

**Form ADV Part 2A: FIRM BROCHURE**

# Foresight

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**31 Jan, 2023**

This Brochure provides information about the qualifications and business practices of Foresight Group LLP (“Foresight”, “Firm”, “we”, “us”, “our”). If you have any questions about the contents of this Brochure, please contact us by telephone at +44 (0)20 3667 8100 or by email to [gfraser@foresightgroup.eu](mailto:gfraser@foresightgroup.eu) (Partner, Chief Financial Officer and Chief Operating Officer)<sup>1</sup>. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Foresight is a registered investment adviser. Registration of an investment adviser with the SEC does not imply a certain level of skill or training.

Additional information about Foresight is also available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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<sup>1</sup> Gary Fraser is also Foresight’s Compliance Officer.

## **Item 2 – Material Changes**

Foresight is required to disclose any material changes to our Firm Brochure since its most recent annual update to our Brochure. Whilst the ownership structure has changed the ultimate beneficial ownership has not changed. The details of the new structure ownership are reflected on page 4.

### **Full Brochure Availability**

The Firm's Brochure is available by contacting Gary Fraser +44 (0)20 3667 8100 or by email to [gfraser@foresightgroup.eu](mailto:gfraser@foresightgroup.eu). , all new clients are being provided a full copy of our brochure.

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## Item 4 – Advisory Business

**A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).**

Foresight, is an infrastructure and private equity investment management firm based in London, United Kingdom. Established in 1984, Foresight's two main operating strategies are Infrastructure asset management, which is focused on renewable energy and infrastructure sectors, and Private Equity, which focuses on private equity, venture and growth capital investment principally in the UK to small and medium sized enterprises in the consumer & leisure, industrial & manufacturing, TMT, healthcare and business services sectors. Foresight and its affiliates provide discretionary investment advisory services to their clients, which consist of private investment funds and institutional investors.

Foresight serves as investment adviser for, and provides discretionary investment advisory services to, (i) pooled investment vehicles operating as private investment funds, including open-ended funds, closed-ended funds, and funds in which affiliates or employees of Foresight invest alongside such other private investment funds and (ii) investment funds registered or authorized in foreign jurisdictions for retail investors on a wholesale basis<sup>2</sup> (collectively, the "Funds"). In addition, Foresight provides non-discretionary investment advisory services to individually managed accounts (the "Managed Accounts") for institutional investors. Foresight generally serves as investment manager for Managed Accounts or arrangements formed to offer investment solutions for institutional investors. The Funds and the third-party investors in or owners of the Managed Accounts shall be referred to herein as the "Clients". For the avoidance of doubt, in the United States, Foresight only provides advisory services to "qualifying private funds" (as that term is defined in Section 203(m) of the Investment Advisers Act of 1940 (the "Advisers Act") and managed accounts for qualified clients (as that term is defined in Rule 205(a)(1) of the Advisers Act).

Foresight is 100% owned by Foresight Holdco 2 Limited, an English limited company, which is 100% owned by Foresight Group CI Limited, a Guernsey-based limited company. Foresight Group CI Limited is 100% owned by Foresight Group Holdings Limited, a Guernsey-based limited company. Foresight Group Holdings Limited is listed on the London Stock Exchange and its largest shareholder is Beau Port Investments Limited, a Guernsey-based limited company holding 27.8%% of its shares, of which Bernard Fairman is the beneficial owner. No other shareholder holds more than 10% holdings in Foresight Group Holdings Limited. For more information on the ownership information of Foresight, please see Foresight's Form ADV Part 1, Schedule A and B.

**B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of**

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<sup>2</sup> See Item 7, below.

**investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.**

Foresight operates two lines of business – private markets and public markets. Foresight’s private markets business provides discretionary and non-discretionary investment advisory services with respect to investments in private companies (“private equity”) and infrastructure investments to Clients. Foresight’s investment advisory services to Clients consists of identifying and evaluating investment opportunities, recommending and negotiating the terms of purchase and sale of private equity and infrastructure investments. Investments are made globally.

Foresight’s public markets business consists of providing discretionary investment advice to Clients related to investments in securities of public traded infrastructure and real assets companies.

**C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.**

Investment objectives for all Clients are described in the private placement memorandum, limited partnership agreement, investment management/ advisory agreement, operating agreement, subscription agreement, side letter agreements and other governing documents (collectively, “Governing Documents”).

Foresight allows Managed Account Clients to customize their investments, upon their request, by imposing reasonable investment restrictions on certain industries or sectors. In these cases, the Client will provide Foresight with written instructions. These requests are typically received at account inception and memorialized in the negotiated investment advisory agreement. Relationships with Managed Account Clients are on an advisory basis only whereby all investment decisions are made by the Client itself.

Foresight does not tailor its advisory services to the individual needs of investors in Funds. Foresight’s investment advice and authority for each Fund is tailored to the investment objectives of that Fund. Investors in Funds participate in the overall investment program for the applicable partnership and cannot be excused from a particular investment except where it is permitted by and pursuant to the terms of the Governing Documents. Fund investors cannot impose restrictions on the investments made by Foresight on behalf of a Fund. In very limited circumstances, Foresight will permit Fund investors the ability to “opt out” of certain Fund investments.

Foresight may enter into side letters or similar agreements with certain investors for example investors who make substantial commitments of capital or who were early-stage investors in Funds, or for other reasons in the sole discretion of Foresight. Side letters may be entered into if the governing documents permit and have the effect of establishing rights

under, or altering or supplementing, a Fund's partnership agreement. Side letters are negotiated at the time of the relevant investor's capital commitment, and once invested in a Fund, investors generally cannot impose additional investment guidelines or restrictions on such Fund. Such rights may include co-investment preferences, certain fee arrangements, notification provisions, reporting requirements and "most favored nations" provisions, among others. To ensure the fair treatment of investors within each Fund, the governing documents of the Fund generally have a most favoured nation clause such that investors within the same fund should be entitled to at least as favourable terms as other investors.

**D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.**

Foresight does not participate in wrap fee programs.

**E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.**

As of September 30 2022, the Firm managed approximately US\$ 8,168,577,651 in regulatory assets under management, where US\$ 5,672,837,055.78 are managed on a discretionary basis and US\$ 2,495,740,595.26 on a non-discretionary basis. The Cromwell Foresight Global Sustainable Infrastructure Fund, which was launched on 31 January 2023, had seed money of US\$50,000,000. Added to the September 30 2022 figures, the RAUM of the Firm is US\$8,218,577,651.

## **Item 5 – Fees and Compensation**

**A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.**

Foresight is compensated for its advisory services with a management fee (the "Management Fee") and a performance based carried interest allocation ("Carried Interest").

### **Management Fees**

For its investment advisory services provided to Funds, Foresight and/or an affiliated entity, such as a Fund's general partner, typically receive a management fee<sup>3</sup> calculated either as a percentage of the net assets or invested capital pursuant to the Offering and/or Governing Documents, which are provided to prospective investors.

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<sup>3</sup> Generally the Fund general partner receives a Priority Profit Share from the Fund and Foresight invoices the general partner for a management fee of an equal amount.

For its investment advisory services provided to Managed Accounts, Foresight typically receives a management fee calculated either as a percentage of the net assets or invested capital as disclosed in the relevant investment management agreement to which the investing entity/person is a party.

For the Cromwell Foresight Global Sustainable Infrastructure Fund, with respect to sub-advisory services provided to investment companies, the firm receives a percentage of the management fee outlined under the Fees and Expenses of the Fund section in the prospectus.

Offering and/or governing documents, including the investment management agreement (or such other agreement that govern Managed Account arrangements) in the case of a Managed Account, when applicable, will be referred to herein as the “Offering and/or Governing Documents”. Notwithstanding this Item 5 and Item 6 below, a Client’s Offering and/or Governing Documents may provide for a fee structure pursuant to which Foresight is compensated on the basis of entirely different criteria, metrics, or circumstances than those described.

While Foresight’s policy is that its fees are not negotiable, Foresight reserves the right to waive or reduce its fees for certain investors or Clients.

As different Fund governing documents may provide a different level of Management Fee, the existence of differing Management Fees for Clients investing side-by-side may create a conflict of interest for Foresight and its affiliates with respect to the allocation of investment opportunities. Foresight’s investment allocation policy (see Item 16 – Investment Discretion) addresses this potential conflict of interest.

#### **Management Fee Offset**

Generally, the management fee payable by a Client to Foresight will be reduced by all or a portion (as disclosed in the Offering and/or Governing Documents of the relevant Client) of such Client’s allocable share of any origination or other transaction fees (including commitment, closing, amendment, waiver, directors’, topping, organizational, break-up, monitoring, exit or other disposition fees, or other similar fees in respect of such Client’s purchase, monitoring or disposition of an investment or prospective investment by such Client (collectively, “Other Fees”)) received by Foresight for transactions effected for such Client’s account.

**B. Describe whether you deduct fees from clients’ assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Management Fees generally are payable monthly or quarterly in advance subject to the

applicable Offering and/or Governing Documents. Foresight may elect to defer payment of all or part of the management fee payable by a Client. Management Fees payable by a Client are generally deducted from the Fund's assets and may be deducted from the Client's assets as/ if permitted by the applicable Offering and/or Governing Documents. Where that's not the case, Clients will be invoiced for such Management Fees.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your Brochure that discuss brokerage.**

Subject to the applicable Offering and/or Governing Documents, each Client will generally be responsible for the organizational expenses, including, without limitation, legal, accounting, director's fees, filing, capital raising, marketing, advertising and wholesaling and other organizational expenses of the Client, as well as organizational expenses of any related investment vehicles and any parallel funds.

The Offering and/or Governing Documents of each Client provide a description of any additional fees and expenses for which such Client may be responsible in addition to the Management Fees and any performance-based allocations or fees (see Item 6 – Performance-Based Fees and Side-By-Side Management below).

### **Portfolio Company Remuneration**

Foresight and its affiliates perform management, advisory, transaction-related, financial advisory and other services for, and receive transaction and monitoring fees from, affiliates and portfolio companies as described in more detail in each Fund's Governing Documents. In consideration for such services, Foresight receives directors' fees and arrangement fees monitoring fees and breakup fees, as mentioned above. These fees are in addition to the Management Fees. Foresight reduces the amount of Management Fees paid in connection with the receipt of such fees in the manner as set forth in the Offering and/or Governing Documents. Additionally, as mentioned above, a portfolio company will, on occasion, reimburse Foresight for expenses (including without limitation travel expenses) incurred by Foresight in connection with its performance of services for such portfolio company, and such reimbursements are not subject to the offset against Management Fees.

### **Client Account Expenses**

In addition to the Management Fee, Clients pay all other costs, expenses and obligations relating to such Fund's or Managed Account's activities, investments and business (to the



extent not borne or reimbursed by a portfolio company and which expenses differ across Client accounts), including without limitation: (i) all costs, expenses, liabilities and obligations attributable to acquiring, holding and disposing of investments and short term investments (including, without limitation, interest on money borrowed); (ii) legal, accounting, auditing, insurance, travel, litigation and indemnification costs and expenses, judgments and settlements, consulting, finders', financing, appraisal, filing and similar fees and expenses (including, without limitation, expenses associated with the preparation of the financial statements including the cost of any third party administrator thereto, tax returns and Schedule K-1s); (iii) expenses of any advisory committee; (iv) all out-of-pocket fees and expenses incurred by the Funds or Managed Accounts, Foresight or any other management person relating to investment and disposition opportunities for the Funds or Managed Accounts not consummated (including, without limitation, legal, accounting, auditing, insurance, travel, consulting, finders', financing, appraisal, filing, printing, real estate title and similar fees and expenses); (v) all out-of-pocket fees and expenses incurred by the Funds or the Managed Accounts, Foresight or any other management person in connection with any conference or meeting with investor(s); (vi) the Management Fee; (vii) any taxes, fees and other governmental charges levied against the Client; (viii) costs and expenses that are classified as extraordinary expenses under UK GAAP; and (ix) any organizational expenses, including any costs and expenses of placement agents or other finders, but not including (A) excess organizational expenses, (B) placement fees and (C) any costs or expenses incurred in the registration of Foresight as an investment adviser under Advisers Act.

### **Third-Party Professional Expenses**

Foresight engage and retain advisers, consultants and other professional service providers who are not employees or affiliates of Foresight and who, from time to time, receive payments from, or fee allocations with respect to, portfolio companies and/or other entities. These professionals also incur expenses while working with Foresight portfolio companies, and such expenses are paid either by Foresight, the relevant portfolio company or the relevant Client (generally in the case of a deal that is not consummated). Similarly, these professionals are often appointed to sit on a Foresight portfolio company board of directors and are reimbursed for the cost of their travel to and from such portfolio company board meetings and for other portfolio company business; such expenses are generally borne by the relevant portfolio company which the third-party professional is advising but may also be paid by the relevant Client (generally in the case of a deal that is not consummated). In such circumstances, such amounts will not be deemed paid to or received by Foresight. In the event a third-party professional provides work for a portfolio company in addition to board service, any such fees are paid by the portfolio company and are not offset against Management Fees.

## **Co-Investment Expenses**

Foresight may form investment vehicles to facilitate investments alongside a Client in connection with the consummation of a Client transaction ("Co-Investment Funds"). In the event a Co-Investment Fund is created, Foresight reserves the right to charge the investors in such Co-Investment Fund with all expenses related to the Co-Investment Fund's organization and formation and other expenses incurred in relation to the co-investment opportunity. Foresight also reserves the right to charge the Co-Investment Fund's investors with the pro rata portion of expenses incurred in making (or in the case of an aborted or failed investment), not making, an investment.

## **Allocation of Fees and Expenses**

In good faith and in its fair and reasonable discretion, Foresight determines on a case-by-case basis whether an expense should be borne by Foresight, a Client, multiple Clients, a Co-Investment Fund or an investment. To the extent that the Governing Documents do not expressly provide for a method of allocation or to the extent that an invoice does not relate to a specific Client, Foresight will typically allocate common expenses among multiple Clients on a pro rata basis unless another method is more equitable. Where one or more Clients to which an expense would otherwise be allocable are not permitted to receive an allocation based on the applicable Governing Documents, the portion of the expense attributable to such Client(s) will be borne by Foresight.

## **Additional Fees and Expenses**

Clients will pay certain out-of-pocket fees and expenses pursuant to such Client's Offering and/or Governing Documents, including brokerage fees, brokerage commissions and all other brokerage transaction costs, stock borrowing and lending fees, interest on cash balances, custodial fees, reasonable transaction legal expenses, regulatory fees or taxes payable in respect of the applicable Account, professional expenses (including fees in connection with the use of proxy voting services) and any other fees and expenses related to the trading and investment activity of the applicable Client account or Fund as determined by Foresight. Please see Item 12 – Brokerage Practices for more information.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

Foresight receives its Management Fees in advance. In the event a Client has pre-paid Foresight's advisory fees and, pursuant to the Client's Offering and/or Governing Documents, is due a refund Foresight will return the fees on a pro-rata basis and subject to any notice period. If Foresight is terminated as manager for misconduct, all advance

paid fees will be returned. For the majority of its Clients, investment is made on a no redemption basis, and the transfer of management away from Foresight is heavily restricted within the governing documents of the Fund. Therefore, the likelihood of termination and thereby a fee refund, is very low.

- E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.**

Neither Foresight nor any employee of Foresight accepts, or otherwise directly receives, any compensation for the sale of securities or other investment products.

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

**If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a Client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance- based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset- based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.**

In addition to the Management Fees and other fees described in Item 5 – Fees and Compensation above, Foresight, in accordance with the relevant Offering and/or Governing Documents of each Client, may receive a performance-based allocation or fee, subject in certain, but not all, cases to a loss carry forward provision or claw-back provision. Performance-based allocations or fees may be based on either realized or unrealized profits attributable to a Client. All performance-based compensation arrangements are more fully disclosed in the relevant Offering and/or Governing Documents of each Client.

The existence of a performance-based allocation or fee may incentivize Foresight to manage a Client's assets in a manner that is more aggressive than it would in the absence of such allocation or fee.

Further, the existence of differing performance-based allocations or fees for Clients investing side-by-side could create an incentive to favour client accounts where Foresight receives a performance-fee over client accounts that do not pay a performance fee and client accounts that pay a higher performance fee over client accounts that pay a lower performance fee.

Key conflicts of interest are disclosed to Clients in each Client's Offering and/or Governing Documents to ensure Clients and investors are aware of Foresight's investment activities and

the risks associated with such activities. Foresight also has an investment allocation policy (see Item 16 – Investment Discretion) that addresses the conflict of interest related to allocation of investment opportunities amongst Clients. In addition, Foresight and/or its affiliates make monetary commitments to each of the Foresight Funds effectively investing alongside investors and aligning Foresight’s interests with Fund investors. Finally, Foresight has designed and implemented a Remuneration Policy designed to promote sound and effective risk management.

## **Item 7 – Types of Clients**

**Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.**

In the United States, Foresight’s advisory services are limited to providing investment advice to “qualifying private funds” as that term is defined in Section 203(m) of the Advisers Act, sub-advisory services to mutual funds, and Managed Accounts accredited investors and qualified purchasers. The Clients and investors in Foresight’s Funds and Managed Accounts are namely institutional investors and high-net worth individual investors capable of understanding the risks of their investments, including the following types of persons:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds and funds of funds
- High net worth individuals
- Corporations
- Business entities other than those listed above

Foresight (a) must have a reasonable belief that potential investors invited to participate in Funds or other products meet certain eligibility requirements and (b) in each case must satisfy certain compliance procedures (including anti-money laundering procedures), prior to accepting any subscription or investment amount. In addition, any separate maintenance or other investment-related provisions (e.g., minimum account sizes, minimum fee amounts, etc.) will be provided in the Offering and/or Governing Documents of each Fund or Managed Account, which are made available to each potential investor prior to investment.

In the UK, Foresight provides investment advisory services to Open Ended Investment

Companies (OIECs), Venture Capital Trusts (VCTs), Enterprise Investment Schemes (EIS) and other UK government sanctioned inheritance and business property tax relief funds. These investment vehicles are not offered or sold by Foresight directly to investors but may be offered and sold to retail investors through appropriately qualified financial intermediaries.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### **A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets.**

Foresight uses a range of methods to identify, analyze and assess potential and existing investment opportunities. Generally, analytical methods used by the investment team can include gain/loss forecast models, cash-flow models, other financial modeling and simulation, risk sensitivity analysis, fundamental, technical, and cyclical analysis. Foresight often employs specialist consultants to evaluate resource forecasts, management teams and commercial relationships as part of its due diligence for each new investment.

### **Principle Investment Strategies for Cromwell Foresight Global Sustainable Infrastructure Fund (Mutual Fund):**

Under normal circumstances, the Mutual Fund invests at least 80% of its net assets (plus any borrowings for investment purposes) in equity securities of sustainable infrastructure companies. The Mutual Fund will invest directly in the shares of companies (including listed investment trusts, real estate investment trusts (“REITs”), ETFs or units of master limited partnerships (“MLPs”) that, in each case, invest in infrastructure companies and are publicly-traded (listed) on stock exchanges in developed markets, meaning North America, Western Europe and Asia Pacific (specifically Australia, New Zealand, Singapore, Japan, Hong Kong); and that own and operate real infrastructure or sustainable assets anywhere in the world. Such companies’ revenue streams are typically directly or indirectly supported by long-term government or public sector contracts and government supported initiatives.

### **B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

As with any type of investing, a certain degree of risk can be associated with private investments. As a result, Clients should be prepared to bear the following potential risks:

- Because of the nature of investment opportunities on which Foresight advises, the anticipated or targeted returns cannot be guaranteed.

- There can be no assurance that the Clients' investment objectives will be achieved. The possibility of partial or total loss of capital will exist and Clients and their investors must be prepared to bear capital losses that could result from investments.
- Potential investors in a Fund Client should carefully consider the risks of Fund Clients' investments disclosed in the applicable Offering and/or Governing documents.
- Other risks of investing with Foresight include, but are not limited to, the following:

### **No Assurance of Investment Return**

Foresight cannot provide assurance that it will be able to choose, make, and realize anticipated or targeted returns in any investment opportunity. Foresight uses extensive research, forecasting analyses and modeling to identify in advance and mitigate any potential performance risks; however, returns can be unpredictable and ultimately there can be no assurance that Foresight's investment recommendations will be able to generate returns or that the returns will be commensurate with the risks of investing. During due diligence, Foresight will analyze the track records and historical performance of potential investments, as well as the underlying assumptions and key drivers of success to maximize Clients' and their investors' probability of achieving targeted returns.

### **Reliance on Foresight**

Foresight will have exclusive responsibility for Clients' activities, and, other than as may be set forth herein and in the Offering and/or Governing documents of Clients, investors will not be able to make investment or any other decisions concerning the management of a Clients' account. Investors in a Fund generally have no rights or powers to take part in the business and affairs of such Fund or make investment decisions and, other than what is provided in the investor reports, will not receive all the financial information that is generally available to Foresight with respect to the companies, assets, projects, and/or businesses in which a Fund invests. Additionally, Foresight may be restricted from disclosing or may determine it is appropriate not to disclose to investors in a Fund material non-public information regarding one or more specific investments, including certain investments in which a Fund may participate alongside other Funds, which may result in such investors not receiving certain material non-public information regarding a Fund and/or one or more of its investments under certain circumstances.

Furthermore, in the event certain Foresight investment professionals acquire confidential or material, non-public information concerning an entity in which a Fund has invested in or proposes to invest in, the possession of such information may limit the ability of the applicable Fund to buy or sell particular securities of such entity on behalf of such Client, thereby limiting the investment opportunities or exit strategies available thereto. Foresight will generally have sole discretion in structuring, negotiating and purchasing, financing and eventually divesting

investments on behalf of Clients (subject to specified exceptions). Accordingly, no person should invest unless such person is willing to entrust all aspects of the management to Foresight.

### **Asset Illiquidity and Valuations**

Investments in unlisted companies may be difficult or impossible to realise. In general, a Fund's investments will be illiquid unless and until they are sold or become publicly listed, and the ability of the Client to realise capital gains from such investments will therefore be subject to any number of uncontrollable and unpredictable factors. It may be difficult from time to time for that Fund to realise, sell or dispose of an investment at an attractive price or at the appropriate time or in response to changing market conditions, or the Fund may otherwise be unable to complete a favourable exit strategy. Although the Fund's investments may generate some current income, the return of capital and the realisation of gains, if any, will generally occur only upon the partial or complete disposal of an investment.

Certain investments held by a Fund may be in securities that are or become publicly traded. Such investments may involve economic, political, interest rate and other risks, any of which could result in an adverse change in the market price. In addition, in some cases the Fund may be prohibited by contract or other limitations from selling such securities for a period of time so that the Fund is unable to take advantage of favourable market prices.

As most of a Fund's investments will be highly illiquid and most likely not be publicly-traded or readily marketable, Foresight will therefore not have access to readily ascertainable market prices when establishing valuations of the investments and Foresight and the Fund can provide no assurance that any given investment could be sold at a price equal to the market value ascribed to such investment in connection with the valuation thereof. Actual realized returns will depend on various factors, including future operating results, the value of the assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale.

### **Investing in Private Companies**

Investments in unlisted, private companies are intrinsically riskier than investments in listed companies, as private companies may be smaller, more vulnerable to changes in markets, technology and circumstances and be dependent on the skills and commitment of a small management team. Private companies are not subject to the same disclosure and reporting requirements that are generally applicable to public companies. There can be no guarantee that the small number of individuals on which a private company relies will continue to be employed by such company once a Fund has invested in it. Although Foresight will monitor the performance of each investment, the Fund will necessarily rely on the management teams of the individual portfolio companies in which the Fund invests for day-to-day management.

## **Highly Competitive Market for Investment Opportunities**

The activity of identifying, completing and realizing attractive investments to be pursued as part of a Clients' investment program is highly competitive and involves a high degree of uncertainty. The availability of investment opportunities generally will be subject to market conditions, as well as the prevailing regulatory and political climate. In particular, in light of changes in such conditions, including changes in the availability and cost of debt financing, certain types of investment opportunities may not be available to Clients on terms that are as attractive as the terms on which opportunities were available previously to Foresight. Clients will be competing for investment opportunities with a significant number of other investors, including, without limitation, other investment partnerships and corporations, business development companies, sovereign wealth funds, domestic and international public pension plans, the public debt and equity markets, individuals, financial institutions and other financial investors investing directly or through affiliates. Furthermore, over the past several years, an ever-increasing number of tactical opportunity, special situations and related investment funds have been formed and many such existing funds have grown substantially in size, including private equity funds investing in stressed, distressed, special situations, private equity and similar strategies, resulting in an unprecedented amount of capital available for private equity investment. Additional funds with similar objectives will likely be formed in the future by other unrelated parties.

Some of these competitors may have more relevant experience, greater financial, technical, marketing and other resources, more personnel, higher risk tolerances, different risk assessments, lower return thresholds, lower cost of capital, synergistic cost savings and access to funding sources unavailable to Foresight and Foresight's Clients. Consequently, competition for appropriate investment opportunities has increased, and it is possible that competition for appropriate investment opportunities may continue to increase, thus reducing the number of investment opportunities available to Clients and adversely affecting the terms, including without limitation, pricing, upon which investments can be made. There can be no assurance that Clients will be able to locate, consummate and exit investments that satisfy Clients' target equity size range, rate of return objectives or realize upon their values or that they will be able to invest fully their committed capital. To the extent that Clients encounter competition for investments, returns to investors may decrease.

In addition, Foresight's investment strategies in certain sectors may depend on its ability to enter into satisfactory relationships with joint venture partners, operating executives or senior advisors. There can be no assurance that Foresight's current relationship with any such partner, operating executive or senior advisor will continue (whether on currently applicable terms or otherwise) with respect to Clients or that any relationship with other such persons will be able to be established in the future as desired with respect to any sector or geographic market and on terms favorable to Clients.

## **Legal and Regulatory Risks**



Legal and regulatory changes could occur during the time of Clients' investment with Foresight that may adversely affect the Client, its portfolio investments or its partners. For example, a Client expects to make investments in a number of different sectors, some of which are or may become subject to regulation by one or more countries regulatory authorities, U.S. federal agencies and/or by various agencies of the states, localities and counties in which they operate. New and existing regulations, changing regulatory schemes and the costs and burdens of regulatory compliance all may have a material, negative impact on the performance of investments that operate in these industries. Foresight cannot predict whether new legislation, regulation or regulatory interpretations governing those industries will be enacted or adopted by legislative bodies or governmental agencies, nor can Foresight predict what effect such legislation, regulation or regulatory interpretation might have. There can be no assurance that new legislation, regulation or regulatory interpretation, including changes to existing laws, regulations and regulatory interpretations, will not have a material, negative impact on Client's investment performance.

Moreover, increased scrutiny and newly proposed legislation applicable to private investment funds and their sponsors may also impose significant administrative burdens on Foresight and may divert time and attention from portfolio management activities. In addition, and in particular in light of the changing global regulatory climate, a Fund Client may be required to register under certain foreign laws and regulations, and need to engage distributors or other agents in certain non-U.S. jurisdictions to market interests to potential investors. The effect of any future regulatory change on a Client could be substantial and adverse. In addition, the securities and futures markets are subject to comprehensive statutes, regulations and margin requirements. The SEC, other regulators and self-regulatory

organizations and exchanges are authorized to take extraordinary actions in the event of market emergencies.

In addition, Foresight and its affiliates engage in a broad variety of activities. These activities have in the past, and may in the future, subject Foresight or one or more of its affiliates to risks of becoming involved in litigation by third parties or may subject Foresight or any such affiliate to investigations or proceedings initiated by governmental authorities. It is difficult to determine what impact, if any, such litigation may have on Foresight, or any such affiliate or Clients. As a result, there can be no assurance that the foregoing will not have a material, adverse impact on Foresight, any of its affiliates or Clients, or otherwise impede a Client's ability to effectively achieve its objectives.

## **Brexit**

On 31 January 2020 the UK left the European Union and entered into a transition period that ended on 31 December 2020. Since the end of the transition period, the UK no longer has single market access. This gives rise to a number of risks including the risk of economic instability, disrupted supply chains, changes to import/export taxes, risk of removal of licenses in the EU jurisdictions where Foresight operates, restrictions on movement of people, regulatory and legal uncertainty and the transfer of the personal data Foresight holds.

The uncertainty surrounding the UK's future relationship with the EU could adversely affect Foresight, the Client, the performance of Foresight's investments and its ability to fulfill its Funds'/ Managed Accounts' investment objectives.

## **Regulatory Approvals/Consents**

Foresight may recommend an investment for a Client in the equity or debt of a renewable generation project or similar type of asset that may not receive the initial regulatory approval or license needed to acquire or otherwise operate an investment, including after substantial costs have been incurred pursuing such investment. Additional or unanticipated regulatory approvals, including, without limitation, renewals, extensions, transfers, assignments, reissuances or similar actions, may be required to acquire or operate infrastructure assets, and additional approvals may become applicable in the future due to a change in laws and regulations, a change in the portfolio company's customer(s) or for other reasons. Furthermore, permits or special rulings may be required on taxation, financial and regulatory related issues. While Foresight's strategy is to limit exposure to permitting risk, in certain limited instances Foresight may recommend incurring permitting risk. There can be no assurance that a portfolio company will be able to (i) obtain all required regulatory approvals that it does not yet have or that it may require in the future, (ii) obtain any necessary modifications to existing regulatory approvals, or (iii) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect any regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to a portfolio company and the Client. The nature

of these obligations and dependencies expose the owners of such assets to a higher level of regulatory control than typically imposed on other businesses, resulting in government entities having significant influence over such owners and companies.

### **Investments Outside the United States Generally**

Certain Clients expect to make a significant number of investments outside the United States. The legal systems of some countries lack transparency or could limit the protections available to foreign investors. Investments in non-U.S. securities or instruments involve certain factors not typically associated with investing in U.S. securities and instruments, including risks relating to: (i) currency exchange rate fluctuations and costs associated with conversion of investment principal and income from one currency into another; (ii) exposure to fluctuations in interest rates payable with respect to the instruments in which a Client invests; (iii) differences in conventions relating to documentation, settlement, corporate actions, shareholder rights and other matters; (iv) differences between U.S. and foreign securities markets, including potentially higher price volatility and relative illiquidity of some markets; (v) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and differences in government supervision and regulation; (vi) the risks associated with political, economic or social instability, including the risk of sovereign defaults, regulatory change, and the possibility of expropriation or confiscatory taxation and other adverse economic and political developments; (vii) the possible imposition of non-U.S. taxes on income and gains and gross sales or other proceeds recognized with respect to such Investments; (viii) less developed corporate laws regarding stakeholder rights, creditors' rights (including the rights of secured parties), fiduciary duties and investor protections; (ix) differences in the legal and regulatory environment or enhanced legal and regulatory compliance, including potential currency control regulations, and potential restrictions on investment and repatriation of capital; (x) political hostility to investments by foreign or private equity investors; and (xi) less publicly available information.

### **Uncertainty of Financial Projections**

Foresight may recommend an investment based on the target's financial projections and various projections of the investment team. Projected operating results will normally be influenced by management judgments. In all cases, projections are only estimates of future results that are based upon assumptions made at the time that the projections are developed. There can be no assurance that the projected results will be obtained, and actual results may vary significantly from projections. General economic conditions, which are not predictable, can have a material adverse impact on the reliability of such projections and the performance of any investment in a portfolio company.

### **Financial Leverage**

Foresight reserves the right to make use of leverage by incurring or having a project or portfolio company incur debt to finance a portion of its investment. Depending

on the governing documents of the Fund, leverage can be secured on the unpaid commitments of investors. Leverage generally magnifies both the Client's opportunities for gain and its risk of loss from a particular investment.

The cost and availability of leverage is highly dependent on the state of the broader credit markets (and such credit markets may be impacted by regulatory restrictions and guidelines), which state is difficult to accurately forecast, and at times it may be difficult to obtain or maintain the desired degree of leverage. The use of leverage also imposes restrictive financial and operating covenants on an investment, in addition to the burden of debt service, and may impair its ability to operate its business as desired and/or finance future operations and capital needs. The leveraged capital structure of investments will increase the exposure of a Client's investments to any deterioration in a investment's condition or industry, competitive pressures, an adverse economic environment or rising interest rates and could accelerate and magnify declines in the value of a Client's investments in the leveraged projects or portfolio companies in a down market.

In the event any investment cannot generate adequate cash flow to meet its debt service, the applicable Client may suffer a partial or total loss of capital invested in the investment, which could adversely affect the returns of such Client. Furthermore, should the credit markets be limited or costly at the time a Client determines that it is desirable to sell all or a part of an investment, the Client may not achieve an exit multiple or enterprise valuation consistent with its forecasts. Moreover, the projects and companies in which a Client will invest generally will not be rated by a credit rating agency. A Client may also borrow money or guarantee indebtedness (such as a guarantee of a portfolio company's debt). The use of leverage by a Client also will result in interest expense and other costs to the Client that may not be covered by distributions made to the Client or appreciation of its investments. A Client reserves the right to incur leverage on a joint and several basis with one or more other investment funds and entities managed by Foresight or any of its affiliates and may have a right of contribution, subrogation or reimbursement from or against such entities. In addition, to the extent a Client incurs leverage (or provides such guarantees), such amounts may be secured by capital commitments made by the Client's investors and such investors' contributions may be required to be made directly to the lenders.

### **Unspecified Investments**

Clients must rely upon the ability of Foresight to identify structure and implement investments consistent with Clients' investment objectives and policies. Foresight may be unable to find a sufficient number of attractive opportunities to meet Clients' investment objectives. The success of Clients will depend on the ability of Foresight to identify suitable investments, to negotiate and arrange the closing of appropriate transactions and to arrange the timely disposition of investments.

### **Public Company Holdings**

Foresight's public market business invests in securities issued by publicly held companies. Such investments may subject Clients to risks that differ in type or

degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of Clients to dispose of such securities at certain times, increased likelihood of shareholder litigation against such companies' board members (which may include persons affiliated with Foresight) and increased costs associated with each of the aforementioned risks.

### **Risk of Limited Number of Investments; Lack of Diversification**

Clients may be subject to restrictions on the size of investments such that not more than a particular percentage of the aggregate amount of capital commitments may be invested in any one investment. Accordingly, Clients may participate in a limited number of investments and, as a consequence, the aggregate return of Clients may be substantially adversely affected by the unfavorable performance of even a single investment. If certain investments perform unfavorably, it may materially and adversely affect overall returns. To the extent a Client concentrates investments in a particular asset class, sector or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic to business conditions with respect thereto. In addition, certain geographic regions and/or industries may be more adversely affected from economic pressures when compared to other geographic regions and/or industries.

### **Cyber Security Breaches, Identity Theft, Privacy Breaches and Other Threats**

Cyber security incidents and cyber-attacks have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future. Each Client and its portfolio companies' and its service providers' information and technology systems are vulnerable to damage or interruption from computer viruses and other malicious code, network failures, computer and telecommunication failures, security threats (including cyber security threats to and attacks on Foresight's information technology infrastructure), infiltration by unauthorized persons and security breaches, usage errors by their respective professionals or service providers, power, communications, or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes, and earthquakes. If unauthorized parties gain access to such information and technology systems, they may be able to steal, publish, delete, or modify private and sensitive information, including nonpublic personal information and material nonpublic information. Although Foresight has implemented, and Clients' portfolio companies and their service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. Foresight does not control the cyber security plans and systems put in place by third-party service providers, and such third party service providers may have limited indemnification obligations to Foresight, a Client and/or a portfolio company, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users, and industrial or other espionage may not be identified even with sophisticated

prevention and detection systems, potentially resulting in further harm and preventing it from being addressed appropriately. Foresight, a Client, and/or a portfolio company may have to make a significant investment to fix or replace any information and technology systems affected by any such breaches. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in Foresight's, a Client's and/or a portfolio company's operations and result in a failure to maintain the security, confidentiality, or privacy of sensitive data, including personal information relating to Client (and their beneficial owners), material nonpublic information in possession of and the intellectual property and trade secrets and other sensitive information of Foresight and/or portfolio companies. Such a failure or unauthorized disclosure of data could harm Foresight's, a Client's and/or a portfolio company's reputation, subject any such entity and their respective affiliates to legal claims, increased costs, financial losses, data privacy breaches, regulatory action, enforcement or intervention arising out of applicable privacy or other laws and adverse publicity and otherwise affect their business and financial performance. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means.

### **Risks in Effecting Operating Improvements**

In some cases, the success of Foresight's investment strategy will depend, in part, on the ability of Foresight to restructure and effect improvements in the operations of a portfolio company. The activity of identifying and implementing restructuring programs and operating improvements at portfolio companies entails a high degree of uncertainty. There can be no assurance that Foresight will be able to successfully identify and implement such restructuring programs and improvements.

### **Reliance on Portfolio Company Management Team and Third-Party Service Providers**

The day-to-day operations of the investments will be the responsibility of such portfolio company's management team and other third party service providers that the portfolio company's management team may appoint (for example, construction companies, waste suppliers, maintenance teams). Although Foresight will be responsible for monitoring the performance of each investment, there can be no assurance that the existing management team, third party operational service providers, or any successor, will be able to successfully operate the portfolio company in accordance with Foresight's investment thesis and plans. Additionally, portfolio companies need to attract, retain and develop executives and members of their management teams. The market for executive talent can be, notwithstanding general unemployment levels or developments within a particular industry, extremely competitive. There can be no assurance that portfolio companies will be able to attract, develop, integrate and retain suitable members of its management team and, as a result, a Client may be adversely affected thereby.

### **General Economic and Market Conditions**

The success of a Client's investment activities will be affected by general economic and market conditions, as well as by a number of other economic factors that are outside of Foresight's control and that involve a high degree of business and financial risk. These factors include, but are not limited to, changes in laws, changes in the financial condition or prospects of the entity in which the investment is made, fluctuations in currency exchange rates and interest rates, changes in the relative prices of commodities or securities, inflation, general economic and market conditions and activity, and national and international political, environmental and socioeconomic circumstances. There is no assurance that any key trends or economic and market conditions for infrastructure and debt investing will continue to improve or not deteriorate. Any slowdown or downturn in the global economy (or any particular segment thereof) or adverse development in prevailing market trends could adversely affect a Client's profitability, impede the ability of such Client's portfolio companies to perform under or refinance their existing obligations, and impair a Client's ability to effectively consummate and exit portfolio investments on favorable terms.

### **Financial Market Fluctuations; Availability of Financing**

Declines or volatility in financial markets, including the securities and derivatives markets, could adversely affect the value of the Clients' investments. A significant market fluctuation often decreases tolerance for counterparty risks, which can negatively impact financial institutions, even causing their failure as occurred in the most recent global economic downturn. The Clients and their portfolio companies are expected to regularly seek to acquire new debt and refinance existing debt, including in the liquid debt markets, and significant declines in pricing of debt securities or increases in interest rates, or other disruptions in the credit markets, would make it difficult to carry on normal financing activities, such as obtaining committed debt financing for acquisitions, bridge financings or permanent financings. Tightening of loan underwriting standards, which often occur during market disruptions, can have a negative impact including through reduction of permitted leverage levels and increased requirements for borrower quality. The Clients' ability to generate attractive investment returns will be adversely affected by any worsening of financing terms and availability.

### **Hedging Policies/Risks**

In connection with the financing of certain investments, Foresight may propose that a Client utilize a wide variety of derivative financial instruments for risk management purposes, the use of which is a highly specialized activity that may entail greater than ordinary investment risks. Any such hedging transactions may not be effective in mitigating risk in all market conditions or against all types of risk (including unidentified or unanticipated risks), thereby resulting in losses to the Client. Engaging in hedging transactions may result in a poorer overall performance for the Client than if it had not engaged in any such hedging transaction, and Foresight may not be able to effectively hedge against, or accurately anticipate, certain risks that may adversely affect the Fund Clients' investment portfolio. In addition, a Client's investment portfolio may be exposed to certain risks that cannot be fully or effectively hedged, such as credit risk relating both to particular securities

and counterparties.

### **Other Trading and Investing Activities**

Certain Clients may invest in securities of publicly traded companies that are actual or potential companies in which other Client(s) have made or will make investments. The trading activities of such other Client(s) may differ from or be inconsistent with activities, which are undertaken for the account of certain Clients in such securities or related securities. In addition, certain Clients may be precluded from pursuing an investment in an issuer as a result of such trading activities by other Client(s).

### **Investments in Which Another Foresight Vehicle Has a Different Principal Investment**

Certain Clients (and/or other vehicles or accounts managed by Foresight or the Foresight Group, including proprietary vehicles owned by Foresight itself) (collectively, the “Foresight Vehicles”) can be expected to make investments in portfolio companies in which other Foresight Vehicles have made or are concurrently making a different principal investment at the time of such Foresight Vehicle’s investment (e.g., in different parts of the capital structure). In such situations, the Foresight Vehicles could have conflicting interests (e.g., over the terms of their respective investments, including equity vs. debt investments). Given the nature of any such conflict that could arise, there can be no assurance that such conflict can be resolved in a manner that is beneficial to both Foresight Vehicles, and the action taken for one Foresight Vehicle may be adverse to another Foresight Vehicle. Actions may also be taken for the benefit of Foresight that may be adverse to one or more Clients. Foresight will seek to resolve any such conflicts using its best judgment, but in its sole discretion, subject to the terms of the relevant Clients’ Offering and/or Governing documents, as applicable.

### **Confidential or Material, Non-Public Information**

By reason of their responsibilities in connection with other activities of Foresight, certain Foresight investment professionals may acquire confidential or material, non-public information concerning an entity in which Clients have invested, or propose to invest, and the possession of such information may limit the ability of Foresight to buy or sell particular securities of such entity on behalf of Clients, thereby limiting the investment opportunities or exit strategies available to Clients. In addition, holdings in the securities of an issuer by Foresight may affect the ability of Clients to make certain acquisitions of or enter into certain transactions with such issuer.

### **Risks Relating to Due Diligence of and Conduct at Portfolio Companies; Risk of Fraud in Portfolio Companies**

Before making investments, Foresight will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. Due diligence may entail evaluation of important and complex business, financial, tax, accounting, environmental and legal issues.



Outside consultants, legal advisors, accountants, investment banks and other third parties may be involved in the due diligence process to varying degrees depending on the type of investment. Such involvement of third-party advisors or consultants may present a number of risks primarily relating to Foresight's reduced control of the functions that are outsourced. In addition, if Foresight is unable to timely engage third-party providers, its ability to evaluate and acquire more complex targets could be adversely affected. When conducting due diligence and making an assessment regarding an investment, Foresight will rely on the resources available to it, including information provided by the target of the investment and, in some circumstances, third-party investigations. The due diligence investigation that Foresight carries out with respect to any investment opportunity may not reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. Moreover, such an investigation will not necessarily result in the investment being successful. There can be no assurance that attempts to provide downside protection with respect to investments, including pursuant to risk management procedures and environmental, social and governance guidelines, will achieve their desired effect.

There can be no assurance that Foresight will be able to detect or prevent irregular accounting, misconduct by employees or consultants or other fraudulent practices during the due diligence phase or during its efforts to monitor the investment on an ongoing basis or that any risk management procedures implemented by Foresight will be adequate. In the event of fraud or other misconduct by any seller, portfolio company or any of its managers, affiliates, employees, consultants or service providers, a Client may suffer a partial or total loss of capital invested in that portfolio company. There can be no assurances that any such losses will be offset by gains (if any) realized on a Client's other investments. An additional concern is the possibility of material misrepresentation or omission on the part of the portfolio company, issuer or the seller. Such inaccuracy or incompleteness may adversely affect the value of a Client's securities and/or instruments in such portfolio company. The Client will rely upon the accuracy and completeness of representations made by portfolio companies and/or their former owners in the due diligence process to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

### **Misrepresentation, Fraud and Misconduct**

Of significant concern in lending and investing is the possibility of material misrepresentation or omission by a counterparty. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the investment or may adversely affect the ability of a Client to perfect or effectuate a lien on the collateral securing the investment. A Client generally relies upon the accuracy and completeness of representations made by counterparties but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Client may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

## **Coronavirus and Public Health Emergencies**

As of the date of this Brochure, there is an outbreak of a novel and highly contagious form of coronavirus ("COVID-19"), which the World Health Organization has declared to constitute a "Public Health Emergency of International Concern." The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on a Client and its portfolio companies and could adversely affect a Client's ability to fulfill its investment objectives.

The extent of the impact of any public health emergency on a Client's and its portfolio companies' operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of a Client's portfolio companies, a Client's ability to source, manage and divest investments and a Client's ability to achieve its investment objectives, all of which could result in significant losses to a Client. In addition, the operations of a Client, its portfolio companies, and Foresight may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity's key service providers.

## **Currency and Exchange Rate Risks**

To the extent the Client's investments are made in currencies other than a Client's local currency, changes in currency exchange rates, costs of conversion and exchange control regulations may adversely affect the value of investments, interest and dividends received by a Client, gains and losses realized on the sale of such investments and the amount of distributions, if any, to be made by the Client in respect of such investments. Moreover, the Client will incur costs or could experience substantial delays when, or be prohibited from, converting one currency into another. Although Foresight may enter into hedging transactions designed to reduce such currency risks, there can be no assurance that any such transactions would achieve their intended results. Further, such hedging transactions could result in diminished returns (or increased losses on capital) to the extent overall returns are less than the Client's costs or losses associated with such hedging transactions.

**Principal Risks for Mutual Fund strategy with respect to the Cromwell Foresight Global Sustainable Infrastructure Fund:**

In addition to possibly not achieving your investment goals, you could lose money by investing in the Mutual Fund. The principal risks of investing in the Mutual Fund are:

*Infrastructure Companies Risk.* Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors. Some of the specific risks that infrastructure companies may be particularly affected by, or subject to, include the following: regulatory risk, technology risk, regional or geographic risk, natural disasters risk, through-put risk, project risk, strategic asset risk, operation risk, customer risk, interest rate risk, inflation risk and financing risk.

In particular, the operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosion, fire, terrorist attack, major plant breakdown, pipeline or electricity line rupture or other disasters. Operational disruption, as well as supply disruption, could adversely impact the cash flows available from these assets.

Further, national and local environmental laws and regulations affect the operations of infrastructure projects. Standards are set by these laws, and regulations are imposed regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. These laws and regulations may have a detrimental impact on the financial performance of

infrastructure projects.

*Industrial Sector Risk.* The industrial sector can be significantly affected by, among other things, worldwide economic growth, supply and demand for specific products and services, rapid technological developments, international political and economic developments, environmental issues, tariffs and trade barriers, and tax and governmental regulatory policies. As the demand for, or prices of, industrials increase, the value of the Mutual Fund's investments generally would be expected to also increase. Conversely, declines in the demand for, or prices of, industrials generally would be expected to contribute to declines in the value of such securities. Such declines may occur quickly and without warning and may negatively impact the value of the Mutual Fund and your investment.

*Listed Investment Trusts Risk.* Listed investment trusts are investment vehicles organized as trusts that issue a fixed number of shares in an initial public offering, after which their shares trade at market value on an exchange. The net asset value of an investment trust fluctuates due to the valuation changes of the investment securities or assets held by the investment trust (assets denominated in foreign currencies are also subject to the exchange rate fluctuations subject to hedging strategy). However, because the shares of a listed investment trust trade at market value on an exchange, such shares can trade below their net asset value (known as a discount) or above net asset value (known as a premium). Current market uncertainty has pushed investment trusts to the widest discounts in years, and there is a risk that such discounts may continue to widen after the Mutual Fund has made an investment. Investment trusts that trade at a discount are not typically able to issue new shares to invest in new assets or securities and may not succeed in conducting accretive investment activity for growth.

*Sustainable Investment Risk:* The Mutual Fund follows a sustainable investment approach by investing in companies that demonstrate a focus on long-term sustainability in their overall strategy and business practices. In pursuing such a strategy, the Mutual Fund may forgo opportunities to gain exposure to certain companies, industries or sectors, and may be overweight or underweight in certain industries or sectors relative to its benchmark index, which may cause the Mutual Fund's performance to be more or less sensitive to developments affecting those sectors. In addition, since sustainable investing takes into consideration factors beyond traditional financial analysis, the Mutual Fund may have fewer investment opportunities available to it than it would have if it did not take into account sustainable criteria for investments. Sustainability-related information provided by issuers and third parties, upon which the portfolio managers may rely, continues to develop, and may be incomplete, inaccurate, use different methodologies, or be applied differently across companies and industries. The Sub-Adviser's criteria of sustainable investing will vary from other managers. Further, the regulatory landscape for sustainable investing in the United States is still developing and future rules and regulations may require the Mutual Fund to adapt its investment process. There is also a risk that the companies identified through the investment process may fail to adhere to sustainable business practices, which may result in the Mutual

Fund choosing to sell a security when it might otherwise be disadvantageous to do so. Further, investors may differ in their views of what constitutes positive or negative ESG characteristics of a security. As a result, the Mutual Fund may invest in securities that do not reflect the beliefs of any particular investor. There is no guarantee that sustainable investments will outperform the broader market on either an absolute or relative basis. There is also no guarantee that the Sub-Adviser will successfully implement strategies or make investments in companies that result in favorable ESG outcomes while enhancing long-term shareholder value and achieving financial returns.

*Foreign Securities Risk.* Investments in foreign securities may be riskier than investments in U.S. securities. Differences between U.S. and foreign regulatory regimes and securities markets, including less stringent investor protections and disclosure standards of some foreign markets, less liquid trading markets and political and economic developments in foreign countries, may affect the value of the Mutual Fund's investments in foreign securities. Foreign securities may also subject the Mutual Fund's investments to changes in currency rates.

*Risk of Focusing Investment on Region or Country:* Investing a significant portion of assets in one country or region makes the Mutual Fund more dependent upon the political and economic circumstances of that particular country or region.

*Asia/Pacific Investment Risk.* Investments in countries in the Asian/Pacific region will be impacted by the market conditions, legislative or regulatory changes, competition, or political, economic and other developments in Asia or the Pacific. Investments in China, New Zealand, Australia and Singapore may subject the Mutual Fund to certain additional risks, including exposure to currency fluctuations, less liquidity, expropriation, confiscatory taxation, nationalization, exchange control regulations (including currency blockage), trading halts, imposition of tariffs, limitations on repatriation and differing legal standards.

*Eurozone Investment Risk.* The Economic and Monetary Union of the European Union (EMU) is comprised of the European Union (EU) members that have adopted the euro currency. By adopting the euro as its currency, a member state relinquishes control of its own monetary policies and is subject to fiscal and monetary controls. EMU members could voluntarily abandon or be forced out of the euro. Such events could impact the market values of Eurozone and various other securities and currencies, cause redenomination of certain securities into less valuable local currencies and create more volatile and illiquid markets. Certain countries and regions in the EU are experiencing significant financial difficulties. Some of these countries may be dependent on assistance from other European governments and institutions or agencies. One or more countries could depart from the EU, which could weaken the EU and, by extension, its remaining members. For example, the United Kingdom's departure, described in more detail below. As a result of continuing political tensions and armed conflicts, including the war between Ukraine and Russia, the U.S. and the European Union imposed sanctions on certain

Russian individuals and companies, including certain financial institutions, and have limited certain exports and imports to and from Russia. The war has contributed to recent market volatility and may continue to do so.

*United Kingdom Investment Risk.* Commonly known as “Brexit,” the United Kingdom’s exit from the EU may result in substantial volatility in foreign exchange markets and may lead to a sustained weakness in the British pound’s exchange rate against the United States dollar, the euro and other currencies, which may impact Mutual Fund returns. Brexit may destabilize some or all of the other EU member countries and/or the Eurozone. These developments could result in losses to the Mutual Fund, as there may be negative effects on the value of the Mutual Fund’s investments and/or on the Mutual Fund’s ability to enter into certain transactions or value certain investments, and these developments may make it more difficult for the Mutual Fund to exit certain investments at an advantageous time or price.

•*REIT Investment Risk.* The Mutual Fund’s investments in REITs will, among other things, be subject to many of the same risks as a direct investment in real estate. The stock prices of companies in the real estate industry, including REITs, are typically sensitive to changes in real estate values, property taxes, interest rates, cash flow of underlying real estate assets, occupancy rates, government regulations affecting zoning, land use, and rents, as well as the management skill and creditworthiness of the issuer.

*Exchange-Traded Fund Risk.* The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile than the underlying portfolio of securities. Disruptions in the markets for the securities underlying ETFs purchased or sold by the Mutual Fund could result in losses on the Mutual Fund’s investment in ETFs. ETFs also have management fees that increase their costs versus the costs of owning the underlying securities directly. The Mutual Fund may purchase shares of ETFs at prices that exceed the net asset value of their underlying investments (*i.e.*, premium) and may sell shares of ETFs at prices below such net asset value (*i.e.*, discount), and the Mutual Fund will likely incur brokerage costs when it purchases and sells ETFs. Due to the costs of buying or selling shares, including brokerage commissions imposed by brokers and bid-ask spreads, frequent trading of shares may significantly reduce investment results and an investment in shares may not be advisable for investors who anticipate regularly making small investments. Additionally, supply and demand for shares of an ETF or market disruptions may cause the market price of the ETF to deviate from the value of the ETF’s investments, which may lead to widening of the bid-ask spread quoted throughout the day and may be exacerbated in less liquid or volatile markets.

*Other Investment Companies Risk.* Investing in other investment companies subjects the Mutual Fund to those risks affecting the investment companies themselves, including the possibility that the value of the underlying securities held by an investment company could decrease or an investment company’s portfolio

becomes illiquid. Additionally, an investment company may not achieve its investment objective or execute its investment strategy effectively, which may adversely affect the Mutual Fund's performance. To the extent that the Mutual Fund invests in other investment companies, investors in the Mutual Fund will bear both their proportionate share of expenses in the Mutual Fund and, indirectly, the expenses of the investment companies in which the Mutual Fund invests.

*Master Limited Partnership Risk.* Investment in securities of an MLP involves risks that differ from investments in common stock, including risks related to limited control and limited rights to vote on matters affecting the MLP, risks related to potential conflicts of interest between the MLP and the MLP's general partner, cash flow risks, dilution risks and risks related to the general partner's right to require unit-holders to sell their common units at an undesirable time or price. Certain MLP securities may trade in lower volumes due to their smaller capitalizations. Accordingly, those MLPs may be subject to more abrupt or erratic price movements and may lack sufficient market liquidity to enable the Mutual Fund to effect sales at an advantageous time or without a substantial drop in price. Investment in those MLPs may restrict the Mutual Fund's ability to take advantage of other investment opportunities. MLPs are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns.

*MLP Tax Risk.* A change in current tax law, or a change in the business of a given MLP, could result in an MLP being treated as a corporation or other form of taxable entity for U.S. federal income tax purposes, which would result in the MLP being required to pay U.S. federal income tax, excise tax or another form of tax on its taxable income. The classification of an MLP as a corporation or other form of taxable entity for U.S. federal income tax purposes could reduce the amount of cash available for distribution by the MLP and could cause any such distributions received by the Mutual Fund to be taxed as dividend income, return of capital, or capital gain. Therefore, if any MLPs owned by the Mutual Fund were treated as corporations or other forms of taxable entity for U.S. federal income tax purposes, the after-tax return to the Mutual Fund with respect to its investment in such MLPs could be materially reduced which could cause a material decrease in the net asset value per share ("NAV") of the Mutual Fund's shares.

*Non-Diversified Fund Risk.* The Mutual Fund is non-diversified and therefore a greater percentage of holdings may be focused in a small number of issuers or a single issuer, which can place the Mutual Fund at greater risk. Notwithstanding the Mutual Fund's status as a "non-diversified" investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), the Mutual Fund intends to qualify as a regulated investment company accorded special tax treatment under the Internal Revenue Code, which imposes its own diversification requirements that are less restrictive than the requirements applicable to "diversified" investment companies under the 1940 Act.

*New Fund Risk.* The Mutual Fund is new with no operating history, and there can be no assurance that the Mutual Fund will grow to or maintain an economically viable size, in which case the Board of Trustees may determine to liquidate the Mutual Fund.

*Equity Securities Risk.* Investments in common stocks and other equity securities are particularly subject to the risk of changing economic, stock market, industry and company conditions and the risks inherent in a portfolio manager's ability to anticipate such changes that can adversely affect the value of the Mutual Fund's holdings.

*Management Risk.* The investment strategies, practices and risk analysis used by the Sub-Adviser may not produce the desired results.

*Market Risk.* Market prices of investments held by the Mutual Fund may fall rapidly or unpredictably due to a variety of factors, including economic, political, or market conditions, or other factors including terrorism, war, natural disasters and the spread of infectious illness or other public health issues, including epidemics or pandemics such as the COVID-19 outbreak, or in response to events that affect particular industries or companies.

*Recent Market Events Risk.* U.S. and international markets have experienced significant periods of volatility in recent months and years due to a number of economic, political and global macro factors including the impact of the ongoing coronavirus (COVID-19) global pandemic which has resulted in public health issues, business interruptions, growth concerns in the U.S. and overseas, layoffs, rising unemployment claims, changed travel and social behaviours, and reduced consumer spending. The effects of COVID-19 may lead to a substantial economic downturn or recession in the U.S. and global economies, the recovery from which is uncertain and may last for an extended period of time. The full impact of the COVID-19 pandemic, and other epidemics and pandemics that may arise in the future, on national and global economies, individual companies and the financial markets continues to be unpredictable, may result in a high degree of uncertainty for potentially extended periods of time and may adversely affect the Mutual Fund's performance.

*Newer Adviser Risk.* The Mutual Fund's investment adviser, Cromwell Investment Advisors LLC, is a newly organized investment adviser and has been managing assets since March 2022.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**



For information regarding the types of securities and portfolio companies in which Clients invest, please see Item 4.B and Item 8.A, above.

### **Item 9 – Disciplinary Information**

**If there are legal or disciplinary events that are material to a client’s or prospective client’s evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.**

Foresight is required to disclose all material facts regarding any legal or disciplinary events that would materially impact a client’s evaluation of Foresight or the integrity of Foresight’s management. Foresight and its management persons have not been subject to any material legal or disciplinary events applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

**A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.**

Neither Foresight nor any of its management persons are registered or have an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

**B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing entities, disclose this fact.**

Neither Foresight nor any of its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading adviser, or an associated person of the foregoing. Foresight has filed a notice of exemption from the requirement to register as a commodity pool operator and commodity trading adviser in reliance on Section 4.13(a)(3) of the Commodities Exchange Act.

**C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.**

- 1. Broker-dealer, municipal securities dealer, or government securities dealer or broker**
- 2. Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)**
- 3. Other investment adviser or financial planner**
- 4. Futures commission merchant, commodity pool operator, or commodity trading advisor**
- 5. Banking or thrift institution**
- 6. Accountant or accounting firm**
- 7. Lawyer or law firm**
- 8. Insurance company or agency**
- 9. Pension consultant**
- 10. Real estate broker or dealer**
- 11. Sponsor or syndicator of limited partnerships.**

Foresight is affiliated with multiple legal entities setup primarily for legal, accounting and regulatory purposes. Foresight provides personnel and other services to these and other Foresight entities. For additional information on the financial industry affiliations see Item 7.A of Form ADV Part 1.

Foresight, either directly or through its one or more affiliates, may act as general partner or managing member or investment manager for one or more entities formed in connection with specific investments. In such capacity, Foresight may be entitled to certain contractual economic, governance, reporting and other rights. For example, Foresight (directly or through such affiliates) may receive a portion of the fees and distributions (including "carry") payable to such general partner. The interests of these general partner or managing member relationships may conflict with the interest of Clients.

The partners or employees of Foresight serve on the boards of directors of portfolio companies in which their clients invest. Serving in such capacity could give rise to conflicts

to the extent that an employee's fiduciary duties to a portfolio company as a director conflicts with the interest of the Client. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a portfolio company, actions that would be in the best interest of the portfolio company may not be in the best interests of a Client (of Clients) and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Foresight and such individual's duties as a director of the portfolio company. Conflicts can also arise in cases where a Client makes an investment in a different class of securities relative to any other Client that has an interest in the same portfolio company.

The officers, directors, members, managers, and employees of Foresight can trade in securities for their own accounts, subject to restrictions and reporting requirements as required by law or otherwise determined from time to time by Foresight. To the extent officers, directors, members, managers, and employees of Foresight invest in the same securities as a Client, such transactions introduce a potential conflict of interest between the interests of such Client and the interests of Foresight or its related persons. For example, a potential conflict of interest could arise in that the interested related person could benefit from such a purchase or sale of the applicable securities by such Client.

From time to time, Foresight receives training, information, promotional material, meals, gifts, entertainment or prize drawings from vendors and others with whom it does business or to whom it makes referrals. At no time will Foresight accept any benefits, gifts, entertainment or other arrangements that are conditioned on directing individual client transactions to a specific security, product or provider. Foresight has strict internal procedures around the acceptance and giving of gifts, and the provision of entertainment which involved disclosure of the activity and provider/recipient. Similarly, Foresight employees have in the past, and expect in the future, to speak at or attend conferences and programs for potential investors interested in investing in private funds and other events that are sponsored by various investment bankers, broker-dealers or others through such capital introduction and other events, prospective investors have the opportunity to meet with Foresight.

**D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.**

Neither Foresight nor any of its management persons recommend or select other investment advisers for Clients. Foresight may select or recommend financial advisors to advise in various capacities. Foresight does not receive compensation from such appointments/recommendations, and selections are made based on various factors including

inter alia each firm's professional qualifications to undertake such engagements. If Foresight were to encounter a circumstance in which it believed a potential or actual conflict of interest existed when making such decisions, Foresight would disclose it to the Clients in advance of proceeding with the engagement.

## **Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

**A. If you are an SEC-registered adviser, briefly describe your Code of Ethics adopted pursuant to SEC Rule 204A-1 or similar state rules. Explain that you will provide a copy of your Code of Ethics to any client or prospective client upon request.**

As fiduciaries, Foresight and its employees are required to conduct personal securities transactions in a manner that prioritize clients' interest in client eligible investments. Foresight has adopted a Code of Ethics pursuant to Rule 204A-1 of the Advisers Act which sets forth standards of conduct that are expected of Foresight's principals and supervised persons and addresses conflicts that can arise from personal trading. The Code of Ethics requires all supervised persons to place Client interests ahead of Foresight's interests, to avoid taking advantage of his or her position and to maintain full compliance with the federal securities laws.

Because of the nature of Foresight's private investments, Foresight expects there to be only limited instances of employees having access to material non-public information with respect to its Private Equity and Infrastructure Business. The Foresight Capital Management team that manage the Mutual Fund are, on occasion exposed to material non-public information and a gatekeeping policy and process is in place to ensure that appropriate restrictions are in place to prevent trading on that information.

Regardless, Foresight's Code of Ethics requires all supervised persons to report their personal securities transactions and comply with the policies and procedures reasonably designed to prevent the misuse of, or trading upon, material non-public information. At least once a year, each Foresight supervised person is required to acknowledge the Code of Ethics and agree to be bound by it. Supervised persons of Foresight who violate the Code of Ethics will be subject to disciplinary actions, including, but not limited to, censure, suspension or dismissal. Supervised persons are also required to promptly report any violations of the Code of Ethics of which they become aware.

Foresight will provide a copy of its Code of Ethics to any existing Client upon request to Gary Fraser, the Chief Operating Officer, at +44 (0)20 3667 8100 or by email to [gfraser@foresightgroup.eu](mailto:gfraser@foresightgroup.eu).

**B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial**

**interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

### **Participation or Interest in Client Transactions**

Principals and employees of Foresight and its affiliates are permitted to directly or indirectly own an interest in one or more Funds, including certain co-invest vehicles. The extent to which Principals and employees are permitted to participate in co-investment vehicles depends on potential conflicts of interest considerations and their seniority at Foresight. To the extent that co-invest vehicles exist, such vehicles reserve the right to invest in one or more of the same projects and portfolio companies as a Client. Co-invest opportunities may also be presented to certain affiliates of Foresight, as well as third party investors and other persons, and such co-investments may be affected through co-invest vehicles or directly in a particular project or portfolio company.

**C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.**

### **Personal Trading**

The personal trading policy for all Foresight Supervised persons is set forth in Foresight's Personal Account Dealing Policy and is acknowledged as received and understood by each supervised person. Foresight's personal trading policy is designed to ensure that no Client is disadvantaged by the transactions executed by any supervised person and that supervised persons in no respect misappropriate any benefit properly belonging to a Client.

Foresight supervised persons are prohibited from trading, either personally or on behalf of others, in securities while in possession of material non-public information regarding these securities or communicating material non-public information to others. The Code of Ethics and Foresight's Compliance Manual establishes guidelines for personal trading requirements, insider trading and reporting of personal securities transactions, including certain pre-clearance and reporting obligations. Foresight maintains a restricted list regarding issuers about which it has material non-public information. Pre-clearance is required by supervised persons for certain personal securities transactions, including transactions in securities Foresight has an interest in, has (or may have) a business relationship with, restricted list securities, initial public offerings and certain limited offerings. In addition, Foresight requires all transactions to be pre-cleared as outlined within the Foresight's personal trading policy. Supervised persons are required to file certain reports and submit their brokerage account statements to the Chief Operating Officer for review.

- D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.**

Because of the private nature of its investments, Foresight does not typically face a situation where a supervised person buys or sells a security for his or her own account at or about the same time that Foresight is also buying or selling the same securities for a Client (or Clients). In the event this were to occur, the supervised person would be required to seek pre-approval from the Compliance Officer for such transaction.

#### **Item 12 – Brokerage Practices**

- A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).**

Foresight's principal investment focus is on the securities transactions of private companies, generally through the purchase and sale of interests in such companies through privately negotiated transactions. In pursuing privately negotiated transactions, Foresight will, on occasion, engage the services of a broker-dealer or investment banker in connection with the purchase or sale of a portfolio investment. In such privately negotiated transactions, best execution is met by the consummation of the deal with the best possible terms for the Client(s). Whether for private or public securities transactions, Foresight selects a broker-dealer or investment banker with the overall aim of maximizing returns for Clients and will adhere to the requirements of the Advisers Act of 1940.

Selection of a broker-dealer or investment banker is based on Foresight's judgment regarding a variety of factors which will not be limited solely to ultimate deal price, including but not limited to: Foresight's prior experience in working with the broker-dealer or investment banker; the broker-dealer or investment banker's execution capability, financial responsibility, reputation and expertise within the industry; the broker-dealer or investment banker's responsiveness to Foresight; the broker-dealer or investment banker's expertise in dealing with investments that are restrictive or illiquid in nature; and the commissions charged, among other factors.

Although Foresight generally seeks competitive commission rates, it will not necessarily pay the lowest commission or commission equivalent, especially in private securities transactions that rely heavily on the specialty services or experience of a broker-dealer that operate outside of a competitive bidding environment. Transactions that involve such specialized services on the part of the broker-dealer or investment banker can thereby entail higher commissions or their equivalents than would be the case with other transactions requiring more routine

services.

**1. Research and Other Soft Dollar Benefits.**

Foresight does not receive research or other benefits paid for with soft dollars. Foresight pays for all research and execution services on its own.

**2. Brokerage for Client Referrals.**

Foresight does not receive client referrals in connection with selecting or recommending broker- dealers for Clients.

**3. Directed Brokerage.**

Foresight Clients are not able to direct brokerage.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

In the event Foresight aggregates the purchase or sale of public securities, it will do so on a pro rata basis.

**Item 13 – Review of Accounts**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

The investments made by Clients are generally private, illiquid and long-term in nature. Accordingly, the investment review process is not directed toward a short-term decision to dispose of securities. Decisions as to when to purchase or sell an investment are made by Foresight's Investment Committee with respect to the private equity and infrastructure investments and the Weightings Committee, a sub-committee of the Investment Committee with respect to the portfolio weightings of funds managed by the Foresight Capital Management team.,. Foresight's team of investment professionals closely monitors the operations of investments and maintains ongoing oversight. These reviews include, without limitation, asset performance efficiency, review of sales trends, margins, profitability, debt to equity ratios, disposal opportunities, material business developments, competitive landscape and management. The team conducting such reviews are generally accountants, specialist analysts and other investment professionals including Foresight appointed directors sitting on the board of portfolio companies. Certain funds are also monitored by a depositary whose duties include monitoring of fund cash flows, acting as custodian and verification of fund ownership of investment interests and ensuring valuations are conducted in line with law

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

The Compliance Officer reviews the accounts of Clients on a regular basis. The Firm and/or the Compliance Officer would perform additional reviews in the event that an investment needed subsequent financing, in the event of a potential acquisition or liquidity event, or if there were a serious performance issue.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Foresight will generally provide to its investors on behalf of its Funds the following written reports: (i) audited financial statements annually prepared in accordance with internationally recognised accounting principles (either UK GAAP or IFRS), accompanied by the report of the independent auditor, within a maximum of 120 days of year end, commencing with the first year in which the Fund either is in operation for at least six months or makes an investment; (ii) unaudited financial statements for the first three quarters of each fiscal year; and (iii) descriptive investment information for each portfolio company quarterly. Reports are typically sent to investors electronically.

Prospective Clients and investors are advised to review the applicable Offering and/or Governing Documents for a more extensive description of the applicable reporting content and obligations.

In the course of conducting due diligence or throughout the term of their investment(s), Clients periodically request information pertaining to their investments. Foresight responds to these requests, and in answering these requests provides information that is not generally made available to other Clients who have not requested such information. While Foresight does not have an obligation to update any such information provided, the Firm endeavors to provide the information requested in the most current form available. Additionally, upon request, certain Clients receive additional information and reporting that other Clients do not receive. Foresight is of the view that the provision of this further information does not put any Clients at an advantage to other Clients.

**Item 14 – Client Referrals and Other Compensation**

**A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.**



As described in Item 5 above, Foresight receives directors' fees, transaction fees, monitoring fees, breakup fees and reimbursements from some portfolio companies or prospective portfolio companies held by Clients. These fees are paid pursuant to separate agreements entered into with the portfolio companies to provide certain consulting services that Foresight believes will ultimately enhance the value of the companies and benefit Clients and their investors.

These types of arrangements present potential conflicts of interest and provide Foresight with an incentive to recommend investments based on compensation received rather than the best interests of Clients. To help mitigate this potential conflict, an allocable portion of such benefits received by Foresight or its employees in connection with services rendered to portfolio companies are often offset in part against Management Fees.

**B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.**

Foresight does not make cash payments to third parties for solicitation of clients for separately managed accounts.

From time to time, Foresight reserves the right to enter into solicitation arrangements pursuant to which it compensates third parties for referrals that result in a potential investor becoming a limited partner in a Fund. In a typical distribution/placement arrangement, Foresight may agree to pay a third party for referring investors in certain Funds. Typically, the third party will receive a portion of the management fee and/or performance fee payable to Foresight (although other payment arrangements could exist). A prospective investor solicited by a third party engaged by Foresight will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be borne by Foresight, and investors in such Fund will not bear any increased or additional fees or charges.

Placement agents engaged to solicit investors in the U.S. will be registered as broker-dealers with the SEC. Third party solicitors outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required.

## **Item 15 – Custody**

**If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.**

In connection with the management of investments for certain Clients, Foresight has, or is deemed to have, custody of certain funds or securities belonging to its Clients. Rule 206(4)-2 (the “Custody Rule”) of the Advisers Act defines custody as holding client securities or funds or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities (such as through fee deductions).

The Funds are generally subject to a year-end audit by a major accounting firm that is a member of, and examined by, the UK Financial Reporting Council (FRC). Foresight provides the audited financial statements to the investors as part of its regular reporting, in accordance with the governing documents of the Fund.

Subject to the governing documents of the Fund, Foresight may maintain certain Client assets with qualified custodians, such as banks, registered broker-dealers, and certain foreign financial institutions.

#### **Item 16 – Investment Discretion**

**If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).**

Except in circumstances noted throughout this Form ADV Part 2A (e.g. for Managed Accounts), Foresight is retained on a fully discretionary basis and is authorized to determine and direct execution of portfolio transactions pursuant to the terms of each Client’s Offering and/or Governing Documents. Investment advice is provided directly to Clients and not to investors in any Fund individually. The terms upon which Foresight serves as investment manager are established at the time each Client retains Foresight as their investment manager. To become a Client, a Client must execute at minimum an investment management agreement. To become an investor in a Fund, an investor must execute, among other documents, a subscription agreement and a limited partnership agreement with such Fund. Such Offering and/or Governing Documents generally sets out the Foresight, or its affiliate’s powers, which includes powers related to the orderly administration of the affairs of the Client.

Generally, Foresight’s only restrictions with respect to managing a Client account, such as (but not limited to) the type of securities in which a Client invests, will be contained in the relevant Client’s Offering and/or Governing Documents. However, Clients and investors in Funds may impose limitations on Foresight’s authority through the investment management agreement or a side letter agreement. Foresight may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed upon a Client’s or investor’s investments must be presented to Foresight in writing and agreed to by Foresight and such Client or investor. Other investors meeting certain commitment thresholds are often provided with notification provisions regarding such side letter agreements but are not provided with consent rights over such agreements.

## **Item 17 – Voting Client Securities**

**A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.**

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies on behalf of its clients, as well as a duty to cast such votes in the best interests of its clients and to not subrogate client interests to its own. Rule 206(4)-6 under the Advisers Act (the “Proxy Voting Rule”) places specific requirements on registered investment advisers with proxy voting authority.

The vast majority of Foresight’s investments are in unlisted private equity and infrastructure assets. As owners of these types of investments, Foresight exercises shareholder rights through board participation. However, the open-ended investment companies (“OEICs”) managed by Foresight invest in shares of companies that are listed on regulated markets.

To meet its obligations under this rule, Foresight has adopted a written Shareholder Engagement Policy (the “Policy”), which is available upon request. This policy is reasonably designed and implemented in a manner to confirm that Foresight votes proxies in the best interests of its Clients to support change and drive improvement. The Policy requires Foresight to take all reasonable steps to avoid conflicts of interest and, when they cannot be avoided, manage, monitor and disclose those conflicts of interest in order to prevent them from adversely affecting the interests of any Client and its investors, and ensure that all funds are fairly treated. Clients may request a copy of Foresight’s Shareholder Engagement Policy and the proxy voting record by contacting Foresight at the address or telephone number on the cover of this Brochure.

## **Item 18 – Financial Information**

In accordance with what has been agreed in the governing documents, Foresight’s Clients may make prepayments of more than \$1,200 in fees, six months or more in advance. There are no financial conditions that are reasonably likely to impair Foresight’s ability to meet contractual commitments to Clients, Funds or Fund investors.

Foresight has not been the subject of a bankruptcy petition.

