Octopus AIM Inheritance Tax Service

Invest for your family's future

July 2026



octopus investments

A brighter way

About this investment

For UK investors only

- This is a high-risk investment. The value of an investment, and any income from it, can fall as well as rise. You may not get back the full amount you invest.
- Tax treatment depends on individual circumstances and tax rules could change in the future.
- Tax relief depends on portfolio companies maintaining their qualifying status.
- The shares of smaller companies could fall or rise in value more than other shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- Past performance is not an indicator of future returns. Performance history can be viewed on **page 15**.
- The key risks associated with this product are explained in full on **page 16** 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.

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 31 March 2026, unless stated otherwise.

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Since its launch in 2005, the Octopus AIM Inheritance Tax Service has helped thousands of investors to plan for the future. And it could help you too.

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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 Trusts[1] and investments that qualify for relief from inheritance tax[2]. And we're still looking for new ways to help people achieve their financial goals.

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OCTOPUS INVESTMENTS LTD

defaqto ★★★★★ AIM BR Service 2026 EXPERT RATED

defaqto AIM BR Service 2026 EXPERT RATED

[1] By funds under management, The Association of Investment Companies, September 2025.

[2] By funds under management, Comprehensive Analysis of Business Relief Offers, Tax Efficient Review, May 2025.

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.

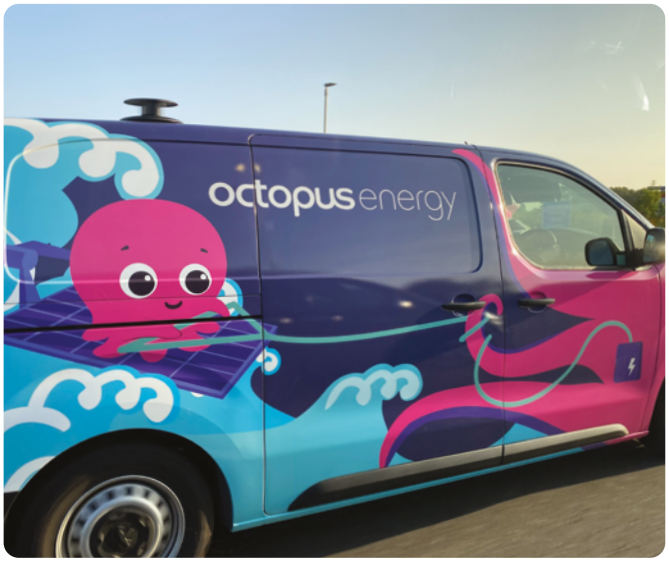
Certified B Corporation

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 in previous years. We continue to be shortlisted by independent industry bodies, reflecting our commitment to maintaining high standards across our investment and estate planning solutions.

Part of the Octopus Group

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 running. You can find out more about all the companies in the Octopus Group at **octopusgroup.com**.

While we no longer own Octopus Energy, we're proud to be its largest external shareholder.



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 Europe, 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.

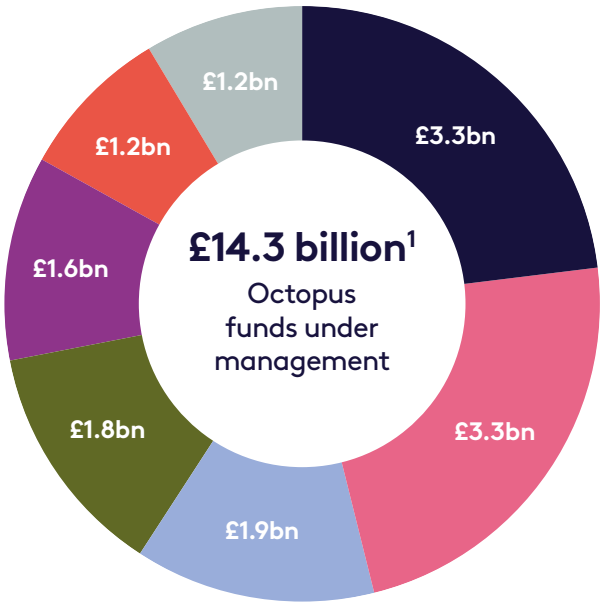
Property

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

[1] Octopus, 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.

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 £14.3 billion[1].



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 the Octopus AIM Inheritance Tax Service

You don't have to be particularly wealthy to leave behind a large inheritance tax bill when you die. But there are ways to invest that could help you to pass on more of your wealth to your family.

If you've been carefully building up assets throughout your life, you probably 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 threshold of £325,000 could be taxed at 40%. That 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 before they become exempt from inheritance tax. Similarly, putting assets into a trust also takes seven years before the value of the assets falls outside of your taxable estate. Both of these options result in you no longer being able to access your wealth if you need to, and for many people, giving away their hard-earned money and investments can be very unattractive.

More families affected by inheritance tax

The current nil-rate band of £325,000 for inheritance tax will remain frozen until April 2031. In 2017, the Government introduced an additional inheritance tax allowance called the residence nil-rate band. It started at £100,000 and increased by £25,000 every April until 2020, when it reached £175,000. However, forecasts show that HMRC's inheritance tax receipts are expected to continue to rise[1].

How the Octopus AIM Inheritance Tax Service can help

The Octopus AIM Inheritance Tax Service invests in a diversified portfolio of smaller companies listed on the Alternative Investment Market (AIM) and targets growth. As we only select companies that meet the government-approved requirements for Business Relief (BR), the shares should qualify for inheritance tax relief after just two years, provided they are still held when you die.

Our highly experienced Quoted Smaller Companies team have been managing our Octopus AIM Inheritance Tax Service since 2005 and ISA since 2013. They will create a portfolio of AIM-listed shares for you, selecting companies that offer growth potential and that should qualify for BR. Holdings are monitored on a day-to-day basis, with the team making investment decisions. As it's an investment, you can make top-ups to or withdrawals from your portfolio by selling shares whenever you want to. We can usually sell shares within a week; however, in some instances it could take significantly longer.

Remember

The benefit of tax relief depends on individual circumstances and tax legislation could change in the future. The Octopus AIM Inheritance Tax Service is a portfolio management service that invests in the shares of AIM-listed companies. You should make sure you are comfortable with the risks that come with investing in smaller companies. These risks are explained on page 16.

[1]Source: HM Treasury Budget, November 2025.

Key terms

Inheritance tax

Inheritance tax is paid on the money and possessions that you leave to your beneficiaries when you die. The first £325,000 of your assets are free from inheritance tax (this is often called the 'nil-rate band'), but everything over this level is taxed at 40%.

There are a number of well-established ways to reduce or potentially even eliminate the amount of inheritance tax your loved ones are required to pay. Examples include gifts, trusts and making the most of investments that qualify for BR.

Business Relief (BR)

BR is an established form of tax relief that gives people an incentive to invest their money into trading businesses. It was introduced in 1976 as a way to ensure that inheritance tax wasn't paid on small businesses. Shares in a BR-qualifying business can be left to beneficiaries with relief from inheritance tax, provided they have been held for at least two years at the time of death.

From 6 April 2026, qualifying AIM-listed shares held for at least two years and still held at death attract 50% relief from IHT.

Before 6 April 2026, qualifying AIM-listed shares attracted 100% relief from IHT.

You can read more about Business Relief on the HM Revenue & Customs (HMRC) website at **hmrc.gov.uk** – simply type 'Business Relief' into the search box.



Your Octopus AIM Inheritance Tax Service portfolio

The AIM-listed companies that we invest in have to show good growth potential. But we also need to be confident that the companies we invest in will qualify for relief from inheritance tax.

Your investment in the Octopus AIM Inheritance Tax Service will be invested in a portfolio of carefully chosen companies that are listed on AIM and that we believe will benefit from BR. For each investor's portfolio, our team looks for established AIM-listed companies that we believe are capable of generating consistent returns for our investors.

Companies are chosen after detailed research, which will involve spending time with a company's management team, evaluating its competitors and assessing its financial strength. We only invest in companies with an established track record of profitable growth.

Good stock selection is key

With AIM, the real challenge lies in finding the better performers capable of achieving long-term returns. We invest in a diverse portfolio of around 25–35 AIM-listed companies. To help us achieve our objectives, we focus on the larger, more established AIM-listed companies with the characteristics displayed in the box below.

Another reason to choose a specialist team

Experience and specialist knowledge become even more important when managing portfolios with the objective of qualifying for BR. Not every AIM company will qualify for relief, and a company can cease to qualify over time. For example, a company may no longer be eligible for BR if it moves into a new area of business or receives a takeover offer.

A set of strict investment criteria

The companies we choose will have one or more of the following attributes:

1. A strong market position or clear advantages over competitors
2. A business model that can achieve future growth
3. A proven management team with a record of success
4. An established and profitable business

We also look for companies with potential that has not yet been recognised by the broader market, as this gives us the opportunity to invest while the shares are undervalued.

Key benefits

More of your wealth can be passed on to your family

The Octopus AIM Inheritance Tax Service invests in companies that are expected to qualify for relief from inheritance tax. It can be an effective way to reduce an inheritance tax bill that your family may otherwise have to pay on your estate.

Speed

Traditional inheritance tax planning strategies, such as gifting or setting up trusts, can begin to reduce inheritance tax after three years, but only reach full relief after seven. By comparison, investments in AIM companies that qualify for Business Relief can offer 50% inheritance tax relief after just two years, regardless of the amount invested. Unlike gifting, investors retain access and control over their capital throughout. This makes AIM a compelling option for clients who want to plan efficiently, without giving up ownership or certainty over their wealth.

A simple process

The Service is an investment and easy to understand. There are no complicated legal structures (as with a trust) and no medical underwriting (as with an insurance policy).

Access to your investment

This is an investment held in the investor's own name, giving them the ability to retain control and access their capital if needed. Unlike gifting or trust-based planning, there's no need to give wealth away to begin reducing inheritance tax. Because these are investments in AIM-listed companies, they offer greater transparency and flexibility compared to unlisted Business Relief options. Achieving 50% inheritance tax relief (in effect producing a 20% tax rate) on listed shares can be a powerful combination of control, access, and estate planning efficiency.

Potential for growth and dividends

The fund management team looks to capitalise on AIM-listed companies with promising growth prospects. Over the long term, smaller cap companies can demonstrate greater growth potential in comparison to listings on larger markets, and this is reflected in the risk profile.

[1] Octopus Investments, December 2025.

Experience

Since 2005, about 4,800[1] investors in the Octopus AIM Inheritance Tax Service have passed away having held their investments for more than two years in Business Relief-qualifying companies.

Uncapped investment allowance

From 6 April 2026, qualifying AIM-listed shares held at death receive 50% relief from inheritance tax. You can read more about Business Relief on the HM Revenue & Customs (HMRC) website at **hmrc.gov.uk** – simply type 'Business Relief' into the search box.

Key risks

Your capital is at risk

The value of your investment can go up or down, and you may not get back the full amount invested. Investing in AIM-listed shares involves more risk than investing in shares of companies listed on the main market of the London Stock Exchange.

Your investment could experience volatility

The shares of smaller companies could fall or rise in value more than other shares listed on the main market of the London Stock Exchange. This means their value can rise or fall by greater amounts on a day-to-day basis.

Tax relief cannot be guaranteed

Tax treatment depends on individual circumstances and tax rules could change in the future. Tax relief depends on portfolio companies maintaining their qualifying status.

Your investment could take longer to sell than expected

Shares in AIM-listed companies are not as easy to buy and sell as companies listed on the main market of the London Stock Exchange. This means that the availability and timing of withdrawals from the service cannot be guaranteed.

We explain the risks of this service in more detail on page 16. We recommend that you seek advice from a financial adviser before making an investment.

How it works

The best way to understand how the Octopus AIM Inheritance Tax Service can reduce your family's inheritance tax bill is to look at an example.

Colin is 73 years old. His home and savings are valued at more than £500,000. He also has investments worth £200,000. The total value of Colin's estate is more than the current nil-rate band of £325,000 once the residence nil-rate band (£175,000) has been applied against his home. When he dies, the beneficiaries of his estate would be left facing an inheritance tax bill of around £80,000 on these investments.

After talking to his financial adviser and confirming he's comfortable with the risks, Colin sells his investments[1] and invests the proceeds in the Octopus AIM Inheritance Tax Service. The paperwork is straightforward, so all Colin has to do is complete a few forms. Our team then invests his money in a portfolio of carefully chosen AIM-listed shares and manages the investments on an ongoing basis.

Unlike many other estate planning solutions, the Octopus AIM Inheritance Tax Service is an investment, so Colin still has access to it should his circumstances change. If he later decides to sell some of his shares, it will not affect the inheritance tax relief available on his remaining investment.

When Colin passes away, the Service could save his family more than £40,000, as long as he had held his shares for at least two years. Without an inheritance tax bill to pay, his children can then decide whether they wish to keep hold of the investment or ask us to sell the shares and return the proceeds.

From 6 April 2026, qualifying AIM-listed shares held for at least two years and still held at death attract 50% relief from IHT.

Before 6 April 2026, qualifying AIM-listed shares attracted 100% relief from IHT.

You can read more about Business Relief on the HM Revenue & Customs (HMRC) website at hmrc.gov.uk – simply type 'Business Relief' into the search box.

[1]Note: Capital gains tax may be payable if Colin's portfolio has increased in value.

Comparing the impact of inheritance tax on a £200,000 non-BR-qualifying share portfolio vs. selling and investing the proceeds into the Octopus AIM Inheritance Tax Service.

	Keeps existing portfolio	Invests into Octopus AIM Inheritance Tax Service
Gross investment	£200,000	£200,000
0% initial charge	N/A	£0
1% dealing fee	N/A	£1,980
Net investment subscribed for shares	£200,000	£198,020
Annual Management Charges incurred over two years (1.5% +VAT for advised investors)	£7,670	£7,594
Estimated dealing fees incurred over two years	£852	£844
Net value of investment after two years, assuming growth of 5% each year	£211,768	£209,671
Amount lost through 40% inheritance tax on death	£84,707	£41,934*
1% dealing fee on disposal	£2,118	£2,097
Value of portfolio passed on to beneficiaries	£124,943	£165,640

By investing in the Octopus AIM Inheritance Tax Service, Colin could pass an extra **£40,697** of wealth on to his family.

*** Assumes 50% relief from inheritance tax**

We have used an illustrative annual growth rate of 5% a year but the value of both investments would be subject to market movements. In reality, the value of an investment in the Octopus AIM Inheritance Tax Service can go up or down, and you may not get back the full amount invested. It is important to note that the risk profile of each portfolio, and any investment growth or losses, is likely to differ. The estimated annual dealing charges are 0.2%, typical for the Octopus AIM Inheritance Tax Service. However, actual dealing charges experienced by an investor may be higher or lower. The example assumes the costs for each portfolio are the same, but actual costs may be different. It does not include any charges paid for financial advice. Please refer to **page 23** for a full list of charges, including the additional fees and charges applicable to non-advised applications.

The case for investing in smaller companies

The potential inheritance tax benefits of AIM shares aren't the only reason to invest in this market. Although investing in smaller companies involves risk, this creates great potential for long-term growth.

Over the long term, a company's growth in earnings is the key factor behind the performance of its share price. Smaller companies can offer the potential for earnings growth that isn't found to the same extent in larger companies. For example, it is significantly easier for a small company to double a £1 million profit than it is for a larger company to double a £1 billion profit. Research carried out by the London Business School has shown that, over time, smaller companies can significantly outperform larger companies in terms of shareholder return.

AIM features many success stories — businesses that have been growing their earnings year on year, and lots of them aren't even that small. Despite this, the vast majority of investors still focus on large companies. We think it's time that smaller companies had a fairer share of investors' attention. Of course, it is important to note that short-term performance is often driven by the mood of the market. However, this can help create buying opportunities for long-term investors like us, as we can often invest in good companies at a discount.

The value of active management

We like AIM because it is a market where expertise can really be rewarded. The UK's largest companies are followed by hundreds of analysts and professional investors, so there is little chance that one of them will find an angle the others don't. In AIM, each company is covered by far fewer analysts and investors, so our specialists have much more scope to find hidden value. With so many companies to choose from, it takes experience, skill and dedication to pick the right stocks that — over the longer term — have the potential to become successful investments.

Remember

Investments in smaller companies can fall or rise in value much more sharply than shares in larger, more established companies. If you're not comfortable with the risks involved with smaller companies, this investment will not be right for you.

Over the long term, smaller cap companies can demonstrate greater growth potential in comparison to listings on larger markets.

Supporting UK growth companies

With a combined market capitalisation of £68.6 billion, AIM is the world's most successful market for ambitious fast-growing smaller companies[1].

AIM presents investors with the opportunity to invest in high-growth businesses across many different sectors and industries. AIM is also home to many well-established companies. In fact, some of the companies held within the Octopus AIM Inheritance Tax ISA have been operating for more than 100 years.

The 31 companies currently on the buy list for the Octopus AIM Inheritance Tax ISA share some impressive statistics[2]:

- Average turnover (forecast): £306.6 million.
- Average profit before tax (forecast): £34.1 million.
- Average dividend yield: 2.88%.

You should remember that past performance is not a reliable indicator of future results and any forecast is not a reliable indicator of future performance.

AIM: quick facts[1]

AIM was launched in 1995 by the London Stock Exchange.

It is currently home to over 600 companies, with a combined worth of more than £68 billion.

Growth companies[3]

Renew Holdings plc provides specialist engineering services to maintain and develop energy, environmental and infrastructure assets.
Octopus invested since: 2007
Market capitalisation: £737.4 million
Forecast profit: £74.5 million for the year until September 2026[4]

Craneware plc proprietary software is used by US hospitals to manage their finances and, crucially, the reimbursement of doctors under US healthcare regulations. The company was founded in 1999 and is headquartered in Edinburgh. It employs over 200 staff and serves more than a quarter of all registered US hospitals.
Octopus invested since: 2013
Market capitalisation: £537.1 million
Forecast profit: £52 million for the year until June 2026[5]

AB Dynamics plc is a leading provider of development, test and verification solutions to the global automotive market. The Group develops products and systems specialising in automotive testing, simulation, and measurement to enable the safe development of active safety and autonomous driving systems. Customers include the top 25 global vehicle manufacturers, tier one suppliers, all eight Euro NCAP laboratories and numerous global test facilities and autonomous vehicle developers.
Octopus invested since: 2020
Market capitalisation: £300.1 million
Forecast profit: £24 million for the year until August 2026[6]

[1] London Stock Exchange, 28 February 2026.
[2] Octopus Investments, 28 February 2026.
[3] All market caps as at 31 May 2025.
[4] Renew Holdings plc, Factset, 16 March 2026.
[5] Craneware plc, Factset, 16 March 2026.
[6] AB Dynamics plc, Factset, 16 March 2026.

The Octopus Quoted Companies Team

The Octopus Quoted Companies Team includes some of the most experienced AIM-focused fund managers in the market.

Every year, the team conducts more than 800 face-to-face meetings with AIM companies to identify the best investment opportunities. They look to support management teams with a track record of delivering earnings growth. As well as analysing company financial reports, the team uses market forecasts to assess the growth potential of companies and their competitors.

The Quoted Smaller Companies team currently manages over £1.4 billion[1] across a range of Octopus products, including Octopus AIM VCT plc, Octopus AIM VCT2 plc, FP Octopus UK Micro Cap Growth Fund, FP Octopus UK Multi Cap Income Fund and the FP Octopus UK Future Generations Fund.



Richard Power



Kate Tidbury



Chris McVey



Edward Griffiths



Dominic Weller



Mark Symington



Jessica Bourdon-Pierre



Charles Lucas



Freda Isingoma



Ben Tyson



Ross MacSween



Leigh Stephens



Georgia Obadipe

[1] Funds under management as of 31 December 2025.

Performance information

The table below shows the discrete annual performance (the total returns for each individual year) of the Octopus AIM Inheritance Tax Service for the last five years.

It also shows, in the final column, performance since the launch of the Octopus AIM Inheritance Tax Service in June 2005. Performance is shown against a backdrop of three major UK indices.

	Inception (30/06/2005 to 31/05/2026)	12-month performance for the period ended				
		31/05/2026	31/05/2025	31/05/2024	31/05/2023	31/05/2022
Median Octopus AIM ITS[1]	134.72%	-4.80%	-16.95%	6.45%	-18.74%	-17.70%
FTSE AIM All-Share TR[2]	6.90%	11.87%	-5.51%	5.01%	-18.47%	-21.50%
FTSE Small Cap ex IT TR	317.31%	12.76%	6.32%	20.85%	-8.68%	-6.37%
FTSE All-Share TR	360.98%	21.64%	9.35%	15.44%	0.44%	8.27%

Source: Octopus Investments, July 2026.

[1] For the most recent performance, see our **monthly factsheet**.

[2] Performance includes sectors that are not eligible for Business Relief.

Calculation methodology

Performance is calculated by taking the median return of Octopus AIM Inheritance Tax Service portfolios each quarter. Only those portfolios that have been invested since 30 June 2005 have been included.

If cash is added or withdrawn during a period, then such portfolios have been removed from the calculation. We have then compounded those quarterly total returns which include dividend income, interest, management fees and dealing fees.

A note on FTSE indices

Performance is shown alongside the total returns of the FTSE AIM, FTSE SmallCap (excluding Investment Trusts) and FTSE All-Share indices. These indices are given as an indication of what the wider market is doing and not as a performance comparator for the Octopus AIM Inheritance Tax Service.

Remember

Past performance is not a reliable indicator of future results.

Understanding the risks

We want you to feel completely comfortable about this investment. So please take time to understand the key risks associated on these pages and discuss them with your financial adviser and loved ones.

Building up your portfolio

When it comes to activities such as skiing, cycling or driving, it's clear what the risks are. It's also fairly easy to balance them against the rewards, such as fun, fitness, money saving and convenience. Although it can sometimes be harder to recognise, there's always a balance between risk and reward in your financial decisions as well.

As the Octopus AIM Inheritance Tax Service targets long-term growth from a portfolio of AIM-listed shares, it has a correspondingly higher level of risk. Here are a few of the things you need to think about before you decide to invest.

You may lose money

The value of your investment depends on the performance of the companies in your portfolio. We do not offer any guarantees about the growth you will achieve, and it's important to understand that the value of your investments can go down as well as up, so you may not get back the full amount invested.

On a day-to-day basis, the value of AIM-listed companies can fall or rise more sharply than shares in larger companies listed on the main market of the London Stock Exchange.

You cannot rely on past performance

You should not consider the past performance of the investment to be a reliable indicator of future results.

Investment horizon

Investments in the Octopus AIM Inheritance Tax Service are designed to be held for the long term. It will typically take up to eight weeks from the date we receive your application for your portfolio to be fully invested.

The two-year holding period required for Business Relief only starts from the date we invest your money in qualifying shares. While funds remain uninvested they will not be subject to market movements (either up or down).

The investment may be difficult to sell

The shares of AIM-listed companies can be harder to sell than those of big companies, such as BP or Vodafone. If you decide to sell shares, we may not be able to sell them immediately.

There may be new tax rules in the future

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

Will drafting

It is important to keep your will up to date. This is particularly relevant after you've made significant changes to your investments, for example after choosing to invest in the Octopus AIM Inheritance Tax Service. We recommend that investors seek specialist advice to ensure that their will is drafted to take best advantage of inheritance tax reliefs available to them, such as investments that qualify for BR.

Business Relief (BR)

We will invest in companies that we reasonably believe qualify for BR. This is supported by an independent audit carried out by Philip Hare twice a year. Philip Hare makes assessments on all AIM-listed companies contained in our investors' portfolios. However, BR is assessed by HMRC on a case-by-case basis when an investor dies, and cannot be guaranteed. Because of this, we can give no commitment that any such investment will remain a qualifying investment at all times thereafter.

Qualifying investments that have been held for at least two years and are still held at time of death can be passed to beneficiaries with relief from inheritance tax. The two-year qualification time frame commences when your money is invested in qualifying companies.

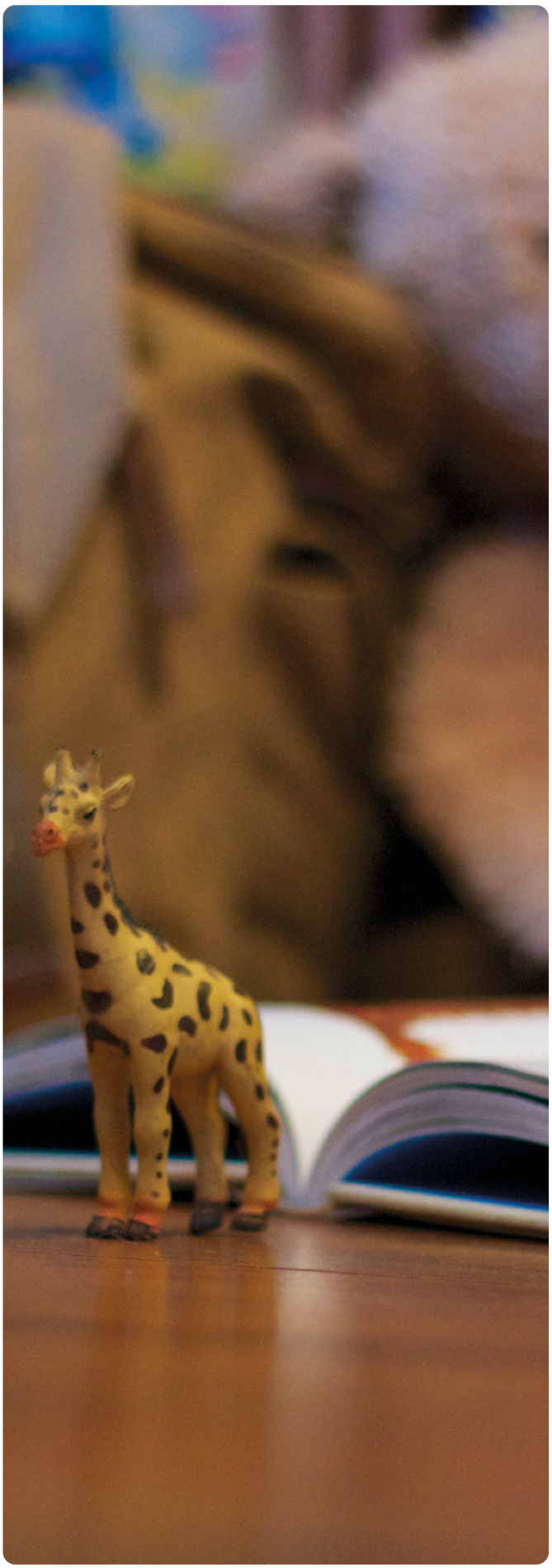
From 6 April 2026, qualifying AIM-listed shares held for at least two years and still held at death attract 50% relief from IHT.

Before 6 April 2026, qualifying AIM-listed shares attracted 100% relief from IHT.

You can read more about Business Relief on the HM Revenue & Customs (HMRC) website at hmrc.gov.uk – simply type 'Business Relief' into the search box.

In the event that BR is not available in respect of any of the companies in your portfolio, the value of your shares in those companies will be subject to inheritance tax.

Amounts held in cash at the time of death will not benefit from BR.



Investing in the Octopus AIM Inheritance Tax Service

We always recommend taking 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

If you wish to invest, 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. After we've opened your Octopus AIM Inheritance Tax Service portfolio, you can make additional contributions of £20,000 or more at any time. Each new contribution should qualify for relief from inheritance tax when you pass away, provided at least two years have passed since it was invested.

Setting up your investment

Upon receiving your application, we place your money into our client bank account, before using it to make your investment. It can take up to eight weeks for us to purchase shares on your behalf. The two-year minimum holding period required for BR starts from the date we invest your money in qualifying shares.

Keeping you informed

We'll send you quarterly valuation reports, so you can see the progress of your investment. You can also call our investor support team or visit our online secure website at octopusinvestments.com at any time.

Selling your shares

Your circumstances may change and we can arrange to sell some, or all, of your shares if you need to. We can usually sell shares within a week. In some instances, however, it could take significantly longer. As a reminder, any money you withdraw will become part of your taxable estate again, unless you spend it before you die. If you make a withdrawal, you may have to pay tax on any growth achieved on that portion of your investment.

Important to note: When making a withdrawal, you must ensure there is at least £10,000 remaining in your investment.

Helping your beneficiaries

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.**

Your executors will need to complete the form IHT 412 with details of your Octopus AIM Inheritance Tax Service 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 keep the portfolio invested for beneficiaries (if it qualified for BR on your death, then it may also fall partly/fully outside the beneficiaries' estates for inheritance tax).
- They could ask us to use the portfolio to pay inheritance tax on your other assets, such as your home, directly to HMRC.

In all cases, there should be some relief from an inheritance tax bill on your Octopus AIM Inheritance Tax Service investment, as long as you have held qualifying shares for at least two years and are still holding them at the time of your death. We understand how difficult this time can be, and even though we can't give financial advice, our team of specialists can help answer any questions your beneficiaries may have.

Please note, we encourage you and your beneficiaries to seek financial advice when making investment decisions.

Octopus Legacy: supporting you and your beneficiaries

Octopus Legacy, part of the Octopus Group, can help you plan for the future and guide your loved ones through the estate planning process when the time comes.

Octopus Legacy offers legal, practical and emotional support with estate planning and following a bereavement. Services include:

- Wills
- Power of attorney
- Grant of probate
- Professional executorship

We have partnered with Octopus Legacy and arranged two lifetime estate planning packages of their services, offered at preferential rates for eligible customers making new investments of more than £250,000 in the Octopus AIM Inheritance Tax Service.

To find out how Octopus Legacy can help you plan with confidence and ensure your wishes are carried out smoothly, **speak to your financial adviser**.







Your Legacy Box

This is the toolkit you'll leave behind to help the people you love take on life without you.

From space to store your practical documents – such as copies of your will and storage certificate and a list of your accounts, to the emotional mementos (letters, advice, voice recordings and memories) that keep you connected to the people you love even after you're gone.

Did you know?

The things that people missed the most about the people they love after they're gone were the sound of their voice, and their advice and wisdom.

Responsible investing at Octopus

Firstly, what is the difference between responsible investing and Environmental, Social and Governance (ESG) integration?

Although the two terms are often used interchangeably, there is an important distinction to be made.

ESG integration should be seen as an input into an investment process. It is when fund managers incorporate ESG information into investment decisions to minimise risk and make the most of opportunities. Better returns are expected in the long term from ESG integration because fund managers have an enhanced understanding of whether an investment is exposed to certain threats or opportunities.

Responsible investment, on the other hand, is where managers are actively and intentionally seeking to create a better output for society and the environment. It can be viewed as an umbrella term to describe funds or strategies using investment as a force for positive change, from which stems a spectrum of differing approaches. These range from those that exclude certain sectors or companies to those that explicitly aim to deliver a positive and measurable impact to the people and the planet.

What does responsible investing mean at Octopus?

Increasingly, people want to work for, buy from and invest with companies that 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, and 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 factors when making investment decisions. We are a specialist asset manager, focused in specific sectors where we have significant and often market-leading investment. Over £7 billion[1] is invested into products and services building a sustainable planet, empowering people or 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 the first UK financial services companies to become a certified B Corporation, we are very proud of the impact that Octopus and the investments we manage have on the people and 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 on ESG integration, key ESG metrics and performance. The committee is made up of our founders, Chief Investment Officer and Heads of Business.

[1] Funds under management as of 31 December 2025.

How the Octopus AIM Inheritance Tax Service is managed responsibly

Environmental, Social and Governance integration.

AIM is the UK's highly successful junior market, which provides a platform for some of the UK's most exciting, high-growth businesses to access capital. Since launching in 1995 it has raised over £136 billion[1] to help these businesses scale up. More than 600 companies[2] are currently listed on AIM, representing a wide range of sectors from across the UK. Octopus is proud to have backed over 100 of these businesses on behalf of our investors.

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.

We analyse the ability for a company's executive team to manage ESG risks. Where we have concerns, we'll engage with that team through dedicated ESG meetings or via regular reporting meetings.

Responsibility

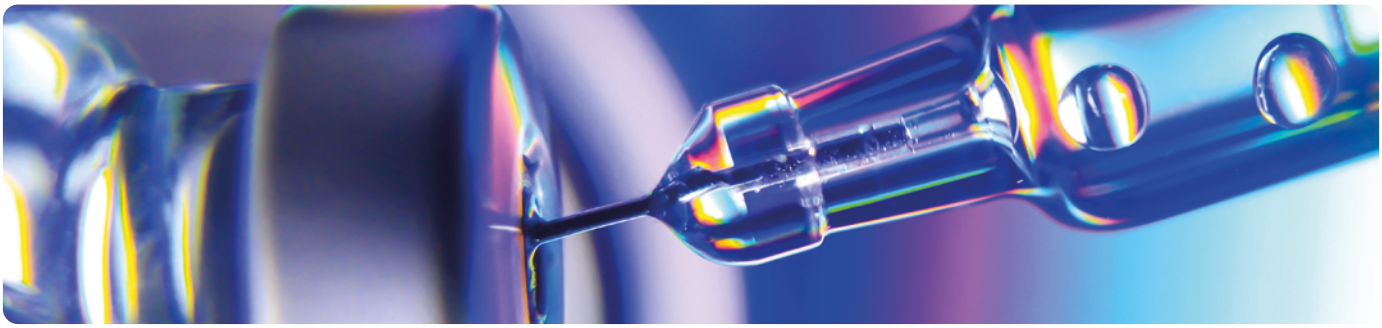
We challenge portfolio companies on strategy, financial performance, data disclosures, capital structure and corporate governance. Existing governance structures may not be mature (given the small size of the companies in which we invest), so we assess whether weaknesses exist and whether management can address these weaknesses. We take part in consultations on remuneration and challenge Non-Executive Directors to align with company objectives, aiming to influence by giving feedback to corporate advisers, meeting with non-executive directors and voting against resolutions.

When it comes to voting, all our holdings are covered by Institutional Shareholder Services (ISS), a leading global advisory firm. We consider the independent research ISS provides but make the final decision as an investment team. We take our fiduciary duty seriously and vote to create long-term shareholder value.

Sustainability

The Service invests in sectors we think are important for the future, such as telecoms, biotech, software and healthcare. Some companies in the portfolio include:

- **Advanced Medical Solutions** — providing innovative, affordable wound-care solutions to improve patient care.
- **Renew Holdings** — providing essential maintenance services to the rail, environmental, energy and infrastructure sectors.
- **Boku** — connecting the developing world to the global economy through innovative payment infrastructure.



[1] London Stock Exchange, December 2025

[2] London Stock Exchange, 28 February 2026

Conflicts of interest

Octopus has built strong relationships with many of the companies in which we invest, and we sometimes use different sources of funding to invest in the same companies. This can present 'conflicts of interest', as explained below.

With these relationships, there's a chance that the interests of one group of investors will be at odds, or present a conflict, with the interests of another group, or with the interests of Octopus. We aim to make sure that the interests of our customers are always looked after.

Conflicts of interest are sometimes unavoidable. In the first instance, we look to prevent them, but if we can't, we'll take action to manage, or mitigate, any effects.

For more information on some of the main conflicts, please see below and refer to the Octopus Conflicts of Interest policy, which is available in the resource centre at **octopusinvestments.com**.

Investing alongside other Octopus funds

The Quoted Smaller Companies team will often invest funds from Octopus AIM ITS/ISA alongside other Octopus-managed products and sometimes even alongside Octopus itself.

When could conflicts of interest be harmful to investors?

Sometimes we spot a good investment opportunity, but are unable to invest as much money as we'd like because of restraints such as the size of a company or the number of shares available. In these instances, the amounts being invested from different Octopus vehicles must be managed carefully.

Similarly, when investments held by a number of different investors come to be sold, the interests of all parties may not be fully aligned. We have agreed policies and processes to make sure that conflicts of interests between different investor groups are managed fairly.

Managing conflicts

Our goal is to make sure the interests of our customers are always looked after. So we have a number of controls in place to manage conflicts of interest. These include:

- Our Investment Committee makes sure investment decisions are in the best interests of investors, including how potential conflicts of interest are managed.
- The Octopus Conflicts Committee is responsible for ensuring conflicts are handled appropriately and is independent of the Quoted Smaller Companies team and our other investment teams.

The charges

We try to make our products and charges crystal clear, but if you have any questions, please speak to your financial adviser or call us on 0800 316 2295, and we'll do our best to help.

Adviser charges

Adviser charges are fees that investors agree to pay their adviser for advice. Octopus can arrange to pay this fee directly to the adviser from a portfolio. If Octopus is instructed to pay an initial adviser charge, this will be taken from the money submitted to us. If Octopus is instructed to pay an ongoing adviser charge, this will be facilitated by selling shares from the portfolio and paid to the adviser on a quarterly basis. This will reduce the net return of this investment.

Dealing fee

Octopus will apply a 1% dealing charge on the purchase and sale of all shares within the portfolio.

Annual management charge

Our annual management charge will accrue on your invested portfolio on a daily basis. We will deduct this charge on a quarterly basis.

We encourage our investors to seek financial advice when making investment decisions. We therefore charge a higher fee to investors who have not taken advice. If you are investing directly or through an intermediary, you'll need to complete a suitability questionnaire. This can be found at octopusinvestments.com.

If you are investing through an adviser

Octopus initial charge:	0%
Initial charge to your adviser:	Agreed with your adviser
Annual management charge:	1.5%+VAT per annum
Ongoing fee to your adviser:	Agreed with your adviser

If you are investing through an intermediary who doesn't give you advice (execution-only)

Octopus initial charge: (1% of which will be paid to your introducing agent unless indicated otherwise on your application form)	1%
Annual management charge: (including 0.5% that will be paid to your introducing agent)	2%+VAT per annum

If you are investing directly

Octopus initial charge:	1%
Annual management charge:	2%+VAT per annum

How to invest

If you have a financial adviser

We suggest you contact your adviser in the first instance. They 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.

If you are investing directly

If you have any questions, you can call our Investor Support team on **0800 316 2295**. Please remember that we can't offer investment or tax advice, but we'll be happy to talk you through the application process and help you with anything else we can.

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.

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.**

If we are unable to settle a complaint, it may be referred to the Financial Ombudsman Service. You can contact them at **Exchange Tower, London E14 9SR**. Further information on the service can be found at **financial-ombudsman.org.uk**.

0800 316 2295
investorsupport@octopusinvestments.com
octopusinvestments.com

Octopus Investments
33 Holborn
London EC1N 2HT