

Foresight Inheritance Tax Solution Factsheet

Q4 2025

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

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

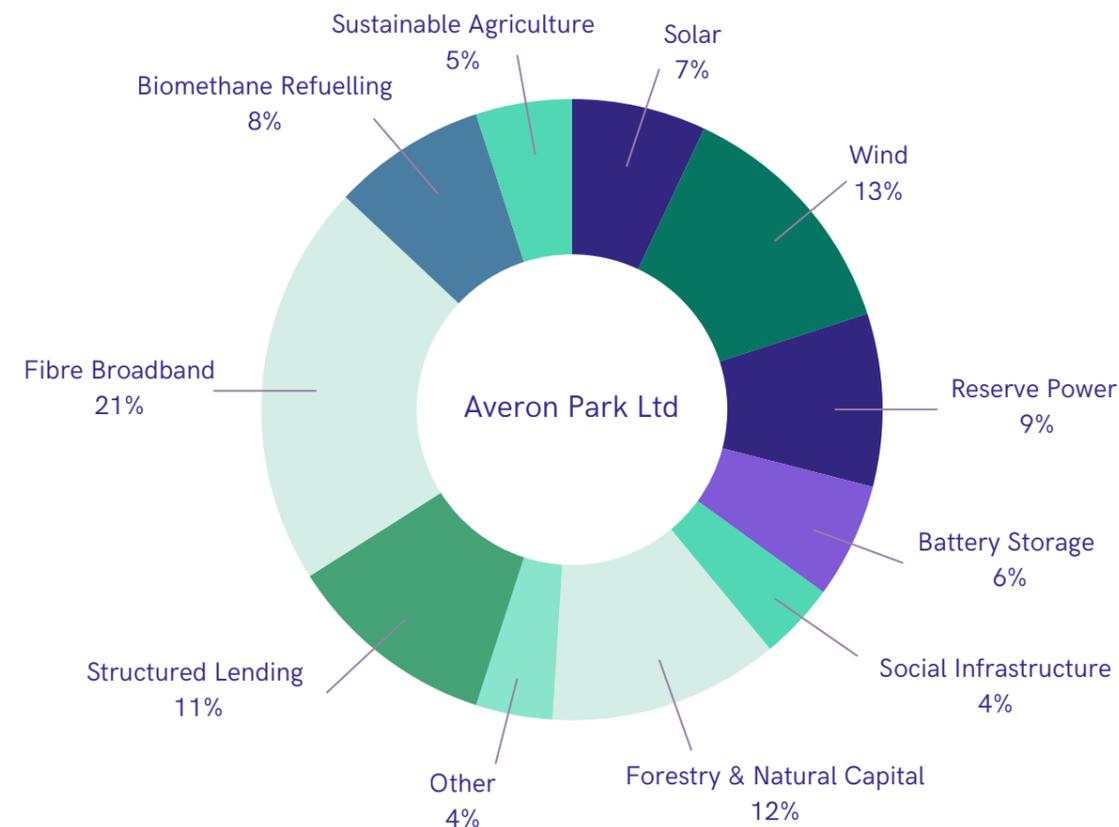
Foresight ITS invests predominantly in Solar and Wind power generation, Reserve Power and Storage, Biomethane Refuelling, Forestry & Natural Capital and Digital Infrastructure such as Fibre Broadband. These businesses typically provide returns derived from long term revenue streams or other protected market positions and a measure of inflation linkage with limited correlation to listed markets. This factsheet provides information on the businesses within the Foresight ITS.

Key information

Launch date	January 2012
Investee Company NAV	£2.174 billion (31/12/25)
Target sectors	Infrastructure and related businesses
Minimum subscription	£25,000
Top up facility	£10,000 or more at any time*
Max subscription	- Foresight ITS: No upper limit - Foresight Accelerated ITS: £2m for individual investors and £2m for joint on investors
Target return for investors	3.0% - 4.5% per annum net of charges
Regular withdrawals	Available from 1st anniversary**
Holding period until IHT exemption	2 years **

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** IHT exemption will be lost on any amount withdrawn from your holding.

Foresight Inheritance Tax Solution Portfolio 31 December 2025



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

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

Discrete Annual Performance for Foresight ITS

In the period 1 October 2025 to 31 December 2025 the value of holdings in the Foresight ITS increased moderately by 0.01%.

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

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

Liquidity*

£51m

Liquidity provided in Q4

Since 2020, we have consistently provided liquidity within an average of fifteen working days.

Direct Payment Scheme

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

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

The Foresight ITS participates in HMRC's Direct Payment Scheme for IHT. This means that holdings from Foresight ITS can be sold down and paid directly to HMRC (in part or full) prior to probate being granted in settlement of the Estate's IHT liability. This can help speed up probate and help bereaved families avoid high interest payments.



Performance Commentary for the Period 01/10/2025 - 31/12/2025

In the quarter ending 31 December 2025, the value of the businesses held by Foresight ITS increased to £2.2bn, representing an increase of £115.8m over the period. The share price increased from 127.23p at 30 September 2025 to 127.24p at 31 December 2025.

The portfolio delivered good operational performance during the quarter. Despite a challenging macroeconomic environment, the portfolio's diversified structure helped limit exposure to sector-specific risks and supported a consistent level of performance. Revenues across several sectors continued to benefit from long-term contractual arrangements and stable demand characteristics, helping to mitigate broader market pressures. Headwinds to portfolio value persist, with power price forecasts falling again this quarter. Additionally, recent Ofgem consultations have confirmed changes to indexation mechanisms that will reduce revenues for some of our renewable projects operating under the Renewables Obligation Certificate and Feed-in Tariff schemes.

Performance highlights included the digital infrastructure companies, particularly the Fibre Broadband portfolio, which continued to add new customers to its network and demonstrated stable performance during the quarter. The Biomethane Refuelling network saw further growth, with an additional site entering operations and new commitments for the construction of additional locations finalised. Within the Forestry and Natural Capital portfolio, planting activities progressed in line with expectations, supporting long-term value creation alongside environmental objectives. Current timber prices remain subdued, however the portfolio is positioned to benefit when inventories reduce and housebuilding activity increases. The strategy also demonstrated its ability to realise value through the successful sale of Banc Woodland delivering a profitable exit for the ITS, as detailed in the accompanying case study.

The investment pipeline remains strong, with a broad range of opportunities across core sectors. The focus remains on making selective investments that deliver attractive risk-adjusted returns and align with the portfolio's long-term strategy.

Overall, despite a challenging macroeconomic and geopolitical backdrop, 2025 was a year of continued progress and growth for Foresight ITS, with Net Asset Value increasing by approximately £265 million in the financial year to date. Growth was supported by continued fundraising and investment activity. We do, expect the current economic conditions to persist and have an influence on portfolio performance in the coming year. However, the portfolio enters 2026 well positioned, with a diversified range of income generating businesses and a well-developed investment pipeline.

Matt Hammond, Foresight ITS

Case Study: Banc Woodland, Afforestation

**Sector: Forestry & Natural Capital | Location: United Kingdom |
Original Investment Date: January 2021**

Banc Woodland represents the first successful exit from the UK afforestation programme pursued by the Foresight ITS and demonstrates the commercial viability of transforming low-productivity land into high-value natural capital assets. The property was acquired in 2021 as marginally economic grazing land with limited income potential. Following detailed ecological surveys, land assessments and silvicultural design, the site was approved for woodland creation and planted in 2022, initiating its transition into a productive, predominantly commercial forest. The afforestation design focused on high-yielding conifer species suited to the site's climatic and soil conditions, complemented by native broadleaf planting to enhance biodiversity and deliver wider ecosystem services.

The development of Banc Woodland created value through several distinct mechanisms. First, the project qualified for UK woodland creation grants that support both establishment and early-stage maintenance. These government-backed incentives reflect the UK's position as one of the most forest-depleted countries in Europe and the world's second-largest net importer of timber, creating strong national policy support for afforestation. Second, the planting of high-yielding commercial conifer species established a long-term timber resource, introducing future revenue potential from thinning, harvesting and replanting. Third, the woodland generated certified carbon sequestration under the Woodland Carbon Code, creating 16,550 carbon units that can be sold or retired to offset emissions - an increasingly valuable asset class as corporate demand for high-integrity carbon credits continues to rise.

By the end of the second growing season, Banc Woodland had achieved exceptional early-stage biological performance, with tree growth and carbon sequestration rates exceeding expectations. This rapid establishment materially increased asset value and highlighted FNC's ability to generate returns through proactive land transformation and ecosystem service monetisation. The quality of the woodland was further recognised when Banc was awarded the "Best Managed Woodland" title at the 2024 Royal Welsh Agricultural Society (RWAS) Woodlands Competition, alongside a second-place award in the Community and Public Access category - endorsing both its silvicultural excellence and its wider social value. Strong early performance supported Foresight's decision to launch a competitive sales process in 2025, just three years after planting.

The sale attracted significant buyer interest, reflecting growing demand for well-designed commercial afforestation schemes and the increasing price recognition of certified Woodland Carbon Code units. The transaction delivered a 1.8x multiple on invested capital (MOIC) and a 15.5% internal rate of return (IRR) over the 4.75-year holding period. Banc Woodland marks an important milestone for the Foresight ITS broader afforestation strategy, which aims to create a portfolio of productive woodlands delivering long-term timber supply, permanent carbon removal and enhanced biodiversity. The capital released from the sale will be reinvested into the next wave of woodland creation projects, reinforcing Foresight ITS' commitment to scaling natural capital investment in the UK.

Foresight Inheritance Tax Fund renewable energy statistics

Underlying ITS businesses produced

335GWh

of green energy in the year

That's enough to power

124,008

UK households

Source: Foresight Group using Ofgem TDCV and data from IPCC's SRREN report. Data taken from January 2025 - December 2025.

Contribution to the Sustainable Development Goals

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

Goal	SDG Target	Contribution for the quarter
	3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	Foresight Inheritance Tax Fund avoided: - 27,771 tonnes CO2 equivalent (compared to the electricity grid) - 49 tonnes of NOx (Nitrous Oxide) - 36 tonnes of SOx (Sulphur Dioxide) - 0.9 tonnes of PM10 (µm10 Particulate Matter) - 0.4 tonnes of PM2.5 (µm2.5 Particulate Matter)
	7.2 Increase substantially the share of renewable energy in the global energy mix.	Foresight Inheritance Tax Fund businesses produced: - 91 GWh of renewable energy - Enough electricity to power 33,797 homes
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all.	Foresight Inheritance Tax Fund businesses added: - 834.7MW of renewable generation capacity to the grid
	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	Foresight Inheritance Tax Fund renewable generation businesses raise awareness and improve human capacity for climate change mitigation.
	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2030, protect and prevent the extinction of threatened species.	Contributing to the avoidance of fossil fuel use, Foresight Inheritance Tax Fund businesses saved: - 7,846 Tonnes of Oil Equivalent (TOE)

Source: Foresight Group using Ofgem TDCV and data from IPCC's SRREN report. Data taken from 1 October 2025 - 31 December 2025.

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

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Important Information

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

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

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

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