Key Information Document

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

Octopus Ventures Knowledge Intensive EIS Fund 23/24

This Key Information Document (KID) is issued and approved by Octopus Investments Ltd, authorised and regulated in the UK by the Financial Conduct Authority (FCA).

Website: www.octopusinvestments.com
Customer enquiries: +44 (0)800 316 2295

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

What is the product?

Type: HMRC approved EIS Knowledge Intensive Fund.

Structure: A discretionary managed service structured as an Alternative Investment Fund (AIF).

Overview and Objectives: The Octopus Ventures Knowledge Intensive EIS Fund 23/24 ("the Fund") has been launched by Octopus AIF Management Limited with portfolio management delegated to Octopus Investments.

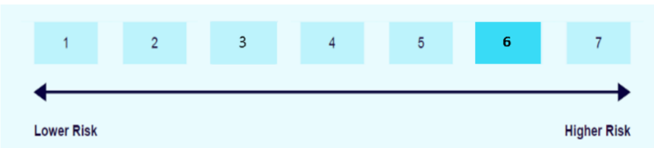
Investors are allocated a portfolio of around 10 – 20 early-stage, knowledge intensive companies expected to qualify for EIS relief. The companies are selected by the Octopus Ventures investment team, co-investing alongside Octopus Titan VCT, the UK's largest Venture Capital Trust and the Future Generations VCT, where relevant.

As an approved fund, the investment is treated as having been made in the year the fund closes, rather than when each underlying investment is made. This means that income tax relief should be available in the tax year the fund closes, or the prior year.

Investments are made into a portfolio of smaller, early-stage companies, providing investors with opportunity for high growth potential.

Intended retail investor: The Octopus Ventures Knowledge Intensive EIS Fund is aimed at financially sophisticated, high net worth investors who are prepared to take on a high level of risk of loss to their original capital in order to get a higher potential return, and who are prepared to remain invested for at least 5 years. The investor may be able to utilise the tax reliefs associated with EIS qualifying investments, such as 30% initial income tax relief and loss relief. They should be able to withstand any significant losses that may arise. It is designed to form part of a portfolio of investments.

What are the risks and what could I get in return?



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because you are not able to realise any value from your shares.

This product has been classified as 6 out of 7 under the required methodology, which is the second highest risk class. This rates the potential losses from future performance at a high level.

Investment in unquoted companies, which constitutes most of the Fund's portfolio, by its nature, involves a higher degree of risk than some other investments.

The value of the shares may go down as well as up. This product does not include any protection from future performance so you could lose some or all of your investment.

The risk indicator assumes you keep the product for 5 years. If you sell early the risk indicator may be different.

For full details on the risks associated with the Octopus Knowledge Intensive EIS Fund refer to the Brochure dated December 2022 under the section titled 'Understanding the key risks" which is available on our website www.octopusinvestments.com/eis/

<u>Performance</u>

The Fund gives investors access to smaller, unquoted companies that are not listed on a stock exchange. Investments in these types of smaller companies can fall or rise in value much more sharply than shares in larger, more established companies.

The minimum holding period for a number of the EIS tax reliefs is three years from the date of investment into each company but investors should be prepared to hold their investment for a long period, potentially ten years or more.

Furthermore, it is not guaranteed that an investment will remain EIS-qualifying, or that shares in a company will not be sold within the three-year minimum holding period.

Factors that could positively affect return

Companies at the beginning of their journey can offer significant potential for growth. Octopus Ventures targets companies capable of growing in excess of <u>10 times</u> the invested amount. This means that even if only a few companies in the portfolio do well, and with no cap on investment returns from successful investments, there is a chance that the value of the investment significantly increases overall.

There isn't an active market for unlisted companies' shares so returns are only generated through the sale of investment. This can take a number of years, and hence the illiquid nature of the product.

Factors that could negatively affect return

Not all investments in the portfolio will work out as planned and companies that fail will represent a loss in the portfolio. This is expected with early-stage companies that have a naturally higher rate of failure.

The value of your portfolio depends on the performance of the underlying companies and can be impacted by market factors outside our control.

<u>Please see the 'Key Risks' section of the product brochure for more details.</u>

What happens if Octopus is unable to pay out?

Octopus Investments is a participant in the Financial Services Compensation Scheme (the "FSCS"). Retail clients may be eligible to claim compensation from the FSCS for losses up to £85,000 if - as a result of bad investment advice, negligence or mis-selling - the organisation goes out of business.

It is important to understand that the FSCS does not protect against, or compensate for, losses from poor performance, such as when shares in a company have reduced in value.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods (which we are required by legislation to show). It is important to note, however that this investment is not expected to be liquid, and there are minimum holding periods required by tax legislation that could result in a loss of relief if a sale occurs within 3 years.

The figures assume you make an initial investment of £100,000 (although the minimum amount is £25,000). The figures are estimates and may change in the future. Furthermore, the person selling you or advising you about this product may charge you additional costs. If so, this person will provide you with information about their costs, and show you the impact that all costs will have on your investment over time.

Scenarios*	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs (Moderate Scenario)	£6,812.48	£9,325.07	£23,793.51
Impact on return (RIY) per year	5.61%	11.39%	18.48%

*The annual management charge (AMC) accrues on each company in the portfolio and, uniquely in the market, is both deferred until a company is exited, and also contingent on the performance of that company. The AMC will only be collected by Octopus if the company exit is profitable and returns more than the amount invested, and then only from proceeds above £1. In this way Octopus are only incentivized to invest into companies they strongly believe to be capable of returning a profit as Octopus will otherwise not get paid from this investment (apart from the initial fee).

Composition of Costs

The table below shows the impact each year of the different types of costs you might get at the end of the recommended holding period and, what the different cost categories mean. This table shows the impact on return per year.

One-off costs	Entry costs	2%	The impact of the costs you pay when entering your investment. The entry cost assumed an Octopus initial charge of 2% (advised application). Adviser fees not included.
	Exit costs	0.00%	The impact of the costs of exiting your investment. See the ‘How long should I hold it and can I take money out early’ section below.
Ongoing costs	Portfolio transaction costs	1.85%	The impact of the costs relating to buying and selling underlying investments for the product. This also includes arrangement, monitoring, director and exit fees.
	Other ongoing costs	0.21%	The impact of the costs taken each year. This takes into account the Octopus annual management charge as well as other running costs associated with the fund.
Incidental costs	Performance fees	2.42%	20% exit performance fee on net proceeds from the sale of investee companies. (Performance fee can’t exceed the profit on sale).
	Carried interests	N/A	There are no carried interests associated with this product.

How long should I hold it and can I take money out early?

The product is designed for long term investment and is naturally not liquid. We advise that you should expect a holding period of between 5 – 10 years, however the proceeds of sale of each underlying investment will only be returned to you as an exit is realised. As a minimum, you must hold the shares for a minimum at least 3 years in order to retain the upfront income tax relief.

A key investment risk is that the Fund invests in unquoted companies and there is an inherent lack of liquidity as underlying portfolio companies are not available to trade on a secondary market.

How can I complain?

If you have a complaint, you can contact Octopus Investments by phone on 0800 316 2295, by email complaints@octopusinvestments.com or in writing to ‘The Complaints Manager, Octopus Investments Ltd, 33 Holborn, London, EC1N 2HT’.

If you want to make a complaint, email complaints@octopusinvestments.com, call 0800 316 2295 or write to us at: Octopus Investments Limited, 33 Holborn, London EC1N 2HT

Other Relevant Information:

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules, as stated in the PRIIPs Regulation and as transposed in UK law in the FCA Handbook.