



Foresight Solar & Infrastructure VCT plc (formerly Foresight Solar VCT plc)

Letter to Ordinary Shareholders from David Hurst-Brown, Chairman

Dear Shareholder,

Foresight Solar & Infrastructure VCT plc (formerly Foresight Solar VCT plc)
Ordinary Shareholder Option to Remain Invested or Exit

14 November 2016

Dear Shareholder,

The fifth anniversary of the final closing of the original public offer for subscription for the Ordinary share class of the company occurred on 8th November 2016.

Given this, and as we explained in correspondence at the start of the year, Foresight has undertaken an exercise to explore options to facilitate the realisation of part or all of each investor's shareholding, to give investors the choice of selling some or all of their shares back to the company, or remain invested for the longer term to take advantage of tax-free dividends. Such options include selling or refinancing the solar assets as the current low interest rate environment presents the opportunity to raise relatively cheap debt in order to generate a value uplift prior to an ultimate exit of the solar assets.

As promised, we are now writing to you to determine your choice of whether you wish to sell your shares at the first available opportunity or whether you wish to remain fully or partially invested for a further period of time. Your response will be binding so that we can action the requests of all shareholders. Attached to this letter is a response form for you to complete and indicate how many, if any, shares you might like to sell.

We have previously stated that we are confident we will be able to satisfy those investors seeking to sell some or all of their shares. However in certain circumstances, particularly if a large number of investors elect to sell, it may be possible that either (i) we are unable to meet the demands of those investors who wish to remain invested if it is uneconomic to run a small investment portfolio in particular if we receive attractive offers for the outright sale of assets; or (ii) we might be unable to meet all of the demands for liquidity within the planned timescale for those investors wanting to sell.

Also it is important to note that we cannot predict the exact timing or price of the exit opportunity. Your total return will depend on prices achieved on the ultimate sale of the solar assets and we continue to work hard to maximize the value of the portfolio.

To discuss your options in more detail we would strongly recommend that you contact your FCA Authorised adviser.

The final page of this letter asks you to select your chosen option. Please make your choice, sign the form and return it to us in the Foresight addressed pre-paid envelope provided. Your response will be final, binding and will need to be received by 15th January 2017.

Option to Remaining Invested

As set out in the original prospectus, we believe that some investors may wish to stay invested for the longer- term to take advantage of the potential stream of tax-free future dividends from the 25-year income profile of solar power assets. The potential benefits of remaining invested are set out below.

Shareholders' Options

We anticipate that the first liquidity event (the "First Planned Exit Date"), will occur between March and July 2017. Relevant points to consider when evaluating your options regarding the First Planned Exit Date are:

Foresight Solar & Infrastructure VCT Plc

c/o Foresight Group
The Shard
32 London Bridge Street
London
SE1 9SG



For Ordinary Shares you elect to sell:

- We anticipate shares will be acquired by the Company at a price in the range of £0.95 to £1.01 per share. This assumes that total dividends paid to ordinary shareholders by such date will be 29p, of which 23p has already been paid. This would generate a total return since original investment of £1.24 to £1.30 at such point. Please refer to the most recent annual accounts for a narrative of the main factors behind our most recent forecast of net return; and
- Shares will be acquired at net asset value.

For Ordinary Shares you elect to remain invested:

- We believe that very few asset classes can deliver such predictable, non-equity correlating returns as solar PV power. Further, the VCT has substantial exposure to Feed-in-Tariff subsidised power plants which provide the most predictable of income streams available to solar power;
- The performance of Foresight Solar and Infrastructure "O" Shares has been strong since launch and the Board remains confident that the VCT can continue to deliver dividends of at least 6p per annum in the long term;
- Shares that remain in the VCT will continue to deliver tax-free dividends with potential for tax-free capital growth at a time when there are limited possibilities to access lower risk asset classes within tax advantageous structures; new VCT fund raises cannot be invested into solar PV generating assets, or indeed any energy generating assets;
- The Investment Manager, Foresight Group, has substantial experience in overseeing solar assets via its in-house team of engineers and specialist portfolio managers and will actively manage the portfolio in order to continually optimize performance; and
- We will offer further liquidity at net asset value within two years from the first Planned Exit Date.
- For the avoidance of doubt at this point only Ordinary shares of the Company can be sold. Planned liquidity events for other share classes, such as C shares and D shares, will be provided after the relevant 5 year anniversaries have passed.

Action Points

- Tick one box in the form overleaf with your final and binding decision;
- Print your name, sign and date the form; and
- Return the completed form in the Foresight addressed pre-paid envelope provided by 15 January 2017.

Please note that where forms are received blank, where no forms are received at all, or if forms are received late, we will assume that you wish to remain invested.

Although we cannot under any circumstances give advice should you have any queries please do not hesitate to contact our Investor Relations team on 020 3667 8159 or at investorrelations@foresightgroup.eu.

Yours faithfully,

David Hurst-Brown
Chairman

Foresight Solar & Infrastructure VCT Plc

c/o Foresight Group
The Shard
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London
SE1 9SG



Form for Completion: Binding Indication of Preference

Instructions:

Please tick one box only. Where forms are received blank or where no forms are received at all or if received late, we will assume that your intention is to remain invested.

The options below refer to the “**First Planned Exit Date**”, which is scheduled between March and July 2017.

Please note that your decision is final and binding.

Tick One of the Boxes

Option 1 – Remain Fully Invested

I confirm that I wish to retain all of my Ordinary Shares in Foresight Solar & Infrastructure VCT Plc.

Option 2 – Partial Retention and Sale

I confirm that I wish to sell half of my Ordinary Shares in Foresight Solar & Infrastructure VCT Plc at the First Planned Exit Date and retain the other half. In the event of my holding an odd number of shares, I agree that the Shares to be sold will be rounded down to the nearest whole number.

Please note that the only available option for partial retention is to retain half your shares, and not any other proportion.

Option 3 – Full Exit

I confirm that I wish to sell all of my Ordinary Shares in Foresight Solar & Infrastructure VCT Plc at the First Planned Exit Date.

Investor Name: Investor Signature:
(please print)

Investor Shareholder Reference

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 Number

(please note that this is an 11 digit reference that can be located on your share certificate)

Date: