



## 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.

The Alternative Investment Market (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 range of sectors, from building materials and pharmaceuticals to software development. Investors will benefit from access to established portfolios of around 90 companies.<sup>1</sup>
- 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 next page.
- The Octopus AIM VCTs are managed by the Octopus Quoted Companies team who have significant experience across mid and small cap investments. Together they manage £1.9 billion of investor assets.<sup>2</sup>

### Dividend target

One of the main benefits of VCTs is their potential to pay 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. The VCTs can also pay special dividends if there are significant gains from the sale of portfolio holdings. If you invest in this offer you have the potential to receive quarterly dividends.

<sup>1</sup>Octopus Investments & Factset, 31 July 2023. <sup>2</sup>Octopus Investments, 31 July 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. Please also remember, dividends are not guaranteed.
- 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 other 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.

**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/aimvct](https://octopusinvestments.com/aimvct) or by calling our dedicated Investor Support Team on **0800 316 2295**.

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## Investment details

**Minimum investment:** £5,000

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

**New share offer:** Launched September 2023, seeking to raise up to £20 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 the annual report once a year, which includes updates from the Chairman of the VCT and Octopus Investments, the VCT investment manager.

## Five-year performance

Year to 31 July	2019	2020	2021	2022	2023
Octopus AIM VCT NAV total return <sup>1</sup>	-12.2%	3.6%	41.7%	-24.7%	-17.6%
Octopus AIM VCT 2 NAV total return <sup>1</sup>	-10.8%	3.6%	42.1%	-23.8%	-17.2%
FTSE AIM All-Share total return <sup>2</sup>	-13.6%	-3.9%	42.6%	-25.5%	-15.6%
FTSE All-Share total return <sup>2</sup>	1.3%	-17.8%	26.6%	5.5%	6.1%
Octopus AIM VCT dividend yield <sup>3</sup>	5.5%	9.4% <sup>4</sup>	4.3%	9.5%	8.0%
Octopus AIM VCT 2 dividend yield <sup>3</sup>	5.4%	11.3% <sup>4</sup>	4.3%	8.6%	8.4%

## 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.

**<sup>1</sup>NAV 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.

**<sup>2</sup>FTSE 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.

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

**<sup>4</sup>Includes special dividend** paid following a number of partial and total sales of holdings from the portfolio.

**<sup>5</sup>Octopus charges** an annual management charge of 2% per annum. However, we reduce this by the maximum adviser ongoing charges. This creates an 'effective rate' of 1.5% for the first nine years, while the adviser charges may be paid.

## 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 advised 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) <sup>5</sup>	1.5%
Adviser charges	up to 0.5%

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

**GROWTH INVESTOR 2021 AWARDS** WINNER BEST VCT INVESTMENT MANAGER

**WINNER SIX TIMES**  
Investment Life & Pensions  
**Moneyfacts**  
Awards 2016-2021

Best Tax and Estate Planning Solutions Provider

**WINNER FOUR TIMES**  
Investment Life & Pensions  
**Moneyfacts**  
Awards 2018-2021

Best Venture Capital Trust Provider