



Octopus AIM VCTs: product overview

The Octopus AIM VCTs are a tax-efficient way to invest in established portfolios of AIM-listed, smaller companies with strong growth potential. This new share offer will help fund selective new investments.

AIM is one of the world's most successful markets for fast-growing, innovative companies that require capital to reach their full potential. For investors, the tax benefits associated with a Venture Capital Trust (VCT) can enhance the investment proposition even further.

- Both Octopus AIM VCTs invest in VCT-qualifying companies that operate across a diverse range of sectors, from building materials and pharmaceuticals to software development and restaurants. Over 75% of the portfolios by value are invested in profitable companies and over 55% are invested in companies paying dividends to the VCTs!
- The VCTs have a strong performance record and a history of paying a steady stream of tax-free dividends to investors. For full five-year performance history, please see the reverse of this document.
- Investors will benefit from access to established portfolios of around 75 AIM-listed companies, making the Octopus AIM VCTs a great way to gain exposure to this part of the UK economy in a tax-efficient manner.
- The Octopus Smaller Companies team includes some of the most experienced AIM-focused fund managers in the market. Together they manage more than £1.6 billion on behalf of over 19,000 investors across a range of AIM-listed products.

Dividend targets

One of the main benefits of VCTs is their potential for paying tax-free dividends to investors. Octopus AIM VCT aims to pay a tax-free dividend of 5p per share annually or a 5% yield, whichever is greater. Octopus AIM VCT 2 aims to pay a tax-free dividend of 3.6p per share annually or a 5% yield, whichever is greater. In addition, the VCTs can pay special dividends if there are significant gains from the sale of portfolio holdings.

Important information

This advertisement is not a prospectus.

Investors should only subscribe for shares based on information within the prospectus and Key Information Documents (KIDs), available at octopusinvestments.com/aimvct or by calling our dedicated Client Relations team on 0800 316 2295.

Key tax benefits

- Up to 30% income tax relief on the amount invested as long as the shares are held for at least five years. The income tax relief claimed cannot exceed the amount of tax due.
- When the VCTs pay dividends, there's no tax to pay, and you don't have to declare them on your tax return.
- If the value of the shares increases, you won't be liable for capital gains tax when you sell them; any growth is tax free.

Key risks

- The value of an investment, and any income from it, could fall or rise. You may not get back the full amount you invest.
- Tax treatment depends on your circumstances and may change in the future. Tax reliefs depend on the VCTs maintaining their VCT-qualifying status.
- Investing in smaller companies is considered a high-risk investment. They can fall or rise in value much more sharply than shares in larger, more established companies. They also have a higher rate of failure.
- Past performance is not a reliable indicator of future results, and you should not rely on any forecasts made about future returns. For full performance history, please see the reverse of this document.
- Your shares might be difficult to sell. It might take time to find a buyer and you might have to accept a price lower than the Net Asset Value (NAV) of the investment.

Investment details

Minimum investment: £5,000

Maximum investment qualifying for tax relief each tax year: £200,000

Investment time frame: Shares must be held for at least five years in order to retain upfront tax relief.

New share offer: Launched on 3 August 2018. Seeking to raise up to £20 million with the potential for a further £10 million.

Loyalty discount: 1% discount on the initial fee to existing Octopus VCT investors.

12-month performance over 5 years

Year to 30 June	2014	2015	2016	2017	2018
Octopus AIM VCT NAV Total Return ¹	22.8%	0.3%	-3.5%	25.1%	8.2%
Octopus AIM VCT 2 NAV Total Return ¹	23.1%	-0.7%	-2.6%	24.0%	8.1%
FTSE AIM All-Share Total Return ²	14.6%	-2.5%	-5.0%	38.5%	13.5%
FTSE All-Share Total Return ²	13.1%	2.6%	2.2%	18.1%	9.0%
Octopus AIM VCT Dividend Yield ³	5.9%	2.2%	10.9% ⁴	2.8%	7.5%
Octopus AIM VCT 2 Dividend Yield ³	5.4%	7.2% ⁴	5.2%	5.9%	5.0%

Past performance is not a reliable indicator of future results and may not be repeated.

Net Asset Value (NAV): this is the combined value of all the assets owned by the VCT after deducting the value of its liabilities (such as debts and financial obligations).

¹NAV total return: This shows the yearly performance, including the dividends paid out for the last five years to 30 June 2018 (the latest available data). This is calculated from the movement in the NAV over the year to 30 June with any dividends paid over that period added back. The revised figure is divided by the NAV at the start of that year to get the annual total return. Performance is shown net of all ongoing fees and costs.

²FTSE AIM All-Share and FTSE All-Share indices: Performance is shown alongside the total returns of the FTSE AIM and FTSE All Share indices, which are indicators of activity in the broader UK equity market (source: Lipper). Note that none of these indices are used as benchmarks for the Octopus AIM VCTs.

³Annual dividend yield is calculated by dividing the dividends paid per year by the share price on 30 June 2018 of the prior year.

⁴Includes an additional special dividend of 4p per share for Octopus AIM VCT and 2p per share for Octopus AIM VCT 2 from the sale of Advanced Computer Software.

The charges

Our charges are taken from the money you invest and depend on the way you invest in the Octopus AIM VCTs. If you invest through a financial adviser, who takes an initial and ongoing fees, then the charges will be:

Upfront charges

Initial fee (to Octopus)	3%
Adviser charges	up to 4.5%

Ongoing annual charges

Annual management charges (to Octopus) ⁵	1.5%
Adviser charges	up to 0.5%

For full details of fees and charges, please see the prospectus.