

Data as at 31 August 2024



About the Team



Freda Isingoma



Mark Symington



Dominic Weller



Kate Tidbury



Martin Jager

The Octopus AIM VCTs are managed by the Quoted Companies team who have significant experience across the mid and small cap investment universe and is one of the largest investors in AIM. The team includes Kate Tidbury, Freda Isingoma, Mark Symington, Dominic Weller, Martin Jager, Richard Power, Edward Griffiths, Chris McVey, Jessica Sweeney, Ross MacSween, Matt Irani, Georgia Obadipe, Charles Lucas & Ben Tyson.

Key facts

| | |
|--------------------|-----------------------|
| Net assets | £82.9m |
| Market cap | £78.2m |
| Shares issued | 186.1m |
| Launch date | 2005 |
| Benchmark | FTSE AIM All-Share TR |
| Number of holdings | 80 |
| Year end | 30 November |

Current Price

| | |
|-------------------|-------|
| NAV per share* | 44.5p |
| Share price (mid) | 42.0p |

*NAV reported weekly.

Share buybacks: The VCT can buy back up to 14.99% of the share capital annually at up to a 5% discount, subject to Board and shareholder approval.

Glossary

Net Asset Value (NAV)

The value of the Company's total assets less liabilities.

NAV per share

The NAV divided by the total number of shares in issue.

Total Return (TR)

Total return is calculated as movement in NAV per share in the period plus dividends paid in the period.

About the Product

Octopus AIM VCT 2 plc is a Venture Capital Trust (VCT) which aims to provide shareholders with attractive tax-free dividends and long-term capital appreciation by investing in a diverse portfolio of predominantly AIM-quoted companies.

Risk is spread by investing in a number of different businesses across a range of activities and sectors.

Five year performance (%)



| | CALENDAR YEAR | | | | | |
|---|---------------|--------|-------|--------|--------|-------|
| | YTD | 3Y | 5Y | 2023 | 2022 | 2021 |
| Octopus AIM VCT 2 NAV TR | 2.89 | -39.22 | -1.72 | -11.74 | -30.80 | 8.88 |
| Octopus AIM VCT 2 Share Price TR | 3.57 | -39.63 | -5.18 | -11.60 | -28.48 | 10.66 |
| FTSE AIM All-Share TR | 2.38 | -37.26 | -5.08 | -6.40 | -30.67 | 6.12 |
| FTSE All-Share TR | 11.29 | 24.35 | 37.89 | 7.92 | 0.34 | 18.32 |

Discrete yearly performance (%)

| Year to 31 August | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|-------|--------|--------|-------|--------|
| Octopus AIM VCT 2 NAV TR | 0.78 | -15.99 | -29.22 | 38.28 | 12.30 |
| Octopus AIM VCT 2 Share Price TR | -1.77 | -15.50 | -27.27 | 36.25 | 15.29 |
| FTSE AIM All-Share TR | 6.13 | -14.44 | -30.91 | 35.29 | 11.82 |
| FTSE All-Share TR | 16.98 | 5.23 | 1.01 | 26.95 | -12.65 |

Source: Lipper and Octopus Investments. VCT performance is shown as a simple return comparison between the NAV at the beginning of the period and the NAV, plus any dividends paid out, at the end of the period. VCT share price performance shown includes reinvested dividends. NAV is stated after deduction of fees.

Key risks

- The value of investments discussed, and any income from them, can fall as well as rise. Investors may not get back the full amount they invest.
- Tax treatment depends on an investor's personal circumstances and may change in the future.
- Tax reliefs depend on the VCT maintaining its VCT-qualifying status.
- VCT shares could fall or rise in value more than other shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- Past performance is not a reliable indicator of future results.



Investment Enquiries

To speak to any of our fund managers, please call:

0800 316 2295

info@octopusinvestments.com

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Top ten holdings (%)

| | |
|--------------------------------------|-------------|
| Hasgrove Limited | 7.8 |
| FP Octopus UK Micro Cap Growth P Acc | 7.4 |
| Breedon Group plc | 4.8 |
| FP Octopus UK Multi Cap Income S Acc | 4.1 |
| Craneware plc | 4.1 |
| Judges Scientific plc | 3.3 |
| Animalcare Group plc | 2.8 |
| IDOX plc | 2.7 |
| Learning Technologies Group plc | 2.6 |
| Popsa Holdings Limited | 2.5 |
| Total | 42.2 |

Top ten sectors (%)

| | |
|------------------------------|-------------|
| Software & Computer Services | 15.3 |
| Unit Trusts | 13.0 |
| Unquoted Investment | 10.6 |
| Pharmaceuticals & Biotech | 5.9 |
| Electronic & Electrical | 5.5 |
| Construction & Building | 4.8 |
| Support Services | 4.0 |
| Food Producers & Processors | 3.4 |
| Telecommunication Services | 3.2 |
| Specialty & Other Finance | 3.2 |
| Total | 68.9 |

5-year dividend history

| Pay Date | Type | Div. per share |
|-------------|---------|----------------|
| 07 Nov 2019 | Special | 3.90p |
| 07 Nov 2019 | Interim | 2.10p |
| 22 May 2020 | Final | 2.10p |
| 05 Nov 2020 | Interim | 2.10p |
| 21 May 2021 | Final | 2.10p |
| 12 Nov 2021 | Special | 1.70p |
| 12 Nov 2021 | Interim | 2.10p |
| 27 May 2022 | Final | 2.10p |
| 10 Nov 2022 | Interim | 2.10p |
| 25 May 2023 | Final | 2.30p |
| 09 Nov 2023 | Interim | 1.80p |
| 27 Jun 2024 | Special | 3.60p |
| 27 Jun 2024 | Final | 1.80p |

The Board targets a minimum dividend of 2.5p each half year with the final adjusted annually, based on the year-end share price, so that shareholders receive either 5p per annum or a 5% yield, whichever is greater at the time.

Fees & codes

| | |
|------------------------|--------------|
| Management fee | 2.00% |
| Total ongoing charges* | 2.20% |
| ISIN code | GB00B0JQZZ80 |
| Sedol code | B0JQZZ8 |
| Ticker (LSE) | OSEC |

*Calculated as at 30 November 2023.

Directors

Keith Mullins (Chairman)
Andy Raynor
Brad Ormsby
Virginia Bull

Due to rounding, tables may not sum correctly.

Monthly commentary

The Net Asset Value (NAV) of the Octopus AIM VCT2 decreased by 0.67% during the month. This compares to a 1.74% fall in the FTSE AIM All Share and a 0.45% increase in the FTSE All Share, both on a total return basis.

August began with significant share price volatility triggered by an unexpected Japanese interest rate hike and worse than expected US economic data. The resultant sell-off of assets pushed down prices but was short lived, with share prices recovering over the month and investors who held their nerve during the volatility seeing the benefits.

Contributors to performance over the month included information technology services provider, **Beeks Financial Cloud Group**, who announced the regulatory approval of a conditional contract for its Exchange Cloud offering with one of the largest exchange groups globally, as well as a second significant contract extension for Exchange Cloud with the Johannesburg Stock Exchange. Scientific instrument business, **Judges Scientific**, announced the acquisition of Magsputter, the holding company of Teer Coatings Limited, who specialise in manufacturing coating instruments and the provision of coating services, for an initial £12.3 million. Elsewhere in the group, Geotek, one of the groups subsidiaries, announced a coring contract win. Intelligent monitoring and maintenance system business, **Tan Delta Systems**, announced a new product development agreement with a global engine OEM for the commercialisation of a real time sensor to monitor the condition and degradation of aqueous fluids. Technology solutions provider, **Nexteq**, have announced the appointment of a new CEO, Duncan Faithfull, who has been with the business since 2020 and was promoted from Chief Commercial Officer. Former CEO Jon Jayal will stay on in a consultancy capacity for the rest of 2024 to ensure an orderly handover. Nick Jarman has assumed the role of Interim Chair from Non-Executive Deputy Chair, while the search for a permanent replacement is undertaken. We hope that these appointments will provide stability to the business following the unexpected announcements last month.

Detractors to performance over the month included Electric powertrain solutions specialist, **Equipmake**, who saw their shares trade lower despite announcing a key role in Argentina's first domestically manufactured electric bus entering operation in Buenos Aires. Payment solutions and services business, **PCI Pal**, gave a trading announcement which expects revenue growth of 20% to £18.0 million, slightly below previous expectations as a result of project now likely to fall in the next reporting period. The trading update also highlighted a reduced loss for the year and the addition of Zoom as a global reseller. Cell-engineering business, **Maxcyte**, started the month brightly announcing second quarter and half year results ahead of expectations, causing them to slightly raise guidance, but saw its share price drift over the month. Healthcare software provider, **Craneware**, saw its share price fall against a backdrop of little news flow ahead of results in September.

A rising number of IPOs and further fundraisings continue to provide pockets of optimism and market sentiment positivity. The long-anticipated rate cut which finally arrived in August is expected to be the first step towards an increase in risk appetite. We expect that a return of risk appetite should result in UK smaller growth company share prices improving significantly from recent historic lows, reflective of the trading progress being made by our underlying portfolio companies.

Tax-free dividend payments over last five years



Based on ex-dividend dates per financial year 30 November 2023.

Important information

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