For professional advisers and paraplanners only. Not to be relied upon by retail clients.

Octopus Ventures EIS Service

Consumer duty product pack for distributors

October 2025

The information in this pack considers data from the Octopus Ventures EIS Service (OVEIS) and the Octopus Ventures Knowledge Intensive EIS Fund (KI) on a combined basis due to the similarities in investment approach.



octopus investments

A brighter way

How Octopus is positioned to prioritise good outcomes for customers

Octopus is a group of innovative entrepreneurial businesses investing in the people, ideas and industries that will help change the world

AUM: **£9.9bn**
Employees: **600+**
Investors: **70,000+**

Supporting more than **11,000 advisers** through **55 technical specialists** and a **dedicated intergenerational planning team**

150+ dedicated investment professionals across sector specific teams

Award winning:

WINNER TWO TIMES Investment Life & Pensions Moneyfacts Awards 2023 -2024
Best Venture Capital Trust Provider

FT ADVISER Financial Adviser Service Awards 2023
5 Star Winner Investments Octopus

Five star rating in the **Financial Adviser Service Awards** for 10 years running

Strong balance sheet:

AKG B
FINANCIAL STRENGTH RATED
DFM SECTOR STRONG
WWW.AKG.CO.UK ISSUED: 13/03/2024
OCTOPUS INVESTMENTS LTD

Certified B Corporation

- Meeting the highest standards of verified social and environmental performance, public transparency and legal accountability.
- Working to redefine success in business by measuring success by more than just profit.
- The interests of employees, customers, communities, environment and shareholders are treated equally.

OUR PEOPLE ENVIRONMENT CUSTOMER COMMUNITY SHAREHOLDERS

[1] Octopus to 30 June 2025. Funds Under Management data includes undrawn commitments, funds under advisory mandates and funds monitored, and is based upon the latest information available at the time of calculation. The figure includes Octopus Investments, Octopus AIF Management and Octopus Investments Australia.

Products and services

We undertake a complete review of this product every year to ensure it continues to deliver good outcomes for customers

Target for a good outcome	Outcome achieved	
	Last 12 months	**Since inception (2020)**
Diversification target: portfolio of around 10–15 companies	✓	–
Deployment target: all funds deployed within 6–12 months	✗	–
Tax relief: 100% of companies are EIS-qualifying at the time of investment	✗	✗
Target liquidity: exits realised within 5–10 years	N/A	N/A
Survey distributors to understand processes in place to ensure product is sold within the target market	N/A – no fundraising	✓
Product sold only via the defined distribution channels	N/A – no fundraising	✓
Product passed annual stress and scenario testing	✓	✓

Customer outcomes are typically considered holistically and over the long term (e.g., five years), however Octopus acknowledges that, in the most recent period, outcomes have fallen short of expectations across several key areas affecting customers and a good customer outcome has not been achieved.

Price and value

A good outcome for customers is every investor having been provided with the core product services, product features being achieved and no equivalent level of product and service being available for a lower fee elsewhere



Target for a good outcome	Major relevant factors	Last 12 months			Since inception (Nov 2020)		
		✓	✗	Evidence	✓	✗	Evidence
1) Every investor is provided with the core product services	All investors are allocated a portfolio of around 10-15 companies OVEIS and for and KI 10-25, each typically capable of achieving 10x at initial funding	✓		KI fund (22/23) has finished deploying within the last 12 months met its target number of companies. The most recent KI fund currently deploying is expected to meet the target company number.	—		All investors allocated portfolios of around 10-15 companies with the potential to grow by 10x (from initial funding) over the long term. Three out of seven OVEIS tranches met the company target, all fully deployed KI funds met their company targets. The average number of companies per tranche is is 14.
2) Important product outcomes are achieved for every investor	Companies are EIS-qualifying at the time of investment.		✗	In the last 12 months, there were six companies that were never issued EIS certificates or viewed as non-EIS qualifying, meaning they were not confirmed as EIS qualifying by HMRC after investment.		✗	Nine companies never had EIS certificates issued by HMRC as they were deemed non-qualifying for the following reasons: Seven companies lacked sufficient UK presence. One company was sold before assessment. One company restructured within 3-years, disqualifying it.
	Full deployment within 12 months.		✗	We are currently deploying the third KI Fund (23/24) which is 81% deployed 18 months after fundraising close.	—		Five out of seven OVEIS tranches and one out of three KI Funds have met the deployment timeframes since inception. The average time to be fully deployed is 11 months.
	Investment performance	n/a		Too early to evidence. This is a long-term investment with a 5-10 year holding period. Since inception there have been six companies that have been fully or partially sold, and six placed into administration/dissolved (out of 136 companies). Every initial stage investment has however been assessed by Octopus Ventures as having the potential to grow by 10x.			
	Securing successful exits	n/a		Six companies fully or partially sold, with two at a profit. This is a long-term investment with a 5-10 year expected exit trajectory.			
2) It is not possible for an investor to achieve an equivalent product or service for a lower fee	EIS portfolios identified with similar overall pricing but none offer customers the same proposition	✓		**Pricing** – AMC is deferred until exit and contingent on performance. This maximises the capital invested in each company upfront which is beneficial for both tax relief and capital growth. It also ensures Octopus is only paid on successful exits. New fee structure: At the end of the portfolio life, if amount invested does not exceed proceeds paid out, then fees will be rebated. **Proposition** – Managed by one of the most active specialist venture focused investment teams in Europe which brings benefits in terms of quality of deal access, support for portfolio companies in growing towards and securing a successful exit. May be coinvested with the UK's biggest VCT bringing diversification and pipeline benefits.			

Customer outcomes are typically considered holistically and over the long term (e.g., five years), however Octopus acknowledges that, in the most recent period, outcomes have fallen short of expectations across several key areas affecting customers and a good customer outcome has not been achieved.

Consumer understanding

A good outcome for our customers is being able to understand all of our communications and collateral to make informed investment decisions

We have defined a good outcome as	How we assess it	Last 12 months/most recent assessment
All of our customer communications and fin proms have gone through the defined production process	Has all material left the building with the relevant sign-offs?	✓
The benefits and risks of the product are clear and not misleading in our collateral	Has a readability assessment been carried out on core collateral at launch or if there has been a major change?	n/a – not completed in last 12 months
Our core collateral provides enough information to allow our customers to decide whether or not to invest in the product	Has a focus group been held at which at least 50% of participants were from the target market, where the majority understood the following from the core product collateral? • the product risks • the product benefits • reasons to invest • tax reliefs available	n/a – not completed in last 12 months
The tax reliefs offered by the product are clear in our material		

A good outcome for customer understanding was achieved over the review period.

Consumer support

A good outcome for customers is when they have been supported throughout their journey with us

Category	We have defined a good outcome as:	Last 12 months:
Customer service resource	We have accessible and appropriate customer service resource (email, phone, in person) including a dedicated intergenerational planning team and we are within our SLAs	✓
Customer journey	All customers receive timely communications at identified touchpoints.	✓
Avenues for feedback	Customers continue to use various methods to tell us where things could work better	✓
Feedback received	The Customer Feedback report is reviewed monthly and acted on where appropriate	✓
Complaints - responsiveness	All complaints are responded to within 2 days and concluded within 8 weeks.	✓
Complaints - severity	No complaint is upheld by FOS	✓
Provisions for vulnerable clients	Vulnerable customers are identified, MI is reviewed, and actions taken to accommodate them	✓
Service team	Overall happiness score based on service from team is over 95%	✓
Abandoned calls	Abandoned calls are less than 3%	✓
Third-party Suppliers	Feedback reviewed monthly and acted on where appropriate	✓

A good outcome for customer support has been achieved over the review period.

Technical product information



Target market – European MIFID template

		Codes	Additional information
Investor type	Investor type retail	Yes	
	Investor type professional	Yes	
	Investor type eligible counterparty	Yes	
Knowledge and / or Experience	Basic investor	Neutral	Has the potential to be suitable for a basic investor who receives advice in relation to this investment
	Informed investor	Yes	
	Advanced investor	Yes	
Client ability to bear losses	Compatible with clients who can not bear capital loss	No	
	Compatible with clients who can bear limited capital loss	Neutral	The product offers no capital protection however may be suitable as part of a portfolio. 30% initial income tax relief may provide some mitigation, alongside other EIS reliefs where relevant.
	Compatible with clients who do not need capital guarantee	N/A	
	Compatible with clients who can bear loss beyond capital	Yes	
Client objectives and needs	Return profile preservation	Neutral	The service is not designed to preserve capital, however could form part of a wider portfolio where Capital Preservation is the primary objective.
	Return profile growth	Y	
	Return profile income	Neutral	The service is not designed to provide income, however could form part of a wider portfolio which primary objective is to provide income.
	Minimum recommended holding period	L	There is no specific holding period for the service, however EIS qualifying investments need to be held for at least 3 years. As investments will be made into illiquid companies the investment is expected to be held for 5-10 years
	Specific investment need	O	The service is designed to purchase shares in EIS qualifying companies, therefore investors benefit from a range of tax reliefs designed to offset some of the risk of smaller company investing. It is targeting high growth from unlisted companies that are often uncorrelated with more mainstream investments.
Distribution strategy	Execution only	B	
	Execution with appropriateness test or non advised services	B	Non-advised investors must complete a suitability questionnaire that considers their understanding and experience. Preference for advice.
	Investment advice	B	
	Portfolio management	B	
Risk tolerance	Risk tolerance PRIIPs methodology	-	
	Risk tolerance internal methodology for non PRIIPs and non UCITs	H	
Value for money	Outcome of assessment of value	1	1 – charges are justified based on assessment and any action identified or, where the first assessment is not yet due, based on initial product design 2 – charges are not justified, significant action is required
	Outcome of value assessment or review	1	1 – product expected to provide fair value for reasonably foreseeable period 2 – review indicates significant changes required in order to provide fair value

Please note we have only included the relevant information applicable to this product from the template

Definitions and key



Basic investor	Informed investor	Advanced investor	Key	Negative target market:
Investors having the following characteristics: • basic knowledge of relevant financial instruments (a basic investor can make an informed investment decision based on the regulated and authorised offering documentation or with the help of basic information provided by point of sale); • no financial industry experience, i.e. suited to a first-time investor	**Having one, or more, of the following characteristics:** • average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted within them only) • some financial industry experience	**Investors having one, or more, of the following characteristics:** • good knowledge of relevant financial products and transactions • financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service	**1** = ISO 6166 for ISN code **99** = Code attributed by the undertaking ✓ = Yes ✗ = No **Neutral** = neutral ***Risk Tolerance PRIIPS Methodology** = Range of 1-7 or Empty **H** = High **Long Term** = L **Other** = O **P** = Professional **B** = Both (Retail and professional) * **Distribution Strategy** = N = Neither (Retail and Professional)	**We have considered whether there any other customer groups for whom the service would be unsuitable.** • investors who are not willing to take any risk with this investment • investors who need immediate access to this investment • Investors with less than £25,000 to invest • investors that have an investment horizon shorter than five years • investors that need the investment to pay an income or a predictable return profile • inexperienced investors who are not in receipt of financial advice

Fees charged for Octopus Ventures EIS Service



Adviser charging

Type of charge	Rate	Occasion of charge
Initial fee	2%	On investment
Dealing fee (in/out)	1%	On purchase and sale of shares
Annual management fee	2%+ VAT per annum	**AMC is deferred and contingent on performance.** The AMC accrues annually but will be deferred on each holding until a company is sold. It will only be taken if a company has delivered a positive return and only from the proceeds in excess of the initial investment in that company. *
Performance fee	20%+ VAT	**On sale of a company, and only if a hurdle rate of 100% has been reached.** A performance fee will only be taken if a company in your portfolio is sold for more than the amount invested. This is charged on a company-by-company basis, rather than the overall portfolio itself. AMC and performance fee cannot exceed the profits on sale. *

Direct/execution-only

Type of charge	Rate	Occasion of charge
Initial fee	4%	On investment
Dealing fee (in/out)	1%	On purchase and sale of shares
Annual management fee	2%+ VAT per annum	**AMC is deferred and contingent on performance.** The AMC accrues annually but will be deferred on each holding until a company is sold. It will only be taken if a company has delivered a positive return and only from the proceeds in excess of the initial investment in that company. *
Performance fee	20%+ VAT	**On sale of a company, and only if a hurdle rate of 100% has been reached.** A performance fee will only be taken if a company in your portfolio is sold for more than the amount invested. This is charged on a company-by-company basis, rather than the overall portfolio itself. AMC and performance fee cannot exceed the profits on sale. *

*If investors have not received back at least 100% of the amount invested (before Octopus fees) across their whole portfolio once all companies are realised, we'll rebate any of our AMC or Performance Fees they may have paid – up to the amount you originally invested.

The Octopus Venture EIS places invested capital at risk. The value of an investment, and any income from it, can fall as well as rise and investors may not get back the full amount invested. In particular, the shares of smaller companies could fall or rise in value more sharply than shares in larger, more established companies. They may also be harder to sell.

Tax reliefs available on these investments depend on individual circumstances. Tax treatment is assumed as per current legislation and interpretation, which may change in the future. Tax reliefs also depend on the portfolio companies maintaining qualifying status, which is not guaranteed.

Past performance is not a reliable indicator of future results.

The investments discussed are not suitable for everyone. This document does not constitute advice on investments, legal matters, taxation or any other matters. Any recommendation should be based on a holistic review of a client's financial situation, objectives and needs.

Investors should read the product brochure before deciding to invest, this can be found at **octopusinvestments.com.**

All information, unless otherwise stated, is sourced from Octopus Investments and is correct at June 2025.

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