

Octopus Future Generations VCT Plc

octopus investments
A brighter way

SDR Consumer Facing Disclosure

ISIN: GB00BNGFH14

Investment objective

The Company's focus is on providing early stage, development and expansion Companying to unquoted companies within three distinct themes; building a sustainable planet, empowering people and revitalising healthcare. The Company will typically make investments between £100,000 to £10 million. The Company is targeting high levels of growth. As a new company, its first dividends are unlikely to be paid until sometime after 2025—during this period, any growth will instead increase the value of the VCT/VCT shares.



Sustainable investment labels help investors identify products that meet their sustainability goals. This product does not have a UK sustainable investment label, due to the growth stage of our portfolio companies, which means that reporting standards vary across the portfolio; many are pre-revenue; and have limited KPIs that may be tracked, and impact assessment, is therefore, difficult at this stage. We remain committed to our mission of backing businesses that aim to address society's biggest challenges, offering investors a chance to participate in the growth of purpose-driven companies.

Sustainability approach

The Company is managed by Octopus AIF Management Limited. The Portfolio Manager for the Company is Octopus Investments Limited. The Company is a sustainability themed investment company, backing companies that fall within the following sustainability themes: building a sustainable planet, empowering people and revitalising healthcare.

The Board believes that these three sustainability themes address the key challenges facing current and future generations and have potential to transform outdated industries for the better.

The Company will not invest in any business whose activities or practices appear on Octopus Ventures' Exclusion List, which includes sectors such as tobacco, arms, fossil fuels, gambling and deforestation.



Investment Enquiries

Contact our Adviser Support team on:

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The sustainability themes are:



Building a sustainable planet

As society moves to a low carbon economy, the way we produce and consume information, materials and energy is changing. Some of the most exciting early-stage businesses are helping to accelerate this transition. Businesses under this theme might be reducing carbon emissions, protecting ecosystems or creating a circular economy that removes waste.



Empowering people

We want to empower people to create a fairer and more equitable society so invest in businesses that are reimagining the future of society. These companies could democratise education or financial services, disrupt the food industry to stop people going hungry or increase connectivity between people and protect their privacy online. This could drive innovations that aim to make the world a better and safer place.



Revitalising healthcare

Healthcare is essential. We want to back businesses moving health and wellbeing forward. That could mean investing in entrepreneurs who are improving lives through digital health solutions. Or it might mean supporting businesses helping people conquer addictions or creating software that will make healthcare services more efficient and accessible.

While the wider process can differ depending on the stage and sector of each business, this includes:

- **Initial screening** – each prospective investment will be initially assessed by the Octopus Ventures investment team to evaluate alignment with our investment theme criteria
- **Management assessment** – as part of Octopus’s process of assessing the management team, the investment team will work to understand the investee company’s senior management team and culture.
- **Responsible investment assessment** – our responsible investment approach evaluates three things: does the investment generate a sustainable outcome, is the investment resilient to sustainability risks which could impact the financial performance of the investment, and does the investment consider its wider stakeholders (employees, customers, community, and the environment). The investment managers consider this information within the investment process and continue to track data and report on progress within annual reporting.
- **Due diligence** – Early-stage opportunities are first subject to in-house due-diligence, and third-party experts are often commissioned following first-stage investment committee approval and agreement of heads of terms with the businesses
- **Investment committee** – the Octopus Ventures investment committee reviews the opportunity more than once prior to every investment. The committee will consider various investment case and governance factors. It will also carefully consider the investment theme criteria and the wider ESG profile of that business when deciding whether it is an appropriate investment for the Company.

The Company has a Responsible Investment policy in place, which is set by the Board, to ensure that the Portfolio Manager considers responsible investment within investment decisions in relation to Octopus Future Generations VCT. The Policy ensures that the Portfolio Manager follows a three-step approach to responsible investment which is aligned with the Octopus Group’s responsible investment policy.

This framework considers:

1. **Mission:** the impact of an investment
2. **Materiality:** the materiality of sustainability issues
3. **Responsibility:** an investee company’s values, culture, and behaviour.

The Portfolio Manager is responsible for implementing the Policy. As the nature of the responsible investment, the Company’s investors and the wider business environment evolves, the Policy will be reviewed and if necessary updated.

Sustainability metrics

Specifically for the mission, the Portfolio Manager follows a framework which includes:

- A ‘theory of change’ which explains how any given intervention is expected to lead to the desired social or environmental impact
- The Impact Management Project’s ‘5 dimensions of impact’
- IRIS metrics to measure an investments impact

Additionally, as part of the strategy, we require portfolio companies to put in place a Diversity and Inclusion policy (D&I) and an Anti-Harassment policy. It is stipulated within our legal documentation that it must be implemented within 90 days of investment. We also engage with each company to help them understand their greenhouse gas emissions and support them to take action to minimise them. We have provided all of our portfolio companies with complimentary access to a carbon accounting platform, to allow them to begin their carbon emission tracking and reduction journey. Presently¹, 43% of our portfolio companies have submitted their 2023 data.

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.

¹February 2025



Further information and useful links

For the Company’s prospectus, annual product Future Generations Report, Key Investor Information Document and information including costs and charges, please visit:

octopusinvestments.com/our-products/venture-capital-trusts/octopus-future-generations-vct