Valuation Framework

Valuation methodology and governance

September 2026

Foresight

Invest Build Grow

Introduction

This document explains Foresight Group LLP's ("Foresight", the "Firm") valuation framework applied to the Foresight Inheritance Tax Solution ("ITS") and Foresight Accelerated Inheritance Tax Solution ("AITS"), which are part of the Foresight Inheritance Tax Fund (the "Fund"). Investors entering the Fund acquire shares in portfolio company, Averon Park Limited (the "Company"). It also explains how the Company's net asset value ("NAV") per share is calculated.

Valuation team and standards

Foresight is authorised and regulated by the Financial Conduct Authority ("FCA") as an Alternative Investment Fund Manager ("AIFM") and acts as AIFM to the Fund. FCA rules require AIFMs such as Foresight to maintain a functionally independent valuation department with robust governance and rigorous management of conflicts of interest. The Firm's valuation framework and its regulatory obligations are set out in its Valuation Policy.

In order to satisfy these regulatory requirements, Foresight has a dedicated team of valuation specialists responsible for conducting valuations across all Foresight Real Assets funds for submission to the Firm's Valuation Committee ("VC"). In addition to Foresight ITS, the team values listed investment trusts and private institutional funds. Institutional clients include pension funds such as Border to Coast and London CIV, alongside other experienced private-markets investors.

The ITS portfolio is valued using the same approach and methodology applied across Foresight's other Real Assets funds, the majority of which hold privately valued assets.

Valuations are prepared quarterly in accordance with the International Private Equity and Venture Capital Valuation ("IPEV") Guidelines, most recently updated in December 2025. The Company's NAV is calculated by combining the total portfolio valuation with cash and other net assets or liabilities. NAV per share is then calculated by dividing this total by the number of shares in issue. There is no discount or premium to NAV.

Valuation approaches

The Foresight ITS portfolio contains a diverse mix of businesses, so the valuation team applies a range of techniques to value the Fund's underlying investments. The nature and characteristics of each investment determine the most appropriate method. Discounted cash flow ("DCF") models are used most commonly, supported by comparable transaction and listed-market multiples.

At its simplest, a DCF model estimates the present value of the cash flows a business is expected to generate in future. Long-termcash-flow forecasts are developed using macroeconomic and asset-specific assumptions, then discounted to today's value using a rate that reflects the prevailing risk-free rate, such as Bank Rate or UK gilt yields,together with the risks associated with the businessor asset.

Operational solar and wind assets, forestry assets and fibre businesses are examples of ITS investments commonlyvalued using DCF models.

Macroeconomic assumptions, including inflation, are benchmarked against reputable sources such as the Office for National Statistics. Power-price forecasts are provided by third-party consultants. Asset-specific assumptions draw on operating history, the Manager's experience and validation by specialist advisers, consultants or technical experts.

DCF valuations are cross-checked against multiples implied by relevant completed transactions, which the team monitors closely. Structured Lending investments, which principally comprise loan facilities, are generally valued at the amount drawn plus accrued interest.

Valuation review process

1. Fund Manager review

Once the valuation team has prepared the quarterly valuations with support from the investment managers and finance teams, the valuations are then presented to the operationally independent Valuations Committee ("VC").

2. Valuations Committee

The VC reviews each sector and challenges the valuation team's assumptions and modelling. Once satisfied, it approves the valuations for the period. The VC comprises three members:

Gary Fraser, CEO of Foresight Group

Gary is a Chartered Accountant and Chartered Fellow of the Securities Institute with more than 25 years' finance and investment experience. Before joining Foresight in 2004, he worked at Ernst & Young and ISIS Asset Management.

David Hughes, Chief Investment Officer

David joined Foresight in 2004 and has more than 45 years' investment experience, including senior roles at Advent Venture Partners and 3i. He is a Fellow of the Chartered Association of Certified Accountants.

Stephen Thayer, Group Finance Director

Stephen has more than 20 years' corporate and fund finance experience, gained at Foresight, Marks & Spencer and EY. He is a Chartered Accountant and holds an MChem from the University of Oxford.

3. Averon Park Board

Following approval by the VC the quarterly valuations are presented to the Company's Board for further challenge and final approval. The Company's Board comprises four directors, three of whom are independent of Foresight.

4. Independent audit

The Company is audited annually by KPMG, which expresses an independent opinion on whether its financial statements give a true and fair view. A significant part of the audit focuses on the valuations of the underlying trading assets.

The audit team can draw on KPMG's broader sector expertise, including specialist valuation support where appropriate. Its work typically includes rebuilding underlying models and assessing whether the key assumptions are reasonable, based on relevant sector experience.

Summary

Valuations for the Foresight Inheritance Tax Fund are prepared quarterly by a specialist valuation team, with support from the investment managers and finance teams and approved by both the Valuations Committee and the Company's majority-independent Board. The Company's financial statements are also independently audited each year by KPMG.

The valuation team applies a range of techniques, most notably DCF models,using the same standards and rigour applied across Foresight's listed and private institutional funds. Valuations are prepared in accordance with the Firm's Valuation Policy and the IPEV Guidelines, most recently updated in December 2025.

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Important information

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