



**Foresight**  
ventures

**WILLIAMS** | ADVANCED  
ENGINEERING

Foresight Solar & Technology  
VCT PLC

Share Issue for a new class of

# **FORESIGHT WILLIAMS TECHNOLOGY SHARES**

## **INVESTOR GUIDE**

This Investor Guide is a Financial Promotion issued and approved by Foresight Group LLP (FCA No. 198020) pursuant to the Financial Services and Markets Act 2000 and should only be read in conjunction with the Foresight Solar & Technology VCT plc Prospectus relating to the Foresight Williams Technology Shares Offer dated 20 December 2019. Your attention is drawn to the important risk warnings contained therein. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Guide.

DECEMBER 2019

## INTRODUCTION:

# Foresight Williams Technology Shares

The Foresight Williams Technology Shares represent an exciting investment opportunity made possible by the collaboration between Foresight Group and the Williams Advanced Engineering business of the Williams Group. This collaboration is based on the combined vision and respective fields of expertise of Foresight Group and Williams.

The Offer provides investors with the opportunity to invest in a portfolio of early-stage companies with high growth-potential, developing innovative and occasionally transformational technologies across a range of different sectors.

The relationship between Williams and Foresight began in early 2015. Following an initial period of due diligence, the Foresight Williams Technology EIS Fund was launched in November 2016. Since then and at the time of publication, the EIS Fund has raised approximately £40 million and made fifteen investments across a range of different sectors, deploying some £24.9 million to date. Throughout this period the Foresight and Williams teams have worked closely together in sourcing and carrying out the due diligence on potential investments.

Having validated that the Foresight Williams strategy could both raise and

deploy money, discussions began in mid-2018 to expand the strategy by launching a VCT qualifying share class.

Foresight has a 35-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.

The Offer will target investment in companies where Foresight's and Williams' expertise and services can be harnessed to assist with the development of the businesses, with the objective of achieving 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, wearing a dark blue pinstriped suit jacket, a white shirt, and a grey patterned tie. They are both smiling broadly. The background is a blurred office environment with glass partitions.

Williams and Foresight 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

# Foresight Williams Technology Shares

The Foresight Williams Technology Share class represents an exciting investment opportunity made possible by the collaboration between Foresight Group and the Williams Advanced Engineering business of the Williams Group.

The Offer will target investment in companies where we believe Foresight's and Williams' expertise and services can be harnessed to assist with the development of the businesses, with the objective of achieving successful exits at high value multiples.

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

1

## Engineering and Technology Adviser

The Williams brand is synonymous with world class engineering, innovation and performance. Investee companies can benefit from this association, subject to agreement.

2

## Innovative Technologies

The Fund will target businesses with potentially market-leading technologies that have achieved significant progress prior to investment.

3

## Foresight's Track Record

Foresight has a 35-year track record of investing into and growing small companies. Foresight now has c.£4 billion of assets under management and a wide and varied investor base of private and institutional investors.

4

## New VCT Share Class

A new VCT Share Class that will build on the existing track record of the VCT and the Foresight Williams strategy. Sitting inside an existing VCT brings cost benefits to all shareholders, existing and new.

5

## VCT Qualifying Investments for Tax Relief

Investors in the Foresight Williams Technology VCT Share Class, will qualify for three attractive tax reliefs subject to their personal circumstances:

- 30% income tax relief
- Tax free dividends
- Tax free capital growth

“As we continue to receive requests for support from businesses we are increasingly finding that Formula One know-how and technology can benefit other industries.”

**Claire Williams**

Deputy Team Principal, Williams

# Investment Opportunity and Strategy

## Technology and engineering innovation at its core

The Foresight Williams Technology share class' core investment strategy will be to focus on relatively early stage companies with strong IP, operating in attractive, substantive markets where Williams' technology, engineering, commercial and promotional added-value support may offer a distinct advantage to Investee Companies. Rather than having a particular sector focus, the new share class intends to invest principally in early stage UK technology companies aligned to capabilities where Williams Advanced Engineering can add value. The Manager will also consider co-investing with the Foresight Williams Technology EIS Fund, or other VCTs, family offices and/or university spin out funds. This is to provide additional investment for companies as well as help spread the risk of early stage investment.

Initial investments made from the Foresight Williams Technology shares fund will typically range between £0.5 million and £3 million in portfolio companies, using ordinary shares, preference shares or loan stock so as to comply with VCT rules. Where the Foresight Williams Technology VCT Share Class or the Foresight Williams Technology EIS Fund has made an initial investment, it is expected that some of the funds raised will be used for follow-on investments, as the investee companies mature and start generating revenues and profits.

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.

Foresight and Williams will work with a wide range of organisations and advisers to identify and develop a strong pipeline of opportunities. This will ensure a breadth of investments across different markets and technology areas that are aligned to the potential for Williams to add value, such as:

-  **Aerodynamics and thermodynamics**
-  **Battery systems and energy storage**
-  **Composites, materials and nanomaterials**
-  **Data analytics**
-  **Electric machines and drives**
-  **Electronics and control systems**
-  **Lightweight structures**
-  **Prototyping**
-  **Systems integration**

## Investment opportunity history

Foresight and Williams have reviewed more than 700 opportunities from diverse sectors since the start of the collaboration



# Investment Criteria

Foresight believes that there are a number of elements that lead to a successful VCT investment. The Foresight Williams Technology share fund will focus on the following criteria when evaluating potential investment opportunities



#### **Innovative technology:**

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



#### **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.



#### **A roadmap to commercialisation:**

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



#### **High risk, high growth potential companies**

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



#### **Market opportunity greater than £100 million:**

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



#### **A strong and ambitious management team:**

The share class 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 VCT will have the discretion to invest in companies which may not exhibit all of these characteristics.

## Risk Factors

Some of the key risks of investment are set out below. Please ensure you read the Risk Factors sections set out in the Prospectus in full.

- 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
- 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
- VCT 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

“ *Engineering represents the biggest single sector for UK exports and it is at the heart of Britain’s international competitiveness, its R&D and innovation* ”

The Institute for Engineering & Technology  
- Boosting Finance for Engineering and Technology

## Details of the Offer

<b>Company:</b>	Foresight Solar & Technology VCT plc
<b>Share class:</b>	Foresight Williams Technology Shares
<b>Offer size:</b>	£20,000,000*
<b>Offer opens:</b>	20 December 2019
<b>Closing date tax year 2019/20:</b>	3 April 2020 (12 noon)
<b>Closing date tax year 2020/21:</b>	18 December 2020*
<b>Investment sectors:</b>	Early Stage Venture Capital
<b>Minimum subscription:</b>	£3,000
<b>Maximum subscription:</b>	> £200,000 (in each tax year for VCT tax relief)
<b>Dividend policy:</b>	Target average 5% per annum from year 4 onwards**
<b>Share buyback policy:</b>	discount of 10% to net asset value - with target reduction to 5% from 2025
<b>Shareholder loyalty bonus:</b>	investors who hold shares in other VCTs managed by Foresight will qualify for a 0.5% discount on the offer costs as a loyalty bonus
<b>Early bird discount:</b>	a 1.0% discount will apply to the offer costs in respect of applications received by 12 noon on 28 February 2020

## Fees and Charges

	Where adviser charge agreed	Where commission is payable	Direct Investors
<b>Promoter's Fee</b>	2.5%	2.5%	5.5%
<b>Initial Commission (% of amounts subscribed)</b>	n/a	3.0%	n/a
<b>Annual Commission (% of NAV)*</b>	n/a	0.5%	n/a
<b>Adviser Charges **</b>	Variable	n/a	n/a

### Annual Fees

2.0%\* Annual Management Fee  
0.3%\* Administration Fee  
\*calculated as a % of NAV

### Performance Fee

20% of distributions over 110p per share (subject to RPI adjustment)

For full information on Annual Fees and the Performance Fee see page 50 of the Foresight Solar & Technology VCT Securities Note dated 20 December 2019

### Foresight Support

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

*The minimum subscription level for the Offer to become unconditional is £1 million (before expenses) and no FWT Shares will be allotted until this minimum subscription level is reached.*

*\* The Directors reserve the right to increase the size of the Offer (with any such increase in excess of the over-allotment facility being subject to the issue of a supplementary prospectus) at their discretion. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.*

*\*\* NB this is an average target over a number of years and in any given year the 5% target may not be met (or may be exceeded).*

## Indicative offer timetable

▶ Launch	▶ 1st Key Date	▶ 2nd Key Date	▶ Final close
20 December 2019	<b>28 FEBRUARY 2020</b> Early Bird Discount Applications received by 12 noon on 28 February 2020 will qualify for a 1.0% Early Bird Discount on your subscription amount	<b>Deadline for applications</b> <b>3 April 2020</b> (12 noon) (for tax year 2019/20)	<b>Deadline for applications</b> <b>18 December 2020*</b> (for tax year 2020/21)

## 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** This is not a prospectus but an advertisement and investors should not subscribe for any transferable securities referred to in this advertisement except on the basis of information in the Prospectus, which was published by Foresight Solar & Technology VCT plc in relation to a new share class "Foresight Williams Technology Shares" on 20 December 2019. An investment in Foresight Solar & Technology VCT plc is subject to a number of risks, including partial or total loss of capital invested. Investors can obtain copies of the Prospectus from Foresight Group The Shard, 32 London Bridge Street, London SE1 9SG and from www.foresightgroup.eu. VCTs must invest 80% of funds raised in qualifying investments within three years (with 30% so invested within the 12 months of the end of the accounting period in which it was raised) and you must hold the investment for five years to retain the 30% income tax relief. VCTs should be seen as longer term investments and may be higher risk and more difficult to realise than investing in other securities listed on the Official List of the FCA and admitted to trading on the London Stock Exchange. The secondary market for shares in VCTs is limited and as a result shares in the VCT usually trade at a discount to the net asset value. Past performance should not be seen as an indication of future performance. The value of shares in a VCT, and any income from them, may fall as well as rise and investors may not get back what they originally invested, even taking into account the tax breaks. The VCT is designed to provide capital for small companies and the VCT will invest in a portfolio of companies. As such, there is a risk that these companies may not perform as hoped and in some circumstances may fail completely. Although Foresight is currently seeing a strong flow of opportunities, there can be no guarantee that suitable investment opportunities will be identified in order to meet the objectives of the VCT. This information does not constitute or form part of any offer for sale solicitation or any offer to buy or subscribe for any securities. Any decision in connection with an investment in this security should be made only on the basis of information contained in the Prospectus issued in connection with the Foresight Solar & Technology VCT offer. When considering what action to take you are recommended to seek your own personal financial advice from an appropriately authorised independent financial adviser. You should also seek advice about your own personal financial position in relation to entitlement to tax reliefs associated with an investment in the VCT. Issued and approved by Foresight Group LLP, which is regulated in the conduct of investment business by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS. FCA No. 198020.