



# 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've launched Octopus Future Generations VCT. The VCT will invest 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** – these businesses aim to use technology to further society, for example by improving access to digital learning or financial advice, 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<sup>1</sup>. With a combined experience of over 390 years, 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 Cazoo 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/](https://octopusinvestments.com/futuregenvct/) or by calling our dedicated Investor Support Team on **0800 316 2295**.

## 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 your personal 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. 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.
- 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.

<sup>1</sup>The Association of Investment Companies, January 2022.

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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 2022.

## Keeping you updated

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

## Important information about the Future Generations VCT

**Octopus Future Generations VCT is a new 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 won't have any investments in it to start with.
- It will take time to build up a portfolio of investments.
- While the VCT is building up its investments it will have a more concentrated portfolio. This means investors will feel the success and failure of investments more sharply than they would with a more diverse portfolio.
- All investments are expected to be made into companies of similar age and size. This differs to established VCTs which often give investors exposure to a mixture of new and maturing companies.
- The long-term target is to pay an annual dividend of 5% of the Net Asset Value. However, we do not expect the VCT to pay a dividend in the first three to five years due to the expected holding period of portfolio companies. During this time any growth will increase the value of the VCT and your shares.



## 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 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.

For full details on the performance fee and other charges, please see the prospectus at [octopusinvestments.com/futuregenvct/](https://octopusinvestments.com/futuregenvct/).