

# Octopus AIM VCT 2 plc

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A brighter way

Data as at 29 February 2024



## About the Team



Kate Tidbury



Freda Isingoma



Mark Symington



Dominic Weller



Martin Jager

The Octopus AIM VCTs are managed by the Octopus Quoted Companies team who have significant experience across the mid and small cap investment universe and is one of the largest investors in AIM. The team includes Kate Tidbury, Freda Isingoma, Mark Symington, Dominic Weller, Martin Jager, Richard Power, Edward Griffiths, Chris McVey, Jessica Sweeney, Ross MacSween, Georgia Obadipe, Charles Lucas & Ben Tyson.

## Key facts

Net assets	£90.7m
Market cap	£84.5m
Shares issued	184.4m
Launch date	2005
Benchmark	FTSE AIM All-Share TR
Number of holdings	80
Year end	30 November

## Current Price

NAV per share*	49.2p
Share price (mid)	45.8p

\*NAV reported weekly.

Share buybacks: The VCT can buy back up to 14.99% of the share capital annually at up to a 5% discount, subject to Board and shareholder approval.

## Glossary

### Net Asset Value (NAV)

The value of the Company's total assets less liabilities.

### NAV per share

The NAV divided by the total number of shares in issue.

### Total Return (TR)

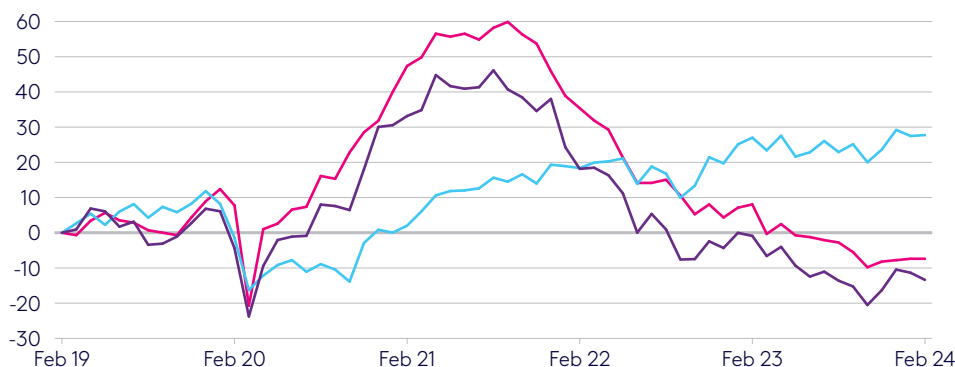
Total return is calculated as movement in NAV per share in the period plus dividends paid in the period.

## About the Product

Octopus AIM VCT 2 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 and sectors.

## Five year performance (%)



	YTD	3 Y	5 Y	2023	2022	2021
Octopus AIM VCT 2 NAV TR	1.44	-32.55	-1.69	-11.74	-30.80	8.88
Octopus AIM VCT 2 Share Price TR	0.44	-37.15	-7.38	-11.60	-28.48	10.66
FTSE AIM All-Share TR	-3.28	-34.94	-13.38	-6.40	-30.67	6.12
FTSE All-Share TR	-1.13	25.21	27.74	7.92	0.34	18.32

## Discrete yearly performance (%)

Year to 29 February	2024	2023	2022	2021	2020
Octopus AIM VCT 2 NAV TR	-11.17	-19.25	-9.15	40.01	1.56
Octopus AIM VCT 2 Share Price TR	-14.28	-20.19	-8.13	36.72	7.78
FTSE AIM All-Share TR	-12.60	-16.13	-11.25	39.26	-4.39
FTSE All-Share TR	0.57	7.30	16.03	3.50	-1.43

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

- The value of investments discussed, and any income from them, can fall as well as rise. Investors may not get back the full amount they invest.
- Tax treatment depends on an investor's personal circumstances and may change in the future.
- Tax reliefs depend on the VCT maintaining its VCT-qualifying status.
- VCT shares could fall or rise in value more than other shares listed on the main market of the London Stock Exchange. They may also be harder to sell.
- Past performance is not a reliable indicator of future results.



## Investment Enquiries

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

0800 316 2295

info@octopusinvestments.com

octopusinvestments.com

## Top ten holdings (%)

Hasgrove Limited	6.7
FP Octopus UK Micro Cap Growth Fund P Class	6.0
Breedon Group plc	3.9
Craneware plc	3.6
FP Octopus UK Multi Cap Income S Acc	3.2
Judges Scientific plc	3.1
Learning Technologies Group plc	2.8
IDOX plc	2.6
Popsa Holdings Limited	2.4
Netcall plc	2.2
<b>Total</b>	<b>36.5</b>

## Top ten sectors (%)

Software & Computer Services	12.6
Unit Trusts	10.2
Unquoted Investment	9.2
Electronic & Electrical	6.3
Pharmaceuticals & Biotech	4.6
Support Services	4.0
Construction & Building	3.9
Telecommunication Services	2.9
General Retailers	2.8
Technology Hardware	2.3
<b>Total</b>	<b>58.8</b>

## 5-year dividend history

07 Nov 2019	Special	3.90p
07 Nov 2019	Interim	2.10p
22 May 2020	Final	2.10p
05 Nov 2020	Interim	2.10p
21 May 2021	Final	2.10p
12 Nov 2021	Special	1.70p
12 Nov 2021	Interim	2.10p
27 May 2022	Final	2.10p
10 Nov 2022	Interim	2.10p
25 May 2023	Final	2.30p
09 Nov 2023	Interim	1.80p

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.

## Fees & codes

Management fee	2.00%
Total ongoing charges*	2.20%
ISIN code	GB00B0JQZZ80
Sedol code	B0JQZZ8
Ticker (LSE)	OSEC

\*Calculated as at 30 November 2023.

## Directors

Keith Mullins (Chairman)  
Elizabeth Kennedy  
Andy Raynor  
Brad Ormsby  
Virginia Bull

## Monthly commentary

The Net Asset Value (NAV) of the Octopus AIM VCT2 increased by 1.7% during the month. This compares to a 2.3% fall in the FTSE AIM All Share and a 0.2% increase in the FTSE All Share, both on a total return basis.

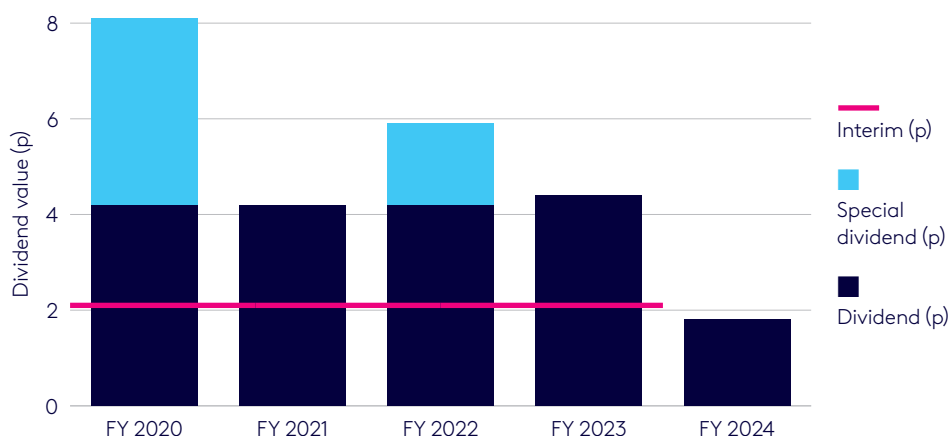
In February, UK equity markets saw heightened volatility despite limited news flow in the run in to the March reporting season, with some companies experiencing significant share price fluctuations. The focus remains on macro drivers and the relationship between inflation and interest rates. Reassuringly, UK CPI inflation stabilized at 4.0% in January after a surprise increase in December. Analysts still anticipate interest rate cuts this year from global central banks, although the timing remains uncertain due to persistent inflation. Undoubtedly, this will support an equity market rally, with undervalued UK small growth companies likely to return on the radar of equity investors in due course.

Contributors to performance over the month included scientific instrument business, Judges Scientific. Positive trading momentum continued in February for Judges, who began the month with a further accretive bolt-on acquisition of a Swiss-based fibre optic property business. Information technology service provider, Beeks Financial Cloud Group, gave a good half-year trading update demonstrating strong revenue growth, positive cash flow, and announcing a conditional contract win for a large global exchange group. Linear generator producer, Libertine, announced the completion of phase one of work for a linear generator and the licensing of its software offering. Novel polymer developer, Itaconix, gave a year-end trading update which showed another record year of revenue growth.

Detractors included clothing retailer, Sosandar, whose shares fell against a backdrop of limited news flow. Investment Management and Financial Services provider, Brooks MacDonald, saw share price weakness mirroring the sentiment in the sector following continued outflows. Instruments manufacturer, Gooch & Housego, gave a disappointing AGM update. Despite an improved order book in the first half of the year, customer decisions to reduce stock levels had weakened demand. Net debt remains comfortable. Cell engineering technology developer, Maxcyte, saw shares fall despite announcing the European commission has granted conditional marketing approval for their genetic therapy for Sickle Cell Disease and transfusion dependent beta-thalassemia.

Market sentiment remains mixed. However, we believe that increasing risk appetite should see UK smaller growth company prices improve significantly from recent historic lows, reflective of the progress being made by our underlying portfolio companies.

## Tax-free dividend payments over last five years



Based on ex-dividend dates per financial year. Octopus Investments, Lipper IM, 30 November 2023.

## Important information

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