

Octopus AIM Inheritance Tax Service

Data as at 30 November 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

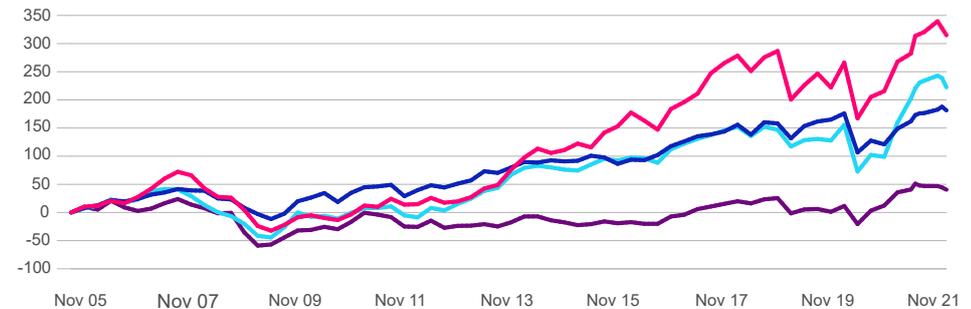
About the Team

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.



Performance Overview

Performance since launch (%)



	YTD	3 years	5 years	10 years	Inception	Calendar Year		
						2020	2019	2018
Median Octopus AIM ITS	12.74	28.69	45.05	260.91	314.80	0.48	21.82	-20.61
FTSE AIM All-Share TR	3.49	31.87	53.84	91.31	42.95	21.75	13.26	-17.12
FTSE Small Cap ex IT TR	24.03	43.17	56.93	259.33	228.06	1.65	17.68	-13.80
FTSE All-Share TR	13.04	16.92	30.61	102.97	181.34	-9.82	19.17	-9.47

YTD, 3 years, 5 years, 10 years and Inception (June 2005) data is calculated to month-end, at 30 November 2021.

Discrete yearly performance to quarter end (%)

Year to 30 September	2021	2020	2019	2018	2017
Median Octopus AIM ITS	39.32	-2.02	-16.75	5.88	28.75
FTSE AIM All-Share TR	30.79	11.03	-19.38	10.77	24.35
FTSE Small Cap ex IT TR	72.45	-12.72	-7.78	0.65	17.77
FTSE All-Share TR	27.89	-16.59	2.68	5.87	11.94

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.

Top Ten Equity Holdings

Next Fifteen Communications Grp plc
 Renew Holdings plc
 YouGov plc
 CVS Group plc
 Keywords Studios plc
 Gamma Communications plc
 RWS Holdings plc
 GB Group plc
 Advanced Medical Solutions Grp plc
 Strix 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
Total	100.0

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 November, the median Octopus AIM Inheritance Tax portfolio decreased by 2.96%. This was against a market backdrop that saw the FTSE AIM All-Share Index fall by 2.81%, the FTSE All-Share Index decrease by 2.24%, and the FTSE SmallCap (excluding Investment Companies) Index decrease by 4.89%, all on a total return basis.

The main contributors included online market researcher, **YouGov plc (+14.0%)**, that continued its recent momentum following last month's strong full year results. It remains well placed to benefit from structural tailwinds. Soft drinks producer, **Nichols plc (+11.1%)**, confirmed that trading in the third quarter has been stronger than expected, with momentum across both the UK and internationally leading to 17% upgrades to full year earnings forecasts. Following a period of weak share price performance, SIPP administrator, **Curtis Banks Group plc (+9.8%)**, regained some lost ground after the stock became oversold and investors once again perceived the good value of the shares. Wealth manager, **Mattioli Woods plc (+5.6%)**, forged ahead following last month's announcement that net inflows and the new business pipeline were running ahead of the same period last year. Kettle safety component designer and manufacturer, **Strix Group plc (+5.3%)**, recovered following last month's share price decline when the market reacted badly to management share sales and supply chain concerns. Shares in specialist engineering contractor, **Renew Holdings plc (+5.2%)**, rose in anticipation of strong full year results expected in December, given September's confident trading update and subsequent full year earnings upgrades. Office services provider, **Restore plc (+3.2%)**, announced that trading momentum has continued and margins remain in line with full year expectations despite wider inflationary pressures. The company also hosted a Capital Markets Day at which the senior management team presented the Group's ambition and strategy to double revenues over the medium term. Pub operator, Young & Co's Brewery plc (+1.7%), released interim results that highlighted a strong recovery in trading, with like-for-like sales up 3% on pre-pandemic levels. Cost headwinds are under control, dividend payments have resumed, and bookings are very strong ahead of the festive season.

Shares that detracted from performance in the month included marketing communications platform provider, **dotDigital Group plc (-19.3%)**, that announced record full year revenues with organic growth of 23%. However, profits were broadly flat on last year due to revenue mix and increased investment, leading to investors taking profits after the impressive share price performance of the last six months. Online training provider, **Learning Technologies Group plc (-14.4%)**, announced a change of CFO with immediate effect. Global identity verification business, **GB Group plc (-13.1%)**, announced the complementary acquisition of US Identity business, Acuant, for \$736 million. The deal was funded by a £305 million equity placing at 725 pence per share, with the balance settled through a mixture of debt and shares. Interim results noted double-digit growth across all divisions and reiterated confidence in meeting full year expectations. Veterinary services consolidator, **CVS Group plc (-12.0%)**, saw investors take profits following another positive trading update that confirmed an excellent start to its year, reporting 12.4% like-for-like sales growth. Automotive testing solutions developer, **AB Dynamics plc (-12.0%)**, reported full year results in line with expectations following a strong recovery in the second half, which saw record levels of order intake, revenue and cash generation. PR consultancy to the technology sector, **Next Fifteen Communications Group plc (-9.7%)**, also saw investors take profits following the stellar share price performance over the last 18 months. Telecommunications provider, **Gamma Communications plc (-6.2%)**, hosted a Capital Markets Day at which the Board presented the growth opportunity in the less-developed European unified communications market, where it believes it can make a similar impact as it has in the UK.

While the well-publicised inflationary pressures and global supply chain issues continue to bite, markets have shifted focus to the emergence of the new Omicron variant. While certainly unwelcome, management teams are now well-versed in managing these unexpected disruptions and our portfolio companies continue to trade strongly, and the post-pandemic economic recovery remains intact. As ever, we remain excited about the long-term prospects of the portfolio and look forward to updating you further in due course.

Important Information

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