



Octopus Future Generations VCT: product overview

Backing businesses with the power to transform the world for the better.

We believe the companies that understand what it means to make the world a better place have the potential to deliver some of the best returns to investors over the coming decades. That's why we launched Octopus Future Generations VCT.

The VCT invests in businesses with high growth potential within one of three sustainability themes:

- **Building a sustainable planet** – these businesses aim to reduce emissions, protect ecosystems or create a more circular economy.
- **Empowering people** – to create a fairer and more equitable society. These businesses aim to use technology to further society, for example by improving access to digital learning, or advancing cybersecurity and privacy solutions.
- **Revitalising healthcare** – these businesses aim to use technology to improve healthcare while making it easier and cheaper for people to access.

The team

Octopus Future Generations VCT is managed by Octopus Ventures, the same team behind the UK's largest VCT, Octopus Titan VCT.¹ The team has the resources and experience to provide practical support and guidance to the talented entrepreneurs we back.

The team has built a reputation for backing innovative businesses that have gone on to be household names, including graze and Zoopla.

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/futuregenvct/ or by calling our dedicated Investor Support Team on **0800 316 2295**.

¹By funds under management, The Association of Investment Companies, December 2023.

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 VCT maintaining its VCT-qualifying status.
- Investing in smaller companies is considered a high-risk investment. VCT shares can fall or rise in value much more sharply than shares listed on the main market of the London Stock Exchange. They also have a higher rate of failure.
- 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.

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Investment details

Minimum investment: £3,000.

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

New share offer: Launched January 2024, seeking to raise up to £15 million.

Loyalty discount: 1% loyalty discount for funds raised throughout the fundraising.

Octopus Giving: We donate 10% of our annual management charge to Octopus Giving, our charitable foundation.

Keeping you updated

We'll send you the annual report once a year, which includes updates from the Chair of the VCT and Octopus Investments, the VCT's investment manager.

1-year performance to June 2023²

	2022	2023
NAV per share ³	96.1p	94.3p
Total Return ⁴	N/A	-1.9%

Past performance is not a reliable indicator of future results.

Important information about this VCT

Octopus Future Generations VCT is a young VCT. There are some additional risks you'll want to consider before deciding to invest:

- As this VCT is at the beginning of its journey, it doesn't have as many investments in its portfolio as older VCTs do, but this will increase over time.
- While the VCT is building up its investments, the portfolio will naturally be more concentrated in fewer company shares. This means that the performance of the VCT will be more sensitive to the success and/or failure of these investments than if the portfolio of investments was greater in number.
- Most investments are expected to be made into companies of similar age and size. This differs to established VCTs which often gives investors exposure to a mixture of new and maturing companies.
- The long-term target is to pay an annual dividend of 5% of the NAV, but given the expected holding period of target portfolio companies it is very unlikely the Octopus Future Generations VCT will be able to pay dividends before 1 July 2025. During this time any growth will increase the value of the VCT.

²Octopus Future Generations VCT launched in January 2022, with its results to 30 June 2022 covering less than 12 months. The year to 30 June 2023 was the first full year's performance reported. The performance information above shows the total return of Octopus Future Generations VCT for the one year to 30 June 2023. The annual total return for Octopus Future Generations VCT is calculated from the movement in net asset value (NAV) over the year to 30 June. The first shares were issued at 100p in January 2022. The revised figure is divided by the NAV at the start of that period to get the annual total return. Performance shown is net of all fees and costs. Please note, the NAV per share may be higher than the share price, which is the price you may get for the shares on the secondary market.

The charges

Our charges are taken from the money you invest in Octopus Future Generations VCT. If you invest through a financial adviser, we can facilitate initial adviser charges. However, please note this amount will not be eligible for income tax relief. The charges are as follows:

Upfront charges

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

Ongoing annual charges

Annual management charges (to Octopus)	2%
Non-investment services (to Octopus)	0.3%

Performance fees

We want to align ourselves with the long term investment objectives of shareholders. We do this is by applying a performance fee on the gains made. For Octopus to receive this performance fee we must meet three conditions.

- The performance fee cannot be paid until 1 July 2025.
- The VCT's Total Return (NAV plus cumulative dividends paid) at the previous year-end must exceed 120p.
- Shareholders must have received cumulative dividends of a minimum of 10p.

If all of these conditions are met, then 20% of the excess above the starting NAV of 97p will be paid to Octopus. Total Return will include 'realised' and 'unrealised' gains.

For full details on the performance fee and other charges, please see the prospectus at octopusinvestments.com/futuregenvct/.

³Net asset value (NAV) is the combined value of all the assets owned by the VCT after deducting the value of its liabilities.

⁴Total return % is an alternative performance measure, calculated as total return/opening NAV for the last year to 30 June.