



Foresight
ventures

WILLIAMS | ADVANCED
ENGINEERING

FORESIGHT WILLIAMS

TECHNOLOGY EIS FUND

A unique collaboration between
Foresight Group and Williams
Advanced Engineering

INVESTOR GUIDE

This Investor Guide is a Financial Promotion pursuant to the Financial Services and Markets Act 2000 and should only be read in conjunction with the Foresight Williams Technology EIS Fund Information Memorandum dated October 2018. Your attention is drawn to the important risk warnings contained therein. Words and expressions defined in the Information Memorandum shall have the same meaning in this Investor Guide

OCTOBER 2018

Introduction

Foresight Williams Technology EIS Fund

The Foresight Williams Technology EIS Fund is an exciting investment opportunity made possible by a collaboration between Foresight Group and the Williams Advanced Engineering business of the Williams Group*.

The Fund offers investors the opportunity to invest into 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. The Fund seeks to generate significant returns for investors that are possible through early-stage investing.

The relationship between Williams and Foresight began in mid-2015 and based on our respective fields of expertise, Foresight launched the Fund in November 2016.

Foresight has a 34 year track record of fund raising and investing into smaller companies in the UK through tax efficient schemes.

Since 2010, the Williams Group has diversified its operations to offer technology and engineering services under a dedicated division. Williams Advanced Engineering provides technical innovation, engineering, testing, manufacturing and operational

consultancy services to the automotive, motorsport, defence, aerospace, healthcare and energy sectors.

The Fund will target investment into those companies where we believe Williams Advanced Engineering's expertise and services can be harnessed to assist with the development of the businesses, towards successful exits at high value multiples.

A photograph of two men in business suits shaking hands. The man on the left is balding with a receding hairline, wearing a dark suit jacket over a light blue shirt. The man on the right has short, light brown hair, is smiling broadly, and wearing a dark blue pinstriped suit jacket over a white shirt and a patterned tie. They are standing in front of a glass wall with a whiteboard in the background.

Williams Advanced Engineering and Foresight will work alongside each other to provide market leading technical and engineering support as well as commercialisation know-how.

Craig Wilson
Managing Director,
Williams Advanced Engineering

Bernard Fairman
Chairman,
Foresight Group

**The group of companies of which Williams Grand Prix Holdings PLC is the ultimate parent company.*

Foresight Williams Technology EIS Fund

The Fund will invest 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.

Investment of Investors' Subscriptions could take up to two years, although it is anticipated that it will take around eighteen months.

Investors' portfolios will be diversified across at least 10 different holdings

Investors' portfolios should benefit from diversification in at least ten investments (depending on available opportunities).

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 receive the various tax reliefs as and when shares in the underlying companies are issued.

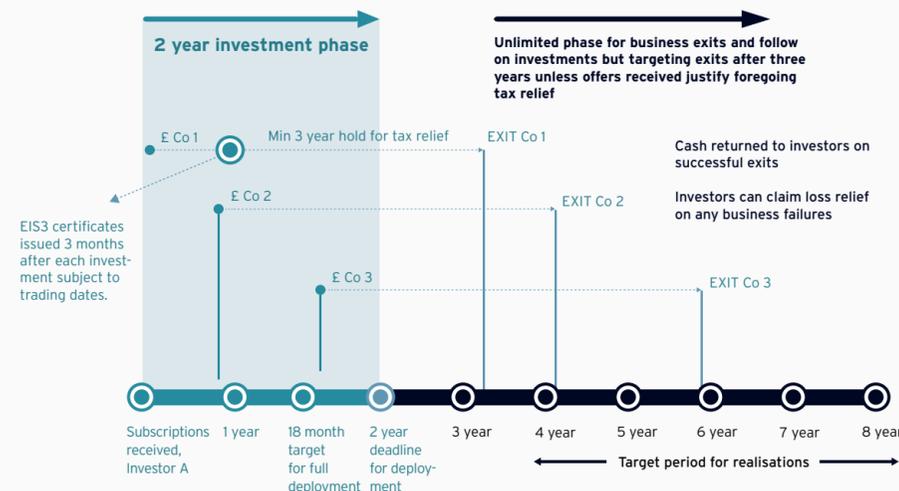
The Fund should be viewed as a long-term investment (4 to 8+ years)

It will take up to two years to deploy Investors' Subscriptions into underlying companies, although we target completing this in around 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.

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.

INDICATIVE TIMELINE FOR AN INVESTOR'S SUBSCRIPTION



This timetable is for illustrative purposes only and does not accurately represent when investments or exits will be made.

Investment Opportunity and Strategy

The Fund's core investment strategy is to focus on early stage companies with strong intellectual property ("IP"), operating in attractive markets of £100m+ market size or more, where the technology, engineering, commercial and promotional added value support from Williams Advanced Engineering may offer a distinct advantage to Investee Companies.

Rather than having a particular sector focus, the Fund is aligned to capabilities where Williams could add value. Where appropriate, the Fund will also consider co-investing with other EIS funds, family offices, IP investing groups and/or university spin out funds. This is to provide additional investment for companies as well as spread the risk of early stage investment.

Where Williams Advanced Engineering and Investee Companies agree to work together on specific projects, a Master Services Agreement (MSA) will be put in place between Williams (or an affiliate) and the Investee Company to enable the two companies to work closely together. The scope of these services will vary depending on the technology and stage of development. Typical support could include a range of engineering, prototyping and commercial services such as assisting with the development of supply chains and collaborations. Williams may also be able to offer promotional support to investee companies.

The Fund offers investors the chance to invest in a wide range of disruptive technology companies seeking to exploit their IP through scalable, commercial operations. These technologies are likely to have been developed by small teams that operate in both the academic and commercial sectors. The Fund will use the support of the Williams Advanced Engineering team as well

as an investment process geared towards tax-efficient risk-based investments.

Investors will have access to a diverse technology base with innovation at its heart. With the combination of Williams' technical, commercial and promotional experience alongside Foresight's investment expertise, experience of early-stage opportunities and nurturing of UK SMEs, portfolio companies will be offered dedicated support to accelerate their technologies towards commercialisation.

The Fund will work with a wide range of institutions to identify and develop a strong pipeline of opportunities. This will ensure a breadth of investments across different markets and technologies that are aligned to the potential for Williams to add value, such as:

- Lightweight structures
- Composites, materials and nanomaterials
- Battery systems and energy storage
- Data analytics
- Aerodynamics and thermodynamics
- Electronics and control systems
- Advanced manufacturing

INVESTMENT CRITERIA

Foresight believes that there are a number of elements that lead to a successful EIS investment. The Fund will focus on the following criteria when evaluating potential investment opportunities.

WILLIAMS ADVANCED ENGINEERING VALUE-ADD:

The focus will be on early stage companies where Williams' technology, engineering, commercial or promotional added value support may offer a distinct advantage.

DISRUPTIVE 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 which is less than 36 months from the point of initial investment.

MARKET OPPORTUNITY GREATER THAN £100 MILLION:

The opportunity should have a minimum addressable global market size of £100m.

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 Foresight will have the discretion to invest in companies which may not exhibit all of these characteristics.

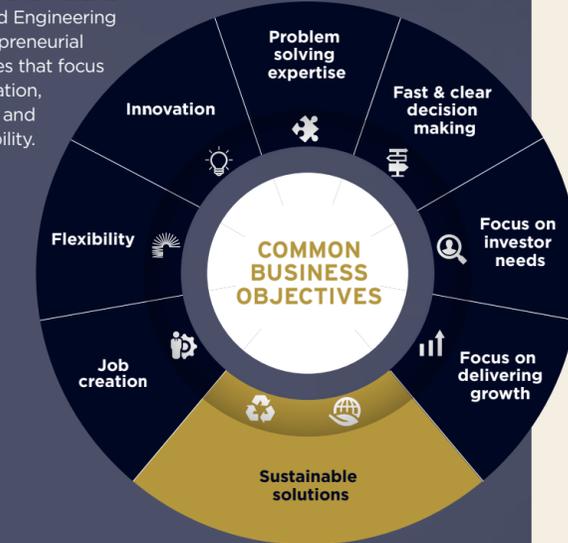
Risk Factors

The Fund Manager sets out the key risks below. For full details please refer to page 36 of the Information Memorandum.

- Investment in smaller, unquoted companies involves a high degree of risk
- Investors may not get back any or all of their investment
- Small, thinly capitalised companies in new markets are vulnerable to performance risk, counterparty credit risk, interest rate risk, market risk, supplier and customer concentration risk and other commercial risks which might impact their performance
- Fund Manager's inability to identify appropriate Investee Companies/loss of key staff at Foresight and/or Williams might damage Fund performance
- Past performance is not necessarily a guide to future performance and may not be repeated
- Lack of liquidity for individuals to sell investments
- No guarantee investments can be realised after four years
- EIS relief is dependent on investee companies continuing to meet strict qualifying criteria
- Tax reliefs depend on personal circumstances and government policy, both of which are subject to change

Common Business Objectives

Foresight and Williams Advanced Engineering are entrepreneurial businesses that focus on innovation, flexibility and sustainability.



FORESIGHT GROUP responsible for

- Fund administration
- Fundraising
- Transaction support and investment negotiation
- Investee Company financial & commercial support
- Board representation
- Exit planning
- Regular investor communication
- Co-investment sourcing
- Sourcing of Non-Executive Chairmen/Directors
- Fund Management
- Proprietary deal flow and sourcing of investment opportunities

WILLIAMS ADVANCED ENGINEERING responsible for

- Proprietary deal flow and sourcing of investment opportunities
- Technical due diligence for each investment opportunity*
- Ongoing investee company technical & promotional support under a Master Services Agreement
- Board representation
- Developing strategic alliances
- Fundraising support through events and knowledge sharing
- Sourcing of Non-Executive Chairmen/Directors
- Co-investment sourcing

*Williams Advanced Engineering will, in addition, unless otherwise agreed with Foresight, procure IP due diligence relating to the strength of any patents.

UNIQUE COLLABORATIVE WORKING

Details of the Fund

FUND STRUCTURE	Unapproved EIS Fund
MINIMUM SUBSCRIPTION	£10,000 and multiples of £1,000 thereafter
FUNDRAISING TIMETABLE*	Evergreen
TARGET PORTFOLIO**	A likely minimum of ten investee companies
SECTOR FOCUS	Unquoted companies which have early-stage disruptive technologies applicable across a wide range of industrial uses
TAX RELIEFS***	<ul style="list-style-type: none">• 30% Income Tax relief¹• Capital Gains Tax exemption• Capital Gains Tax deferral• Inheritance Tax exemption• Loss Relief is also available

¹ Income tax relief applies to all UK taxpayers on the amount invested into EIS qualifying companies up to £1,000,000 in any one tax year (From April 2018, relief may be available on the first £2 million provided investments above £1 million are in “knowledge-intensive” companies). The relief is retained provided that shares are held for three years subject to the Investee Companies retaining their qualifying status.

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

**Depending on the funds raised and the investment opportunities secured

***For a full summary of the tax reliefs available see page 26 of the Information Memorandum

FEES & CHARGES	
Retail Client Initial Charge	2.5% of the Subscription (net of any agreed adviser charges)
Professional Client Initial Charge	5.5% of the Subscription
Annual Management Charge*	2.0% of the Portfolio value
Secretarial Charge	0.3% of the Portfolio value (subject to an RPI-linked minimum of £60,000 in aggregate)

*One year's AMC will be charged from Investors' Subscription after the 14-day cooling off period (net of any agreed Adviser Charges and the Foresight Initial Charge) in advance. From year two onwards, the AMC will be recouped through investee company exits, dividends or income.

ADVISER CHARGES

Adviser Charges agreed between investors and their financial intermediaries (up front and ongoing) may be facilitated from the amount subscribed (or the proceeds of sale of investments or dividends) and will reduce the value of the Investor's investments via the Fund and, therefore returns. Adviser Charges are deducted before funds are invested into EIS qualifying companies and, therefore, do not qualify for EIS relief. Commission may be payable in certain circumstances.

PERFORMANCE FEE

This fee is only payable once investors have received proceeds in excess of their Subscription. The Performance Incentive Fee is calculated at 20% of distributions to investors in excess of an Investor's Subscription.

FORESIGHT SUPPORT

Investors and intermediaries will be sent investor portfolio reports every six months.

What's Next

If you would like to discuss this investment opportunity with someone at Foresight Group please do not hesitate to contact us on **020 3667 8199** or **sales@foresightgroup.eu**

IMPORTANT INFORMATION

Issued by Foresight Group LLP (“Foresight”), The Shard, 32 London Bridge Street, London SE1 9SG, which is authorised and regulated by the Financial Conduct Authority (FCA number: 198020). Applications to the Foresight Williams Technology EIS Fund may be made only using the application form contained in the Information Memorandum, copies of which are available from Foresight, and will only be accepted subject to the terms and conditions of the Information Memorandum. No reliance is to be placed on the information contained in this document in making any such application. This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities, nor does it solicit any such offer or invitation. Past performance is not necessarily a guide to future performance and may not necessarily be repeated. This Investor Guide includes statements that may be deemed to be “forward looking statements” which are not based on historical fact but which relate to future events and circumstances. Such statements involve risks and uncertainty and should not be taken as a representation that any trends or activities will continue in the future. The contents of this document have been prepared by and approved as a financial promotion for the purpose of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority (FRN: 198020). Neither Williams Technology Ventures Limited nor any member of the group of companies of which Williams Grand Prix Holdings PLC is the ultimate parent company, assumes any responsibility for the contents of this document.

OCTOBER 2018