



### INVESTMENT MANAGER'S REPORT

The Infrastructure Shares fund successfully raised the maximum amount sought of £16.4 million by the closing date of 18 July 2012. We have built a pipeline of potential investment opportunities utilising strong relationships in the PFI markets and approaching established PFIO market participants including primary market contractors, established infrastructure funds and third party financial advisers. The first four investments were completed in the final quarter of 2012 and first two weeks of 2013.

### PORTFOLIO ACTIVITY

The period to the end of the third quarter was utilised to build a robust pipeline of secondary market PFI investments. Whilst no investments had been completed by the end of the third quarter, two investments were made in October and December, a 50% stake in the Drumglass High School PFI project in Northern Ireland and a 6.25% stake in the Stirling Schools PFI Project in Scotland. Two further investments have been completed in the first two weeks of 2013 which involved the acquisition of 25% stakes in each of the Sandwell Schools PFI Project and the Staffordshire Schools PFI Project, both of which are located in the West Midlands. Across the four investments the fund now has 13 individual schools under management. The fund has agreed to acquire stakes in four health PFI projects with an aggregate investment requirement of £5.5m which should reach completion by the end of February. The fund is in discussions with sellers of other PFI and wider infrastructure assets which should see the fund fully invested by 31 March 2013.

### PERFORMANCE HISTORY

Currently in investment phase. Performance will be reported once fully invested.

### SUMMARY

#### KEY INFORMATION

Launch Date	2012
Net Assets (£'000)	£15,522
NAV per Share	94p
Movement in NAV since last quarter	0.1%
Share Price	100.0p
Premium/discount to NAV	5.7%
No. of Investee Companies	13
Management Fee	1.75%

#### LARGEST HOLDINGS (As at the date of publication)

No.	COMPANY	INVESTMENT (£)
1	Drumglass High School	1 million
2	Stirling Schools	1.2 million
3	Staffordshire Schools	0.7 million
4	Sandwell Schools	1.1 million

# Foresight VCT Infrastructure

Third Quarter 2012



## INVESTMENT OBJECTIVE

Foresight 2 VCT plc is a generalist fund aiming to provide investors with attractive returns from a portfolio of investments in fast-growing, unquoted UK companies.

## INFRASTRUCTURE

To invest in companies which own and operate essential assets and services which enjoy long-term contracts with strong counterparties or government concessions. To ensure VCT qualification, Foresight Group will focus on companies where the provision of services is the primary activity and which generate long-term contractual revenues, and thereby facilitate the payment of regular, predictable dividends to investors.

## ABOUT FORESIGHT GROUP

Formed in 1984, Foresight built its reputation amongst investors by delivering strong performance from unquoted UK investments. Our investment approach has evolved to encompass Private Equity, Infrastructure and Environmental investments in the UK, Spain and Italy. We are one of the largest VCT managers with £250m VCT Funds Under Management. As a fully independent alternative asset manager, we are owned by our partners, who together have more than 200 years' combined experience across a wide range of sectors, and our three investment teams are fully collaborative with a pro-active and pragmatic style.

## PORTFOLIO MANAGERS

JAMIE RICHARDS      jrichards@foresightgroup.eu  
RICHARD THOMPSON      rthompson@foresightgroup.eu

## THE BOARD

### JOHN GREGORY (CHAIRMAN)

John Gregory is a chartered accountant with a broad experience of banking, corporate finance and fund management and was an executive director of Noble Fund Managers Limited until 2004. Currently, he is Senior Independent Non-Executive Director of Sphere Medical Holdings plc, an AIM listed company, Non-Executive Chairman of Social Impact VCT plc and a non-executive director or chairman of a number of private companies. His earlier career was in the City of London and included posts as an executive director of Singer & Friedlander Holdings Limited and, before that, Managing Director of Henry Ansbacher & Co Limited.

### PETER DICKS

Peter Dicks was a founder director of Abingworth plc in 1973, a successful venture capital company. He is currently a director of a number of quoted and unquoted companies, including SportingBet plc and Private Equity Investor plc where he is Chairman, Polar Capital Technology Trust plc, Graphite Enterprise Trust plc and Standard Microsystems Inc, a US-NASDAQ quoted company. In addition, he has been a director of Foresight VCT plc and Foresight 2 VCT plc since their launch in 1997 and 2004 respectively and is a director of Foresight 3 VCT plc and Foresight 4 VCT plc. He is also Chairman of Unicorn AIM VCT plc.

### GORDON HUMPHRIES

Gordon Humphries qualified as a chartered accountant with PricewaterhouseCoopers before moving into financial services, where he has over 20 years' experience. He is currently Head of Investment Companies at Standard Life Investments and before that he was Deputy Head of Investment Trusts at F&C Asset Management plc. Gordon is a non-executive director of Maven Income and Growth VCT 5 plc.

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