

# Octopus AIM Inheritance Tax Service

Data as at 30 April 2019

## About the Product

The Octopus AIM Inheritance Tax Service offers a fast and flexible solution to inheritance tax planning, while providing the potential for significant capital growth through investment into a portfolio of 20-30 companies listed on the Alternative Investment Market (AIM).

**The Octopus AIM Inheritance Tax Service is also available within an ISA wrapper.**

## Key Facts

### Octopus AIM Inheritance Tax Service

Launch Date	June 2005
Product Type	Discretionary Portfolio
Benchmark	FTSE AIM All-Share TR

### Octopus AIM Inheritance Tax ISA

Launch Date	September 2013
Product Type	Discretionary Portfolio
Benchmark	FTSE AIM All-Share TR

Fees and charges are payable in respect of both the Octopus AIM Inheritance Tax Service and ISA, please see the relevant product brochure for details. Visit [octopusinvestments.com](http://octopusinvestments.com).

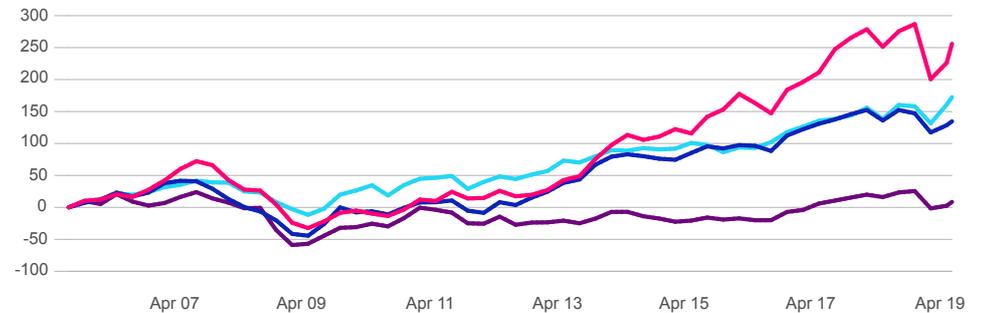
## Investment Approach

The team looks for companies with one or more of the following characteristics:

- A strong market position or global leader in its field
- A scalable business model focused on growth
- A proven management team with a record of corporate success
- A profitable business with a strong balance sheet
- A high level of recurring revenues and earnings visibility

## Performance Overview

### Performance since launch (%)



	YTD	3 years	5 years	Inception	Calendar Year		
					2018	2017	2016
■ Median Octopus AIM ITS	18.43	34.53	67.57	255.95	-20.61	27.83	6.72
■ FTSE AIM All-Share TR	13.34	38.83	26.09	13.54	-17.12	25.97	16.07
■ FTSE Small Cap ex IT TR	9.91	22.85	32.35	143.04	-13.80	15.61	12.54
■ FTSE All-Share TR	12.35	33.33	35.16	160.19	-9.47	13.10	16.75

YTD, 3 years, 5 years and Inception (June 2005) data is calculated to month-end, at 30 April 2019.

### Discrete yearly performance to quarter end (%)

Year to 31 March	2019	2018	2017	2016	2015
Median Octopus AIM ITS	-7.17	12.90	18.25	22.01	1.09
FTSE AIM All-Share TR	-8.47	10.54	32.87	0.60	-14.78
FTSE Small Cap ex IT TR	-3.09	2.21	19.74	5.86	1.18
FTSE All-Share TR	6.36	1.25	21.95	-3.92	6.57

Source: Lipper and Octopus Investments. Performance charts date back to 30 June 2005 and show the total returns of the Octopus AIM Inheritance Tax Service portfolios.

Performance is calculated by taking the total return of the Octopus AIM Inheritance Tax Service portfolios calculated by taking the median monthly returns of all available Octopus AIM Inheritance Tax Service portfolios, going back to 30 June 2005. If cash is added or withdrawn during the relevant period, then such portfolios have been removed from the calculation for the respective month. We have then compounded those total returns which include the impact of dividend income, interest, management fees, ongoing adviser fees and dealing fees.

The performance table shows the discrete annual performance (showing the total cumulative returns for each individual year), calculated in the same way as detailed previously.

### Key Risks

- Your capital is at risk and you may not get back the amount invested. Past performance is not a reliable indicator of future results.
- The benefit of tax reliefs depends on individual circumstances and may be subject to change.
- Investments quoted on AIM are likely to fall and rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- The availability of tax reliefs depends on investee companies maintaining their qualifying status.



### Investment Enquiries

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

0800 316 2394

[info@octopusinvestments.com](mailto:info@octopusinvestments.com)

### About the Team

The Octopus Smaller Companies team has a combined experience of more than 100 years. The team, which includes Richard Power, Kate Tidbury, Chris McVey, Edward Griffiths, Stephen Henderson, Mark Symington, Dominic Weller, Jessica Sweeney and Charles Lucas, manage over £1.6 billion in AIM-quoted companies, and are also responsible for Octopus AIM VCT plc, Octopus AIM VCT2 plc and FP Octopus UK Micro Cap Growth Fund.

### Awards



### Monthly Commentary

April was a stellar month that saw a continuation of the equity market rally in 2019. During the month, the median Octopus AIM Inheritance Tax portfolio rose 9.16%. This was against a market backdrop that saw the FTSE AIM All-Share Index rise by 5.90%, the FTSE All-Share Index increase 2.65%, and the FTSE SmallCap (excluding Investment Companies) Index rise 4.53%, all on a total return basis.

April was characterised by a raft of extremely positive trading updates from several key portfolio holdings. Technical adhesive solutions provider, **Scapa Group plc**, revealed strong performance from its Healthcare division, with revenues 6% ahead of expectations. Within this division, the recent Systagenix acquisition performed ahead of expectations in both revenue and profit. The Group share price rose 39.1% in the month. Technical services provider to the global video games industry, **Keywords Studios plc**, released full year results highlighting another good year of both organic and acquisitive growth, leading to a significant 34.7% recovery in the share price. Trading in the current year has started off well and there is a healthy pipeline of acquisition opportunities. Shares in technical patent and IP translator, **RWS Holdings plc**, rose 25.3% after the company announced that trading in the first half of the year was ahead of expectations. Earnings upgrades were principally driven by 13% organic growth in Intellectual Property services, following significant business wins and an increase in outsourcing work from patent attorneys. Global identify verification business, **GB Group plc**, confirmed that profits would be ahead of expectations and up 20% on the previous year, leading to a share price increase of 21.6%. The outperformance was largely attributed to Idology, where revenue contribution over the 1.5 months of ownership was well ahead of initial forecasts, though all three of the Group's main global service lines delivered a solid performance. Software and consultancy provider to the financial services industry, **First Derivatives plc**, grew 17.8% after confirming that results would be in line with market expectations. Optical component manufacturer, **Gooch & Housego plc**, confirmed that it was trading in line with full year guidance. This was reassuring given February's downbeat trading update, and the shares went 17.3% higher as a result. Gift packaging and stationery manufacturer, **IG Design Group plc**, reported full year trading in line with expectations, following the successful integration of August's acquisition, Impact Innovations. The share price reacted positively, growing 15.0% over the month.

### Portfolio Analysis

#### Top Ten Holdings

- RWS Holdings
- Gamma Communications
- GB Group
- Advanced Medical Solutions Group
- Abcam
- Next Fifteen Communications
- Scapa Group
- Clinigen
- Keywords Studios
- Gooch & Housego

#### Top Ten Sectors (%)

Support Services	25.9
Software & Computer Services	14.8
Construction & Building Materials	11.1
Media	11.1
General Retailers	7.4
Household Goods & Services	7.4
Pharmaceuticals & Biotech	7.4
Beverages	3.7
Chemicals	3.7
Health Care	3.7
<b>Total</b>	<b>96.2</b>

Source: Bloomberg and Octopus Investments. Top ten holdings based on funds under management in the Octopus AIM Inheritance Tax Service and ISA. Top ten sectors listed by number of companies on the current buy list. Totals are rounded from source data so tables may not add up exactly to 100%.

### Important Information

Personal opinions may change and should not be seen as advice or a recommendation. We do not offer investment or tax advice. We recommend investors seek professional advice before deciding to invest. Regarding VCTs, this advertisement is not a prospectus and you should only subscribe for shares on the basis of information contained in the prospectus and the Key Information Document. For other investments, investors should read the product brochure before deciding to invest. These documents are available at octopusinvestments.com. 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. We record telephone calls. CAM008203. Issued: May 2019.