pursuant to clause 4 or if it appoints any person to provide such services as are referred to in clause 7.2 or clause 7.7.

12.4 The Administrator shall have similar powers of delegation to those conferred on the Fund Manager by clauses 12.1 and 12.2 and, if the Administrator does so delegate, then the provisions of those clauses shall apply mutatis mutandis.

13. Potential conflicts of interest and disclosure

- 13.1** The Fund Manager, the Nominee, WAE and the Administrator may provide similar services or any other services whatsoever to any customer and neither the Fund Manager, the Nominee, WAE nor the Administrator shall in any circumstance be required to account to the Investors for any profits earned in connection therewith. So far as is deemed practicable by the Fund Manager, the Fund Manager will use all reasonable endeavours to ensure fair treatment as between the Investors and such customers in compliance with the FCA Rules. As AIFM, the Fund Manager seeks to ensure the fair treatment of the Investors through its decision making procedures and organisational structure which identify any preferential treatment, or the right thereto, accorded to any of the Investors and takes steps to ensure that any such preferential treatment does not result in an overall material disadvantage to the other Investors.
- 13.2** The Fund Manager, and any Associate may, subject to FCA Rules and without prior reference to the Investors, recommend transactions in which it or an Associate has, directly or indirectly, a material interest or a relationship of any description with another party, which may involve a potential conflict with its duty to the Investors. Neither the Fund Manager, nor any Associate, shall be liable to account to the Investors for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions. For example, such potential conflicting interests or duties may arise because:
- (a) The Fund Manager, WAE or an Associate may receive remuneration or other benefits by reason of acting in corporate finance or similar transactions involving, or by providing advisory services to, companies whose securities are held for the Investor;
 - (b) The Fund Manager, or WAE or their Associates may take an equity stake in a company whose securities are held for the Investor at a price not below the issue price available to the Investor subject to clause 13.2 (c);
 - (c) The entitlement of the Fund Manager and WAE to the Performance Incentive Fee described in Schedule 2 of this Investor's Agreement may be obtained by subscriptions for Shares by or on behalf of the Fund Manager or WAE and/or their directors, members, partners, employees, Associates and others with whom they may share such entitlement. Those shares may be subscribed at a price below the issue price available to the Investor and may dilute the returns to the Investor but only to the extent of the value of the performance incentive fee and subject to the conditions described in Schedule 2;
 - (d) The Fund Manager, WAE or an Associate provides services for other customers. The Fund Manager manages a number of other funds, and if investment opportunities are suitable for the Fund and other funds or accounts which it manages the Fund Manager will allocate those opportunities in accordance with its allocation policy as in place from time to time. In particular, the Fund Manager acts as Fund Manager of the FWT VCT Share class, and Investment opportunities which are suitable for the Fund shall generally, subject to being over a minimum size as is agreed between the Fund Manager and WAE from time to time, be allocated pro rata to the Fund and the FWT VCT Share class based on, among other factors, available capital to the Fund and the FWT VCT Share class. Where an Investee Company has specifically requested Investment from either the Fund or the FWT VCT Share class, the allocation of such Investment opportunity shall be decided by the Fund Manager;
 - (e) Any of the directors, members, partners, employees or Associates of the Fund Manager or WAE, or their employees, is or may become a director of, hold or deal in securities of, or otherwise be interested in any company whose securities are held or dealt in on behalf of the Investor;
 - (f) The transaction is in securities issued by an Associate or the customer of an Associate;
 - (g) The transaction is in relation to an Investment in respect of which the Fund Manager, WAE or an Associate may benefit from a commission or fee payable otherwise than by the Investor and/or it or an Associate may also be remunerated by the counterparty to any such transaction;
 - (h) The Fund Manager deals on behalf of the Investors with an Associate;
 - (i) The Fund Manager may act as agent for the Investors in relation to a transaction in which it is also acting as agent for the account of other customers and Associates;
 - (j) The Fund Manager may, in exceptional circumstances, deal in Investments as principal in respect of a transaction for the Investors;
 - (k) The Fund Manager may have regard, in exercising its management discretion, to the relative performance of other funds under its management;
 - (l) The Fund Manager may effect transactions involving placings and/or new issues with an Associate who may be acting as principal or receiving agent's commission. The Fund Manager or an Associate may retain any agent's commission or discount or other benefit (including directors' fees) that accrues to them.

14. Liability

- 14.1** The Fund Manager and Administrator agrees that it will, at all times, act in good faith and with reasonable care and due diligence. Nothing in this clause 14 shall exclude any duty or liability owed to the Investor under applicable FCA Rules.
- 14.2** The Fund Manager shall not be liable for any loss (including loss of profit; loss of anticipated profit; loss of goodwill; loss of agreement or contract; loss of business opportunity; loss of anticipated savings; or indirect, special or consequential loss, however arising) to the Investor arising from any investment decision made in accordance with the investment objectives and the investment restrictions set out in Schedule 1 to this Investor's Agreement or for other action in accordance with this Investor's Agreement, (or inaction where action is not a requirement of this Investor's Agreement), except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Fund Manager or any of its members or employees.
- 14.3** The Administrator, the Promoter and the Nominee shall not be liable for any loss to the Investor arising from any action in accordance with this Investor's Agreement, except to the extent that such loss is directly due to the negligence or wilful default or fraud of the Administrator, the Promoter or the Nominee (as applicable) or their respective Associates or any of its or their members, partners or employees. The Fund Manager will be responsible for the acts and omissions of Foresight Fund Managers Limited for so long as that entity acts as nominee for the Fund.
- 14.4** The Depositary's liability to the Nominee, the Fund and the Investors will not generally be affected by the fact that it has entrusted the safekeeping of all or part of the assets in its care to a third party. Under the conditions set forth in the AIFM Regulations, the Depositary may discharge itself of liability towards the Nominee and the Investor. By signing this Investor's Agreement and thereby becoming an Investor in the Fund, the Investors accept that the Fund Manager and the Nominee may enter into agreements with the Depositary to the effect that the Depositary can discharge itself of liability, in the case where the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements laid down in the AIFM Regulations or for other objective reasons.

- 14.5** Subject to clauses 6.6 and 12, the Fund Manager shall not be liable for any defaults of any counterparty, agent, banker, nominee or other person or entity which holds money, Investments or documents of title for the Fund, other than where such party is an Associate.
- 14.6** In the event of any failure, interruption or delay in the performance of the Fund Manager's or Administrator's (or any of their respective agents', delegates' or subcontractors') respective obligations resulting from acts, events or circumstances not reasonably within its control (including but not limited to acts or regulations of any governmental or supranational bodies or authorities) or breakdown, failure or malfunction of any telecommunications or computer service or systems, the Investor acknowledges that neither the Fund Manager nor Administrator, as appropriate, shall be liable or have any responsibility of any kind for any loss or damage thereby incurred or suffered by the Investor.
- 14.7** The Fund Manager and the Promoter give no representations or warranty as to the performance of the Fund. Investments are high risk, non-Readily Realisable Investments, which are required by law to present a significant risk that there will be a loss of Investor's capital of an amount greater than the net investment return after applicable tax reliefs. There is a restricted market for such Investments and it may therefore be difficult to sell the Investments or to obtain reliable information about their value. Investors should consider the suitability of the Investment objectives and restrictions set out in Schedule 1 of this Investor's Agreement carefully and note the risk warnings set out in the Information Memorandum. Nothing in this clause 14 shall exclude the liability of the Fund Manager for its own fraud.

15. Termination

- 15.1** The Fund Manager will seek to realise each Investor's Investments in an orderly fashion over a period of four to eight years from the relevant Closing Date but it cannot be guaranteed that Investments made can be easily realised within this period and, even where they can be realised, that this can be done on an advantageous basis. If the Fund Manager has not realised all of the Investor's Investments after a period of eight years it may, in its discretion, procure that all or any Shares allocated to the Investor within the Fund will be sold or transferred into the Investor's name or as the Investor may otherwise direct. Any cash allocated to the Investor within the Fund will be paid to the Investor subject to the deduction of any fees owing under this Investor's Agreement.

15.2 The Investor is entitled to make withdrawals of his Shares at any time after the end of the period of seven years beginning with the date on which the Shares in question were issued (or five years in respect of any Shares which have been admitted to official listing in the UK or EEA or to dealings on a recognised Investment exchange). If any Shares are held in respect of which a claim for EIS Relief has been disallowed or an assessment has been made withdrawing or reducing relief by reason of the body corporate in which the Shares are held having ceased to be a body corporate which is a qualifying company for the purposes of the EIS, the Investor is entitled to make withdrawals of those Shares at any time after the end of the period of six months beginning with the date on which the Shares in question ceased to be relevant Shares. The Investor is entitled to withdraw any uninvested cash allocated to him within the Fund at any time. The Fund Manager will have a lien on all assets being withdrawn or distributed from the Fund and shall be entitled to dispose of some or all of the same and apply the proceeds in discharging any liability (including for any accrual of the performance incentive fee) of the Investor to the Fund Manager. This Investor's Agreement shall terminate upon the completion of the withdrawal from the Fund of all Shares and cash which the Investor is entitled to receive under this clause 15.2. The balance of any sale proceeds and control of any remaining Investments will then be passed to the Investor.

In the event of the Investor's death, the Investor's interest in the Fund will be held in the name of the Investor's estate and the Investor's executors should contact the Fund Manager as soon as possible. The Fund Manager will request from the Investor's executors the death certificate, the grant of probate, and instructions regarding the beneficiaries of the Investor's interest in the Fund. The Fund Manager will return any of the Investor's monies which has not been invested and transfer the Investor's Shares in accordance with the instructions of the Investor's executors. After any such transfer of the Investor's Shares is completed, the Investor's beneficiary or beneficiaries may thereafter request to withdraw the interest in the Fund only as permitted under this clause 15.2.

15.3 If:

- (a) The Fund Manager gives to the Investor not less than three months' written notice of its intention to terminate its role as Fund Manager under this Investor's Agreement; or
- (b) The Fund Manager ceases to be appropriately authorised by the FCA or becomes insolvent;

the fund manager shall endeavour to make arrangements to transfer the Investments to another fund manager, in which case that fund manager shall assume the role of the fund manager under this Investor's Agreement, failing which the Agreement shall terminate forthwith and, subject to clause 16, the Investments held for the account of the Investor shall be transferred into the Investor's name or as the Investor may otherwise direct.

15.4 If the Investor requests in writing that its interest in the Fund is transferred to another person, the Fund Manager shall execute the Investor's request within a reasonable time and in an efficient manner so long as it is legally able to do so. For the avoidance of doubt the transferable interest is the Investment held in the Fund, being the Investor's beneficial title to the Shares, and this clause 15.4 shall not entitle the Investor to request a transfer of the legal title to those Shares except as provided under clause 15.2.

16. Consequences of termination

16.1 On termination of this Investor's Agreement pursuant to clause 15, the Fund Manager will use reasonable endeavours to complete all transactions in progress at termination expeditiously on the basis set out in this Investor's Agreement.

16.2 Termination will not affect accrued rights, existing commitments or any contractual provision intended to survive termination and will be without penalty or other additional payments save that the Investor will pay fees, expenses and costs properly incurred by the Fund Manager, WAE and the Administrator (including a fair amount determined by the Fund Manager in compensation for accrued performance incentive fees not obtained by subscriptions for Shares) up to and including the date of termination and payable under the terms of this Investor's Agreement.

16.3 On termination, the Fund Manager may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay the Investor's outstanding liabilities, including fees, costs and expenses payable under clause 9 of this Investor's Agreement (including a fair amount determined by the Fund Manager in compensation for accrued performance incentive fees not obtained by subscriptions for Shares), the details of which are set out in Schedule 2 to this Investor's Agreement.

16.4 Clauses 14 and 17 shall survive the termination of this Investor's Agreement.

17. Confidential information

17.1 Neither the Fund Manager, nor the Investor shall disclose to third parties or take into consideration for purposes unrelated to the Fund information either:

- (a) The disclosure of which by it or him would be or might be a breach of duty or confidence to any other person; or
- (b) Which comes to the notice of a partner or member of or an employee, officer or agent of the Fund Manager or Administrator or of any Associate but does not properly come to the actual notice of that party providing services under this Investor's Agreement.

17.2 The Fund Manager and Administrator will at all times keep confidential all information acquired in consequence of the Services, except for information which:

- (a) Is in the public domain; or
- (b) They may be entitled or bound to disclose under compulsion of law; or
- (c) Is requested by regulatory agencies; or
- (d) Is given to their professional advisers where reasonably necessary for the performance of their professional services; or
- (e) Is authorised to be disclosed by the relevant party; and shall use all reasonable endeavours to prevent any breach of this clause 17.2.

17.3 The Fund Manager will procure that the Administrator (if applicable), Depositary, Promoter (if applicable) and any entity appointed to hold cash pursuant to clause 7.7 will observe and comply with the provisions of clauses 17.1 and/or 17.2.

18. Complaints and compensation

18.1 The Fund 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 the Investor have a complaint, he should contact the Fund Manager by writing to The Compliance Officer, Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG.

18.2 Where the Investor is categorised by the Fund Manager as an Eligible Complainant, under FCA Rules, if for any reason the Investor is dissatisfied with the Fund Manager's final response, the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Fund Manager's final response.

18.3 The Fund Manager is covered by the Financial Services Compensation Scheme. If an Investor qualifies as an Eligible Claimant under FCA Rules, in the event that Foresight ceases trading, that Investor may be eligible to claim compensation from the Financial Services Compensation Scheme in certain circumstances. Most types of investment business are covered in full for the first £85,000 per investor, although certain Investors may not be eligible to claim under this scheme. For further information please contact the Fund Manager or the Financial Services Compensation Scheme directly at www.fscs.org.uk.

19. Notices, instructions and communications

19.1 Notices of instructions to the Fund Manager or Administrator should be in writing and signed by the Investor, except as otherwise specifically indicated.

19.2 The Fund Manager or Administrator may rely and act on any instruction or communication which purports to have been given by persons authorised to give instructions by the Investor under the Application Form or subsequently notified by the Investor from time to time and, unless that relevant party receives written notice to the contrary, whether or not the authority of such person shall have been terminated.

19.3 All communications to the Investor shall be sent (whether postal or electronic) to the latest address notified by the Investor to the Fund Manager or Administrator and shall be deemed received by the Investor on the second day after posting or on the day after dispatch in the case of electronic communication. All communications by the Investor shall be made in writing (which may include communications by email or other electronic means) or (save as otherwise provided) shall be made by telephone to the Fund Manager or Administrator, in which case conversations may be recorded for the avoidance of any subsequent doubt. Communications sent by the Investor will be deemed received only if actually received by the Fund Manager or Administrator. Neither the Fund Manager nor Administrator will be liable for any delay or failure of delivery (for whatever reason) of any communication sent to the Investor.

20. Unsolicited real-time financial promotion

The Fund Manager and the Promoter may communicate an unsolicited real-time financial promotion (i.e. interactive communications such as a telephone call or electronic mail promoting Investments) to the Investor.

21. Amendments

- 21.1** The Fund Manager may amend the terms and conditions in this Investor's Agreement by giving the Investor not less than ten business days' written notice (or without notice in the case of minor, non-material corrections).
- 21.2** The Fund Manager may also amend these terms by giving the Investor written notice with immediate effect if such is necessary in order to comply with HMRC requirements, in order to maintain the EIS Relief or in order to comply with the FCA Rules or other statutory or regulatory requirements.

22. Data protection and consents

- 22.1** The Fund Manager respects an Investor's privacy and is committed to protecting the personal data of an Investor. To find out more about how the Fund Manager uses and looks after such personal information, please refer to the Fund Manager's privacy notice, which can be found at www.foresightgroup.eu/privacy-policy.
- 22.2** Certain information may be shared by the Fund Manager with its Associates, its delegates, the Promoter, the Nominee, the Depositary, the Receiving Agent, the Cash Custodian and/or any Approved Bank and/or any person appointed by the Fund Manager for the purposes of processing an Application Form and performing the obligations to the Investor pursuant to this Investor's Agreement and/or in order for the Fund Manager, its Associates, its delegates, the Promoter, the Nominee, the Depositary, the Receiving Agent, the Cash Custodian and/or any Approved Bank to fulfil their respective regulatory and contractual obligations. Information may also be shared with regulatory bodies to the extent any of the above entities are required, to do so in accordance with any statute or regulation or if governmental, judicial and law enforcement bodies so require.

22.3 The Investor authorises the Fund Manager to provide any information as provided by the Investor to the Fund Manager and by the Fund Manager to the Investor in connection with the Investor's participation in the Fund to the Investor's authorised financial intermediary detailed on their Application Form or other financial intermediary notified to the Fund Manager from time to time. The Investor acknowledges that any such communication may be sent to the Investor's authorised financial intermediary prior to, or where requested, in place of, being sent to the Investor in such form as may be agreed with the Investor's authorised financial intermediary. Information may also be provided more frequently where agreed. The Investor also authorises the Fund Manager to accept changes to the Investor's personal details as provided by the Investor's authorised financial intermediary (subject to such evidence and/or verification as the Fund Manager may request).

22.4 The Investor has the right to receive a copy of any personal information held about them, subject to a fee of £10 as permitted by law. The Investor may contact the Fund Manager in accordance with clause 19 to request a copy.

23. Assignment

- 23.1** This Investor's Agreement is personal to the Investor and may not be assigned by the Investor without prior written consent of the Fund Manager.
- 23.2** In the event of the Investor's death, the Fund Manager and Administrator will continue to deal with the Investor's personal representatives.
- 23.3** The Fund Manager may assign this Investor's Agreement to an Associate by giving notice to the Investor, provided that such Associate is authorised and regulated to perform all of the Fund Manager's functions hereunder and subject to any amendments required to this Investor's Agreement to effect the assignment and subsequent operation by the Associate as provided in clause 21.1.

PART FOUR:

INVESTOR'S AGREEMENT CONTINUED

24. Entire agreement

This Investor's Agreement, together with the Application Form, comprises the entire agreement between the Fund Manager and its Associates with the Investor relating to the provision of the Services.

25. Rights of third parties

Save for the rights of the Administrator (if applicable) and the Nominee a person who is not a party to this Investor's Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Investor's Agreement, but this does not affect any right or remedy of such third party which exists or is available apart from that Act.

26. Severability

If any term, condition or provision of this Investor's Agreement shall be held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision shall not affect the validity, legality or enforceability of the remainder of this Investor's Agreement.

27. Governing law

This Investor's Agreement and all matters relating thereto shall be governed by and construed in accordance with English Law and the parties submit to the exclusive jurisdiction of the English Courts.

Schedule 1 - investment objectives and restrictions

Investment objectives of the fund

To generate capital gains and to provide Investors with the Tax Advantages associated with EIS investments principally derived from investing in seed and earlier stage technology and engineering-led businesses based in the UK.

Investment restrictions of the Fund

- 1 In carrying out its duties hereunder in respect of the Fund, the Fund Manager shall, so far as is practicable, make Investments each of which, subject to each Investor's individual circumstances, qualify for EIS Relief, and regard shall be had, and all reasonable steps taken, by the Fund Manager to comply with such policies or restrictions as are required in respect of EIS investments in order to attract the reliefs from taxation under the EIS as may be prescribed by HMRC from time to time.
- 2 In particular, but without prejudice to the generality of the above statements, the restrictions for the Fund are as follows:
 - (a) It is likely that no more than 16.7% of the Net Subscription of the Investor will be invested in any one Investee Company at full fundraising provided that this shall not restrict the merger, acquisition or unitisation of Investee Companies with other Investee Companies subsequent to the Three Year Period.
 - (b) In the event of a gradual realisation of Investments prior to termination of the Fund under clause 15.1, the cash proceeds of realised EIS investments may be placed on deposit or invested in fixed interest government securities or other investments of a similar risk profile. Proceeds will be paid out on termination of the Fund or in instalments in advance of termination, as determined by the Fund Manager.
 - (c) The Fund may not invest in funds either managed or advised by the Fund Manager or an Associate or in funds which are not regulated collective Investment schemes.
 - (d) The Fund's Investments may not include the securities of a company in respect of which any issue or offer for sale was underwritten, managed or arranged by the Fund Manager or an Associate during the preceding 12 months.

Schedule 2 - fees and expenses in respect of the fund

The charges described below (other than the performance incentive fee) are payable by the Investors directly to the Fund Manager or the Promoter (and where relevant by the Fund Manager or the Promoter on to WAE). The fund management and annual charges will accrue for all Investors from the Start Date. One year's AMC and Secretarial Charge will be deducted from an Investor's Subscription (net of any agreed adviser charges and the Initial Charge) on the first working day of the calendar quarter following the Start Date. From year two onwards the AMC and Secretarial Charge will be deducted from the proceeds of sale of Investments or dividends or income received. Fees and charges payable to the Fund Manager and remuneration payments to advisers that are not paid by Investors and that are not covered in the one year of AMC will be deducted from the proceeds of sale of Investments or dividends received. VAT will be added where applicable.

1 Initial charges

The level of initial charges payable to the Promoter reflects whether or not commission is agreed to be paid (where permissible) by the Promoter to financial intermediaries in connection with an Investor's Subscription. In certain limited situations, commission may be paid as described in more detail below:

Initial Charge: (Non-commission)	2.5% of the Investor's Subscription (net of any adviser charges)
Initial Charge: (Commission eligible)	5.5% of the Investor's Subscription (net of any adviser charges)

The Fund is subject to an Initial Charge of 2.5% of the Investor's Subscription (where no intermediary commission is payable) or 5.5% of the Investor's Subscription (where intermediary commission is payable) (net of any agreed adviser charges) payable immediately.

The amount of the Initial Charge will reduce the EIS Relief available to Investors and the value of Investors' Investments via the Fund.

The Initial Charge will cover the costs of the Fund Manager's and Promoter's fund raising activity. The Initial Charge will not be payable to the extent that any monies paid by the Investor are refunded after the Investor has exercised his cancellation rights within the 14-day period pursuant to clauses 2.10 and 2.11.

The Promoter has agreed to facilitate adviser charges (up front and ongoing) if requested. Such charges will be deducted from the Investor's Subscription before the Initial Charge is applied.

Charges payable to the financial intermediary of an Investor to be facilitated by the Promoter will only be paid by prior agreement of the Investor and adviser as noted on the Application Form.

Financial intermediaries who provide execution only services may also, in certain situations, be permitted to receive commission. In such permitted situations financial intermediaries will be paid initial commission by the Promoter usually at the rate of 3% of Subscriptions. This will be financed by the higher Initial Charge as shown above.

2 Annual charges

Annual Management Charge:	2.0% (+VAT) of the value of the Portfolio.
Secretarial Charge:	0.3% (+VAT) of the value of the Portfolio (subject to an RPI linked ¹ minimum of £60,000 in aggregate)

The annual charges will accrue for all Investors from the Start Date. The AMC of 2% will be shared between the Fund Manager and WAE, in such proportions as the Fund Manager and WAE may agree from time to time.

The Fund Manager will bear any legal, accounting and other fees incurred by the Fund in connection with potential Investments which do not proceed to completion and may retain for its own benefit any arrangement fees and directors or monitoring fees which it receives in connection with Investments.

- The annual secretarial fee is adjusted annually on 1 July (based on reference dates to be fixed by the Fund Manager) in line with the changes in the Retail Prices Index ('RPI') in each period in respect of which the payment is due. After the first year, the initial Secretarial Charge will be increased in line with any change in RPI between such dates as are fixed by the Fund Manager in that 12 month period. In each subsequent year, the base annual fee will be that which is increased by virtue of the previous RPI calculation and the RPI multiple used will be the difference between the first RPI reference date and last RPI reference date in each relevant 12 month period. Where there is an overall decrease in RPI in any 12 month period, the annual fee will remain unchanged from that for the previous year. The Fund Manager may choose a suitable alternative index to replace the RPI if such index is no longer published or is significantly changed.

Schedule 2 - fees and expenses in respect of the fund continued

3 Performance incentive fee

Foresight and WAE will be entitled to a performance incentive fee, payable based upon the proceeds of realising Investments plus dividends payable to Investors.

This fee, which will be deducted from realisation proceeds, is only payable in respect of proceeds received in excess of an Investor's Subscription (i.e. before any initial charges are deducted). The performance incentive fee is calculated as 20% of proceeds received in excess of an Investor's subscription (gross amount invested before deduction of any initial charges).

The performance incentive fee may be obtained by subscriptions for shares in Investee Companies by or on behalf of the Fund Manager, WAE and their directors, members, employees, affiliates and/or Associates (as applicable) or as a charge deducted from proceeds due to the Investor. In the event of the Investor making a withdrawal of Shares pursuant to clause 15.2, the Investor shall be liable for a charge equal to a fair amount determined by the Fund Manager in compensation for accrued performance incentive fees not obtained by subscriptions for Shares.

4 Expenses

The Fund Manager shall be entitled to charge the Fund a pro-rata proportion of expenses reasonably incurred in respect of the administration of the Fund, the Depositary's fees and expenses and the Administrator's expenses and audit costs. Any such expenses shall be allocated to the Investors pro rata and will be deducted from each Investor's Subscription from time to time (and accordingly, no Investor shall be able to claim tax relief on any such amounts which are deducted).

These administration expenses are expected to be approximately 0.1% of the assets of the Fund per annum.

The Fund Manager will notify Investors of any material changes to its execution arrangements or its execution policy by posting an updated version on its website.



PART FIVE:

INFORMATION REQUIRED UNDER FUND 3.2.2

As the Fund Manager is authorised as an AIFM, it is required to manage the Fund in accordance with AIFM Regulations and must disclose certain prescribed information pursuant to FCA FUND Investment Funds sourcebook rule 3.2.2. The following table either sets out the required information or indicates where the required information is located within this Information Memorandum.

Information to be disclosed	Relevant section of FUND	Section where required information is disclosed in the Memorandum
General Fund Information		
Investment strategy and objectives of the Fund	3.2.2R(1)(a)	Pages 6 to 17: Investment Opportunity and Strategy Schedule 1: Investment Objectives and Restrictions of Investor's Agreement
Types of assets in which the Fund may invest and the techniques it may employ and all associated risks	3.2.2R(1)(d) and (e)	Page 5: Key Facts Pages 6 to 17: Investment Opportunity and Strategy Page 18: Fund Details Part Two: Risk Factors Schedule 1: Investment Objectives and Restrictions of Investor's Agreement
Applicable investment restrictions	3.2.2R(1)(f)	Schedule 1: Investment Objectives and Restrictions of Investor's Agreement
Circumstances in which the Fund may use leverage, restrictions on using leverage, the types and sources of leverage permitted and the associated risks	3.2.2R(1)(g), (h) and (i)	N/A
Maximum level of leverage which the AIFM is entitled to employ on behalf of the Fund	3.2.2R(1)(j)	N/A
Procedures by which the Fund may change its investment strategy or investment policy, or both	3.2.2R(2)	Clause 21: Amendments of Investor's Agreement
Description of the main legal implications of the contractual relationship entered into for the purpose of Investment	3.2.2R(3)	Page 48: The Fund: Regulatory Structure Clause 2: Participating in the Fund of Investor's Agreement
Identity of the AIFM, the Fund's depositary, auditor and any other service providers and description of their duties	3.2.2R(4)	Page 48: The Fund: Regulatory Structure
Description of how the AIFM is protected against potential professional liability risks	3.2.2R(5)	The Fund Manager maintains professional liability insurance in accordance with article 12 of the Commission delegated regulation (EU) No 231/13 to cover professional liability risks in the performance of activities for which the AIFM is responsible.
Description of any delegated management functions by the AIFM, or any safe-keeping functions by the Depositary, the identity of the delegate and description of conflicts of interest	3.2.2R(6)	Foresight acts as the Fund Manager and has appointed Williams Technology Ventures Limited to provide certain services with respect to the Fund (see Section 20: The Fund: Legal and Regulatory Structure) Clause 12: Delegation of Investor's Agreement

Information to be disclosed	Relevant section of FUND	Section where required information is disclosed in the Memorandum
Description of the Fund's valuation procedure	3.2.2R(7)	Page 48: Valuation of Investments
Description of the Fund's liquidity risk management procedures, including redemption rights both in normal and exceptional circumstances and the existing redemption arrangements with Investors	3.2.2R(8)	Page 48: Liquidity Clause 15.2: Termination of Investors Agreement.
Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by Investors	3.2.2R(9)	Pages 46 to 47: Charges Schedule 2: Fees and Expenses in respect of the Fund of Investor's Agreement
Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any Investor	3.2.2R(10) and (11)	Clause 13: Potential Conflicts of Interest and Disclosure of Investor's Agreement
Latest annual report	3.2.2R(14)	Available on request
Procedure and conditions for the issue and sale of interests	3.2.2R(12)	Clause 3: Subscriptions of Investor's Agreement Clause 15: Termination of Investor's Agreement
Latest net asset value of the Fund	3.2.2R(13)	Please note that each Investor will have exposure to different Fund assets based on the Investor's Closing Date and the Investments available at that time, and so accordingly the net asset value which applies to each Investor will represent the value of the portfolio of Investments to which each Investor will be exposed.
Historical performance of the Fund, where available	3.2.2R(15)	Please note that each Investor will have exposure to different Fund assets based on the Investor's Closing Date and the Investments available at that time, and so accordingly there is no historical performance data relevant to the portfolio of Investments to which each Investor will be exposed.
Identity of the prime broker and a description of any material arrangements of the Fund with its prime brokers and the way the conflicts of interest in relation thereto are managed	3.2.2R(16)(a), (b) and (c)	N/A
Information about any transfer of liability to the prime broker that may exist	3.2.2R(16)(d)	N/A
Description of how any changes to liquidity or leverage provisions of the Fund will be disclosed to investors	3.2.6R	N/A

PART SIX: GLOSSARY

Administrator	Foresight Group LLP or such other person as the Fund Manager may from time to time appoint to provide administration in respect of the Fund	Capital Gains Tax Deferral Relief	Relief by way of deferral of CGT (pursuant to Section 150C and Schedule 5B of the Taxation of Chargeable Gains Act 1992)
Advance Assurance	Prior approval from HMRC that the Investment in an Investee Company satisfies the conditions for EIS Relief to be available	Carry Back Relief	As described in Part Three of this Information Memorandum
AIF	An alternative investment fund as defined in the FCA Rules	Cash Custodian	Woodside, acting in its capacity as custodian and administrator of cash within an Investor's Portfolio or such other cash custodian as may be appointed by the Fund Manager from time to time
AIFM	An alternative investment fund manager as defined in the FCA Rules	CGT	Capital gains tax
AIFM Regulations	The UK Alternative Investment Fund Managers Regulations 2013 (as may be amended from time to time); and any other laws and regulations applicable to AIFMs in the UK from time to time	Closing Date	In respect of each Investor, the next Quarter Date to occur after the Investor's Start Date
AMC	The Annual Management Charge payable as set out in section 17: Charges	COBS	The rules of the FCA for regulating the conduct of business of authorised persons carrying on designated investment business as set out in the Conduct of Business Sourcebook comprised in the FCA Rules
Applicable Laws	All relevant laws, regulations and rules, including those of any government or of the FCA, in any applicable jurisdiction	Complying Fund	A complying fund within the meaning of Article 2 of the Schedule to the Financial Services and Markets Act 2000 (Collective Investment Schemes) Order 2001
Application Form	An application form to participate in the Fund completed by a prospective Investor in the form provided by the Fund Manager, such application form being an integral part of the Information Memorandum	Depository	Any entity (which may be an Associate or a third party) whom the Fund Manager appoints to provide depository services in relation to the Fund, the first such depository being NCM Depository Services Limited
Approved Bank	A bank in the UK nominated or agreed with Foresight	Depository Agreement	The depository agreement entered into by, inter alia, the Depository and the Fund Manager dated 23 January 2020 (as amended from time to time)
Associate	Any person or entity which (whether directly or indirectly) controls or is controlled by the relevant person or any parent company of the relevant person (for the purpose of this definition "control" shall refer to the ability to exercise significant influence over the operating or financial policies of any person or entity)	EEA	The member states of the European Economic Area from time to time
Business Relief	Relief from IHT pursuant to sections 103-114 Inheritance Tax Act 1984	Effective Date	The date that shares are issued in the underlying portfolio Investee Companies (or the Investee Company commences trading, whichever is later);
		EIS	Enterprise Investment Scheme, as set out in the Income Tax Act

EIS Qualifying Companies	Companies that meet the EIS requirements regarding EIS Relief and Capital Gains Tax Deferral Relief (and each an “EIS Qualifying Company”)	Initial Charge	The initial charge payable on subscription to the Fund as set out in section entitled ‘Charges’
EIS Relief	Relief from income tax under EIS	Intermediary Certificate	Certificate of client suitability completed by the Financial Intermediary submitted with Application Form
Foresight Group	Comprises Foresight Group CI Limited, Foresight Group LLP and Foresight Fund Managers Limited	Investee Companies	Companies in which the Fund invests (and each an “Investee Company”)
Foresight or Fund Manager	Foresight Group LLP (a limited liability partnership registered in England under number OC300878 and whose registered office is at The Shard, 32 London Bridge Street, London SE1 9SG)	Investment	An Investment made through the Fund (together the “Investments”)
FCA	The Financial Conduct Authority	Investment Period	In respect of each Investor, the period starting on the first day of the month after the Closing Date and ending two years after that date, provided that such period may be reduced or terminated by the Fund Manager giving the Investor written notice that either (i) 100% of the aggregate Subscriptions to the Fund have been committed to, reserved for, or expended in relation to Investments, fees, expenses and/or any other relevant liabilities or obligations of the Fund; or (ii) the Fund Manager and WAE have agreed that the period should be so reduced or terminated
FCA Rules	The FCA’s rules made under powers given to the FCA by FSMA	Investor	An individual (and certain trustees) who complete(s) an Application Form which is accepted by the Fund Manager and so enters into an Investor’s Agreement
FSMA	The Financial Services and Markets Act 2000, as amended	Investor’s Agreement	An Investor’s agreement as set out in Part Four to be entered into by each Investor with the Fund Manager by way of signing the Application Form, setting out the terms of an investment in the Fund (as amended and supplemented from time to time)
Fund or FWT EIS Fund	The Foresight Williams Technology EIS Fund which describes the aggregate of all the Investors’ Agreements	Investor Cohort	A group of Investors who invest in the Fund in a particular calendar quarter and to whom the same Closing Date applies
FWT Funds	The FWT EIS Fund and FWT VCT Share class collectively		
FWT VCT Share class	Foresight Solar & Technology VCT Plc, in respect of its share class established and branded as the Foresight Williams Technology Shares		
HMRC	Her Majesty’s Revenue & Customs		
IHT	Inheritance Tax		
Income Tax Act	Income Tax Act 2007, as amended		
Information Holders	The Fund Manager, its Associates, the Administrator, the Nominee, the Depositary, the Receiving Agent, the Cash Custodian and any entity appointed by the Fund Manager to hold cash and each of their agents		
Information Memorandum	This document together with the Application Form		

PART SIX:

GLOSSARY CONTINUED

IP	Any and all patents, trade marks, service marks, rights in designs, get-up, trade, business or domain names, goodwill associated with the foregoing, copyright including rights in computer software and databases, topography rights (in each case whether registered or not and any applications to register or rights to apply for registration of any of the foregoing), rights in inventions, know-how, trade secrets and other confidential information, rights in databases and other intellectual property rights of a similar or corresponding character which may now or in the future subsist in any part of the world	Promoter	Foresight Group Promoter LLP, a limited liability partnership registered in England and Wales under registered number OC421343 and having its registered office at The Shard, 32 London Bridge Street, London SE1 9SG (or such other entity designated by Foresight as the promoter for the purposes of this Information Memorandum)
IPEVC Guidelines	The International Private Equity and Venture Capital Valuation Guidelines from time to time	Quarter Date	Last working day in March, June, September and December
Loss Relief	Relief in respect of income tax for allowable losses pursuant to section 131 of the Income Tax Act	Readily Realisable Investment	A government or public security denominated in the currency of the country of its issuer or any other security which is admitted to official listing on an Exchange in the UK or EEA, regularly traded on or under the rules of such an Exchange, or regularly traded on or under the rules of a recognised investment exchange or (except in relation to unsolicited real-time financial promotions) designated investment exchange, or a newly issued security which can reasonably be expected to fall within the above categories when it begins to be traded (this term does not include AIM or AQSE traded investments, nor does it include unlisted securities)
MIFID	EU Directive 2004/39/EC on markets in financial instruments (as subsequently amended by Directive 2007/44/EC and Directive 2008/10/EC)	Receiving Agent	Woodside, acting in its capacity as receiving agent in connection with applications and application monies received from an Investor in relation to the Fund or such other receiving agent as may be appointed by the Fund Manager from time to time
Net Subscription	An Investor's Subscription (minus any agreed adviser charges, the Initial Charge and the first year's AMC and Secretarial Charge payable out of the Subscription amount), invested into underlying companies and eligible for EIS Relief	Secretarial Charge	The Secretarial Charge payable as set out in section 17: Charges
Nominee	Foresight Fund Managers Limited or such other nominee as may be appointed by the Fund Manager from time to time	Services	The services provided under clause 4 of the Investor's Agreement
Portfolio	The portfolio of Investments and cash held within the Fund	Shares	Shares in an Investee Company subscribed for by the Fund on behalf of Investors

SME	Small and medium-sized enterprise	References to statutes, Applicable Laws and any other rules or regulations shall be taken to include any amendment re-enactment or regulations made thereunder for the time being. Unless the context otherwise requires, words in the singular include the plural and in the plural include the singular.
Start Date	In respect of each Investor, the first working day after the end of the 14 day period in which the Investor may exercise his right to cancel pursuant to clause 2.10 of the Investor's Agreement	
Subscription	A cash subscription to the Fund by way of an Application Form pursuant to clause 3 of the Investor's Agreement	
Tax Advantages	EIS Relief, Capital Gains Tax exemption, Capital Gains Tax Deferral Relief, Loss Relief, Business Relief, Carry Back Relief	
Three Year Period	The period beginning on the date the Shares in an Investee Company are issued and ending three years after that date, or three years after the commencement of the Investee Company's trade, whichever is later	
TRL	Technology Readiness Level	
VCT	A company satisfying the requirements of Chapter 3 of Part 6 of the Income Tax Act for venture capital trusts	
WAE	Williams Advanced Engineering Limited	
WTVL	Williams Technology Ventures Limited, part of Williams Advanced Engineering Limited's corporate group	
Woodside	Woodside Corporate Services Limited, authorised and regulated by the FCA under firm reference number 467652, and whose registered office is at 4th Floor, 50 Mark Lane, London EC3R 7QR.	

PART SIX:

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Foresight

FOR A SMARTER FUTURE

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