



Octopus AIM VCTs: product overview

The Octopus AIM VCTs are a tax-efficient way to invest in established portfolios of AIM-listed, smaller companies with strong growth potential. This new share offer will help fund selective new investments.

AIM is one of the world's most successful markets for fast-growing, innovative companies that require capital to reach their full potential. For investors, the tax benefits associated with a Venture Capital Trust (VCT) can enhance the investment proposition even further.

- Both Octopus AIM VCTs invest in VCT-qualifying companies that operate across a diverse range of sectors, from building materials and pharmaceuticals to software development and restaurants. Over 70% of the portfolios by value are invested in profitable companies and over 40% are invested in companies paying dividends to the VCTs!
- The VCTs have a strong track record of paying a steady stream of tax-free dividends to investors. For full five-year performance history, please see the reverse of this document.
- Investors will benefit from access to established portfolios of around 80 AIM-listed companies, making the Octopus AIM VCTs a great way to gain exposure to this part of the UK economy in a tax-efficient manner.
- The Octopus Quoted Smaller Companies team includes some of the most experienced AIM-focused fund managers in the market. Together they manage more than £1.6 billion of investor assets.

Dividend targets

One of the main benefits of VCTs is their potential for paying tax-free dividends to investors. Octopus AIM VCT aims to pay a tax-free dividend of 5p per share annually or a 5% yield, whichever is greater. Octopus AIM VCT 2 aims to pay a tax-free dividend of 3.6p per share annually or a 5% yield, whichever is greater. In addition, the VCTs can pay special dividends if there are significant gains from the sale of portfolio holdings.

Important information

This advertisement is not a prospectus.

Investors should only subscribe for shares based on information within the prospectus and Key Information Documents (KIDs), available at octopusinvestments.com/aimvct or by calling our Investor Relations team on the number below.

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 VCTs pay 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 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 full 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.

¹Source: Octopus Investments, 31 July 2020

Investment details

Minimum investment: £5,000

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

New share offer: Launched in August 2020. Seeking to raise up to £20 million.

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

Five-year performance

Year to 31 July	2016	2017	2018	2019	2020
Octopus AIM VCT NAV total return ¹	1.8%	19.9%	6.5%	-12.2%	3.6%
Octopus AIM VCT 2 NAV total return ¹	3.6%	18.7%	6.0%	-10.8%	3.6%
FTSE AIM All-Share total return ²	2.1%	32.1%	12.5%	-13.6%	-3.9%
FTSE All-Share total return ²	3.8%	14.9%	9.2%	1.3%	-17.8%
Octopus AIM VCT dividend yield ³	4.9%	5.7%	4.8%	4.7%	9.4% ⁴
Octopus AIM VCT 2 dividend yield ³	5.3%	5.4%	4.9%	4.9%	11.1% ⁴

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

Net Asset Value (NAV): this is the combined value of all the assets owned by the VCT after deducting the value of its liabilities.

¹NAV total return: The performance table above shows the total return of the Octopus AIM VCTs over the last five years to 31 July. The annual total return is calculated from the movement in NAV over the year to 31 July, with any dividends paid over that year then added back. The revised figure is divided by the NAV at the start of the year to get the annual total return.

²FTSE AIM and All Share total return: Performance is shown alongside the total returns of the FTSE AIM and FTSE All Share indices, which are indicators of activity in the broader UK equity market (source: Lipper). Note that none of these indices are used as benchmarks for the Octopus AIM VCTs.

³Annual dividend yield: The annual dividend yield is calculated by dividing the dividends paid per annum by the NAV at the start of the period.

⁴Includes special dividend made following a number of partial and total sales of holdings from the portfolio.

The charges

Our charges are taken from the money you invest and depend on the way you invest in the Octopus AIM VCTs. If you invest through a financial adviser, we can facilitate initial and ongoing adviser charges. 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)	1.5%
Adviser charges	up to 0.5%

For full details of fees and charges, please see the prospectus and Key Information Documents (KIDs).



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