



Foresight Solar & Infrastructure VCT PLC ("Company")

Publication of a Letter to Ordinary Shareholders

The board of the Company ("Board") is pleased to announce the publication of a Letter to Ordinary Shareholders with respect to the options available to them either remain invested or exit their holdings in the Ordinary Shares of the Company.

The letter is published in full below and a copy of the letter will be shortly available for inspection on both the Foresight Group LLP website (www.foresightgroup.eu) as well as at the National Storage Mechanism (www.morningstar.co.uk/uk/nsm).

For further information, please contact:

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Foresight Group LLP

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This document is for the attention of the holders of ordinary shares of 1p each ('Ordinary Shares') in the capital of Foresight Solar & Infrastructure VCT plc ('the Company').

This document is important and requires your immediate attention. If you are in any doubt as to any aspect of this document or as to any action you should take, you are recommended to seek financial advice from an independent financial adviser authorised under the Financial Services & Markets Act 2000 ('FSMA').

If you have sold or otherwise transferred all of your Ordinary Shares, please pass this document to the purchaser or transferee, or to the person who arranged the sale or transfer so that they can pass the document on to the person who now owns the Ordinary Shares.

Letter to Ordinary Shareholders from David Hurst-Brown, Chairman

14 November 2016

Dear Shareholder,

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

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

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

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

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



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

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

The final page of this letter asks you to select your chosen option. Please make your choice, sign the form and return it to us in the pre-paid envelope provided. Your response will be binding and will need to be received by no later than 15th January 2017.

Once responses have been received and collated, it is expected that the Company will convene a general meeting to be held in the first quarter of 2017 at which shareholders' approval will be sought for the exact mechanics of the optimal liquidity scheme. The scheme selected will depend, amongst other things, on the number of shares that shareholders tell us they want to sell in accordance with the 'Shareholder Options' described below and it may be that a shareholder-approved buyback is the most efficient method. As part of the scheme for returning capital to investors, it is expected that a composite resolution will be proposed at the general meeting which will also approve, subject to the achievement of the target return to shareholders, the payment of a performance incentive fee to Foresight as set out in the original prospectus.

Option to Remaining Invested

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

Shareholders' Options

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

- *For Ordinary Shares you elect to sell:*
 - We anticipate shares will be acquired by the Company at a price in the range of £0.95 to £1.01 per share. This assumes that total dividends paid to ordinary shareholders by such date will be 29p, of which 23p has already been paid. This would generate a total return since original investment of £1.24 to £1.30 at such point; and
 - Shares will be acquired at net asset value.
- *For Ordinary Shares you elect to remain invested:*
 - We believe that very few asset classes can deliver such predictable, non-equity correlating returns as solar PV power. Further, the VCT has substantial exposure to Feed-in-Tariff subsidised power plants which provide the most predictable of income streams available to solar power;



- The performance of Foresight Solar and Infrastructure “O” Shares has been strong since launch and the Board remains confident that the VCT can continue to deliver dividends of at least 6p per annum in the long term;
- Shares that remain in the VCT will continue to deliver to qualifying holders tax-free dividends with potential for tax-free capital growth at a time when there are limited possibilities to access lower risk asset classes within tax advantageous structures; new VCT fund raises cannot be invested into solar PV generating assets, or indeed any energy generating assets;
- The Investment Manager, Foresight Group, has substantial experience in overseeing solar assets via its in-house team of engineers and specialist portfolio managers and will actively manage the portfolio in order to continually optimize performance; and
- We intend to offer further liquidity at net asset value within two years from the First Planned Exit Date.

For the avoidance of doubt at this point only Ordinary shares of the Company can be sold under this proposal. Planned liquidity events for other share classes, such as C shares and D shares, will be provided after the relevant 5 year anniversaries have passed.

Action Points

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

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

This letter was originally sent to ordinary shareholders on 14 November 2016, but we omitted to publish it on our website. We have been made aware that some shareholders did not receive this letter, therefore we have now published the letter via the regulatory news service and it will be available on the Company's website. If you have already completed your form and submitted your decision, you do not need to take any further action.

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

Yours faithfully,

David Hurst-Brown
Chairman



Important Notices

This document has not been approved by a person authorised under FSMA. Accordingly, this document is directed solely at holders of Ordinary Shares in the Company and their advisers authorised under FSMA. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of person and in any event and under no circumstances should persons of any other description rely on or act upon its contents. It must not be reproduced by, further distributed or published (in whole or part) by you or any other person save where you have sold all your Ordinary Shares and pass this letter to the transferee.

This document is not a prospectus or listing particulars, does not contain any representation or warranty as to its accuracy or completeness and does not constitute an offer or invitation to subscribe, underwrite or purchase any securities, or the solicitation of any offer or invitation to subscribe, underwrite or purchase any securities, nor shall it or any part of it form the basis of or be relied upon in connection with any offer to subscribe, underwrite or purchase any securities nor in connection with any contract therefor. Specifically, this document does not constitute a memorandum of sale for or an offer or an invitation to buy shares in the capital of the company and the form attached by which shareholders are invited to indicate their binding indication of preference does not constitute an offer or an invitation to sell shares in the company but it is anticipated that these documents, taken together, will form a significant component part of the liquidity arrangements for which shareholder's approval is likely to be sought in the New Year the success of which will depend on shareholders' honouring their binding indications of preference if the liquidity scheme which is then proposed is to be implemented. If binding indications of preference are not honoured the company may not be able to proceed with a liquidity scheme as planned and the company may incur wasted expense and costs and might have realised assets needlessly which might compromise the qualifying status of the company as a venture capital trust in the future. Accordingly this document and the form attached for completion by ordinary shareholders need to be considered carefully and ordinary shareholders should regard themselves as bound by their indications of preference so that a liquidity scheme can be developed and proposed in the best interests of all holders of ordinary shares in the capital of the company.

The statements in this document should not be regarded as a profit or dividend forecast and nor should they be regarded as forward looking statements. There is no guarantee that any full or partial exits of investments will be achieved and/or at any specified value. The payment and level of dividends will remain subject to the performance of the Fund and the Company as a whole, the sale values achieved and other statutory and regulatory requirements (including the need to maintain the Company's status as a VCT).

The market price of the shares in the Company may not be fully reflected in their underlying net asset value. The value of an investment in the Company may go down as well as up and an investor may not get back the full amount invested. Although the shares in the Company will be listed on the London Stock Exchange's main market for listed securities, it is likely that the shares will be illiquid and shareholders may have difficulty in



selling them. Past performance is not necessarily a guide to future performance of the Company.

There can be no guarantee that the Company's investment objectives will be achieved. Investment in unquoted, AIM-traded and PLUS Markets-traded companies by its nature involves a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. The market for stock in smaller companies is often less liquid than that for stock in larger companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock. The Company's investments may, therefore, be difficult to realise.

The current VCT tax reliefs may change during the time shares are held and can be retrospective. The value of the tax reliefs depends on the personal circumstances of the investors, who should consult their own tax advisers before making, or taking action in relation to, an investment. There can be no guarantee that the Company will retain full VCT status which could lead to adverse tax consequences for investors, including a requirement to repay any upfront income tax relief.

Shareholders can refer to Company's recently published annual report and accounts for the year ended 30 June 2016 for further background information as regards the Company's recent performance and the estimated returns stated above.



Form for Completion: Binding Indication of Preference

Instructions:

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

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

Tick One of the Boxes

Option 1 – Remain Fully Invested

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

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Option 2 – Partial Retention and Sale

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

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

Option 3 – Full Exit

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

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Investor Name:
(please print) _____

Investor Signature: _____

Investor Shareholder Reference Number

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

Date: _____