

# Octopus AIM Inheritance Tax Service

Data as at 31 July 2021

## About the Product

The Octopus AIM Inheritance Tax Service offers a fast and flexible solution to inheritance tax planning, while providing the potential for significant capital growth through investment into a portfolio of 20-30 companies listed on the Alternative Investment Market (AIM).

**The Octopus AIM Inheritance Tax Service is also available within an ISA wrapper.**

## Investment Approach

The team looks for companies with one or more of the following characteristics:

- A strong market position or global leader in its field
- A scalable business model focused on growth
- A proven management team with a record of corporate success
- A profitable business with a strong balance sheet
- A high level of recurring revenues and earnings visibility

## About the Team

The Octopus Quoted 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 £2.8 billion in quoted companies, and are also responsible for the Octopus AIM VCT plc, Octopus AIM VCT2 plc, FP Octopus UK Micro Cap Growth Fund and FP Octopus UK Multi Cap Income Fund.

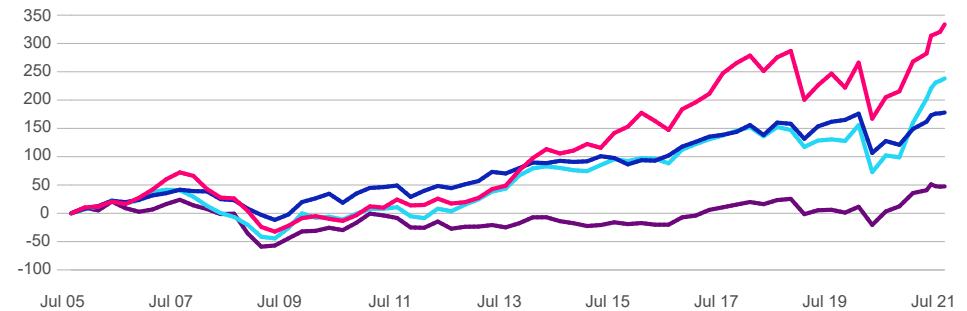


**WINNER**  
BEST BR  
INVESTMENT  
MANAGER AIM



## Performance Overview

### Performance since launch (%)



	YTD	3 years	5 years	10 years	Inception	Calendar Year		
						2020	2019	2018
Median Octopus AIM ITS	17.88	13.70	63.07	246.51	333.70	0.48	21.82	-20.61
FTSE AIM All-Share TR	8.68	18.40	76.01	62.20	50.13	21.75	13.26	-17.12
FTSE Small Cap ex IT TR	30.14	35.45	70.77	209.39	244.22	1.65	17.68	-13.80
FTSE All-Share TR	11.68	5.48	32.28	90.66	177.96	-9.82	19.17	-9.47

YTD, 3 years, 5 years, 10 years and Inception (June 2005) data is calculated to month-end, at 31 July 2021.

### Discrete yearly performance to quarter end (%)

Year to 30 June	2021	2020	2019	2018	2017
Median Octopus AIM ITS	37.85	-12.01	-7.65	8.10	40.54
FTSE AIM All-Share TR	42.47	-2.78	-13.90	13.53	38.55
FTSE Small Cap ex IT TR	65.20	-12.29	-8.63	6.36	28.39
FTSE All-Share TR	21.45	-12.99	0.57	9.02	18.12

Source: Lipper and Octopus Investments. Performance charts date back to 30 June 2005 and show the total returns of the Octopus AIM Inheritance Tax Service portfolios.

Performance is calculated by taking the total return of the Octopus AIM Inheritance Tax Service portfolios calculated by taking the median monthly returns of all available Octopus AIM Inheritance Tax Service portfolios, going back to 30 June 2005. If cash is added or withdrawn during the relevant period, then such portfolios have been removed from the calculation for the respective month. We have then compounded those total returns which include the impact of dividend income, interest, management fees, ongoing adviser fees and dealing fees.

The performance table shows the discrete annual performance (showing the total cumulative returns for each individual year), calculated in the same way as detailed previously.

### Key Risks

- Your capital is at risk and you may not get back the amount invested. Past performance is not a reliable indicator of future results.
- The benefit of tax reliefs 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 depends on investee companies maintaining their qualifying status.

### Investment Enquiries

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

0800 316 2394

info@octopusinvestments.com

## Key Facts

### Octopus AIM Inheritance Tax Service

Launch Date	June 2005
Product Type	Discretionary Portfolio
Benchmark	FTSE AIM All-Share TR

### Octopus AIM Inheritance Tax ISA

Launch Date	September 2013
Product Type	Discretionary Portfolio
Benchmark	FTSE AIM All-Share TR

Fees and charges are payable in respect of both the Octopus AIM Inheritance Tax Service and ISA, please see the relevant product brochure for details. Visit [octopusinvestments.com](http://octopusinvestments.com).

## Top Ten Equity Holdings

CVS Group plc  
 Gamma Communications plc  
 Next Fifteen Communications Grp plc  
 Keywords Studios plc  
 YouGov plc  
 Renew Holdings plc  
 GB Group plc  
 Strix Group plc  
 RWS Holdings plc  
 Breedon Group plc

## Top Ten Sectors (%)

Support Services	25.0
Construction & Building Materials	14.3
Specialty & Other Financial	14.3
Media	10.7
Software & Computer Services	10.7
Health Care	7.1
Household Goods & Services	7.1
Industrial Engineering	3.6
Leisure	3.6
Telecommunications	3.6
<b>Total</b>	<b>100.0</b>

Source: Bloomberg and Octopus Investments. Top ten holdings based on funds under management in the Octopus AIM Inheritance Tax Service and ISA. Top ten sectors listed by number of companies on the current buy list. Totals are rounded from source data so tables may not add up exactly to 100%.

## Monthly Commentary

Over the course of July, the median Octopus AIM Inheritance Tax portfolio rose by 3.12%. This was against a market backdrop that saw the FTSE AIM All-Share Index rise by 0.30%, the FTSE All-Share Index rise by 0.53%, and the FTSE SmallCap (excluding Investment Companies) Index rise by 1.24%, all on a total return basis.

July was another busy month. A large proportion of the portfolio released trading statements and the market saw the largest number of IPOs on AIM since December 2014, continuing the high level of M&A activity seen this year.

The main contributors included office services provider, **Restore plc (+21.5%)**, that delivered interim results ahead of expectations with all divisions performing well. The Board also rejected an informal bid of 530 pence per share from fellow AIM-listed business, Marlowe plc, on the basis that it significantly undervalued the business. Video game developer, **Team17 Group plc (+19.5%)**, completed the acquisition of leading developer and publisher of 'edutainment' applications for children, StoryToys, for an initial \$26.5 million, funded from existing cash reserves. Technical services provider to the global video games industry, **Keywords Studios plc (+17.8%)**, regained ground following some profit taking over the previous couple of months. Interior furnishings group, **Sanderson Design Group plc (+15.3%)**, confirmed that trading over the first six months has been ahead of expectations, leading to full year pre-tax profit forecasts being upgraded by 14%. Online training provider, **Learning Technologies Group plc (+14.1%)**, undertook an £85 million equity placing at 192 pence per share to part fund the earnings-enhancing acquisition of leading US-based provider of managed learning services and workforce transformation, GP Strategies, for \$394 million. Mortgage intermediary network, **Mortgage Advice Bureau plc (+12.7%)**, confirmed that trading in the first half has been in line with expectations, with revenues up 43% from a 28% increase in its number of advisers. It also acquired a minority stake in Evolve Financial Solutions for an undisclosed sum. Healthcare software solutions provider, **EMIS Group plc (+12.2%)**, announced that first half trading has been slightly ahead of full year forecasts, with revenues and profits ahead of both last year, and more notably, the year prior to the pandemic, suggesting that the pressures of COVID-19 on the NHS budget have eased. Specialist engineering contractor, **Renew Holdings plc (+10.5%)**, continued its steady share price progression. Kettle safety component designer and manufacturer, **Strix Group plc (+7.9%)**, released a first half trading update indicating the business is confident of delivering revenue growth of 30% in the full year, in line with expectations. Marketing communications platform provider, **dotDigital Group plc (+7.4%)**, confirmed that full year trading was ahead of expectations, with full year revenues and earnings both over 4% ahead of forecasts. Discretionary fund manager, **Brooks Macdonald Group plc (+6.6%)**, issued a positive fourth quarter update highlighting a 5.3% increase in funds under management and 20.3% in the full year. Global identity verification business, **GB Group plc (+5.4%)**, announced that the Group has made a good start to the new year, securing two multi-year contract extensions in Fraud. Telecommunications provider, **Gamma Communications plc (+4.3%)**, noted a strong first half trading performance at the upper end of expectations and we expect earnings upgrades to follow later in the year.

Shares that detracted from performance in the month included marketing services business, **M&C Saatchi plc (-17.5%)**, that saw some investors take profits following this year's strong share price recovery. Shares in workwear rental and linen services operator, **Johnson Service Group plc (-11.3%)**, retreated, though the Group, particularly its HORECA division, will clearly be benefitting from the removal of restrictions and subsequent buoyant trading in the UK hospitality sector. Automotive testing solutions developer, **AB Dynamics plc (-8.8%)**, PR consultancy to the technology sector, **Next Fifteen Communications Group plc (-6.6%)**, and premium lifestyle brand, **Joules Group plc (-5.3%)**, all saw share price declines over the month.

We have been pleased by the raft of confident trading updates and upgrade momentum across the portfolio. Looking ahead, we remain excited about the prospects of the portfolio, both in the long term and over the coming months, particularly now lockdown restrictions are hopefully behind us. We look forward to updating you on further progress within the portfolio as the summer passes.

## Important Information

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