

Helping investors plan for inheritance tax using Business Relief with our insurance cover

October 2026



octopus investments
A brighter way



Key investment risks

For UK investors only

- Our investments place investor capital at risk. OITSPPlus is a high-risk investment. The value of an investment can fall as well as rise. Investors may not get back the full amount they invest.
- The benefit of tax relief depends on individual circumstances. Tax treatment is assumed as per current legislation and interpretation, which may change in the future.
- This should be regarded as a long-term investment. While the Service aims to help investors withdraw money when required, there is no guarantee that withdrawal requests can always be met immediately or in full.
- Qualification for Business Relief depends on the portfolio companies maintaining their qualifying status, which is assessed at the point a claim for the relief is made.
- Past performance is not an indicator of future returns.
- The key risks associated with this product are explained in full on **page 24** of this brochure. It is important that you read and fully understand the risks involved before deciding whether it is right for you.
- Investors should seek specialist advice to make sure their will is drafted so their estate will benefit from available inheritance reliefs, including Business Relief.
- The benefits offered by Octopus' Insurance Policy only apply to eligible deaths. Ineligible deaths, or a misrepresentation in the health declaration, could result in the Insurer refusing to settle a claim under the Insurance Policy.

This document does not constitute advice on investments, legal matters, taxation or anything else. We always recommend you talk to a qualified financial adviser before making any investment decision.

All data and factual information within this document is provided by Octopus Investments and is correct at 30 September 2026, unless stated otherwise.

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. Issued: October 2026. CAM016085-2610.

OITSPPlus invests in the same Business Relief-qualifying companies as the Octopus Inheritance Tax Service with the added benefit of our insurance cover for eligible investors.

Find it fast

About Octopus	4
Introducing OITSPPlus	6
How it works	8
OITSPPlus insurance cover	9
Glossary – insurance definitions	10
Our investment strategy	12
Getting started	13
An example portfolio company	14
After you’ve invested	15
Responsible investing at Octopus	16
Our approach to responsible investment	17
How OITSPPlus is managed responsibly	18
Understanding the key risks	19
Conflicts of interest	21
The charges	24
Notes	25
How to invest	27

About Octopus

On a mission to invest in the people, ideas and industries that will change the world

We believe that over the next couple of decades, some of the best returns for investors will come from investments in solutions to society's biggest problems. That's why most of the money we manage is invested in companies helping to build a more sustainable planet, revitalise healthcare, or empower people.

Where we came from

We launched Octopus in 2000, to build an investment company that puts customers first. We looked at what didn't work well and found ways to do things differently.

Since then, we've become the largest manager of Venture Capital Trusts¹ and investments that qualify for relief from inheritance tax². And we're still looking for new ways to help people achieve their financial goals.



How we do business

We're proud to be one of the first UK financial services companies to become a certified B Corporation. This means we're meeting high standards of verified social and environmental performance, accountability, and transparency.



The company has been consistently recognised by financial advisers for the quality of its support, service, and products, including recognition at the Financial Adviser Service Awards. We continue to be shortlisted by independent industry bodies, reflecting our commitment to maintaining high standards across our investment and estate planning solutions.

Octopus Energy – part of the Octopus family

You may be wondering 'is this the same Octopus?'. Octopus Energy is part of the Octopus family and is the UK's only Which? recommended energy supplier for nine years running³. You can find out more about all the companies in the Octopus Group at octopusgroup.com. Octopus Energy demerged from the Octopus Group structure. Octopus Group Holdings Limited, the parent company of the Octopus Group, maintains a stake in Octopus Energy.



¹By Funds Under Management, Venture Capital Trust Association, 2025.

²By funds under management, Tax Efficient Review, May 2026.

³Which?, January 2026.

Investments that make a real difference to your financial planning

We provide a range of investments to support the different goals customers have for their money — whether that's targeting growth, planning for tax, or investing in sectors to drive change. To do this, we look beyond traditional asset classes to provide investors with access to alternative investments in sectors we know inside out, such as venture capital, renewable energy, real estate, healthcare and smaller listed companies.



Venture capital

We're backing the entrepreneurs who are building the businesses of tomorrow.



Renewable energy

We actively invest in solar installations across Europe¹, with a portfolio that also includes landfill gas sites, wind farms, and biomass plants.



Small companies

We turn small businesses into big ones, driving the economy and creating jobs.



Healthcare

We help build state-of-the-art care homes and retirement communities.



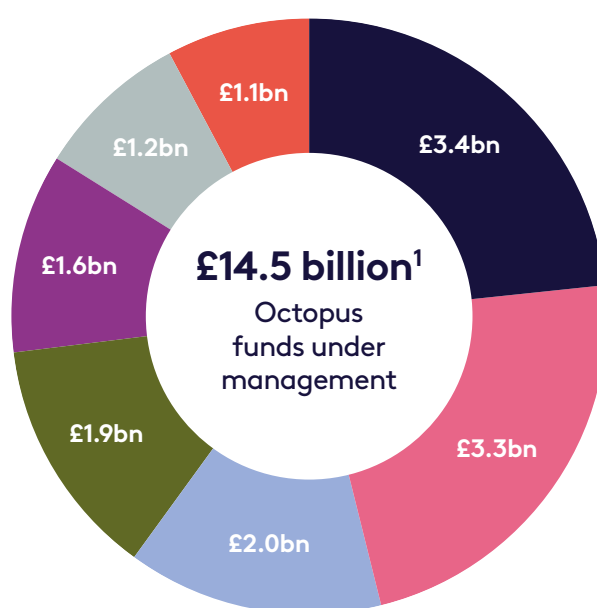
Property

We provide award-winning finance for property investment and development.

¹Octopus, as of 30 June 2026. Funds Under Management data includes undrawn commitments, segregated accounts, funds under advisory mandates and funds monitored, and is based upon the latest information available at the time of the calculation. The figure includes FuM from Octopus Investments, Octopus Money, Octopus AIF Management and Octopus Investments Australia.

A trusted fund manager

We look after substantial assets on behalf of tens of thousands of individual investors and large institutions. Today, we manage over £14.5 billion¹.



- Quoted companies
- Real estate
- Funds of Funds
- Renewable Energy
- Ventures
- Fibre
- Other

Need more information?

We've done our best to avoid small print and jargon in this brochure, but we do need to include some detailed information. Your financial adviser should be able to answer any questions you might have, but we're always happy to hear from you too. We can't give financial or tax advice, but we can answer questions about us and our investments. Call us on 0800 316 2295 or email investorsupport@octopusinvestments.com

Introducing OITSPPlus

Having launched our flagship estate planning service, the Octopus Inheritance Tax Service in 2007, we launched OITSPPlus in 2025, which combines the same investments that target Business Relief (BR) qualification with the addition of our insurance cover.

If you've been carefully building up assets throughout your life, you likely want to pass on as much of your estate as you can to your family when you die. If you don't plan ahead, the part of your estate that exceeds the inheritance tax (IHT) threshold of £325,000 could be taxed at 40%. This means that your family may miss out on a significant portion of your wealth.

Traditional estate planning solutions can be inflexible. For example, if you give away your assets to family and friends during your lifetime, these gifts take seven years to become exempt from IHT.

Similarly, putting assets into a trust also takes seven years before the value of the assets falls outside of your taxable estate. Both options mean you can no longer access your wealth if you need to. For many people, giving away or losing access to their hard-earned money is a very unattractive prospect.

How we can help

Since 2007, we have given investors the opportunity to invest in unlisted companies we expect to qualify for BR. This is a government-approved relief from IHT, after a two-year holding period. Unlike trusts and gifts, the Octopus Inheritance Tax Service aims to allow you to sell shares when you request to. However, because the companies we invest in are not listed on a stock exchange, it can sometimes take longer to sell your shares than you might expect. In exceptional circumstances, it could take a year or more.

In addition to owning BR-qualifying shares, OITSPPlus includes our insurance cover for eligible investors, if you die within the insured period, and your death meets the eligibility criteria, our insurance will cover 40% of your initial investment which can be used to help pay the IHT liability. The insurance cover begins from the date we have processed your fully completed application form and received cleared funds for the relevant investment amount. The insured period is two years and three months from that date. How this works is explained on [page 8](#).

OITSPPlus is a discretionary managed portfolio service, and you should make sure you are comfortable with the risks that come with investing in this type of product. The risks are explained on [page 19](#).





How it works

OITSPPlus is an investment service that combines the benefits of Business Relief from inheritance tax, with our insurance cover.

Portfolio management

When you invest in OITSPPlus, your money is placed in a discretionary portfolio managed by Octopus. This means we use the money to buy shares on your behalf in one or more companies that we select. This is the same discretionary portfolio as the Octopus Inheritance Tax Service.

Our experienced investment management team is responsible for making sure that capital is invested in ways that are consistent with the aims of OITSPPlus. We explain our investment strategy in more detail on **page 16**.

Relief from inheritance tax

The shares we select are expected to qualify for BR. This means that the investment should offer relief from IHT after two years, provided the shares are still held at the time of death. They can then be passed on as part of your estate to beneficiaries named by you.

But what if you pass away before reaching the minimum two-year holding period?

Well, that's why OITSPPlus includes our insurance cover for eligible investors.

If you die within the insured period and your death meets the eligibility criteria, our insurance will cover 40% of your initial investment and any eligible additional top-up investment (subject to the maximum total investment of £1 million). This is designed to help pay any IHT liability. The insurance cover begins from the date we have processed your fully completed application form and received cleared funds for the relevant investment amount.

To be eligible for cover, you must be under 85 and complete a satisfactory health declaration. Please see **page 9** for more detail on the eligibility criteria. After two years, your portfolio remains invested in companies expected to qualify for BR, and therefore can be left to your beneficiaries with relief from IHT.

From 6 April 2026, a £2.5 million BR allowance was introduced for qualifying agricultural property and unquoted business assets. Amounts up to this allowance receive 100% relief from inheritance tax. Qualifying investments above this allowance attract relief at 50% (as do all qualifying AIM-listed shares). Before 6 April 2026, BR was applied without any cap to all qualifying investments, including the type of investments held within this Service.

You can read more about BR on the HM Revenue & Customs (HMRC) website at [hmrc.gov.uk](https://www.hmrc.gov.uk) — simply type 'Business Relief' into the search box.

Top-ups and withdrawals

OITSPPlus is flexible should your circumstances change. This means you can invest more money as desired (subject to the sum total of £1 million). You can request to sell some or all of your portfolio and have the proceeds returned to you once the underlying shares have been sold, which may take some time. Please note, only a full withdrawal is permitted within the insured period, and this would also terminate your benefits under our insurance cover. We describe this in more detail on **page 15**.

Long-term sustainable growth

We target average annual growth for investors of 3% on the value of the shares held within the portfolio, compounded over the lifetime of the investment. This is calculated on the amount invested after initial charges and the initial dealing fee.

As our insurance cover is based on the amount you invest, it will not change when the value of your portfolio increases or decreases.

OITSPPlus insurance cover

Investors must meet the eligibility criteria to invest in OITSPPlus. It is important to read the eligibility criteria and exclusions that are in place to ensure our insurance cover is right for you.

Who is eligible for OITSPPlus?

To qualify for OITSPPlus, you must be under 85 when we receive your fully completed application form and funds, and complete a satisfactory health declaration, which is part of the application form. The insurance cover begins from the date we have processed your fully completed application form and received cleared funds for the relevant investment amount.

What is the health declaration?

There is no requirement for a medical examination or complicated questionnaires. Instead, you need to truthfully complete a straightforward health declaration. It asks you to confirm that in the last five years, you have not been diagnosed with or received active treatment for:

- **Cancer (other than stage I or II Cancer that is now in remission)**
- **Heart disease**
- **Stroke**
- **Alzheimer's and/or Dementia**
- **Chronic lung condition**

Additionally, you must confirm that you have not been diagnosed with a terminal illness.

What does our insurance cover?

Subject to the terms, conditions and exclusions of the Insurance Policy, cover applies to a death occurring within the insured period. The insurance will pay out 40% of your initial gross investment (the amount before any initial charges were deducted), plus any subsequent top up investment, up to a maximum payment of £400,000.

What is the claims process?

Only Octopus can make a claim under the Insurance Policy. In the event of death during the insured period, your personal representatives should notify us and provide an original or certified copy of your death certificate to begin the insurance claim. Further information may be requested if the cause of death conflicts with your health declaration. Octopus will contact your personal representatives to obtain this information and share it with the Insurer.

How are the proceeds paid out?

Claims are assessed by the appointed claims administrator in accordance with the Insurance Policy, and we will not be able to pay anything if the claim is excluded or denied by the Insurer. If the claim is accepted, the Insurer will settle the claim and pay the proceeds into a trust established for this purpose. The trustee will pay these proceeds to one or more of your beneficiaries, in accordance with their discretion and taking into account your wishes detailed in the 'expression of wishes' section of the application form.

The trustee of this trust is Octopus Legacy Trustees Limited, a trust corporation which is part of the Octopus Group.

We believe the length of time for the Insurer to process claims is typically at least four to six weeks, but is outside of our control and may take a longer period of time.

What happens when the insured period ends?

Any proceeds distributed from a successful claim under the Insurance Policy should not form part of your estate and therefore should not be subject to IHT.

What happens after two years of investment?

Your portfolio will remain in the companies we expect to qualify for BR from inheritance tax. The insurance cover continues until the end of the insured period (for a total period of two-years and three-months).

Glossary – insurance definitions

Navigating insurance terms can be challenging, but we're here to make it simple. Below, you'll find clear definitions of key terms used in our OITSPPlus insurance cover to help you understand the details.

Terminal Illness – this is an illness that has no known cure or progressed to the point where it cannot be cured and in the opinion of a registered UK doctor the illness is expected to lead to death within 6 months.

Alzheimer's disease/dementia – a definite diagnosis of Alzheimer's disease and/or dementia by a consultant neurologist, psychiatrist or geriatrician, which has resulted in a permanent memory loss, loss of reasoning capacity, loss of intellectual perception and/or inability to express and give effect to ideas.

Cancer – any malignant tumour or uncontrolled growth of cells diagnosed by a specialist practitioner with histological confirmation and characterised by invasion of normal tissue. This includes, but is not limited to, Leukaemia, Sarcoma and Lymphoma.

Stroke – death of brain tissue due to inadequate blood supply or haemorrhage resulting in a permanent loss in bodily function with persisting debilitating symptoms.

Heart Disease – this term includes all Ischaemic heart conditions such as Angina Pectoris, Myocardial Infarction ("heart attack"), Cardiac arrest as well as Cardiomyopathy and Cardiac surgery.

Chronic lung condition – including, but not limited to, Chronic Obstructive Pulmonary Disease and Emphysema where there is a need for hospitalisation and/or oxygen therapy.

Active treatment – treatment directed immediately to the cure, or ongoing management, of the disease or injury.

Eligible death – a death is not eligible if the death certificate mentions anything that alludes to a terminal illness, or one or more of the specific conditions that was diagnosed prior to the health declaration being made. Suicide, assisted suicide and intentional self-injury are excluded during the first 12 months of cover.

Claim exclusions – circumstances that may result in a claim being declined include where the Health Declaration requirements have not been met, where an excluded cause of death applies, or where the personal representatives of your estate fail to provide information required to assess the claim.

Expression of wishes – this is completed as part of the application form. It lets us know who should receive any proceeds if there is a successful claim under the Insurance Policy.



“We’re here to support you and your family.”

Since 2017, Octopus has had a dedicated Intergenerational Planning Team who are here to support your family and beneficiaries. When you pass away holding an investment, the team is here to help them understand it and what their options are. We know it's often easier to talk to someone on the phone, so you can reach the Intergenerational Planning Team on **0800 294 6826**.

Kristy Barr, Co-head of Retail Investments

Key benefits

More of your wealth can be passed on to your family

OITSPPlus invests in one or more companies that are expected to qualify for relief from inheritance tax.

Speed

Your investment should benefit from relief from inheritance tax after two years — as long as you still hold the shares at the time of your death.

If you die within the insured period, subject to eligibility, our insurance will cover 40% of your initial investment and any eligible additional top-up investment (subject to the maximum total investment of £1 million) to help pay any IHT liability.

A simple process

There are no detailed medical questionnaires but as part of the eligibility criteria you are required to complete a health declaration.

Access to your investment

You can request to sell some or all of your portfolio. There is a process to return your money at your request, whether regularly or ad hoc. Withdrawal requests are typically processed within three months, though in exceptional circumstances this could take over a year. Please note, only a full withdrawal is permitted during the insured period, and this withdrawal will terminate the insurance cover. We describe this in more detail on **page 15**.

Long-term sustainable growth

The companies we invest in carry out a range of different trades in order to target 3% growth per annum over the long term for investors.

Key risks

Investing in unquoted companies is high risk

We invest in trading companies that are not listed on a stock exchange. The companies we invest in should be considered high risk. They could fall in value and you could lose some or all of your investment.

Tax relief cannot be guaranteed

This brochure is based on current tax legislation and interpretation. There's no guarantee that the companies we invest in will remain BR-qualifying. Tax rules could change in the future. The value of tax relief will depend on your personal circumstances.

Your investment could take longer to sell than expected

Although one of the aims of OITSPPlus is to make sure investors can sell their investment quickly if they want to, it invests in the shares of unquoted companies that are not listed on any stock exchange. This means the shares we invest in may take longer to sell than the shares of companies listed on the main market of the London Stock Exchange. This should be regarded as a long-term investment. While the Service aims to help investors withdraw money when required, there is no guarantee that withdrawal requests can always be met immediately or in full.

Insurance cover

Our insurance cover means that if an OITSPPlus investor dies during the insured period, subject to the terms, eligibility requirements and limits of the Insurance Policy, the insurance will pay 40% of the relevant investment amount to help pay any inheritance tax liability.

Note, only Octopus can make claims under the policy, and it is the insurer who decides if claims are paid. The insurer will decide whether or not a claim can be paid under the policy, and we will not be able to pay your beneficiaries anything if the claim is excluded or denied by the insurer. We will do what is reasonable as to make sure that the claims are successful.

Successful insurance claims are subject to the terms and conditions of OITSPPlus. Ineligible deaths, or a misrepresentation in the health declaration could result in the insurer refusing to settle a claim under the Insurance Policy. **See page 19 for more information on the risks to be considered before making this investment.**

Our investment strategy

Our main aims are to achieve inheritance tax exemption for your investment and deliver sustainable growth over the long term.

When you invest in OITSPPlus, your money is placed in a discretionary portfolio managed by Octopus. This means we use the money to buy shares on your behalf in one or more companies that we select. We select companies that we believe will grow at a steady rate, targeting sustainable growth over the long term. We continually monitor the progress of the companies we invest in with these aims in mind.

We invest in privately held companies

The companies we invest in are not listed on a stock exchange. These companies are managed on a day-to-day basis by Octopus. As the only shareholders in these companies are investors in the Octopus Inheritance Tax Service and OITSPPlus, we can run the companies in a way that is entirely aligned with the interests of those investors. We want you to be confident that your interests are always being looked after as they should be, so the majority of the board of directors of each company are independent of Octopus.

We target annual growth of 3%

We target annual growth of 3% for investors over the period you hold the investment. This target growth is based on the amount you invest, after deducting initial charges and the initial dealing fee on the investment. The performance of OITSPPlus depends on the growth in value of the company, or companies, we invest your money in.

Returns are not capped. But, because we look to deliver sustainable growth in line with our target rather than deliver high returns, you should not expect a return significantly higher than 3% per year over the life of your investment.

Making the Service as flexible as possible

We invest in unlisted companies that have a smaller market for sales and purchases of their shares than companies listed on the main stock exchange. When we select companies, we look for shares that we believe we can sell when investors ask us to and we organise share dealing every week. However, because these companies are unquoted, there may be times when selling could take significantly longer than you might expect. Of course, we also select companies that are expected to deliver the target level of growth.



Getting started

Investors should take financial advice before making any investment decisions. Your financial adviser will be able to help you understand if this investment is right for you.

Making an initial application

You should complete the application form and send it back to us with your initial investment. The minimum initial investment is £25,000, and you can invest as much as you like, up to the max investment of £1 million in OITSPPlus.

If you want to invest more than £1 million in BR-qualifying investments, please speak to your adviser about the Octopus Inheritance Tax Service.

Setting up your investment

We place your money in our client bank account after receiving your application, before using it to make your investment. It usually takes 1-2 weeks to purchase shares on your behalf.

Two years after the date your shares were purchased, your investment should qualify for relief from IHT, provided you still hold the shares at the time of your death.

If you die during the insured period, subject to eligibility, our underlying insurance will cover 40% of your initial investment. We designed OITSPPlus this way to try and help pay your inheritance tax liability.

Keeping you informed

We'll send you valuation reports at quarterly intervals, so you can see the progress of your investment.

You can also call our **Investor Support Team** on **0800 316 2295** or visit our online secure website at octopusinvestments.com at any time.



Keeping investors happy is a big part of what we do.

We try to make the information we give you as clear and uncomplicated as possible. But if there's anything you don't understand, you can call us. We don't offer financial advice, but we'll do whatever we can to help.

An example portfolio company



We invest in Fern Trading Limited, a UK company that has carried out a broad range of trades since 2010. Its business activities are in line with the business aims of OITSPUs.

About Fern

Fern is entirely owned by investors in the Octopus Inheritance Tax Service and OITSPUs and is managed by Octopus. Fern operates in sectors where Octopus has extensive experience, such as renewable energy and property.

Fern has a diverse trading strategy, designed to target predictable growth over the longer term. Like any trading company, Fern's business strategy has evolved over time, and we expect it to continue to develop in the future. Fern currently employs more than 1,750 people across its group.

Below is an outline of the assets within Fern's A share class, which new investors to the OITS would currently be invested in to.

Fern's owning and operating business

Fern owns and operates businesses within the renewable energy, housebuilding and fibre sectors.

Fern has chosen to refinance some of its sites using a moderate amount of finance from top-tier banks. In isolation, this can magnify gains or losses on individual assets when they occur. However, as investors hold shares in a better diversified trading group, the purpose of the strategy is to better target predictable growth over the long term. Borrowing represents around 36% of the gross value of the group's assets.

- **Energy:** Fern owns and operates around 200 renewable energy sites (including solar farms, wind energy sites, landfill gas sites and biomass sites) that sell the power they generate. These sites are located across the UK, France, Poland and Ireland. The renewable energy sites owned by Fern have the capacity to generate around 4,000 gigawatt hours (GWh) every year. That's enough energy to power nearly 1.2 million homes in the UK.

- **Housebuilding:** Fern's residential building business, Elivia Homes, is a full-service house builder, which acquires land and develops sites from design stage to engineering and then final construction to ensure the delivery of quality workmanship. Elivia strives to deliver high quality and design-led aspirational homes, comprising a mix of open market and affordable homes, with over 15 sites in various stages of construction. Elivia is headquartered near Beaconsfield with regional offices in Fareham, Hampshire and West Malling, Kent. Fern's retirement living business, Rangeford Villages, owns and operates five retirement villages in Wiltshire, North Yorkshire, Gloucestershire, Surrey and Cambridgeshire. Further sites spread across the country are under construction or in various stages of acquisition.
- **Fibre:** Fibre has been held in the portfolio since 2019. Currently the portfolio is focused on Enterprise Fibre which provides dedicated, business-grade internet connections to organisations that need fast, reliable and secure connectivity. Unlike home broadband, these services are designed for businesses that rely on large amounts of data, cloud applications and continuous connectivity.

Fern's lending business

Fern lends money on a short-term basis to experienced property professionals across both residential and commercial sectors. These loans are usually secured against the borrower's assets — similar to a mortgage — until the loan is repaid. Fern's property lending business continues to perform as expected. As at March 2026, Fern's loan book comprised 148 loans.

After you've invested

We understand that personal circumstances can change. That's why OITSPPlus has been designed to be flexible enough to adapt to your needs.

You can add to your investment

To add to your investment in OITSPPlus, you will need to be under 85 when we process your fully completed application form (including a satisfactory health declaration) and receive cleared funds. Any top up must be at least £10,000 and the total you can invest in OITSPPlus is £1 million. Don't forget, it will take two years for each separate investment to qualify for BR from IHT.

We will keep you informed

We'll keep you updated on your investment with regular reports every quarter. These updates will show any activity within the reporting period, along with information on the companies you hold investments in.

You can choose to sell shares

You can choose to sell your whole portfolio at any time if you need to. Since the Octopus Inheritance Tax Service was launched in 2007, withdrawal requests have typically been satisfied within a month. We expect to be able to satisfy requests within 90 days, however, in certain circumstances it could take significantly longer — in exceptional cases, potentially a year or more. Please read the risks on **page 19**. If you withdraw your portfolio during the insured period, you will lose the benefit of the insurance.

After the insured period ends, you can request an ad hoc partial withdrawal or set up regular share sales. Just let us know that you need to sell shares worth at least £5,000, and ensure you have at least £5,000 remaining in your investment.

Some important points on tax

As a reminder, selling shares will reduce the amount that you can expect to become inheritance tax free. You should also remember that the proceeds of any sale will become part of your taxable estate again, unless you spend it before you die.

After selling shares, you may have to pay tax on any growth achieved on that portion of your investment. This growth will normally be taxed as a capital gain, but it may be subject to income tax if the companies you have invested in buy your shares back from you.

After you die

We'll give your loved ones as much help as we can. We have a dedicated Intergenerational Planning Team who are on hand to help executors and beneficiaries with any information they might need. They can be contacted on **0800 294 6826**.

Insurance cover

In the event that you die during the insured period, your personal representatives should notify us and provide an original or certified copy of your death certificate to begin the insurance claim. Further information may be requested if the cause of death conflicts with your health declaration. Octopus will contact your personal representatives to obtain this information and share it with the Insurer.

Investment portfolio

Your executors will need to complete the form IHT 412 with details of your OITSPPlus investment and send it to HMRC as part of the probate process. Executors then have three options:

- They could ask us to sell the portfolio and pass the money to your beneficiaries.
- They could transfer the portfolio to your beneficiaries (if it qualified for BR on your death, then it will also be outside beneficiaries' estates for IHT).
- They could also ask us to use the portfolio to pay any inheritance tax on your other assets, such as your home, directly to HMRC.

We understand how difficult this time can be, and even though we can't give financial or tax advice, our team of specialists can help answer any questions your beneficiaries may have.

Responsible investing at Octopus

What does responsible investing mean at Octopus?

Increasingly, people want to work for, buy from and invest with companies which understand what it means to make the world a better place. These companies understand that how they behave is just as important as what they do. Ultimately we believe they will generate the best financial returns for investors over the coming decades.

To create value for our investors, we consider environmental, social and governance (ESG) factors when making investment decisions. We are a specialist asset manager, focused in specific sectors where we have significant and often market-leading investment credentials. Since setting up Octopus in 2000, we've invested more than £14.3 billion¹ into building a sustainable planet, empowering people and revitalising healthcare. We believe that business can be, and should be, used as a force for good. Fundamentally, we want the world to be a better place because of where and how we invest our clients' money.

As one of only 650 financial services companies in the world to be an accredited B Corporation, we are very proud of the impact that Octopus and the investments we manage have on the planet.

How do we make sure that responsibility sits at the heart of everything we do?



Certified B Corporation

We are an accredited B Corporation. These are businesses that meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit with their impact on the world. Octopus undergoes a B Corp assessment every two years.



UN PRI signatory

We are a UN PRI signatory, supporting the incorporation of ESG factors in our decision making. We are subject to an annual Principles of Responsible Investing (PRI) assessment.



Responsible Investment Committee

Each investment team at Octopus reports to our Responsible Investment Committee each quarter on ESG integration, key ESG metrics and performance. The committee is made up of our founders, chief investment officer and heads of business.

¹Octopus, as of 31 March 2026. Funds Under Management data includes undrawn commitments, segregated accounts, funds under advisory mandates and funds monitored, and is based upon the latest information available at the time of the calculation. The figure includes FuM from Octopus Investments, Octopus Money, Octopus AIF Management and Octopus Investments Australia.

Our approach to responsible investment

While each of our tax-efficient investments has its own investment policy, our approach to responsible investing extends across all of them.

1

ESG integration

We consider an investment against our internal responsible investment framework.

This process ensures that all financially material environmental, social and governance risks have been considered and are being effectively managed.

2

Responsibility

We are an active investor, encouraging portfolio companies to adopt industry best practice and consider all stakeholders, including employees, local communities and the environment.

We have direct responsibility for how portfolio companies in OITSPPlus operate on a day-to-day basis. We take board positions to drive change from within.

3

Sustainability

We consider sustainability as part of our commercial assessment of an investment opportunity.

We invest in sectors and companies that we think are important for the future. For example, those that are providing solutions, transforming sectors, improving lives or reducing emissions. We believe that this makes sound investment sense.

How OITSPPlus is managed responsibly

Environmental, Social and Governance integration

OITSPPlus targets sustainable growth for investors, so it's no coincidence that portfolio companies include assets that are reducing emissions and improving healthcare options. We believe these sectors make sound investment sense.

ESG integration

ESG issues are considered within the investment process to mitigate risk and improve the risk/return of investments. This approach utilises the Sustainability Accounting Standards Board (SASB) Materiality Map, which helps the investment team identify and mitigate material risk exposure.

As part of the due diligence process for all new acquisitions, we require an ESG questionnaire to be completed for consideration against our ESG criteria for the Service. This process plays a key role in the Investment Committee's decision and the framework is paramount in identifying potential ESG risk.

Responsibility

We have direct responsibility for how each portfolio company operates on a day-to-day basis. We drive each company to adopt industry best practice, considering all stakeholders including employees, local communities and the environment.

When a portfolio company acquires a new business, one or more Octopus employees can be appointed as non-executive directors on the board of the company, alongside the management team. This enables Octopus to bring extra rigour to the oversight and management of the business's practices.

Sustainability

Through OITSPPlus, investors own shares in a company that is the largest owner and operator of solar energy sites outside of the major energy suppliers in the UK, generating nearly 3,100 gigawatt hours a year.

OITSPPlus investors also support healthcare businesses that are paving the way for better retirement choices. These businesses are looking to improve the options for people in later life by building and running three state-of-the-art retirement villages. These allow older people to live in surroundings that suit their needs, for the rest of their life.

Understanding the key risks

We want you to feel completely comfortable with how this investment works. Please take time to understand the key risks set out on these pages and discuss them with your financial adviser and loved ones.

You may lose money

OITSPPlus is a discretionary portfolio service. It invests in unquoted companies that are not listed on a stock exchange. These companies should be considered high-risk investments. The value of such companies can fall or rise more sharply than shares in larger, listed companies. The shares of unquoted companies can also be more difficult to sell. As with all investments, your shares could fall in value. Also, when it's time to sell, you may not get back the full amount invested.

The valuation approach used by unlisted trading companies is based on the expectation that they will continue to trade, which means that shares may be offered at a premium (or discount) to the total assets owned by the company, if they could be sold today. In certain situations, notably if the company were to cease trading, this could lead to share price volatility for investors.

Further, if the company decided to sell its assets and return the proceeds to investors, this may result in proceeds being less (if trading at a premium) or more (if trading at a discount) than the current share price. To reflect the future value from its trading activity, the share price of a typical portfolio company is usually between 5% and 10% higher than the break-up value of its assets.

Target returns are not guaranteed

The target returns of OITSPPlus are not guaranteed and you should not consider the past performance of the underlying investments to be a reliable indicator of future results. The performance of OITSPPlus is driven by the value of the underlying portfolio companies.

Tax rules can change

Rates of tax, tax benefits and tax allowances are based on current legislation. Interpretation is based on case law and HMRC practice. We can't guarantee that tax rules won't change in the future. The value of tax reliefs depend on your own personal circumstances.

Requests to sell shares could take longer than anticipated

Selling shares in OITSPPlus is normally achieved by selling the shares you own to other investors, and there is no guarantee that a buyer will be found. If there are unusually large withdrawals, the companies you have invested in may need to carry out a share buyback, a process which we expect to take three months.

In exceptional circumstances (such as a change in tax rules) where the companies do not have sufficient available funds to carry out a share buyback, the process could take much longer, as we would need to sell the assets owned by the portfolio companies in order to return the proceeds of the share sale to you. You should not invest in OITSPPlus unless you understand and accept that — in exceptional circumstances — it could take a year or more to access your investment following a withdrawal request.

Your investment may be in only one company

OITSPPlus will only invest in one or a small number of companies conducting trades in one or more sectors. Your investment could have less diversification when compared with a portfolio of investments spread across many different sectors.

Portfolio companies may use different sources of finance

Investors in OITSPPlus and the Octopus Inheritance Tax Service are the only shareholders of the companies into which the Service invests. Like any company, in order to deliver 3% growth per annum to investors, the portfolio companies need to make higher returns to cover their running costs. To achieve these returns, and to undertake a wider range of activities, these companies may borrow funds from external lenders, such as banks, to fund part of their trades. This strategy could magnify gains or losses on individual assets when they occur. However, as investors could hold shares in a better diversified trading group, the purpose of the strategy is to better target predictable growth over the long term. It could increase the risk of your investment falling in value if interest repayments cannot be met by the portfolio companies.

BR is assessed on a case-by-case basis

We cannot guarantee that the investments we make on your behalf will qualify for BR in every case in the future. HMRC will only conduct a BR assessment after the death of an investor, to confirm whether the companies invested in qualify for BR at that time. If you borrow money to invest in OITSPPlus, your investment is unlikely to qualify for relief from inheritance tax.

Investment horizon

OITSPPlus is not intended to be a short-term investment, and the typical holding period for our investors is more than five years. It will normally take two years for an investment to qualify for BR. This two-year period will begin once your money is invested in companies within the Service. We expect to purchase shares in these companies within 1-2 weeks, though in certain circumstances it could take longer. You need to continue holding the investment until you die if you would like your estate to benefit from inheritance tax relief.

It is important to keep your will up to date

This is particularly relevant after you've made significant changes to your estate, for example after choosing to invest in OITSPPlus. Investors should seek specialist advice to make sure their will is drafted to ensure their estate benefits from available inheritance reliefs, such as the nil-rate band, exempt gifts and BR. For example, where an individual intends to leave exempt gifts in their will, it can be beneficial to bequeath BR-qualifying investments as a specific gift, rather than as part of the residue of their estate.

Insurance eligibility

The insurance that we have taken out benefits OITSPPlus investors and means that if they die within the insured period, the insurance will cover 40% of the initial investment to help pay any IHT liability. Only Octopus can make claims under our Insurance Policy, and the claims decisions are made by the insurer, not Octopus. Successful insurance claims will be subject to eligibility criteria and the Octopus Inheritance Tax products terms and conditions.

Financial Services Compensation Scheme:

Octopus is part of the Financial Services Compensation Scheme (FSCS). The FSCS is the compensation fund of last resort for customers of financial services organisations. If an organisation goes out of business, investors can make a claim to the FSCS for any losses resulting from the organisation's bad investment advice, negligence or mis-selling. It is important to understand that the FSCS does not protect against, or compensate for, losses from poor performance, such as when shares in a company have reduced in value.



Check with us what protection the Financial Services Compensation Scheme offers you
www.fscs.org.uk

Conflicts of interest

Conflicts could arise between our interests and yours, so it's important that you understand what these conflicts are and why they exist.

OITSPPlus invests in companies that are run by Octopus. While this can be beneficial (as we explain below), it can also potentially create conflicts between the interests of Octopus and those of investors in the OITSPPlus. This section explains the types of conflicts that can arise, as well as the controls we have put in place to prevent or manage these conflicts appropriately.

Portfolio companies outsource many of their day-to-day operations to Octopus

While the portfolio companies we invest in may have employees or consultants who they pay directly to run their day-to-day operations, they have few employees at a senior or managerial level. Therefore, their managerial activities are outsourced to Octopus, which charges a fee for the services provided. Where managerial staff are employed by a portfolio company, their salaries are recharged to Octopus as part of the service fee.

For the current year, this fee is 1.85% (+VAT) of the value of each company. All fees are agreed with the portfolio companies' independent directors, who are responsible for safeguarding the interests of shareholders (OITSPPlus investors). The independent directors must agree the fees are good value for the services provided. Sometimes, when a management team is employed directly, they may have a small amount of equity in that company.

Why is this beneficial?

Having a greater level of control over how the portfolio companies operate helps to ensure the needs of investors in OITSPPlus are met. By operating these companies, we can make sure they:

- Target sustainable growth over the long term.
- Trade in ways that should qualify for BR.
- Maintain an appropriate level of liquidity.

Portfolio companies may trade with other companies owned or managed by Octopus

If Octopus has an interest in a company that a portfolio company engages with, Octopus may partially benefit from the trade. For example, Octopus may benefit in the following ways:

- Octopus could be entitled to a share of profits if a portfolio company provides finance to a company that Octopus owns an equity stake in, and that company could become more profitable as a result.
- Octopus could be paid management fees by other companies that a portfolio company lends money to. These fees would be paid in the ordinary course of Octopus managing them.
- Octopus may already manage or partially own a company that a portfolio company buys shares in or purchases assets from.

Why is this beneficial?

Taking stakes in businesses allows us to undertake extensive research and gives portfolio companies confidence that they can continue to access quality trading opportunities as they grow. When a portfolio company acquires a new business, one or more Octopus employees can be appointed as non-executive directors on the board of the company, alongside the management team. This can give Octopus more oversight, helping to ensure that the companies operate in ways that help meet the aims of OITSPPlus.

Managing conflicts of interest

We endeavour to make sure that the interests of our customers are always looked after. So we have a number of controls in place to prevent or manage conflicts of interest.

An appropriate governance structure and committee process

Our Investment Committee reviews any new investment opportunities. It's their job to make sure every investment made on behalf of investors in OITSPPlus is in their best interests. Proposals likely to raise a conflict of interest are reviewed by a Conflicts Committee. This committee is independent of the Investment Committee and decides whether, given the risk of conflict, the investment proposal is being handled in an appropriate way.

Keeping relationships at 'arm's length'

Whenever we've identified a potential conflict of interest between businesses managed, owned or controlled by Octopus, we use external benchmarks where available. These benchmarks are taken from similar transactions taking place elsewhere in the wider market and are used to make sure that the terms and prices for each transaction are set independently. We may also use third parties for independent advice.

Independent directors

As with any company, the board of directors of a company we invest in has ultimate responsibility for ensuring it is managed in the best interests of its shareholders, who are all investors in OITSPPlus or the Octopus Inheritance Tax Service. These board members are all experienced business professionals and the majority are independent of Octopus.

For more information, please refer to our Conflicts of Interest policy, which is available on our website [octopusinvestments.com](https://www.octopusinvestments.com).

Fair and accurate valuations

Octopus calculates the share prices of portfolio companies according to industry standard guidelines. These valuations are part of the services Octopus provides to the companies. Share prices are then approved by the directors, who must confirm that they represent fair value for the companies' shares. Share prices are updated monthly.



“We want investors to feel reassured that we prevent or manage potential conflicts in the correct way.”

People need to feel comfortable about what they are investing in and understand how their money is being invested. We want our investors to be clear about what conflicts of interest could arise and reassure them that, where we cannot prevent them, we have controls in place to manage these conflicts appropriately. Conflicts of interest are not a problem in themselves, but they do need to be managed carefully. Each potential conflict is treated on its own merits, but one thing is absolutely clear — we'll look after your interests and treat you fairly every time.

John Averill

Head of Risk and Compliance

How portfolio companies are valued

We follow International Private Equity and Venture Capital Valuation (IPEV) guidelines which represent current best practice on the valuation of private capital investments. Our valuation process is similar to that used by publicly listed companies. It provides a fair and consistent estimate of value, reflecting expectations of future company performance. This helps set a fair price for both buyers and sellers of shares.

How the share price is set

The share price is set monthly. The first step is to estimate the total worth of the company if it were split up and each part was sold individually, rather than as a whole company. This value is known as the break-up value (BUV). Like any trading business, this means considering whether each group company is worth more or less than the value of its individual assets.

The second step is to establish the ongoing value of the business as a trading entity. To do this we assess the company's ability to generate future value by forecasting expected performance.

If the company has positive future trading prospects, this is reflected in the share price as an additional amount above the BUV, referred to as a 'premium'. Should future trading prospects be poor, the share price could be at a 'discount' below the BUV.

Incoming and outgoing shareholders buy and sell shares at the current monthly share price, which is calculated using the market capitalisation (sum of the BUV and any premium or discount).

How charges are calculated

Any applicable charges, for example the service charge to the portfolio company, are calculated on the share price or market capitalisation, which include any premium or discount.

The charges

A few points to keep in mind

Our target annual return of 3% is based on the amount you invest, after deducting the initial charges and the initial 1% dealing fee on investment. We also charge a dealing fee of 1% that applies when you instruct us to sell shares.

Octopus does not charge an Annual Management Fee (AMC) for this investment.

Paying adviser charges

If you agree to pay an ongoing charge to your financial adviser, we will facilitate this payment for you by selling a proportion of the shares you hold in OITSPPlus. Please note, this will reduce your overall return. We will pay adviser charges on a monthly basis.

Company running costs

The companies we invest in will pay Octopus to manage their business operations. The level of these fees is agreed for each company by their independent boards of directors. For the current year, this fee is 1.85% (+VAT) of the value of each company.

We describe these costs in further detail in the 'Conflicts of interest' section on **page 21**. Our 3% annual target return for investors is calculated after these fees have been taken into account.

You can only invest in OITSPPlus with advice from a qualified financial adviser

Octopus initial charge:	2.5%
Initial charge to your adviser:	Agreed with your adviser
Annual management charge:	0%
Ongoing fee to your adviser:	Agreed with your adviser
Dealing fee (for investments and withdrawals):	1%

Notes

Notes

How to invest

Talk to a financial adviser

You need to take financial advice prior to deciding to invest. A financial adviser will be able to help you decide whether this investment is suitable for you, and they can also help you to complete your application. If your adviser has any questions, they can call us on **0800 316 2067** or visit octopusinvestments.com.

Giving us feedback and how to make a complaint

Outstanding customer service is at the heart of everything we do. But that doesn't mean we get it right every time. If you're not happy with the service we give you, we'll listen to your complaint and confirm it in writing, as well as outlining how we plan to resolve it.

Our complaints procedures follow the rules set out by the Financial Conduct Authority, responsible for regulating investment companies

like Octopus, and the Financial Ombudsman Service, which has been set up to resolve disputes between consumers and companies.

If you want to make a complaint, email complaints@octopusinvestments.com, call **0800 316 2295** or write to us at:
Octopus Investments Limited, 33 Holborn, London EC1N 2HT.



0800 316 2295
investorsupport@octopusinvestments.com
octopusinvestments.com



Octopus Investments
33 Holborn
London EC1N 2HT