



FORESIGHT 4 VCT PLC OFFER FOR SUBSCRIPTION

To raise up to £50 million, with an over-allotment facility to raise up to a further £50 million ("Offer") through the issue of new shares ("Offer Shares")

INVESTOR GUIDE

This Investor Guide is a financial promotion for the purposes of the Financial Services and Markets Act 2000 and an advertisement in relation to the Offer for the purposes of the Prospectus Rules. It should only be read in conjunction with the Foresight 4 VCT Prospectus dated 19 May 2017. Your attention is drawn to the important risk warnings contained therein.

AUGUST 2017

Important notice

This is not a prospectus but an advertisement and investors should not subscribe for any transferable securities referred to in the advertisement except on the basis of information in the prospectus, which was published by Foresight 4 VCT plc (“Company”) on 19 May 2017 and any supplementary prospectus published by the Company pursuant thereto (together the “Prospectus”).

Investors can obtain copies of the Prospectus from Foresight Group LLP The Shard, 32 London Bridge Street, London SE1 9SG.

Investment in the Company 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 UK Listing Authority 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 can 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. 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. 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.

This document constitutes a financial promotion for the purposes of 3.21 of the Financial Services and Markets Act 2000, and has been issued as such by Foresight Group LLP (“Foresight Group”), which is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS FCA No. 198020. Foresight Group is acting as the promoter to the Offer and is a subsidiary undertaking of Foresight Group CI Limited (“Foresight”). Foresight, which is licensed by the Guernsey Financial Services Commission with GFSC reference number 2006518, is the manager of Foresight 4 VCT plc.

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Risk Factors

Prospective investors should read the risk factors found on pages 14 to 17 of the Prospectus and consult an independent financial adviser authorised under FSMA.

KEY RISKS

Funds raised through the issue of Offer Shares will need to be invested in accordance with the VCT rules and regulations within approximately three years. Failure to do so may result in the Company losing its VCT status and adverse tax consequences for investors.

If Offer Shares are disposed of within five years of the date of issue, investors will be subject to clawback by HMRC of any upfront income tax relief obtained on subscription.

The price at which Offer Shares will be issued is calculated by a formula linked to the latest published NAV of a Share. Investors should be aware that the Company publishes NAVs quarterly and may publish additional NAVs more frequently for the purposes of the Offer. If revised NAVs are published during the course of the Offer, investors may receive a different number of Offer Shares in the Company from that anticipated.

INVESTMENT RISKS

There is no guarantee that the Company will meet its objectives or that suitable investment opportunities will be identified to enable the Company to meet its objective. The past performance of the Company and/or other funds managed or advised by Foresight and/or Foresight Group is not an indication of the future performance of the Company.

The NAV of the Offer Shares and the return received by Shareholders will be dependent on the performance of the underlying investments.

The value of such investments, and interest income and dividends therefrom, may rise or fall and Shareholders may not get back the full amount invested. The level and timing of distributions to Shareholders is not guaranteed.

Although the existing shares have been (and it is anticipated that the Offer Shares will be) admitted to the premium segment of the Official List and are (or will be) traded on the London Stock Exchange's market for listed securities, the secondary market for the VCT shares is generally illiquid (which may be partly attributable to the fact that initial subscription tax reliefs are not available for VCT shares bought in the secondary market and because VCT shares usually trade at a discount to NAV). There may not, therefore, be a liquid market and Shareholders may find it difficult to realise their investment. Shareholders should not rely upon any share buyback policy to offer any certainty of selling their Offer Shares at prices that reflect the underlying NAV. An investment in the Company should, therefore, be considered as a long-term investment.

The Company's investments will generally be in companies whose securities are not publicly traded or freely marketed and may, therefore, be difficult, and take considerable time, to realise. There may also be constraints imposed on the realisation of investments in order to maintain the VCT tax status of the Company, which may restrict the Company's ability to obtain maximum value from its investments.

Investment in unquoted companies (including AIM-traded) by its nature involves a higher degree of risk than investment in companies listed on the Official List. In particular, the viability and financial performance of small companies often depends on a narrow product range, small markets, limited financial resources, a small number of staff and counterparties and may be more susceptible to political, exchange rate, taxation and regulatory changes.

In addition, the market for securities in smaller companies may be less regulated and is usually less liquid than that for securities in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such securities.

Full information for determining the value of the Company's investments or the risks to which investee companies are exposed may also not be available and investment returns will, therefore, be uncertain.

VCT RISKS

Whilst it is the intention of the Board that the Company will continue to be managed so as to qualify as a VCT, there can be no guarantee that such status will be maintained. Failure to continue to meet the qualifying requirements could result in the shareholders in the Company losing the tax reliefs available for VCT shares, resulting in adverse tax consequences including, if the holding has not been held for the relevant holding period, a requirement to repay the income tax relief obtained.

Furthermore, should the Company lose its VCT status, dividends and gains arising on the disposal of Offer Shares would become subject to tax and the Company would also lose its exemption from corporation tax on its capital gains.

Expected timetable, statistics and costs

INDICATIVE OFFER TIMETABLE

Offer opens	▶	19 May 2017
Closing date for 2017/18 tax year	▶	5 April 2018 (12 noon)
Closing date for 2018/19 tax year	▶	30 April 2018 (12 noon)
Allotments	▶	End September 2017, then monthly
Effective date for listing of the Offer Shares and commencement of dealings	▶	Three Business Days following allotment
Share certificates to be dispatched	▶	Within ten Business Days of allotment

The board of directors of the Company ("Board") reserves the right to extend the closing date of the Offer (provided that any such extension runs to date no more than 12 months from the date of the Prospectus). The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.

OFFER STATISTICS

Latest audited NAV per Offer Share*	▶	73.5p
Maximum amount to be raised	▶	£50 million (with an over-allotment facility for up to a further £50 million)
Maximum number of Offer Shares to be issued	▶	150 million
Estimated net proceeds of the Offer**	▶	£47.25 million

*as at 31 March 2017.

**assuming that the over-allotment facility is not utilised, ignoring the effect of any loyalty bonus discounts and assuming the Offer is fully subscribed by investors with total costs of 5.5%.

COSTS AND COMMISSIONS*

Retail Client Investors

Offer costs**	▶	2.5%
Up-front adviser charges**	▶	Variable
Ongoing adviser charges	▶	Variable

Adviser charges must be agreed between an investor and his or her adviser and paid for by the investor. The payment of up-front adviser charges can be facilitated by the Company. Ongoing adviser charges will need to be settled directly by the investor.

Professional Client Investors and Execution-Only Investors

Offer costs**	▶	2.5%
Initial commission to intermediaries**	▶	3.0%
Trail commission to intermediaries***	▶	0.5% per annum

Direct Investors

Offer costs**	▶	5.5%
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* expressed as a percentage of an investor's subscription (other than trail commission to intermediaries).

**the Pricing Formula takes into account an investor's up-front costs (i.e. Offer costs, upfront adviser charges and initial commission to intermediaries) in determining a bespoke Offer price for each investor.

***paid, where permissible, to intermediaries by the Company and subject to a cumulative maximum of 3% of the Offer price.

EXISTING FORESIGHT SHAREHOLDER LOYALTY**

Discount to the Offer costs*	▶	0.5%
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*expressed as a percentage of an investor's subscription.

**in respect of an Application for the Offer received from an existing shareholder of any of the Foresight VCTs, a discount of 0.5% to be applied.

EARLY BIRD DISCOUNT

Discount to the Offer costs*	▶	1.0% for Applications received by 12.00 noon on 30 November 2017
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*expressed as a percentage of an investor's subscription.

Introduction

The Board has decided to take the opportunity to raise further funds through an offer for subscription. This will provide Shareholders and new investors with the opportunity to invest in the Company and benefit from the tax reliefs available to qualifying investors.

The Board believes that there are attractive opportunities to make further growth investments in order to generate returns for investors as Foresight Group continues to experience strong deal flow and is seeing a significant number of high quality private equity investment opportunities. Funds raised under the Offer will allow the Company to take advantage of the continuing flow of investment opportunities being received by Foresight Group and further increase the net assets of the Company and portfolio diversification in line with the ongoing strategy of the Company. Funds raised will also be used to fund payment of dividends and market purchases of Shares and to meet annual running costs.

The Directors intend to subscribe for, in aggregate, £65,000 under the Offer.

INCREASED SCALE AND REDUCED COSTS

The recent merger with Foresight 3 VCT plc, which was effected in June 2017, has increased the scale of the Company to approximately £75 million with a portfolio of 22 companies. As part of the merger, Foresight agreed to reduce its annual investment management fee to 2% of net assets and the annual expenses cap to 2.95% of net assets.

OFFER AVAILABILITY

The Company is seeking to raise up to £50 million (with an over-allotment facility of up to £50 million) through the issue of up to 150 million Offer Shares pursuant to the Offer.

The Offer opened on 19 May 2017 and will close (unless fully subscribed earlier or otherwise at the discretion of the Board) at 12.00 noon on 30 April 2018.

Applicants must subscribe a minimum in aggregate of £3,000 and thereafter in multiples of £1,000. Applications will be accepted on a first come, first served basis (subject always to the Board's discretion).

TAX RELIEFS

Investors in the Offer will receive 30% income tax relief (subject to their personal circumstances) on investments of up to a maximum of £200,000 in each tax year subject to the investment being held for a minimum of five years. Dividend payments from the Company and any increase in capital value are not liable to tax. Further information on VCT tax reliefs is set out on pages 12 and 13.

INVESTMENT OBJECTIVE

To provide investors with attractive returns from a portfolio of investments in fast-growing unquoted companies in the United Kingdom. It is the intention to maximise tax-free income available to investors from a combination of dividends and interest received on investments and the distribution of capital gains from trade sales or flotations.

INVESTMENT POLICY

The Company will target UK unquoted companies which it believes will achieve the objective of producing attractive returns for shareholders.

DIVIDEND AND RETURNS

The unaudited total return (net asset value plus dividends per share) in respect of the Company has increased steadily in the last year to 31 March 2017, ignoring merger costs, increasing by 4.4% over that period. A proportion of realised gains will normally be retained for reinvestment in existing companies and new opportunities and to meet future costs.

The Enlarged Company position following the Offer is expected to enhance the Board's ability to consider dividend payments with the objective of achieving regular dividends linked

to the performance of the enlarged investment portfolio.

STRENGTH OF THE MANAGER

The Board believes that the success of any VCT is dependent on the judgement, experience and skills of the investment manager.

Foresight is the UK's fourth largest manager of VCTs, managing over £300 million across three VCTs. Last year, Foresight was named VCT House of the Year in the 2016 Unquote British Private Equity Awards, impressing the judges with their "sustained work rate and strong returns" having made eleven new investments and nine full or partial realisations in the relevant 12 month period.

EXISTING FORESIGHT SHAREHOLDER LOYALTY

Existing shareholders in any of the Foresight VCTs will be entitled to a loyalty discount of 0.5%. ("Existing Foresight Shareholder Loyalty Discount")

EARLY BIRD DISCOUNT

Applications received by 12.00 noon on 30 November 2017 will, if accepted, be entitled to a discount of 1.0%. Foresight Group reserves the right to extend the dates to which the Early Bird Discount applies.

CONCLUSION

Investors who are interested in taking advantage of this Offer should contact their authorised financial adviser and read the Prospectus in full which is published on the Foresight Group website **www.foresightgroup.eu/retail-investors/vct/foresight-vct-4**.

If you have any questions regarding the application process, please call Foresight Group on 020 3667 8199.

“ To provide investors
with attractive returns
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companies

Forbes
group

The Investment Opportunity

Foresight Group has an established, robust and proven investment process developed over 30 years of activity and continues to experience particularly strong deal flow at this time. During 2016, the Foresight Group Private Equity team reviewed over 800 investment opportunities across a broad range of sectors which was a 94% increase on the prior year, reflecting the benefits of a larger team with greater regional presence and a continued significant level of activity in the small to medium enterprise ("SME") market.

Foresight Group is committed to developing a strong regional presence across the UK and has built up an extensive network of active corporate finance advisers and other professional SME advisers through investment teams based in its Nottingham and Manchester regional offices and its head office in London. That network now numbers more than 1,300 in total. Each Foresight Group executive is tasked with building relationships in discrete regions of the country. This entails regular meetings to build a mutual rapport and understanding of the Foresight Group investment criteria and process. Then, when the adviser gets a fundraising opportunity which fits the criteria, Foresight Group hopes to be one of the few potential funding institutions to be made aware of the opportunity.

FORESIGHT GROUP IS COMMITTED TO DEVELOPING A STRONG REGIONAL PRESENCE

The UK remains an excellent place to start, scale and sell a business, with broad pools of talent and an entrepreneurial culture. For example,

in a recent report the European Digital City Index, London was identified as the best city in Europe to start up and scale a digital enterprise. But this entrepreneurial ecosystem is not limited to London, or indeed the South East, with Glasgow, Edinburgh, Manchester, Birmingham, Bristol, Cardiff, Oxford and Cambridge all featuring in the top 60 European cities supporting digital entrepreneurship. This mirrors Foresight Group's experience of the wider UK SME market and is the reason Foresight Group executives source deal flow from across the country through three offices. In the wake of Britain's decision to leave the EU and the uncertainty that has been born out of that decision, we believe that the possible implications such as potential bank reluctance to lend to SMEs strengthens the VCT investment case in both appealing to entrepreneurs and, more widely plugging the investment funding gap.

THE TEAM REVIEWED 800 OPPORTUNITIES IN 2016

Foresight Group seeks investment opportunities in growing UK headquartered companies with enterprise values typically between £5 million and £15 million. Key requirements include strong management teams, attractive market characteristics and a defensible competitive position and with investments made in the most attractive opportunities without sector bias.

The Company aims to invest in businesses which are at least break-even at EBITDA level but does make exceptions in situations where there is a compelling growth story. Historically the Company has invested across a variety of transaction types including management buyouts, growth capital and equity release transactions, but following the recently amended VCT legislation is now focused on growth capital investments.

TRACK RECORD

Foresight has been a growth capital investor for more than 30 years. In the past five years alone, excluding energy efficiency projects, Foresight Group has made 12 growth capital investments, and the unweighted average return from growth capital investments that Foresight Group has led on exit since 2010 has been 3.9 times the original investment. Past performance, however, is not necessarily a guide to future performance.

Whilst each opportunity is assessed in relation to its own individual circumstances, the following themes are collectively driving opportunities for equity investments in SMEs.

TIMING WITHIN THE ECONOMIC CYCLE

The UK economy has materially improved from the depths of the recession and last financial crisis and Foresight Group sees a continuing healthy volume of investment opportunities driven by business managers and entrepreneurs seeking to grow their businesses prior to an eventual exit. This reflects the wider growth capital market and a recent report by Kingston Smith reported no slowing in deal volumes in Q3 following the EU referendum when compared to Q2, with deal volumes in the third quarter of 2016 also in line with the third quarter of 2015.

With the significant weakening of Sterling since the referendum, UK businesses which export to international markets have become more competitive. The Company has had significant historic success in investments which export worldwide, including for example Datapath Group Holdings Limited and TFC Europe Limited. A number of recent investments by Foresight Group, such as Simulity Labs Limited, which the Company would have participated in had it had greater liquidity, are largely export focused and Foresight Group

believes that a significant proportion of new investments will reflect this trend.

THE UK REMAINS AN EXCELLENT PLACE TO START, SCALE AND SELL A BUSINESS, WITH BROAD POOLS OF TALENT AND AN ENTREPRENEURIAL CULTURE.

TAX INCENTIVES TO GROW AND SELL SMALL BUSINESSES

UK tax legislation has developed favourably in recent years to incentivise entrepreneurs to grow and develop businesses. Both Enterprise Management Incentive share option schemes, which apply only to smaller businesses (which are often suitable for VCT investment), and Entrepreneur's Relief, which reduces business owners' capital gains tax liability on a sale of the business, provide management teams with strong incentives to grow and realise value from their businesses.

REDUCED INTEREST FROM PRIVATE EQUITY COMPETITORS FOR SMALLER COMPANIES

While many private equity firms continue to concentrate on mid-market and larger transactions, Foresight Group has remained focused on generating attractive returns for investors by applying its expertise in finding and supporting smaller growth companies. Many mid-market private equity funds raised substantial sums in 2015 and 2016 and as such are focusing more and more on larger transactions and investments upwards of £10 million. This results in relatively less competition for assets at the lower mid-market level.

BANKS' LENDING TO SMES REMAINS CONSTRAINED

With marginal increases in bank lending to SMEs during 2015, lending has remained relatively constrained during

2016 increasing by only 2.1% in the 12 months to September 2016 from a base reflecting a sustained period of decline (Source: Bank of England). This demonstrates a clear opportunity for lower mid-market private equity funds to be deployed to meet demand for funding transactions amongst SMEs.

HEALTHY MARKET FOR MERGERS AND ACQUISITIONS (M&A)

Whilst macroeconomic issues and political change have impacted the upper end of the Global M&A market in the first half of 2016 (Brexit, the US election and tightening antitrust regulations in the US), the UK mid-market has remained active from an M&A perspective. The first three quarters of 2016 saw over 1,900 private company takeovers; a 14% uplift on the same period in the prior year (Source: BDO LLP).

Indeed, the lower mid-market has been particularly buoyant in 2016 with private equity investments in the segment enjoying the most active six months in volume terms since 2008 and with aggregate deal values reaching £2 billion, according to a Lyceum Capital/Cass Business School report. On a European scale, in the TMT sector alone there has been a consistent flow of around 300 transactions a month across Europe throughout 2016 (Source: Regent).

Whilst the Company invests in UK smaller companies, after periods of successful growth these businesses can become attractive acquisition prospects for international buyers and so buoyant global M&A markets can help drive SME exit opportunities.

The UK remains an attractive investment destination and the recent devaluation of the pound only serves to heighten overseas interest in UK assets, particularly for US acquirers. In recent years Foresight Group has sold investments to American and Indian buyers and we would expect the trend of overseas interest to continue.

 *Foresight Group has built up an extensive network of active corporate finance advisers and other professional SME advisers.*

History and Performance

HISTORY OF THE COMPANY

In August 2004, Foresight Group (as subsequently notated to Foresight) was appointed to manage Advent VCT plc and Advent 2 VCT plc which were subsequently renamed Foresight 3 VCT plc and Foresight 4 VCT plc respectively.

Advent VCT plc was one of the first VCTs launched, having been launched in 1997, while Advent 2 VCT plc was launched in 1998. Both funds focused on investing in early stage UK technology businesses and performed well during the technology boom in the late 1990s/early 2000s but performed poorly subsequently as a consequence of the technology market collapse in 2002.

Foresight successfully turned around these under-performing funds, generating significant returns from realisations and facilitating a return to dividend payments, as well as changing their investment policies to become generalist funds, aiming to provide investors with attractive returns from a portfolio of investments in fast growing, unquoted UK companies. Besides continuing to invest in growth capital transactions, Foresight 3 VCT plc and the Company then invested in management buy outs, management buy ins, management buy ins/buy outs and equity release transactions.

In March 2008, Foresight Group was similarly appointed to manage Noble VCT plc and in September 2008, this was merged into Foresight 3 VCT plc.

In February 2012, Foresight 5 VCT plc (formerly Acuity Growth VCT plc), Foresight Clearwater VCT plc and Acuity VCT 3 plc were merged into the Company to create an enlarged Company with net assets of over £60 million.

Foresight 5 VCT plc and Acuity VCT 3 plc were merged into a new C share class within the Company (this share class subsequently being merged into the current ordinary share class) and Foresight Clearwater VCT plc was merged directly into the Company's ordinary share class.

In June 2017, Foresight 3 VCT plc was merged into the Company.

PERFORMANCE OF THE COMPANY

The Company's historic performance reflects a generally strong performance from private equity investing and the adverse impact of an ultimately unsuccessful diversification into environmental infrastructure investing.

This diversification started in 2007/8 but the environmental investment portfolio subsequently performed poorly reflecting various factors, principally weak recessionary economic conditions particularly between 2010 and 2012 and the lack of bank and equity finance following the credit crunch.

The investment strategy was subsequently refocused on making private equity investments rather than environmental infrastructure investments, with the latter being effectively discontinued during 2012/13. This is starting to show through in the more recent performance in the table below.

The portfolio was substantially refreshed during 2015 with several new private equity investments, including Specac, Itad and Protean, which are helping drive recent improvements to the NAV. This improvement is shown in the past five quarters to March 2017, where over fifteen months the Company has seen NAV growth of 6.8%.

F4 TOTAL RETURN* PERFORMANCE (TO 31 MARCH 2017)

1 YEAR	▶	4.4%
3 YEARS	▶	(10.61%)
5 YEARS	▶	(15.90%)

*Movement in NAV plus cumulative dividends

“The portfolio was substantially refreshed during 2015 with several new private equity investments, including Specac, Itad and Protean, which are helping drive recent improvements to the NAV.”



The following paragraphs apply to the Company and to the persons holding Shares as an Investment who are the absolute beneficial owners of such Offer Shares and the resident in the UK. They may not apply to certain classes of persons, such as dealers in securities. The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

If you are in any doubt about your position, or if you may be subject to a tax in a jurisdiction other than the UK, you should consult your authorised independent financial adviser.

VCT tax reliefs in respect of an investment in Offer Shares will be dependent on personal circumstance. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000 (including shares purchased in secondary market). Qualifying Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

1. TAX RELIEFS

(a) Income Tax

(i) Relief from income tax on investment

A qualifying investor subscribing for Offer Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 invested in VCTs in any tax year.

The relief is given at the rate of 30% on the amount subscribed for VCT shares regardless of whether the qualifying investor is a higher rate, additional rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the qualifying investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

A qualifying investor, who acquires shares in VCTs in any tax year costing up to a maximum of £200,000, will not be liable to the income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchases in the market

A qualifying investor who purchases existing shares in the market will be entitled to claim dividend relief (as described in the paragraph 1(a)(ii) above) but not relief from income tax on investment (as described in paragraph 1(a)(i) above).

(iv) Withdrawal of relief

Relief from income tax on subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or on death) within five years of issue or if the VCT loses its approval within this period as detailed below.

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

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of VCT shares

A disposal by a qualifying investor of VCT shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. 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.

(ii) 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 (as described in paragraph b(i) above).

(c) Acquisition and disposal of shares in the same VCT

The disposal of existing shares in a VCT within six months before or after subscription for new shares in the same

VCT (or otherwise where the acquisition and subscription is linked) will result in the amount of investment in the new shares in the VCT to which VCT tax reliefs are available being reduced by an amount equal to the proceeds received on the disposal.

Shareholders who intend to participate in the tender offer launched by the Company on 21 July 2017 may, therefore, have their upfront income tax relief on a subscription of Offer Shares reduced in whole or part and should carefully consider the implications of participating in the Offer and the tender offer. Shareholders can request a delay in offer shares being allotted to them until after the expiry of six months. Should they wish to participate in the tender offer please contact Foresight Group on 020 3667 8199.

(d) Loss of VCT approval

For a company to be fully approved as a VCT, it must meet the various requirements as set out below.

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any account period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

*“ VCT tax reliefs
in respect of an
investment in Offer Shares
will be dependent on
personal circumstance*

Current portfolio

This section contains summary details of the current portfolio. The information is based on the enlarged portfolio of the Company following the merger with Foresight 3 VCT plc.

The information included is based on the investments, and their valuations, included within the audited financial information of the Company for the year ended 31 March 2017 and the unaudited financial information of Foresight 3 VCT plc as at 31 December 2016. The information is presented on an aggregated basis.

Material investments subsequently sold by the Company and/or Foresight 3 VCT plc (as referred to below) have been excluded and the net assets adjusted accordingly where the sale proceeds were different to the valuation included.

The Third Party Information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published, no

facts have been omitted which would render the Third Party Information inaccurate or misleading.

EXITS AND REALISATIONS

Since 31 March 2017 (or 31 December 2016 in respect of Foresight 3 VCT plc) the positions in Blackstar Amplification and The Bunker were successfully realised. In addition, the realisation of Autologic commenced with the sale of the company's operations. Total proceeds are expected to be £6.6 million.

The first investment in Autologic Diagnostics Group was made in 2009, and following the successful partial exit in 2012 which returned 3.4x original investment, the overall return is expected to be 4.6x.

The first investment in Blackstar Amplification was made in 2012. Foresight Group introduced Keith Pacey, former executive chairman and CEO of Maplin Electronics, as chairman and Blackstar has more than doubled turnover over the last four years,

establishing itself as the number two amplifier brand in the UK and USA.

The exit was facilitated by a management buyout, supported by the company's manufacturing and distribution partners to develop the business into a vertically integrated amplifier brand and realise significant synergies. The transaction generated a c. 2x return.

The first investment in The Bunker was made in May 2006. The Bunker builds, hosts and manages high security, high availability IT infrastructure platforms, providing competitive data storage solutions. The growth capital provided by the Company was used to scale the facilities materially, and with Foresight Group's support, the business has grown strongly achieving a 14% compound annual growth rate of recurring revenues for the past three years. Annual revenues have grown to in excess of £9 million. The Bunker was acquired by Palatine Private Equity delivering a return of 2.5x.

DATAPATH GROUP LIMITED
www.datapath.co.uk



SECTOR: TMT



A Derby based manufacturer of PC-based multi-screen computer graphics cards and video capture hardware, specialising in video wall and data wall technology.

Established in 1982, it has provided solutions for wide-ranging and varied applications including control rooms, financial dealing rooms, CCTV, distance learning, digital signage and business presentations.

Year of investment	2007
Current amount invested (£'000)	147
Valuation (£'000)	21,043
Revenues at first investment	£6.7m
Current revenues (latest available)	£25.4m*
EBITDA	£7.3m*
% of net assets	28.8%



*Extracted from latest available annual report and financial statements



Operates a prepaid electronic payment service integrated with the Visa network. Consumers deposit funds by credit card, cash at payment points or via normal bank transfers.

The company has made inroads into the affiliates payment market, enabling affiliate networks to make payments to their members cost-effectively wherever they are in the world, and also into the online travel agency market. The company has launched its IxSol platform that enables developers to create and run their own global payment applications under the Visa and MasterCard schemes.

Year of investment	2006
Current amount invested (£'000)	2,048
Valuation (£'000)	5,309
Revenues at first investment	£0.9m
Current revenues (latest available)	£13.5m*
EBITDA LOSS	£(1.5)m*
% of net assets	7.3%



*Extracted from latest available annual report and financial statements



Based in East Sussex, TFC is one of Europe's leading technically based suppliers of fixing and fastening products.

From eight sites in the UK, Germany and the Czech Republic, it supplies injection moulded technical fasteners and ring and spring products to customers across a wide range of industries, including aerospace, automotive, hydraulics and petrochemicals and works with some of the leading manufacturers of technical products such as Smalley Steel Ring Company.

Year of investment	2007
Current amount invested (£'000)	282
Valuation (£'000)	4,465
Revenues at first investment	£7.6m
Current revenues (latest available)	£19.3m*
EBITDA	£2.0*
% of net assets	6.1%



*Extracted from latest available annual report and financial statements

Current portfolio

COGEN LIMITED

www.cogenuk.com



SECTOR:
ENVIRONMENTAL



Develops, builds, owns and operates waste to energy and combined heat and power ('CHP') plants.

The market is driven by government regulation regarding waste disposal and renewable energy incentives. Specifically, landfill tax, which is driving waste operators towards cheaper and more efficient methods of waste disposal. The electricity generated from processing the wood will be sold to Utility off-takers and attracts Renewable Obligation Certificates ('ROCs') which generate further revenue. CoGen is building on its successful development of the £48 million Birmingham Bio Power deal, which closed in December 2013, the £53 million Welland deal, which closed in March 2015, the £98 million Ince Bio Power, which closed in October 2015, and the acquisition of the Plymouth site also in March 2015.

CoGen was formed to bring together the underlying shareholdings in O-Gen UK and its joint venture partner Una Group, which had previously collaborated through Carbonarius limited (a 50:50 joint venture). It represents the last material environmental infrastructure investment in the portfolio.

Year of investment	2008
Current amount invested (£'000)	742
Valuation (£'000)	3,788
Revenues at first investment	n/a
Current revenues (latest available)	n/a*
EBITDA	n/a*
% of net assets	5.2%



*Abbreviated accounts do not include this information

PROCAM TELEVISION HOLDINGS LIMITED

www.procam.tv



SECTOR: TMT



One of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production.

Clients include major broadcasters and production companies, including the BBC, ITV, Two Four, Objective and Monkey Kingdom. Funds managed by Foresight and Foresight Group backed an MBO of the business in 2013. Procam has recently expanded in the United States, with a New York operation, and is broadening its range of services, now including lens servicing and lens products through subsidiary True Lens Services.

Year of investment	2013
Current amount invested (£'000)	1,525
Valuation (£'000)	3,658
Revenues at first investment	£7.7m
Current revenues (latest available)	£11.5m*
EBITDA	£3.3m*
% of net assets	5.0%



*Extracted from latest available annual report and financial statements



A leading manufacturer of high specification sample analysis and sample preparation equipment used in testing and research laboratories worldwide across a broad range of applications and end markets.

Specac's products are primarily focused on supporting IR Spectroscopy, an important analytical technique prevalent in both research and commercial-industrial labs.

Year of investment	2015
Current amount invested (£'000)	1,300
Valuation (£'000)	3,576
Revenues at first investment	£6.9m
Current revenues (latest available)	£8.1m*
EBITDA	£1.3m*
% of net assets	4.9%



*Extracted from latest available annual report and financial statements



A software business based in Coventry that develops and sells business management and field service management software for organisations involved in the supply, installation, maintenance and hire of equipment, across sectors such as facilities management, HVAC maintenance and elevator installation.

Year of investment	2015
Current amount invested (£'000)	1,500
Valuation (£'000)	2,408
Revenues at first investment	£2.9m
Current revenues (latest available)	£3.3m*
EBITDA	£0.8m**
% of net assets	3.3%



*Combination of all revenues of group companies

**Extracted from latest available annual report and financial statements

THE BUSINESS ADVISORY LIMITED



SECTOR:
BUSINESS SERVICES



The Business Advisory Limited operates as Government Grant Tax Consultants, which is a specialist organisation providing expert advices to UK-based SMEs on reducing and securing investments costs through available funding streams.

GGTC currently has two offices, one based in St Albans and one in Hertford.

Year of investment	2015
Current amount invested (£'000)	1,650
Valuation (£'000)	2,313
Revenues at first investment	n/a
Current revenues (latest available)	n/a*
EBITDA	n/a*
% of net assets	3.2%



*Abbreviated accounts do not include this information

BIOFORTUNA LIMITED

www.biofortuna.com



SECTOR:
HEALTHCARE



Biofortuna is a molecular diagnostics company specialising in the use of its proprietary freeze-dried expertise.

Founded in 2008, Biofortuna has developed a unique range of molecular diagnostic products using proprietary freeze-dried technology.

The Company's initial range of products was targeted at the transplantation market, matching the genetic type of organ recipients with donor organs. Biofortuna has partnered with the molecular diagnostics business of the global life sciences giant Abbott, who are already distributing Biofortuna's proprietary freeze-dried kits.

Year of investment	2012
Current amount invested (£'000)	2,055
Valuation (£'000)	2,055
Revenues at first investment	£0.2m
Current revenues (latest available)	£1.2m*
EBITDA LOSS	£(0.8)m*
% of net assets	2.8%



*Extracted from latest available annual report and financial statements



Itad, is a consulting firm focused on monitoring and evaluating the impact of international development money and aid on behalf of governments and charities in the UK and overseas.

Established in 1984 and based in East Sussex, the company advises on the impact of aid programs throughout the world, largely in developing countries.

Year of investment	2015
Current amount invested (£'000)	1,250
Valuation (£'000)	1,806
Revenues at first investment	£11.6m
Current revenues (latest available)	£12.0m*
EBITDA	£1.9m*
% of net assets	2.5%



*Extracted from latest available annual report and financial statements

PORTFOLIO COST AND VALUATION

TOP TEN

FULL PORTFOLIO

Cost (£'000)	12,498	32,327
Valuation (£'000)	50,419	73,104







% OF NET ASSETS BY VALUE

Top Ten	69.0%
Other venture capital investments	14.6%
Current assets (predominantly cash and money market securities)	16.4%

The financial information on investee companies detailed above has been extracted from financial year end accounts published (unless stated otherwise) by those investee companies ("Third Party Information").

Current portfolio

The sector exposure across the venture capital investments is set out to the right. Investors should note the net proceeds of the Offer will be invested in accordance with the Company's investment policy and sector exposure will vary over time.

SECTOR	% OF VENTURE CAPITAL INVESTMENTS BY VALUE
 Technology, media and telecommunications	47.7
 Business Services	22.6
 Consumer and Leisure	9.6
 Industrial and Manufacturing	6.8
 Health	3.5
 Other	9.8
Total	100

“ Investors will receive immediate exposure to Foresight 4 VCT plc's portfolio, which comprises a diversified range of holdings in

22 UNQUOTED TRADING COMPANIES,

many of which are already generating profits and enjoying strong growth



Case Studies



procam

“ In Foresight we have found a superb partner that shares our ambition to grow into new sectors and geographies. There is currently enormous demand for quality content from traditional broadcasters as well as from new online media players. Our business is thriving as we help production companies fulfil that demand cost-effectively.

John Brennan, Managing Director
Procam

Procam:

Investment type:	MBO
Totally Originally invested by all Foresight VCTs:	£1.8 million
Total Aggregate Investment by all Foresight VCTs:	£3.05 million
Initial Investment:	April 2013

SECTOR: TMT



Company Background

Procam is one of the UK's leading broadcast hire companies, supplying equipment and crew for location TV production. Clients include the major broadcasters, corporates and production companies large and small, including the BBC, ITV, Two Four, All 3 Media, Monkey Kingdom and Shine Group. Procam has supplied kit and crew to some of Britain's best loved shows, including Made in Chelsea, Derren Brown, Geordie Shore and The Island with Bear Grylls.

Due to the increasing range of camera formats and the intermittent filming schedules of most TV production companies, producers often prefer to hire equipment and crew rather than own and manage their own assets and staff.

FORESIGHT INVESTMENT:

The Foresight VCTs invested £1.8 million in a combination of shareholder loans and equity in April 2013 to support a management buyout, investing alongside the existing management team and incoming non-executive chairman and finance director.

Foresight Group was attracted to the investment by the historic growth of the business, solid market position and a loyal customer base. The management team was able to demonstrate a strong customer service ethos and a passion and ambition for the business.

The Foresight VCTs subsequently invested twice further, in support of various acquisitions.

PROCESS:

Foresight Group was introduced to the opportunity by the vendor's adviser approximately nine months before the formal process commenced. Foresight Group has had a relationship with the corporate finance adviser in question for over 20 years and was introduced to the Procam management team at an early stage to try and de-mystify the MBO process and explain how private equity investors work in partnership with their portfolio companies.

When the MBO fundraise was then formally launched, Foresight Group had already built a strong understanding of the business and had a good relationship with the management team, enabling Foresight Group to be successful in being the chosen partner for the business.

After a deal was agreed in principle, the due diligence process took 3-4 months. Foresight Group used external independent firms to conduct financial, legal and commercial due diligence. The commercial due diligence included extensive customer referencing which was universally positive.

FUTURE STRATEGY:

As part of the transaction Foresight Group sought out a strong industry chairman and was able to introduce Clive Jones CBE to chair the business. Clive has had a long career in television in various senior positions, including CEO of Carlton and chairman of GMTV. Helen Cardrick was appointed as finance director on completion of the MBO. Helen brings a commercial mind-set from her career across various industries including travel and retail. James Livingston of Foresight Group was also appointed to the board as a non-executive.

Since investing in April 2013, Foresight Group has supported Procam in making four bolt-on acquisitions which have broadened the company's geographical footprint in the UK, allowed it to enter the large US market and added specialist services and additional capabilities to the business.

Procam now has facilities across Edinburgh, Glasgow, Manchester and recently moved into a new, larger HQ, in Acton, London. Procam successfully entered the US market in 2015 with an acquisition in New York, which is enjoying significant growth. During 2016 Procam acquired the assets of the camera division of Take 2, which is focused on long form drama and film. Take 2 has previously supplied equipment and expertise to productions such as The Imitation Game, Paddington and The King's Speech.

The management team is focused on integrating the acquisitions and providing an ever broadening array of equipment and services to their clients.

Case Studies

The background of the entire page is a photograph of a professional broadcast control room. In the foreground, a large mixing console is visible, featuring numerous buttons, sliders, and faders, some of which are illuminated with warm orange and yellow lights. Behind the console, several large monitors are mounted on a wall. The top monitor displays a software interface with a graph and a row of yellow digital readouts. Below it, a larger monitor is divided into a grid of smaller windows; one window shows a color calibration chart with vertical bars of yellow, cyan, green, magenta, red, and blue, while others show dark or blurred images. To the left, another monitor shows a color bar. The overall atmosphere is dimly lit, typical of a broadcast studio at night.

trilogy

“

*I would have no hesitation
in recommending Foresight.*

**Mike Knight, Chief Executive Officer
Trilogy**

Trilogy Communications Holdings Limited:

Investment type: MBO and Growth Capital

Total Originally invested by all Foresight VCTs: £2.0 million

Total Aggregate Investment by all Foresight VCTs: £5.8 million

Initial Investment: September 2005

SECTOR: TMT



Company Background

Trilogy is a leading designer and manufacturer of communications equipment for the defence and broadcast sectors, with a global customer base, having sold into over 70 countries. Customers include the BBC and ITV in the broadcast sector and Lockheed Martin, BAE Systems and Thales in the defence market. The business is based in Andover, Hampshire.

FORESIGHT INVESTMENT:

The Foresight VCTs initially invested £2.0 million in a combination of shareholder loans and equity in 2005 to support a management buyout of the company from Bank Austria, investing alongside management and private investors. Foresight VCTs also provided growth capital to develop the defence and homeland security side of the business and launch the business in the USA.

Foresight Group, was attracted to the investment by Trilogy's strong competitive position within the internet protocol intercom systems market, patented technologies and growth potential in new markets, particularly defence. The company successfully developed a secure communications system for the defence market which allowed communications across multiple security levels and between several domains (e.g. interoperability between air force, navy and intelligence agencies).

Trilogy was introduced via a technology focused corporate finance adviser well known to Foresight Group for many years.

Foresight Group continued to support the business with further rounds of growth capital investment as the business was successfully designed into several large US defence programmes. The business also successfully received the US Government's 'PL4' (Protection Level 4) certification for its communication system.

TRADING AND EXIT:

In the years following the initial investment, Trilogy grew rapidly, growing revenue several fold, reaching £8.5m revenue in 2012, with EBITDA of over £1m, allowing the business to commence repayments of shareholder loans. A sale process for the business was commenced but soon faltered as US government sequestration resulted in budget reductions in the UK Department of Defence, one of the company's key end markets and the company's overall revenues materially declined and the business becoming lossmaking.

Foresight Group took steps to secure the company's future, including several rounds of cost cutting and changes to senior management. Foresight Group also brought in a new executive chairman with turnaround experience. The business was eventually stabilised and an exit process was commenced, resulting in a sale in 2016 to US business Clear-Com.

Overall, with interest and loan repayments, and accounting for the full sale proceeds, up to 73% of cost will be recovered. Whilst it is a poor result, it would have been materially worse without Foresight Group's extensive work on the turnaround of the business and careful negotiation of investment structuring to optimise returns.

Strength of the Manager

The Board believes that the success of any VCT is dependent on the judgement, experience and skills of the investment manager.

VENTURE CAPITAL TRUSTS

Foresight Group is a specialist private equity and infrastructure investment manager with more than £2.6 billion of assets under management.

Founded in 1984, through its parent undertaking, Foresight, manages three VCTs and has won a number of awards. In late 2016, Foresight Group was voted by its peers "VCT House of the Year" in the 2016 Unquote British Private Equity Awards, where the judges commented: "Foresight really impressed the judges this year with their sustained work rate and strong returns", referring to the eleven new investments and nine full or partial realisations made in the twelve-month judging period July 2015 to June 2016.

The strength and depth of the team has enabled Foresight Group to win the management mandates of established VCTs from other investment managers. Advent VCT plc, Advent 2 VCT plc, Noble VCT plc, Acuity Growth VCT plc and Acuity 3 VCT plc have all been successfully transferred across to Foresight Group's management (as novated to Foresight).

REGIONAL GROWTH FUNDS

In 2013, Foresight Group's Private Equity team was appointed to manage a regional fund of £39 million on behalf of the British Business Bank, Nottingham City and County Councils to target investment in dynamic growth companies, with a focus on Nottinghamshire to stimulate enterprise, create jobs and to attract inward investment to the region. Since then, the Foresight Nottingham Fund has completed £21 million of investments in fourteen local businesses.

In 2015, Foresight Group announced a £38 million second regional fund in the North West of England, cornerstoned by the Greater Manchester Pension Fund with a mandate to invest in entrepreneurial businesses in Cumbria, Cheshire, Lancashire, Manchester, Merseyside, North East Wales and South Yorkshire.

From its office in Manchester the Foresight Regional Investment Fund has already invested over £15 million in five businesses.



MORE THAN

£2.6 BILLION

ASSETS UNDER MANAGEMENT



NAMED

VCT HOUSE OF THE YEAR

IN THE 2016 UNQUOTE BRITISH PRIVATE EQUITY AWARDS



REGIONAL GROWTH FUNDS

BASED OUT OF OFFICES IN
THE MIDLANDS
AND NORTH WEST



MORE THAN

22,000

PRIVATE INVESTORS



WORKING WITH MAJOR INSTITUTIONAL
INVESTORS INCLUDING

EUROPEAN INVESTMENT BANK,
BLACKROCK, UK GREEN INVESTMENT BANK,
CLEAN ENERGY FINANCE CORPORATION



The Private Equity team at Foresight Group, comprises 18 investment professionals with a wide range of experience – from venture capital at 3i, BGF, Inflexion and Advent Venture Partners, to operational experience at Thomson Financial and corporate finance experience at Rothschild, Mazars and E&Y together with strategic consulting experience at Accenture and Deloitte. This team has over 200 years' worth of collective investment experience and combines investors' capital and its own hands-on expertise with the intention of creating long-term shareholder value and generating attractive returns for shareholders.

With regards to portfolio management, Foresight Group takes a particularly active, hands-on approach and as a matter of policy,

on its unquoted investments, seeks board representation and the ability to appoint a senior industry expert as chairman. Foresight Group works particularly closely with the investee companies in the following areas:

- definition and review of strategy and its implementation;
- recruitment and incentivisation of key management and board members;
- planning for growth, international expansion and new product/service introduction;
- fundraising from banks and other external sources; and
- mergers, acquisitions and exit planning.

RECENT AWARDS

Green Innovation and Finance Awards 2017

Infrastructure Financier of the Year

Growth Investor Awards 2016 - RUNNER UP

Most Impactful Investment - **Specac**

Unquote British Private Equity Awards 2016

VCT House of the Year

New Energy and Cleantech Awards 2015

Company of the Year
Financier of the Year

SHORTLISTED FINALIST

Unquote British Private Equity Awards 2016

Exit of the Year – **Defaqto**

Growth Investor Awards 2016

Exit of the Year – **Defaqto**
Best BPR Investment Manager

South East Dealmakers Awards 2016

Private Equity House of the Year
Young Dealmaker of the Year –
J Livingston

Financial Innovation Awards 2016

Innovation in delivery of financial products -
Planning and Advice
Foresight Accelerated Inheritance Tax Solution

Women in Private Equity Awards 2016

Best Woman GP Mid-market/growth capital
- **Claire Alvarez and Lizzie Ryan**

Investor Allstars 2015

Growth Fund of the Year –
Foresight Nottingham Fund
VCT of the Year – **Foresight VCT**

Foresight Group Team

Founders

Bernard Fairman

Chairman and Co-founder

- Over 35 years' private equity, venture capital and fund management experience
- Sourced and negotiated over 40 investments
- Has led Foresight Group since co-founding the firm in 1984



Peter English

Co-founder and Partner

- Over 30 years' SME investment experience
- Ten years' experience in the semiconductor industry, at GEC Semiconductors and Nortel



Partners

David Hughes

Partner and Foresight Group CIO

- Venture capital experience from 3i, Framlington, Bank Austria and most recently at Advent Venture Partners.
- Over 40 years' private equity, venture capital and fund management experience
- First Class Chemistry graduate from the University of Bristol



Russell Healey

Partner and Head of Private Equity

- 12 years' experience in fund management and venture capital investing
- Ten years' senior management experience as CTO of a financial information company sold to Thomson Reuters
- MBA with distinction from London Business School



James Livingston

Partner

- Nine years' venture capital investment experience
- Three years' strategy consulting and commercial due diligence experience at Deloitte
- First class MA in Natural Sciences and Management Studies from the University of Cambridge



Matt Smith

Partner

- Eight years' venture capital investment experience
- Seven years' banking experience at Rothschilds
- MA in Biological Sciences and Physiology from University of Oxford



Directors and Senior Investment Managers

Seb Saywood

Director

- Four years' private equity and venture capital experience
- Seven years' merger and acquisitions and restructuring experience with Clearwater Corporate Finance and Zolfo Cooper.
- Degree in Economics from the University of Durham



John Holden

Principal

- 20 years' private equity and venture capital experience, latter 15 years focused on technology and medical devices
- Experience at 3i, ANGLE, Imperial Innovations and his own advisory and funding business
- Degree in Economics and Politics from the University of Durham with an MBA (Distinction) Cranfield University



Rodney Appiah
Senior Investment Manager

- Five years' private equity and venture capital experience, prior to Foresight at the Business Growth Fund
- Five years' mergers and acquisitions, corporate advisory and restructuring experience at Merrill Lynch
- Degree in economics from the Royal Holloway University of London



Elizabeth Ryan
Senior Investment Manager

- Three years' private equity and venture capital experience
- Six years' corporate finance experience at Deloitte
- Degree in Economics (1st class) from Newcastle University



Claire Alvarez
Senior Investment Manager

- Six years' experience advising banks and company directors on returning value from distressed SMEs
- Degree in Management (1st class) from the University of Lancaster, MBA (distinction) from Manchester Business School



Mike Quinn
Senior Investment Manager

- 17 years of SME corporate finance experience, latterly as Head of East Midlands CF team at RSM
- Advised on many private equity transactions and spent a year on secondment with Catapult Venture Managers covering the UK from their Leicester base.



Investment Managers and Analysts

Rob Jones
Investment Manager

- Six years' mergers and acquisitions experience with RSM and Ernst&Young, latterly focused on advising mid-market private equity
- ACA qualified with a degree in Business and Economics from the University of Manchester and a master's degree in Global Business from Manchester Business School



Amy Crofton
Investment Manager

- 11 years' investment banking and corporate finance expertise
- Five years' experience structuring equity and debt investments in UK SMEs
- Degree in Materials, Economics and Management (first class) from Oxford



John Cordrey
Investment Manager

- Two years' private equity and venture capital experience
- Chartered accountant at PwC, working in M&A
- Degree in economics from the University of Durham



Matt Pomroy
Investment Manager

- Five years' corporate finance and M&A experience advising SMEs at Mazars
- ACA qualified with a degree in Economics and Social Policy from the University of Sheffield and Diploma in Corporate Finance



Chris Wardle
Investment Manager

- Two years' private equity and venture capital experience
- Five years' experience in mergers and acquisitions and post-deal corporate strategy with Accenture's M&A practice
- Degree in natural sciences from the University of Cambridge



David Miles
Investment Analyst

- Two years private equity and venture capital experience
- ACCA qualified
- Degree in History from Exeter



Costs of the Offer and Pricing Formula

COSTS OF THE OFFER

The Company will pay Foresight Group, as promoter to the Offer a fee equal to (i) 2.5% of the amount subscribed by Retail Client Investors, Professional Client Investors and Execution-Only Investors and (ii) 5.5% of the amount subscribed by Direct Investors ("Direct Offer Costs").

USE OF A PRICING FORMULA MEANS INVESTORS RECEIVE TAX RELIEF ON THEIR GROSS INVESTMENT

In respect of each investor, Foresight Group's fees will be reduced by the Existing Foresight Shareholder Loyalty Discount and the Early Bird Discount (see below), and any other discount Foresight Group may agree to offer any particular or group of investors, applicable to that investor (i.e. the Direct Offer Costs applicable to the investor are reduced). In consideration of such fee, Foresight Group will meet all of the costs of the Offer other than intermediary commissions and adviser charges.

The relevant amount of Direct Offer Costs will be borne by the investor through the Pricing Formula. Up-front adviser charges will be facilitated by the Company, but borne by the investor through the Pricing Formula. Ongoing adviser charges will need to be settled directly by the investor.

EXISTING FORESIGHT SHAREHOLDER LOYALTY

Existing shareholders in any of the Foresight VCTs will be entitled to a loyalty discount of 0.5%. The Existing Foresight Shareholder Loyalty Discount will be applied by reducing the Direct Offer Costs to be applied in relation to an investor's subscription and is effectively a reduction Foresight Group's promotion fee.

EARLY BIRD DISCOUNT

Applications received before 12.00 noon on 30 November 2017 will, if accepted, be entitled to a discount of 1.0%. Foresight Group reserves the right to extend the dates which the Early Bird Discount applies. The Early Bird Discount will also be applied by reducing the Direct Offer Costs to be applied in relation to an investor's subscription and again is effectively a reduction in Foresight Group's promotion fee.

Retail Client Investors

Direct Offer Costs*	▶	2.5%
Up-front adviser charges*	▶	Variable – can be facilitated
Ongoing adviser charges*	▶	Variable – payable by investor

*expressed as a percentage of an investor's subscription.

Professional Client Investors and Execution-Only Investors

Direct Offer Costs*	▶	2.5%
Initial commission to intermediaries*	▶	3.0%
Trail commission to intermediaries	▶	0.5% per annum

Annual trail commission is calculated as a percentage of the net asset base value at the end of each financial year and is subject to a cumulative trail commission cap of 3.0% of the Offer price.

*expressed as a percentage of an investor's subscription.

Initial commission will be paid by the Company, but borne by the investor through the Pricing Formula. Trail commission will be paid by the Company.

Initial commission may be waived (in whole or part) by an intermediary for the benefit of his client. This will reduce the amount of initial commission taken into account in the Pricing Formula reducing the Offer price for the investor thereby increasing the number of Offer Shares he or she receives.

The payment of trail commission is subject to the intermediary's client continuing to hold their Offer Shares and only to the point that the client does not later receive advice from the intermediary. Trail commission is paid by the Company.

NB. In respect of existing trail commission arrangements to intermediaries, such payments will continue (to the extent permitted under legislation and regulations), but not if subsequent financial advice in respect of the holding is given. As a result, should a Shareholder who decides to seek financial advice from their existing execution-only intermediary in respect of participating in the Offer, any trail commission which is currently being paid to that intermediary pursuant to an existing holding in the Company must cease and Foresight Group and/or the Company should be notified accordingly.

Direct Investors

Direct Offer Costs*



5.5%

Investment without intermediary involvement.

*expressed as a percentage of an investor's subscription.

By offering investors a bespoke issue price per Offer Share as determined by the Pricing Formula (see below) all investors are entitled to claim tax relief on the full amount of their investment in new Ordinary Shares, including any facilitated payment and all investors are treated fairly as regards the payment of up-front commission and Adviser Charges.

Pricing Formula

By taking into account any investor up-front Offer costs through the Pricing Formula, a bespoke Offer price is generated for each investor. This results in the investor's shareholding being reduced by an amount equal to his or her relevant up-front Offer costs.

Investors are invited to subscribe for an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares to be allotted to a successful Applicant is determined by dividing the investment amount by the Offer price derived from the Pricing Formula below:

Offer price = NAV ÷ X

where:

NAV is the most recently published NAV per Share on the day of the allotment, adjusted for dividends declared and for which the record date for payment has passed at the time of allotment; and

X = 1 - Total Net Fees

Total Net Fees means, as applicable, the Direct Offer Costs and any initial commission or up-front adviser charge for the relevant investor, expressed as a percentage of the amount subscribed (i.e. if the adviser charge was an amount equal to 2% of the amount subscribed and the investor was an existing shareholder in one of the Foresight VCTs entitled to the Existing Foresight Shareholder Loyalty Discount, Total Net Fees would be 0.040 and X would be 0.960).

Potential investors should note that the NAV per Share may rise or fall during the Offer period. The number of Offer Shares to be allotted by the Company will be rounded down to the nearest whole number and fractions of Offer Shares will not be allotted.

The Company will announce the number of Offer Shares issued and the range of Offer prices by way of a Regulatory Information Service announcement following each allotment.

For these purposes:

"Direct Investor" an investor who makes an investment in the Company without reference to an intermediary (together "Direct Investors")

"Execution-Only Investor" an investor who invests in the Company pursuant to the transaction which is executed by an FCA authorised firm upon the specific instruction of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (together "Execution-Only Investors")

"Professional Client Investor" an investor who is provided with advice or guidance as to the merits of making an investment in the Company by an independent financial adviser where that adviser classifies the investor as a professional client for the purposes of the FCA rules (together "Professional Client Investors")

"Retail Client Investor" an investor who applies for Offer Shares through their independent financial adviser where the adviser has classified the investor as a retail client for the purposes of the FCA rules (together "Retail Client Investors")

Details of the Offer

COMPANY:	Foresight 4 VCT plc
OFFER SIZE:	£50,000,000
OFFER OPENED:	19 May 2017
CLOSING DATE TAX YEAR 2017/18:	5 April 2018 (12 noon)
CLOSING DATE TAX YEAR 2018/19:	30 April 2018 (12 noon)
INVESTMENT SECTORS:	Generalist Private Equity
MINIMUM SUBSCRIPTION:	£3,000
MAXIMUM SUBSCRIPTION:	£200,000 (in each tax year for VCT tax relief)

DIVIDEND OBJECTIVE:

The Company will endeavour to maintain a flow of dividend payments and maximise the Company's tax-free income available to investors. The enlarged Company position following the merger with Foresight 3 VCT plc and the Offer is expected to enhance the Board's ability to consider dividend payments with the objective of achieving regular dividends linked to the performance of the enlarged investment portfolio.

SHARE BUYBACK POLICY:

The Company's buyback policy is, subject to adequate cash availability, to consider repurchasing Shares when they become available in order to help provide liquidity to the market in Shares. The enlarged Company position following the merger with Foresight 3 VCT plc and the Offer is expected to enhance the Board's ability to consider buybacks with the objective of achieving and maintaining the Share price discount to the NAV per Share at 10% initially, but with a medium-term aim of achieving a Share price discount to the NAV per Share of 5%, subject to market conditions.

FEES & CHARGES

	Retail Investors with financial advice	Professional investors & Execution Only	Direct Investors
Direct Offer Costs	2.5%	2.5%	5.5%
Initial Commission (% of NAV)	n/a	3.0%	n/a
Annual Commission (% of NAV)*	n/a	0.5%	n/a
Adviser Charges**	Variable	n/a	n/a

* capped at 3.0%

** see page 28 and section 3 of the application form on page 104 of the Prospectus dated May 2017 for more details.

EARLY BIRD INCENTIVE

Applications received on or before 12 noon 30 November 2017 will receive a discount on the Foresight initial charge of 1%.

SHAREHOLDER LOYALTY BONUS

Investors who hold shares in Foresight VCTs will receive a discount on the Foresight initial charge of 0.5%.

PERFORMANCE INCENTIVE

Details of the performance incentive aligning the interests of the Manager with those of the Shareholders can be found on page 43 of the Prospectus dated 19 May 2017.

FORESIGHT SUPPORT

Communications strategy with IFAs and Investors

- Annual and Half Yearly Reports
- Regular e-mail and newsletter updates

TIMETABLE

LAUNCH ▶	EARLY BIRD ▶	CLOSE ▶	FINAL CLOSE
19 May 2017	30 November 2017	5 April 2018 (12 noon) (for tax year 2017/18)	30 April 2018 (12 noon) (for tax year 2018/19)

What's Next

If you would like to discuss this investment offering with someone at Foresight Group please do not hesitate to contact us on: 020 3667 8199 or sales@foresightgroup.eu



Notes



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