



## Octopus Apollo VCT: product overview

Apollo gives investors the opportunity to accelerate the growth of proven UK businesses. The 2021/22 and 2022/23 share offer will allow us to selectively fund investments into new companies, and support the existing portfolio companies.

With net assets of over £225 million,<sup>1</sup> Apollo is one of the UK's largest Venture Capital Trusts (VCTs).<sup>2</sup>

- Apollo features a diverse portfolio of around 40 proven businesses. It typically backs businesses that have been operating for four to ten years that have recurring or contracted revenues of £2-8 million per year. The investments it makes tend to be between £2-10 million with a flexible combination of equity and debt.
- Apollo is managed by a specialist investment team that sit within Octopus Ventures. The Apollo investment team has extensive experience in origination, execution and portfolio management within the business-to-business (B2B) software sector. This experience makes them extremely well positioned to find opportunities to invest into proven UK businesses, then help them grow.
- Octopus is also the UK's largest VCT manager.<sup>2</sup> We manage over £1.7 billion across our VCTs on behalf of more than 35,000 investors.<sup>1</sup> That's around a quarter of the money managed by all the VCTs in the industry.<sup>2</sup>

### Dividend target

Apollo aims to pay regular tax-free dividends of at least 5% per share annually. If portfolio companies are exited or sold for a significant profit, there may also be the potential for the payment of a special dividend.

### Important information

This advertisement is not a prospectus. Investors should only subscribe for shares based on information within the prospectus and Key Information Document (KID), available at [octopusinvestments.com](https://www.octopusinvestments.com) or by calling our dedicated Investor Support Team on **0800 316 2295**.

<sup>1</sup>Octopus Investments, 31 July 2021.

<sup>2</sup>Association of Investment Companies, 31 August 2021.

### Key tax benefits

- Up to 30% income tax relief on the amount invested as long as the shares are held for at least five years. The income tax relief claimed cannot exceed the amount of tax due.
- When the VCT pays dividends, there's no tax to pay, and you don't have to declare them on your tax return.
- If the value of the shares increases, you won't be liable for capital gains tax when you sell them, any growth is tax free.

### Key risks

- The value of an investment, and any income from it, could fall or rise. You may not get back the full amount you invest.
- Tax treatment depends on individual circumstances and may change in the future. Tax reliefs depend on the VCTs maintaining their VCT-qualifying status.
- Investing in smaller companies is considered a high-risk investment. They can fall or rise in value much more sharply than shares in larger, more established companies. They also have a higher rate of failure.
- Past performance is not a reliable indicator of future results, and you should not rely on any forecasts made about future returns. For five year performance history, please see the reverse of this document.
- Your shares might be difficult to sell. It might take time to find a buyer and you might have to accept a price lower than the Net Asset Value (NAV) of the investment.

## Investment details

**Minimum investment:** £5,000

**Maximum investment qualifying for tax relief each tax year:** £200,000

**Investment time frame:** Shares must be held for at least five years in order to retain upfront tax relief.

**New share offer:** Seeking to raise up to £40 million.

**Loyalty discount:** 1% discount on the initial fee to existing Octopus VCT investors, offered throughout the fundraising.

## Keeping you updated

We'll send you financial statements once a year. The annual report will include updates from the chair of the VCT and Octopus Investments, the VCT investment manager.

## Five-year performance

Year to 31 July	2017	2018	2019	2020	2021
Annual total return	2.9%	-0.6%	2.7%	3.0%	18.4%
Annual dividend yield	28.0% <sup>1</sup>	22.3% <sup>1</sup>	6.3%	3.2% <sup>2</sup>	7.8% <sup>2</sup>

### Past performance is not a reliable indicator of future results and may not be repeated.

The performance information above shows the total return and annual dividend yield of Octopus Apollo VCT for the last five years to 31 July. The annual total return is calculated from the movement in NAV (the combined value of the assets owned by the VCT after deducting the value of its liabilities) over the year to 31 July and includes dividends paid over the year. The revised figure is divided by the NAV at the start of that year to get the annual total return. The performance shown is net of all ongoing fees and costs. Annual dividend yield is calculated by dividing the dividends paid per annum by the NAV at the start of the period. For this calculation we use the record date for each dividend, which is the cut-off date by which shareholders must be on the shareholder register to receive the dividend.



Best Venture Capital Trust Provider

<sup>1</sup> A special dividend of 16.5p was paid in December 2016 and another of 10.7p was paid in November 2017.

<sup>2</sup> Only one dividend was paid in the year to 31 July 2020; and three dividends in the following 12 month period. This was due to timing differences caused by COVID-19 and is not expected to be repeated.

## The charges

Our charges are taken from the money you invest and depend on the way you invest in Octopus Apollo VCT. If you invest through a financial adviser, we can facilitate initial and ongoing adviser charges. The charges are as follows:

### Upfront charges for an advised investor

Initial fee (to Octopus)	3%
Adviser charges	up to 4.5%

### Ongoing annual charges

Annual management charges (to Octopus)	up to 2%
Adviser charges	up to 0.5%
Admin and accounting charge (to Octopus)	0.3%

## Performance fees

When the performance of the companies we invest in exceeds expectations, we think it's fair to take a performance fee of 20% on all future gains.

Ongoing adviser charges, direct charges or commission is paid for a maximum of nine years after the investment date. If you choose to pay your adviser less than the maximum amount shown in the table, the money will be used to buy more VCT shares for you.

For full details on the performance fee and other charges, **please see the prospectus.**

Nothing in this document should be viewed as advice or a recommendation to invest. We always recommend you talk to a professional financial adviser before making any investment decision. We record telephone calls. Issued by Octopus Investments Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 33 Holborn, London EC1N 2HT. Registered in England and Wales No. 03942880. Issued: September 2021. CAM011406-2109

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