

Foresight Inheritance Tax Solution Factsheet

Q3 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	£2.058 million (30/09/25)
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** IHT exemption will be lost on any amount withdrawn from your holding.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 30 September 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 July 2025 to 30 September 2025 the value of holdings in the Foresight ITS decreased by 0.4%.

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*

£32m

Liquidity provided in Q3

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 01/07/2025 - 30/09/2025

In the quarter ending 30 September 2025, the value of the businesses held by the Foresight ITS was £2.1bn, an increase of £63.8m. The share price decreased from 127.7p at 30 June 2025 to 127.2p at 30 September 2025.

This quarter marks a significant milestone for the Foresight ITS, with the value of the underlying portfolio now exceeding £2.0bn. This milestone has been driven by stable growth in the value of the underlying portfolio of trades, material of deployment of capital into new portfolio companies, enabled by strong fundraising over the past year.

During the quarter, operational performance continued to be strong across the portfolio. As the new academic year commenced in September, we saw strong levels of occupancy across our student accommodation portfolio. The companies which form the fibre portfolio, biomethane refuelling network and recirculating aquaculture facility continued to mature, showing stable levels of customer numbers in the fibre portfolio, good volumes of biomethane dispensed from the biomethane refuelling network and continued progress towards full-scale operations at the recirculating aquaculture facility in Norway. Additionally, the large portfolio of grid-scale battery projects acquired last quarter is bedding in well and performing in line with expectations.

The lower performance this quarter was primarily driven by the cumulative effect of lower profitability across the portfolio during the period rather than any single outlier. This has been driven by, amongst other factors, lower observed electricity prices across the quarter due to a softer gas futures market, relatively flat long-term power price forecasts and low wind speeds over the quarter. This was countered to an extent by good profitability delivered by the Structured Lending portfolio, alongside continuing low levels of default in the underlying loan books within each of the specialist lending companies and strong irradiation levels across our solar portfolio due to the summer period.

Alongside wider geopolitical and macroeconomic shocks such as sluggish economic growth which continue to act as headwinds to portfolio performance, the upcoming UK Budget creates some uncertainties as the ITS, along with most of its portfolio companies, is a UK corporation tax payer. This is being carefully monitored and the diverse portfolio of trades within the Foresight ITS has historically demonstrated strong resilience against these shocks, allowing a generally stable level of performance to be delivered. With a more mature portfolio, the overall risk profile is reduced but growth is slower, hence we are focused on operational excellence and enhancing value within our mature businesses, as well as looking for new investment opportunities.

Looking ahead, we are seeing increased opportunities to support the growth of our existing portfolio companies, such as through further expansion of the biomethane refuelling network across the UK, while also generating a growing pipeline of new investment opportunities into companies which operate within the existing Foresight ITS sectors.

Matt Hammond, Foresight ITS

Case Study: Harmony Energy Income Trust (HEIT)

Sector: Battery Energy Storage Systems | Location: United Kingdom | Original Investment Date: June 2025

Battery Energy Storage Systems (BESS) are a cornerstone technology for achieving net zero and decarbonising the UK’s electricity grid. By storing excess renewable energy—such as wind and solar—when generation exceeds demand, BESS enables that clean power to be released when it is most needed, smoothing out the inherent variability of electricity generation by renewables. This flexibility supports grid stability and allows for greater penetration of renewables into the energy mix. As the UK and other countries accelerate their transition to low-carbon power, BESS is essential for balancing supply and demand, managing frequency, and ensuring a resilient, reliable grid that can accommodate ambitious decarbonisation targets.

The transaction process for the acquisition of Harmony Energy Income Trust (HEIT) was structured as a public-to-private Scheme of Arrangement. After HEIT’s board decided to explore a sale in February 2024, a sales process for the portfolio was launched in May 2024. Following the due diligence towards the end of 2024, Foresight ITS, alongside FEIP II, an institutional energy infrastructure fund also managed by Foresight, submitted an offer for the shares of HEIT in early 2025, which secured support from the HEIT board and HEIT’s major shareholders. The transaction successfully completed in June 2025.

At the time of the transaction, the HEIT portfolio was the largest portfolio of operational two-hour duration BESS assets, with a geographically diverse portfolio totalling approximately 400MW/800MWh across eight sites in England and Scotland. Two hour duration systems have proven to be more resilient and profitable than shorter-duration batteries, particularly during periods of market volatility. The portfolio benefits from long-term, index-linked capacity market revenue contracts and flexible route-to-market arrangements. In late 2024 and early 2025, the portfolio delivered exceptional performance, with revenues significantly above the UK average and several projects ranking among the top earners nationally. All projects are fully operational, with robust warranties and strong operational track records, providing immediate yield and a solid foundation for future growth.

Looking ahead, the HEIT portfolio offers substantial potential for value enhancement and strategic impact. The assets are at the start of their State of Health curve, ensuring a long operational life and opportunities for optimisation through improved route-to-market strategies and operations and maintenance efficiencies. The acquisition positions Foresight ITS as a leading owner of operational BESS in the UK, supporting the country’s net zero ambitions and providing shareholders with exposure to a high-quality asset base.

Foresight Inheritance Tax Fund renewable energy statistics

Underlying ITS businesses produced
318GWh
of green energy in the year

That’s enough to power
117,721
UK households

Source: Foresight Group using Ofgem TDCV and data from IPCC’s SRREN report. Data taken from October 2024 – September 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: - 24,221 tonnes CO2 equivalent (compared to the electricity grid) - 44 tonnes of NOx (Nitrous Oxide) - 33 tonnes of SOx (Sulphur Dioxide) - 0.8 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: - 83 GWh of renewable energy - Enough electricity to power 30,485 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: - 7,077 Tonnes of Oil Equivalent (TOE)

Source: Foresight Group using Ofgem TDCV and data from IPCC’s SRREN report. Data taken from 1 July 2025 – 30 September 2025.

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

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Important Information

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

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

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

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

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