



Octopus AIM VCT plc

Data as at 30 September 2019

About the Product

Octopus AIM VCT plc is a Venture Capital Trust (VCT) which aims to provide shareholders with attractive tax-free dividends and long-term capital appreciation by investing in a diverse portfolio of predominantly AIM-quoted companies.

Risk is spread by investing in a number of different businesses across a range of activities.

Key Facts

Net Assets	£115.8m
Market Cap	£110.5m
Shares Issued	120.1m
Launch Date	1998
Benchmark	FTSE AIM All-Share TR
Number of Holdings	73
Year End	28 February

Current Price

NAV per share*	96.5p
Share price (mid)	92.0p

*NAV reported weekly.

Share buybacks: the VCT can buy back up to 10% of the share capital annually at a 5% discount to NAV, subject to Board approval.

Directors

Roger Smith (Chairman)
Joanne Parfrey
Neal Ransome
Stephen Hazell-Smith

Fees & Codes

Management Fee	2.00%
Total Expense Ratio*	2.00%

ISIN Code	GB0034202076
Sedol Code	3420207
Ticker (LSE)	OOA

*Calculated as at 28 February 2018

Performance Overview

Five year performance (%)



	YTD	3 years	5 years	Calendar Year		
				2018	2017	2016
Octopus AIM VCT NAV TR	-1.00	4.15	14.79	-10.02	14.27	5.91
Octopus AIM VCT Share Price TR	-0.11	3.07	17.11	-8.72	11.96	7.83
FTSE AIM All-Share TR	2.75	11.05	24.80	-17.12	25.97	16.07
FTSE All-Share TR	14.41	21.69	38.89	-9.47	13.10	16.75

Discrete yearly performance (%)

Year to 30 September	2019	2018	2017	2016	2015
Octopus AIM VCT NAV TR	-18.47	10.40	14.10	6.57	4.42
Octopus AIM VCT Share Price TR	-16.82	10.11	12.52	7.20	5.99
FTSE AIM All-Share TR	-19.38	10.77	24.35	14.74	-2.05
FTSE All-Share TR	2.68	5.87	11.94	16.82	-2.30

Source: Lipper and Octopus Investments. VCT performance is shown as a simple return comparison between the NAV at the beginning of the period and the NAV, plus any dividends paid out, at the end of the period. VCT share price performance shown includes reinvested dividends. NAV is stated after deduction of fees.

Key Risks

- Your capital is at risk and you may not get back the full amount invested.
- Tax treatment depends on individual circumstances and may be subject to change.
- Investments quoted on AIM are likely to fall and rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- The availability of tax reliefs also depends on the investee companies maintaining their qualifying status.
- Past performance is not a reliable indicator of future returns.



Investment Enquiries

To speak to any of our fund managers, please call:

0800 316 2394

info@octopusinvestments.com

About the Team

The Octopus Smaller Companies team has a combined experience of more than 100 years. The team, which includes Richard Power, Kate Tidbury, Chris McVey, Edward Griffiths, Stephen Henderson, Mark Symington, Dominic Weller, Jessica Sweeney and Charles Lucas, manage over £1.7 billion in AIM-quoted companies, and are also responsible for Octopus AIM VCT plc, Octopus AIM VCT2 plc and FP Octopus UK Micro Cap Growth Fund.

Awards



5-Year Dividend History

Pay Date	Type	Dividend
15 Jan 2015	Interim	2.50p
07 Aug 2015	Special	4.00p
07 Aug 2015	Final	2.80p
14 Jan 2016	Interim	2.50p
22 Jul 2016	Final	2.50p
20 Jan 2017	Interim	2.50p
04 Aug 2017	Final	3.00p
19 Jan 2018	Interim	2.50p
20 Jul 2018	Final	3.00p
18 Jan 2019	Interim	2.50p
02 Aug 2019	Final	3.00p

The Board targets a minimum dividend of 2.5p each half year with the final adjusted annually, based on the year-end share price, so that shareholders receive either 5p per annum or a 5% yield, whichever is greater at the time.

Glossary

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A representative portfolio of securities created to represent a particular market or a portion of it.

Net Asset Value (NAV)

The price-per-share of a fund or other investment. The per-share amount of the fund is based on the total value of all the securities in its portfolio, any liabilities the fund has and the number of fund shares outstanding.

Total Return (TR)

The gain or loss derived from an investment over a specified period of time. This figure includes interest, capital gains, dividends, and income distributions realised over that time period.

Important Information

Personal opinions may change and should not be seen as advice or a recommendation. We do not offer investment or tax advice. We recommend investors seek professional advice before deciding to invest. Regarding VCTs, this advertisement is not a prospectus and you should only subscribe for shares on the basis of information contained in the prospectus and the Key Information Document. For other investments, investors should read the product brochure before deciding to invest. These documents are available at octopusinvestments.com. 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. CAM008784. Issued: October 2019.

Monthly Commentary

The volatile equity market conditions experienced over the last few months continued into September. During August, the Net Asset Value (NAV) of the Octopus AIM VCT plc fell by 2.43%. This compares to an increase of 1.95% in the FTSE All-Share and a 0.33% increase in the FTSE AIM All-Share, all on a total return basis.

September is a busy period, with a number of the portfolio companies reporting results. Sosandar announced an upbeat AGM trading update confirming that sales were in line with expectations and had responded well to recent marketing activity. Telecommunications provider Gamma Communications plc reported earnings before interest, tax, depreciation, and amortisation of £30.4 million in interim results, which were well ahead of expectations. Profit has been driven by a shift to their higher margin cloud products and higher gross margin international business. This confidence led to broker forecast sales and earnings being upgraded for the next two years.

Detractors from performance over the month included Staffline Group plc, whose share price reacted poorly to the interim results released in September. The figures reflected the well-publicised problems the company has faced during the first half of the year, however the valuation does not reflect the true potential of the business once this year is behind them. We believe there is significant upside from current levels. Antibody developer and distributor Abcam plc was down on the month despite full-year results being in line with expectations. Strong performances in China and the US were offset by a weaker Japan. Although margins were down, the company is investing for future growth. An ambitious five-year plan targeting revenues of £450-500 million by 2024 from the £259.9 million reported for 2019 was announced. Next Fifteen Communications, the marketing specialist, saw its share price drift over the month ahead of interim results delivered in early October. While the shares reacted negatively on the morning of results, we subsequently had a reassuring update meeting with management.

Despite current market sentiment, we firmly believe that current valuations do not reflect the significant progress that our portfolio companies are making, and that this situation will reverse in time. The long-term case for smaller companies remains compelling.

Portfolio Analysis

Top Ten Holdings (%)

GB Group	5.2
Learning Technologies Group	4.9
Breedon	4.1
Craneware	3.0
Brooks Macdonald	2.7
Mattioli Woods	2.5
Ergomed	2.3
Quixant	2.1
Ixico	1.8
Judges Scientific	1.7
Total	30.3

Top Ten Sectors (%)

Software & Computer Services	15.6
Support Services	8.5
Pharmaceuticals & Biotechnology	7.8
Specialty & Other Finance	5.2
Health	5.0
Construction & Building	4.1
Electronic & Electrical	3.5
General Retailers	3.2
Technology Hardware	3.2
Telecommunication Services	2.9
Total	59.0