

Key Information Document

PURPOSE

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

PRODUCT

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|---|---|
| Name: Foresight VCT plc ("the Company") | ISIN: GB00B68K3716 |
| Manufacturer: Foresight VCT plc | Competent Authority: Financial Conduct Authority (FCA No. 198020) |
| Contact Details: The Company can be contacted through its company secretary Foresight Group LLP, The Shard, 32 London Bridge Street London SE1 9SG +44 (0)20 3667 8100 www.foresightgroup.eu | Date: This key information document (KID) has been produced by the board of directors of the Company for publication on 31 December 2017 |
| | Investment Manager: Foresight Group CI Limited (Manager) |

You are about to purchase a product that is not simple and may be difficult to understand

WHAT IS THIS PRODUCT

| | |
|----------------------------------|---|
| Type: | The ordinary shares of 1p each (Shares) of the Company, which is a venture capital trust ("VCT") and a self-managed Alternative Investment Fund ("AIF"), are listed on the premium segment of the Official List of the UKLA and admitted for trading on the Main Market of the London Stock Exchange. There is no specified maturity date or unilateral termination date. |
| Objectives: | To provide attractive returns from a portfolio of investments in unquoted UK companies and to optimise tax-free income from dividends and interest received on investments. The value of the Shares, and income therefrom, will depend on the performance of the underlying investments. |
| Intended retail investor: | Retail investors, aged 18 or over, who are higher rate UK tax-payers. VCT investing is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from the investment. |
| Notes: | Shares of the Company are bought and sold via markets. Typically, at any given time on any given day the price you pay for a share will be higher than the price at which you can sell it. |

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



The risk indicator assumes you keep the product for 5 years. The actual risk can vary significantly if you cash in at an early stage and you may get back less. You may not be able to sell your product easily or you may have to sell at a price that significantly impacts on how much you get back.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions could impact the capacity of the Company to pay you. Other risks include Economic, Political, VCT Tax, Regulatory and Market risks.

Capital may be at risk as the value of investments may go down as well as up and is not guaranteed and therefore investors may not get back the amount originally invested. Past performance is not a guide to future performance. This product does not include any protection from future market performance so you could lose some or all of your investment.

| Performance Scenarios | Investment £10,000 Scenarios | 1 year | 3 years | 5 years (Recommended holding period) |
|--|------------------------------|--|-------------------------|---|
| | | Stress What you might get back after costs Average return each year | £4,470 -55.3% | £5,368 -18.7% |
| Unfavourable What you might get back after costs Average return each year | £8,303 -17.0% | £7,093 -10.8% | £6,312 -8.8% | |
| Moderate What you might get back after costs Average return each year | £9,893 -1.1% | £9,615 -1.3% | £9,344 -1.3% | |
| Favourable What you might get back after costs Average return each year | £11,651 16.5% | £12,881 8.8% | £13,671 6.5% | |

NB: Performance has been based on share price total return with dividends reinvested.

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products. The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

This product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the end of the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so. Your maximum loss would be that you will lose all your investment.

The figures shown include all the costs of the product itself, but may not include all the costs that you pay to your advisor or distributor. The figures do not take into account your personal tax situation or any initial VCT income tax relief, which may also affect how much you get back. The tax legislation of your home Member State may have an impact on your actual pay-out.

WHAT HAPPENS IF FORESIGHT VCT PLC IS UNABLE TO PAY OUT?

As a shareholder in the Company you would not be able to make a claim to the Financial Services Compensation Scheme about the Company in the event that the Company is unable to pay out. You may face a financial loss should the Company default on its obligations. There is no compensation or guarantee scheme in place which may offset all, or any, of this loss.

WHAT ARE THE COSTS?

Table 1: Costs over Time The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest £10,000. The figures are estimates and may change in the future.

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

| Investment: £10,000 Scenarios | If you cash in after 1 year | If you cash in after 3 years | If you cash in after 5 years |
|---------------------------------|-----------------------------|------------------------------|------------------------------|
| Total costs | £260 | £665 | £1,053 |
| Impact of return (RIY) per year | 2.60% | 2.27% | 2.20% |

Table 2: Composition of Costs

The table below shows:

- the impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

This table shows the impact on return per year

| | | | |
|-------------------------|------------------------------------|------|---|
| One off costs | Entry Costs | | The impact of the costs you pay when entering your investment. This is the most you will pay, and you could pay less. |
| | Stamp duty | 0.5% | Not included are any adviser charges you may separately agree with your financial adviser. |
| Ongoing costs | Exit Costs | n/a | The impact of the costs of exiting your investment when it matures. |
| | Portfolio transaction costs | n/a | The impact of the costs of us buying and selling underlying investments for the product. Please note transaction costs are borne by the underlying investment companies. |
| | Other ongoing costs | 2.1% | The impact of the costs that we take each year for managing your investment. Please note that annual ongoing costs are capped at an amount equal to 2.4% of net assets of the Company. |
| Incidental costs | Performance fees | 1.0% | The impact of the performance fee. These are paid to the Manager if the product outperforms its benchmark. In respect of investments made from March 2017, the Manager is entitled to an incentive fee in respect of cash proceeds received in respect of a realisation of each investment subject to (i) an investment growth hurdle of 4% plus RPI (compound) and (ii) a total NAV return hurdle (NAV plus dividends) of 100p (measured from 18 December 2015 and tested at the point of realisation, quarterly thereafter and at the payment date). The amount of the fee is 20% of the excess over the investment growth hurdle. |
| | Carried interests | n/a | n/a |

Depending on how you buy these shares you may incur other costs, including broker commission platform fees and stamp duty. The distributor will provide you with additional documents where necessary. The Company aims, but is not committed, to offer liquidity to shareholders through ongoing buybacks, subject to cash availability, at a target discount of approximately 10% to net asset value. Distribution costs may arise.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

RECOMMENDED MINIMUM HOLDING PERIOD: 5 YEARS

You should be prepared to hold your shares for a minimum of 5 years as VCTs are intended to have a long investment horizon. An investment in the Company should be considered as a long-term investment.

The Company does not have a fixed winding up date and therefore, unless shareholders voted to wind-up the Company, Shareholders will only be able to realise their investment through the market. You may sell your investments within the recommended holding period without penalty fee.

The Company's share prices are quoted on the London Stock Exchange so, provided there is a willing buyer, you may realise your investment through a stockbroker or share dealing account. Previously owned VCT shares do not qualify for initial income tax relief and there is, therefore, a limited market for secondary VCT shares. The price you receive on the open market may therefore not reflect the underlying net asset value of the shares. The Company aims, but is not committed, to offer liquidity to shareholders through an ongoing share buyback policy, subject to cash availability, at a target discount of approximately 10% to net asset value. In line with regulation governing public companies, there are specific periods when buybacks are prohibited, such as when the Company is preparing its annual and half-yearly reports and accounts.

The secondary market for VCT shares is generally illiquid and Shareholders may find it difficult to realise their investment.

HOW CAN I COMPLAIN?

As a shareholder of Foresight VCT plc you do not have the right to complain to the Financial Ombudsman Service (FOS) about the management of the Company. The Manager has established procedures in accordance with the FCA Rules for consideration of complaints. Details of these procedures are available from it on request. Should an investor have a complaint about the product or this KID, he should contact the Manager at Foresight Group LLP, The Shard, 32 London Bridge Street London SE1 9SG; +44 (0)20 3667 8100; www.foresightgroup.eu. Where the investor is categorised by the Manager as an eligible complainant, if for any reason the investor is dissatisfied with the Fund Manager's final response, the Investor is entitled to refer its complaint to the Financial Ombudsman Service. A leaflet detailing the procedure involved will be provided in the Manager's final response.

OTHER RELEVANT INFORMATION?

The cost, performance and risk calculations included in this key information document follow the methodology prescribed by EU rules.

Depending on how you buy these shares you may incur other costs, including broker commission platform fees and stamp duty. The distributor will provide you with additional documents where necessary.

Certain tax reliefs are available to shareholders who have purchased shares on the secondary market.

Tax relief

(i) Dividend relief for purchases in the market

A qualifying investor who purchases existing shares in the market will be entitled to claim dividend relief paid on those shares and there is no withholding tax thereon.

(ii) Withdrawal of relief

Dividend relief ceases to be available if the VCT loses its approval within this period or if shares are no longer owned by a qualifying investor.

(iii) Capital Gains Tax for purchases in the market

An individual purchaser of existing VCT shares in the market will be entitled to claim relief from capital gains tax on disposal. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year and does not apply where VCT shares were issued after 5 April 2014 and are repurchased by the VCT directly from the shareholder within three years of issue.

The latest annual report and accounts of the Company can be found at <http://www.foresightgroup.eu/retail-investors/vct/foresight-vct/reports-and-accounts/>. Please contact Foresight Group LLP for further information.