



FP Foresight UK
Infrastructure Income Fund

Investor Presentation

December 2017

FP Foresight UK Infrastructure Income Fund

IMPORTANT INFORMATION

This Investor Guide has been approved as a financial promotion for the purposes of Section 21 of the Financial Services and Markets Act 2000 by Foresight Group LLP (“Foresight Group”). Foresight Group is authorised and regulated by the Financial Conduct Authority. Its registered office is The Shard, 32 London Bridge Street, London, SE1 9SG (FCA number 198020). Foresight Group is a subsidiary undertaking of Foresight Group CI Limited (“Foresight CI”), a private company registered in Guernsey (registered number 51471). Its registered office is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT. Foresight CI, Foresight Group and their subsidiary undertakings and associated companies are referred to herein as “Foresight”.

FP Foresight UK Infrastructure Income Fund (“the Fund”) is an open-ended investment company incorporated with limited liability and registered in England and Wales under registered number IC001100) and is a UCITS scheme. Fund Partners Limited is the authorised corporate director of the Fund and Foresight Group is the investment manager.

We recommend investors seek professional advice before deciding to invest. Investors must read the Fund Prospectus (“Prospectus”) and Key Investor Information Document (“KIID”), dated December 2017, before making an investment decision. These documents are available at www.foresightgroup.eu. Particular attention should be paid to the risk factors set out in the Fund Prospectus. Words and expressions defined in the Prospectus shall have the same meaning in this Investor Guide. Foresight Group does not offer investment or tax advice.

The value of an investment in the Fund, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. Past performance is not a reliable indicator of future results. Personal opinions may change and should not be seen as advice or a recommendation. There are a number of other risks connected to an investment in the Fund, including (but not limited to) counterparty risk, liquidity risk and derivatives and volatility. These risks are explained in the Fund Prospectus. Shares in the Fund have been in issue for less than a year, so the Fund does not have any historical performance data. The Fund will focus on the UK infrastructure sector only and will have a less diverse portfolio than the average OEIC. Infrastructure companies may be subject to factors that may adversely affect their performance.

The Fund may be suitable for investors seeking exposure to the infrastructure asset class with a UK focus. An investor should be willing to invest for the medium to long term (five years) to gain access to a portfolio managed in accordance with an investment objective and policy which targets income from infrastructure assets. Investors must be prepared to accept fluctuations in the value of capital including possible capital loss and accept the risks of investing in equity markets.

FP Foresight UK Infrastructure Income Fund

Executive Summary

Background and Context

- Infrastructure assets provide essential services that allow the global economy to function. Broadly they are split into 6 sub sectors of which in the UK, renewable energy is the largest by completed deal value since 2013.
- The global and UK energy market is undergoing a once-in-a-lifetime upheaval, opening up opportunities across energy generation and flexible grid infrastructure such as energy storage, transmission and distribution.
- As a result, the UK has seen unprecedented growth in renewable energy and infrastructure investment over the last 5 years that is forecast to continue into the foreseeable future.
- Much of this investment has come from UK listed renewable energy and infrastructure investment companies, of which there are over 20 players with combined market capitalisation worth £17bn.

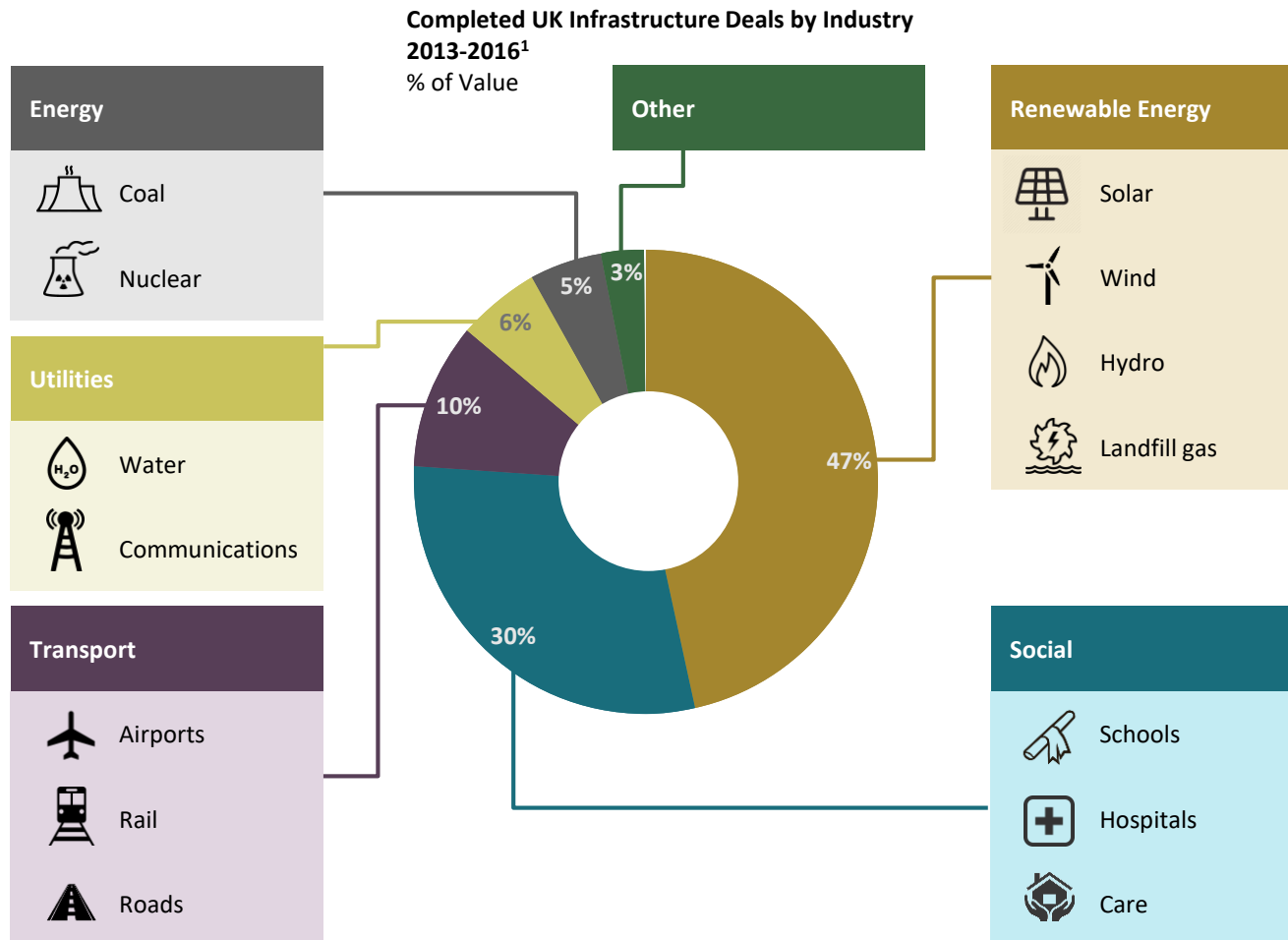
FP Foresight UK Infrastructure Income Fund

- FP Foresight OEIC is a UK open-ended investment company ("OEIC"). The FP Foresight UK Infrastructure Income Fund ("Fund") is a sub-fund of the OEIC.
- The Authorised Corporate Director of the OEIC ("ACD") is Fund Partners Limited ("Fund Partners"). Foresight Group LLP ("Foresight Group") has been appointed as the investment manager to the ACD in respect of the OEIC ("Investment Manager").
- Foresight Group is a subsidiary undertaking of Foresight Group CI Limited ("Foresight CI"). Foresight CI, Foresight Group and their subsidiary undertakings and associated companies are together referred to as "Foresight".
- The Fund is actively managed and invests in UK listed renewable energy and infrastructure investment company equities. It targets an annual income of 5% per annum with dividends paid quarterly and will invest in assets which have been historically less volatile than equity markets.
- We believe the Fund is as an attractive investment opportunity for the following five reasons:
 1. **Geography.** The UK has been consistently assessed as one of the top most attractive countries for renewable energy and infrastructure investment.
 2. **Asset Class.** Renewable energy and infrastructure are attractive asset classes as they are typically characterised by stable and predictable demand, high barriers to entry and long term contracted revenue streams.
 3. **Returns and Volatility.** Over the last 5 years, UK listed renewable and infrastructure investment companies have delivered higher total returns with substantially lower volatility than the FTSE All Share.
 4. **Inflation and Rising Interest Rate Protection.** UK listed renewable energy and infrastructure investment companies benefit from protection from inflation as a significant proportion of underlying asset revenues are directly linked to inflation. In addition, the historically wide spread between listed UK renewable and infrastructure investment companies' discount rates and gilt based risk free rate provides a further buffer to interest rate rises.
 5. **Investment Manager.** The Fund is actively managed and distributed by Foresight Group, a leading and award winning independent infrastructure and private equity asset manager with £2.7bn of assets under management ("AUM"). Foresight Group is also the distributor of the fund ("Distributor").
- The Fund's active fund management philosophy is based on 7 key principles intended to take advantage of alpha-generating opportunities in the renewable and infrastructure asset class.
- The example UK Listed Infrastructure Sector has delivered higher returns and lower volatility than the FTSE All Share over 5 years (past performance is not a guarantee of future performance).
- The Fund consists of one share class for both retail and institutional investors with the option for either income or accumulation.
- The Fund is targeting availability on a large variety of platforms and wraps by the launch date of 4th December 2017.
- For more information please contact Foresight Group's Retail and Institutional Capital teams.
- Detailed risks are set out in the fund prospectus which is available on the Foresight Group website (www.foresightgroup.eu).

FP Foresight UK Infrastructure Income Fund

Background and Context

Infrastructure assets provide essential services that allow the global economy to function. Broadly they are split into 6 sub sectors of which in the UK, renewable energy is the largest by completed deal value since 2013.

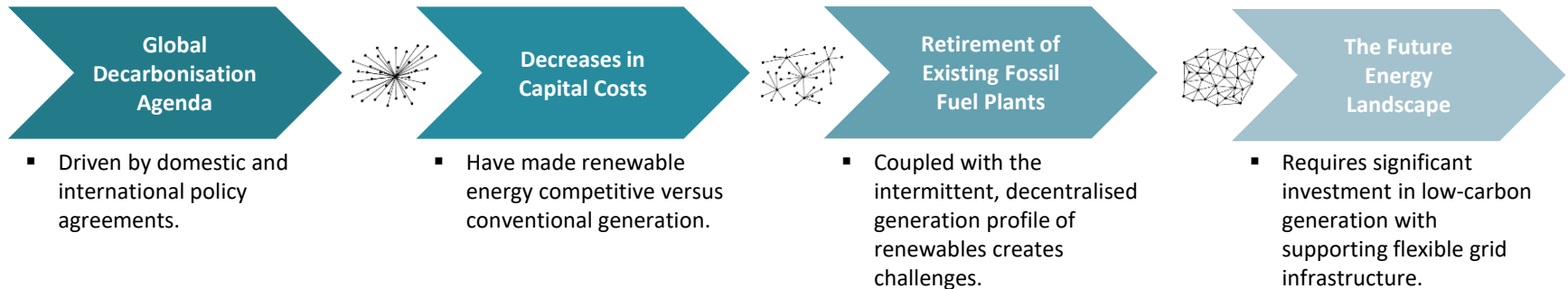


Sources. 1) Prequin Infrastructure Online

FP Foresight UK Infrastructure Income Fund

Background and Context

The global and UK energy market is undergoing a once-in-a-lifetime upheaval, opening up opportunities across energy generation and flexible grid infrastructure such as energy storage, transmission and distribution.



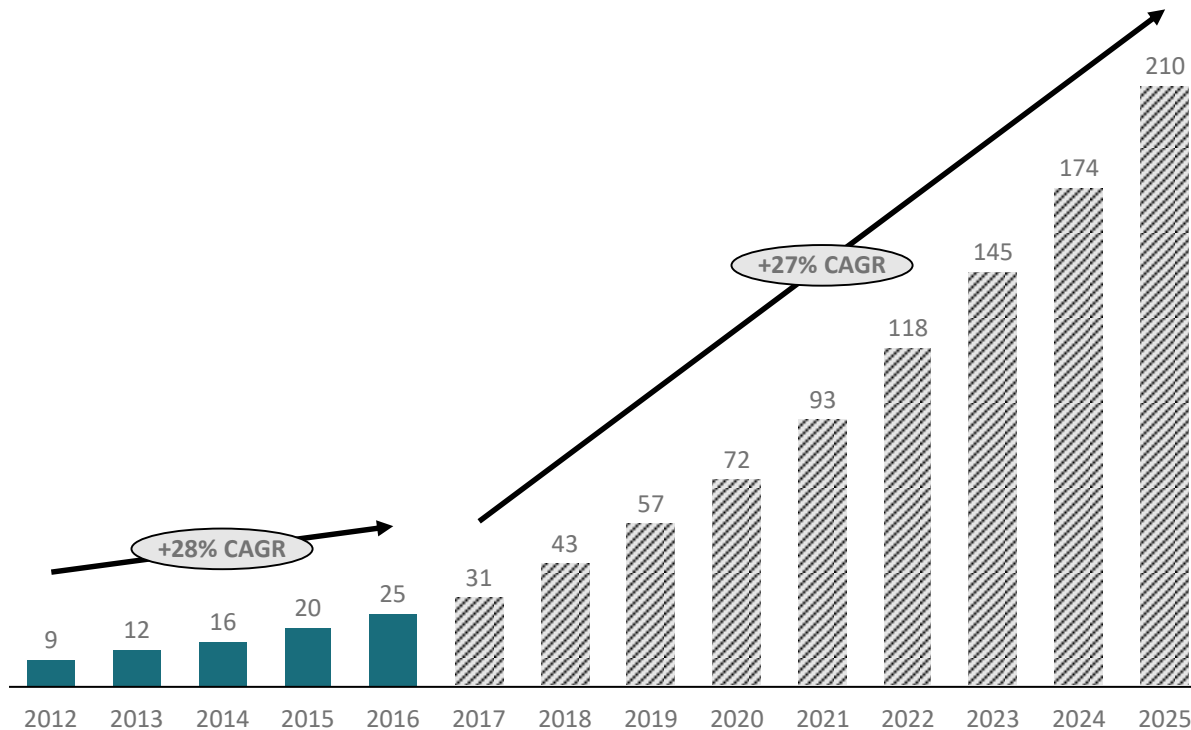
The transition will require a FLEXIBLE, DYNAMIC BUT DISCIPLINED INVESTMENT APPROACH to capture the opportunity presented by the evolving energy market.

FP Foresight UK Infrastructure Income Fund

Background and Context

As a result, the UK has seen unprecedented growth in renewable energy and infrastructure investment over the last 5 years that is forecast to continue for the foreseeable future.

Cumulative UK Renewable Only Energy Generation Capacity Actual¹ and Forecast²
GW, Compound Annual Growth Rate %



“Spending on UK infrastructure is forecast to increase to £110bn by 2025 including broader infrastructure assets³.”



Sources – 1) UK Government, Department for Business, Energy and Industrial Strategy, 27 July 2017. 2) Department for Energy and Climate Change, Updated Energy and Emissions Projections November 2015. 3) PwC Capital Project and Infrastructure Spending: Outlook to 2025

Note: Performance over a longer or previous historic period is likely to be substantially different.

FP Foresight UK Infrastructure Income Fund

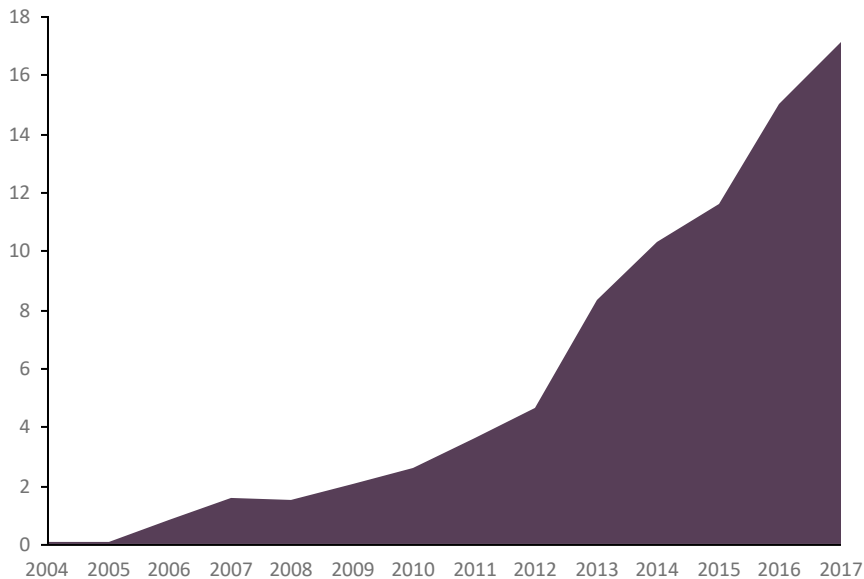
Background and Context



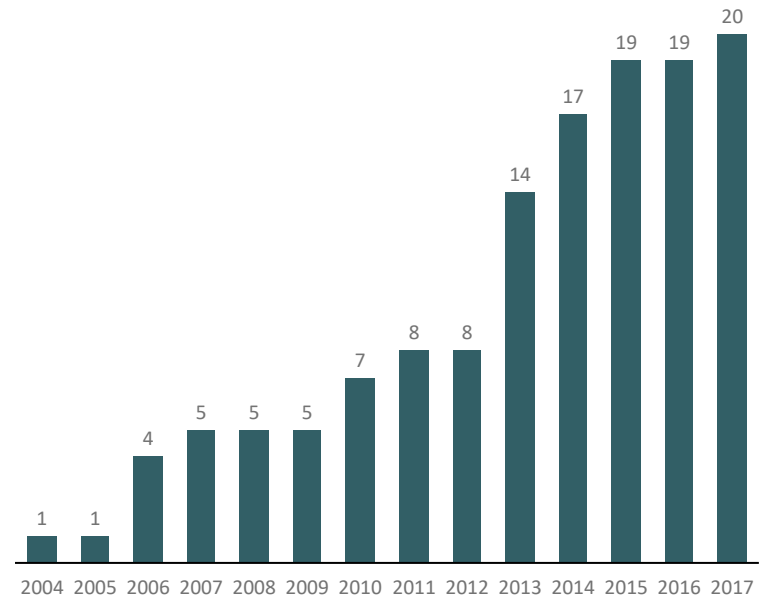
Much of this investment has come from UK listed renewable energy and infrastructure investment companies, of which there are over 20 with combined market capitalisation of some £17bn.

Total Market Cap of UK Listed Renewable and Infrastructure Investment Companies¹

GBP, billions



Cumulative Number of UK Listed Renewable and Infrastructure Investment Companies¹



- The market capitalisation of the sector has grown from £60m in 2004 to over £17bn in 2017.
- The addressable market capitalisation has achieved double digit growth every year except 2008 since inception.
- The market has grown by significantly over £1bn every year since 2011 and has grown by over £5.5bn since the start of 2016.

- New investment companies have been launched regularly since 2006 to meet growing demand for the asset class.
- 2017 has seen this trend continue with the launch of GRP Greencoat Renewables in July 2017.
- Foresight Group now feels that there is sufficient choice of investment opportunities to actively deliver a diversified fund of investment companies offering.

FP Foresight UK Infrastructure Income Fund

The Fund is actively managed and invests in UK listed renewable energy and infrastructure investment company equities. It targets an annual income of 5% per annum with dividends paid quarterly.

Five reasons that Foresight Group considers the fund to be an attractive investment opportunity:

1

**UK
FOCUSED**

2

**UK LISTED RENEWABLE &
INFRASTRUCTURE SECTOR**

3

**ATTRACTIVE RETURNS
WITH LOWER VOLATILITY**

4

**INFLATION AND RISING INTEREST RATE
PROTECTION**

5

**ACTIVELY MANAGED by
FORESIGHT GROUP**

FP Foresight UK Infrastructure Income Fund Summary

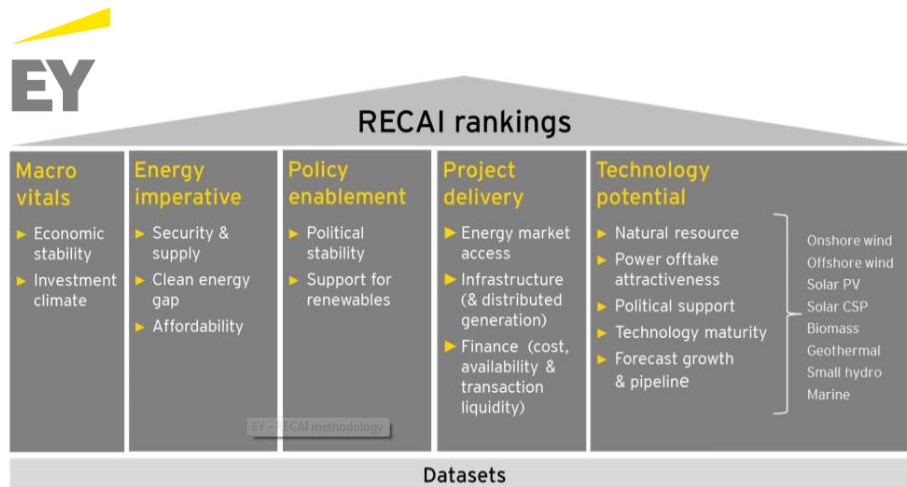
- FP Foresight OEIC is a UK open ended investment company (UCITS V) with daily dealing.
- The FP Foresight UK Infrastructure Income Fund is a sub-fund of the OEIC.
- The Fund is a renewable energy and infrastructure focused fund that is to be launched on 4th December 2017.
- The Fund is actively managed and invests in UK listed, sterling denominated investment companies.
- The Fund's objective is to deliver a regular income of 5% per annum, with dividends paid quarterly or accumulated.
- The Fund aims to provide inflation linked returns.
- Foresight Group has been appointed as the investment manager and distributor to the ACD in respect of the OEIC.
- Foresight is a leading award winning independent infrastructure and private equity investment manager with £2.7bn of AUM.
- Conflict policies and procedures are adopted by the Investment Manager where the Fund invests in other funds managed by Foresight. Funds are run at arms length with the appropriate information barriers and conflicts procedures established.

FP Foresight UK Infrastructure Income Fund

The UK has been recently assessed as one of the most attractive countries for renewable energy and infrastructure investment.

RECAI is EY's Renewable Energy Country Attractiveness Index Methodology

- EY's RECAI report finds the UK in the top 5th percentile of countries for attractiveness of renewable energy.
- EY undertake an annual ranking assessment of countries and their attractiveness for investment.
- EY's methodology consists of five pillars each comprising of sub components.
- The datasets underpinning each sub component are based on publically available and purchased data, EY analysis or adjustments to third party data.
- The components and pillar scores are then weighted to create an overall RECAI score for each country.



FP Foresight UK Infrastructure Income Fund

Renewable energy and infrastructure are attractive asset classes as they are characterised by stable and predictable demand, high barriers to entry and long term contracted revenue streams.

Renewable Energy and Infrastructure Characteristics:

Stable and predictable demand

Infrastructure assets tend to have constant demand because they provide critical services for daily living. This makes them relatively consistent and insensitive to economic and market cycles.

High barriers to entry

Infrastructure assets are typically large physical assets that take substantial time and investment to develop and maintain. The capital-intensive nature of infrastructure assets creates a barrier to entry that results in limited numbers of competitors and sometimes effectively monopolistic conditions.

Long term contracted revenues

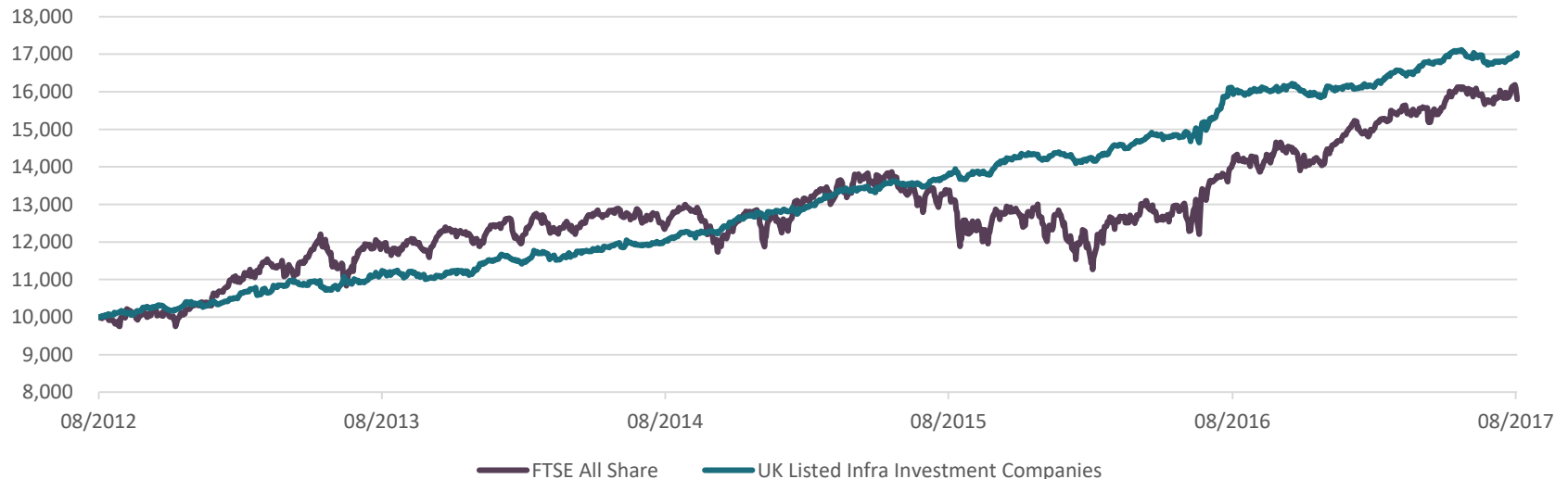
A high proportion of infrastructure investments' revenues come from long term contracts that are often linked to inflation and interest rates rises. The counterparties for these revenue streams are normally government and often revenue streams are protected to some extent by government policy.

FP Foresight UK Infrastructure Income Fund

Over the last 5 years, UK listed renewable and infrastructure investment companies have delivered higher total returns than the FTSE All Share...

Total Return of £10k invested over the last 5 years² – Illustration

GBP



Commentary:

- UK Listed Infrastructure investment companies¹ significantly outperformed UK equity markets over five years to August 2017 (the FTSE All Share grew 61.00% compared to 69.74% for UK Listed Infrastructure investment companies).
- The UK Listed Infrastructure Investment Companies index in the chart is a synthetic index which includes investment companies weighted by market cap which were active throughout the full five year period and new entrants from date the respective investment company launched.

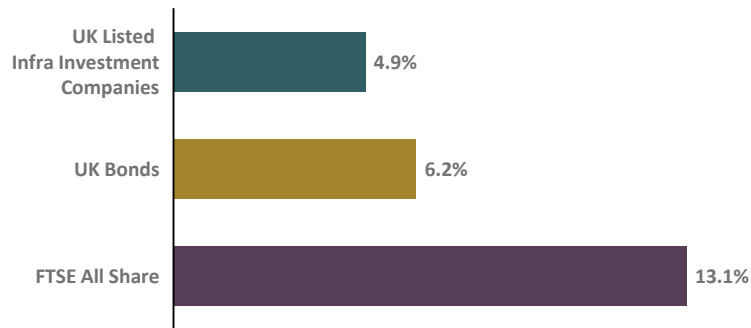
FP Foresight UK Infrastructure Income Fund

... with substantially lower volatility.

Lower Volatility

Annualised Standard Deviation^{1,2,3} – 5 years

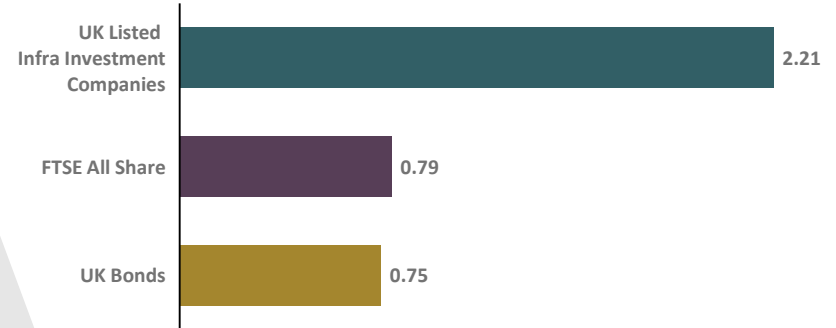
%



- Despite outperforming the FTSE All Share index, UK Listed Infrastructure investment companies have experienced significantly less volatility.
- The standard deviation is a statistical measurement, when applied to the annual rate of return of the investment, indicating the historical volatility.
- The greater the standard deviation, the greater the variance between each price and the mean, indicating greater volatility.

Higher Risk Adjusted Returns

Annualised Sharpe Ratio^{1,2,3} – 5 years



- The Sharpe Ratio is the industry standard for calculating risk-adjusted returns and is often used to evaluate the performance of a portfolio.
- The ratio describes the excess return the portfolio receives for the extra volatility endured for holding a riskier asset.
- A ratio of 2+ is considered to represent a very good risk-adjusted rate of return.

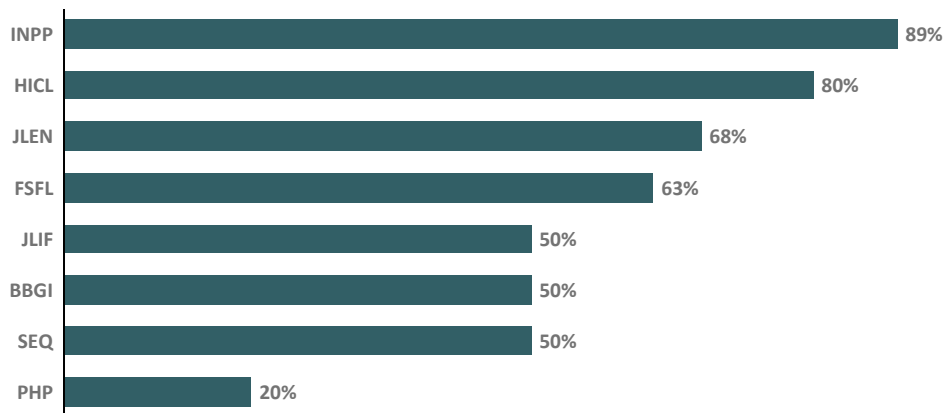
Notes: 1) UK Listed Infrastructure Sector is a simulated index based on all investment companies which Foresight Group considers to fall within the wider infrastructure sector addressable by the FP Foresight UK Infrastructure Income Fund as determined by the investment policy of the Fund. Past performance does not guarantee future performance and performance over a longer or previous historic period may be substantially different. 2) UK Bonds data taken from Bloomberg Barclays Sterling Aggregate Return Value Unhedged GBP, a broad-based benchmark that measures the investment grade, sterling denominated, fixed-rate bond market, including treasuries, government related, corporate and securitised issues. Sources: 3) Bloomberg data from August 2012 to August 2017.

FP Foresight Infrastructure Income Fund

UK listed renewable energy and infrastructure investment companies also benefit from protection from inflation as a high proportion of underlying asset revenues are directly linked to inflation.

Inflation Linkage

%



Underlying Revenue Exposure

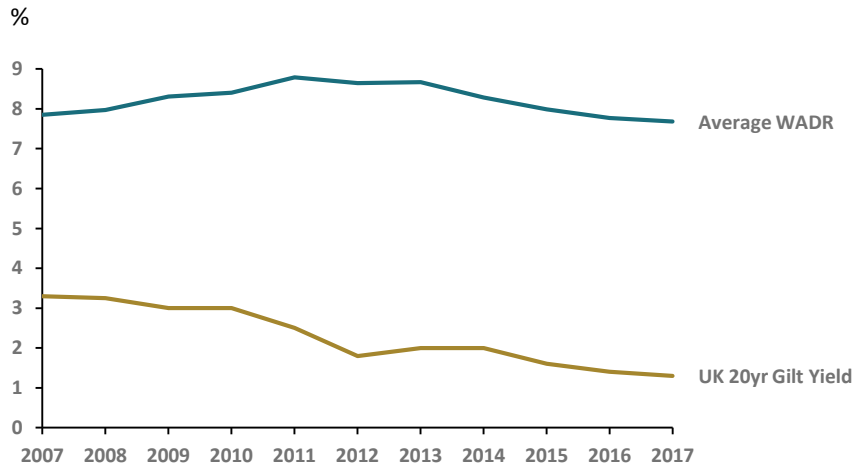
- Asset revenues fall into two main categories; availability based (e.g. hospitals, schools) and demand based (e.g. toll roads).
- Availability based revenues streams with public sector counterparties typically provide RPI linkage.
- Similarly, revenue structures in the renewables sectors (i.e. Government subsidies) are generally inflation linked.
- This is reflected in the chart to the left, showing that across eight of our target infrastructure investment companies there are material levels of inflation linkage

At the portfolio level exposure to inflation-linked revenues will be targeted at over 50%, supporting the objective of long-term, sustainable dividend income even in the context of rising interest rates and inflationary pressure.

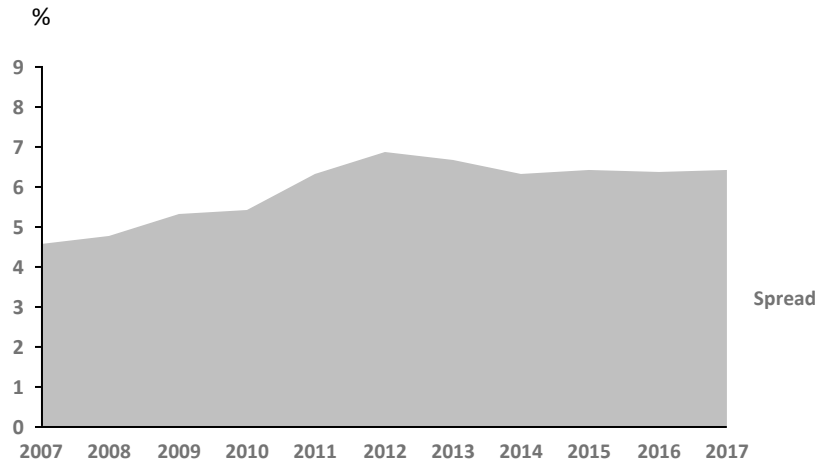
FP Foresight Infrastructure Income Fund

The historically wide spread between listed UK renewable energy and infrastructure investment companies' weighted average discount rates ("WADR") and the risk free rate provides a further buffer to interest rate rises.

WADR and UK 20 Year Gilt Yields



Historical Spread of WADR over UK 20yr Gilt Yields



- Discount rates have reduced gradually, but still remain close to the pre-crash peak in 2008 and 2009.
- Average of the weighted average discount rates of 11 target FIIF holdings

- Current discount rate premium over gilts is at c.640 bps, compared with a c.450 bps premium in 2007.

The current level of discount rates and the buffer in the spread over gilts support the argument that in an environment of rising interest rates, discount rates would be expected to absorb some of the spread compression and valuation impact.

FP Foresight UK Infrastructure Income Fund

The Fund is actively managed and distributed by Foresight Group. Foresight is a leading award winning independent infrastructure and private equity asset manager with £2.7bn of AUM.

Foresight is a leading independent infrastructure and private equity investment manager with £2.7 billion of assets under management, raised from institutional investors, family offices, private and high net-worth individuals.

Our broad and growing fund management activities now encompass investing in private equity, infrastructure and renewable energy in the UK, US, Australia and Southern Europe.

Leading renewable energy infrastructure manager

Over **120** energy infrastructure investments with installed capacity of more than **1GW**, enough electricity to power **630,000** UK homes annually.

Foresight launched and continues to manage **Foresight Solar Fund Limited** (LSE ticker; FSFL) on the London Stock Exchange since January 2013 with a market cap of £462m.

Award winning infrastructure team

Infrastructure Financier of the Year at the Green Innovation & Finance Awards 2017.

Best IHT Portfolio Service 16/17 for our Accelerated Inheritance Tax Solution at the Tax Efficiency Awards 2016.

VCT House of the Year 2016 at the Unquote British Private Equity Awards 2016.

Exceptional fund management expertise

With assets in **UK, US, Italy** and **Australia**.

50+ strong infrastructure team includes experienced investment managers and dedicated asset managers including specialist engineers, portfolio accountants and in-house legal personnel.



FP Foresight UK Infrastructure Income Fund

The Fund's active fund management philosophy is based on 7 key principles intended to take advantage of alpha-generating opportunities in the renewable and infrastructure asset classes.

Low Volatility

The Fund targets investments that demonstrate low volatility characteristics with a low correlation to the market cycles.

Renewables Infrastructure Focused

The Fund is a renewables focused infrastructure fund, with investments mainly into renewables and the wider infrastructure sector.

Diversification

The Fund seeks to achieve a high degree of diversification across both investments and underlying asset sector exposure.

UK: GBP Denominated

The Fund will invest primarily in equities and collective investment schemes (which are mainly listed in the UK and whose activity is in the wider infrastructure sector of the UK).

"Fund of Investment Companies" Approach

The Fund will only invest in renewables and infrastructure investment company equities which themselves own and manage a portfolio of renewables and infrastructure assets, with the Fund not participating in individual company equities.

Sustainable Yield

Underlying investments will be selected with a focus on the stability and security of dividends facilitating quarterly dividend distributions by the Fund.

Inflation Linking

At the portfolio level exposure to inflation-linked revenues will be targeted at over 50%, supporting the objective of long-term, sustainable dividend income even in the context of rising interest rates and inflationary pressure.

"Active managers could have advantages in the public infrastructure asset class. We believe the limited number of managers specializing in global infrastructure stocks has left the universe under researched, creating a less-efficient market that offers ample alpha-generating opportunities for active managers."



Goldman
Sachs

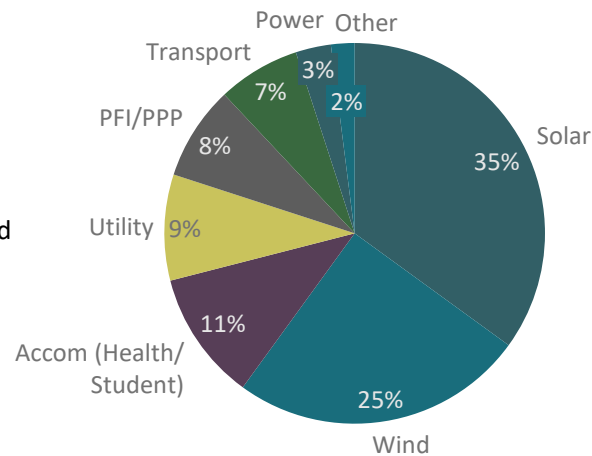
FP Foresight UK Infrastructure Income Fund

An example profile of the FP Foresight UK Infrastructure Income Fund.

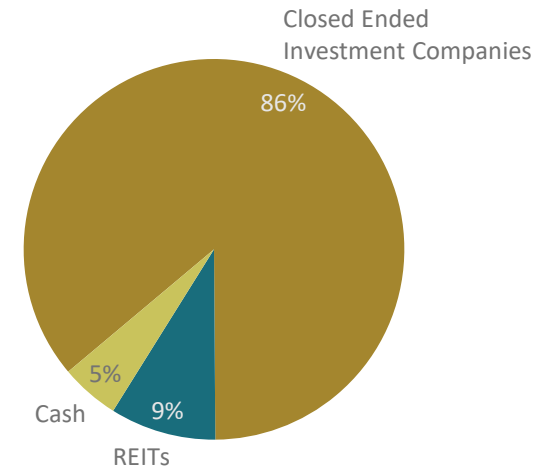
Example Portfolio Holdings

3i Infrastructure plc
 BBGI SICAV
 Foresight Solar Fund Ltd
 GCP Infrastructure Investment Ltd
 Greencoat UK Wind PLC
 HICL Infrastructure Company Ltd
 International Public Partnerships Ltd
 John Laing Environmental Assets Group Ltd
 John Laing Infrastructure
 NextEnergy Solar Fund Ltd
 Primary Health Properties PLC
 Renewables Infrastructure Group Ltd
 Sequoia Economic Infrastructure
 SQN Asset Finance Income Fund Ltd
 Target Healthcare REIT Ltd

Example Portfolio Sector Exposure % of Fund AUM



Example Portfolio Sector Exposure % of Fund AUM




FP Foresight UK Infrastructure Income Fund

The Fund consists of one share class for both retail and institutional investors with the option for either income or accumulation.

FP UK Foresight UK Infrastructure Income Fund		
Target Investor	Retail & Institutional	
Fund Structure	OEIC	
Share class	A	
Unit type	Income	Accumulation
Currency	GBP	
Minimum Initial Investment (£)	1,000	
Minimum Subsequent Investment (£)	500	
Minimum Regular Savings Amount (£)	100	
Initial charge (%)	4%	
Ongoing Charge (OCF) (%)	0.65%	
Fund Price at launch	100p	
Expected Yield (%)	5%	
Distributions	Quarterly (Jan, Apr, Oct, July)	Reinvested
First income / accumulation date	31 st October 2018	
Authorised Corporate Director (ACD)	Fund Partners Limited	
Investment Manager and Distributor	Foresight Group	
Launch date	December 2017	
Final accounting date	31 st May	
Interim Accounting Dates	Last day of February; 31 st August; and 30 th November	

FP Foresight UK Infrastructure Income Fund

Fund Partners is the Authorised Corporate Director (ACD) for the FP Foresight Infrastructure Income Fund.

Entity	Background	Contact Details
Fund Partners Limited  FUND PARTNERS	<ul style="list-style-type: none"> ▪ Fund Partners Limited (Fund Partners) provide authorised corporate director (ACD) services to open-ended investment companies. ▪ Fund Partners Limited are authorised and regulated by the Financial Conduct Authority (FCA). ▪ Fund Partners has the regulatory responsibility for the compliant operation of all funds under its management. ▪ Fund Partners Limited, as ACD, administers over 80 funds with a combined AUM in excess of £7.65n (as at 31st October 2017) 	<ul style="list-style-type: none"> ▪ 8/9 Lovat Lane, London, EC3R 8DW

FP Foresight UK Infrastructure Income Fund

What are some of the risks the Fund is exposed to? Risks that the fund is exposed to are more fully outlined in the Fund Prospectus.

	Risks	Potential Impact	Mitigation
Investment Risk	<ul style="list-style-type: none"> Dividend underperformance NAV degradation 	<ul style="list-style-type: none"> Failure to meet investment objective Net outflows 	<ul style="list-style-type: none"> Rigorous investment appraisal and ongoing re-balancing Focus on quality of dividends and underlying asset performance
Market Risk	<ul style="list-style-type: none"> High bid/offer spreads Market correction Poor execution 	<ul style="list-style-type: none"> Overpaying for positions Higher Fund costs Capital loss 	<ul style="list-style-type: none"> Best-execution monitoring Continuous assessment of broker performance Selecting holdings with low correlations to equities
Liquidity Risk	<ul style="list-style-type: none"> Unable to meet liquidity requirements (outflows from investors) Unable to enter/exit positions in the market at a good price 	<ul style="list-style-type: none"> Close the Fund to redemptions Forced sale of holdings at a loss Breach of COLL limits 	<ul style="list-style-type: none"> Target of 2.5% cash at launch Focusing on holdings with good historic and expected liquidity Constant monitoring of liquidity in the market to inform early response
Operational Risk	<ul style="list-style-type: none"> Failure to manage the Fund in compliance with all application rules and regulations Unavailability or underperformance of key personnel 	<ul style="list-style-type: none"> Investment underperformance Reputational damage FCA sanctions/withdrawal of authorisation 	<ul style="list-style-type: none"> Internal compliance oversight Regular engagement and oversight from ACD Suite of systems and controls supporting portfolio management and oversight

FP Foresight UK Infrastructure Income Fund

The Fund will be listed on the following 10 platform/ wrap providers during launch week, we continue to focus on platform availability with a further 10-15 providers identified.



Contact Information

For more information please contact Foresight Group LLP's Retail Sales team or Investor Relations team. Dealing can also be done directly via the administrator.

Entity	Role	Contact Details
Foresight Group LLP 	Sales	E: SalesTeam@foresightgroup.eu T: +44 (0) 20 3667 8100 A: The Shard, 32 London Bridge St, London SE1 9SG
Foresight Group LLP 	Investment Manager	E: InvestorRelations@foresightgroup.eu T: +44 (0) 20 3667 8100 A: The Shard, 32 London Bridge St, London SE1 9SG
Investor Administration Solutions Limited	Administrator	T: +44 (0) 1202 855856 F: +44 (0) 1202 855850 A: Cedar House, 3 Cedar Park, Cobham Road, Wimborne, Dorset BH21 7SB