

Octopus AIM VCT plc

octopusinvestments
A brighter way

Data as at 31 December 2023



GROWTH
INVESTOR
2021 IAW/VRDS

WINNER
BEST VCT
INVESTMENT
MANAGER

About the Team



Kate Tidbury



Freda Isingoma



Mark Symington



Dominic Weller

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, Richard Power, Edward Griffiths, Chris McVey, Jessica Sweeney, Ross MacSween, Georgia Obadipe and Charles Lucas.

Key facts

Net assets	£128.1m
Market cap	£121.8m
Shares issued	203.0m
Launch date	1998
Benchmark	FTSE AIM All-Share TR
Number of holdings	87
Year end	28 February

Current Price

NAV per share*	63.1p
Share price (mid)	60.0p

*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.

Glossary

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)

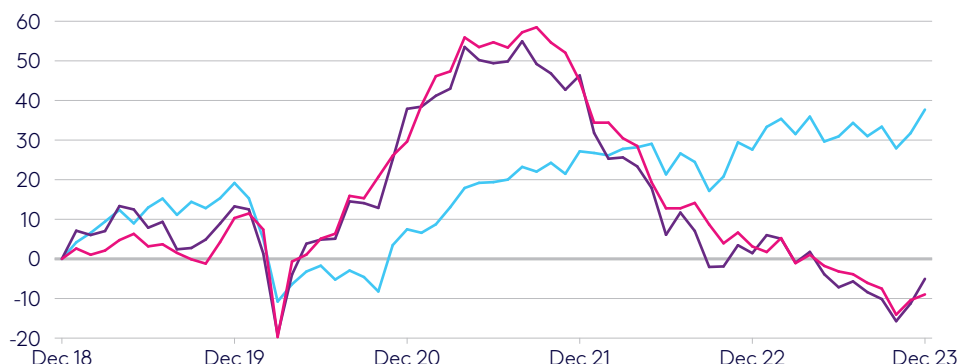
The gain or loss derived from an investment over a specified period of time. This figure includes interest, capital gains, dividends, and income distributions realised over that time period.

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 and sectors.

Five year performance (%)



	YTD	3 Y	5 Y	2023	2022	2021
Octopus AIM VCT NAV TR	-12.24	-31.41	-3.88	-12.24	-31.60	8.60
Octopus AIM VCT Share Price TR	-11.75	-29.77	-8.97	-11.75	-28.81	11.78
FTSE AIM All-Share TR	-6.40	-31.14	-5.04	-6.40	-30.67	6.12
FTSE All-Share TR	7.92	28.12	37.69	7.92	0.34	18.32

Discrete yearly performance (%)

Year to 31 December	2023	2022	2021	2020	2019
Octopus AIM VCT NAV TR	-12.24	-31.60	8.60	22.39	10.75
Octopus AIM VCT Share Price TR	-11.75	-28.81	11.78	17.50	10.31
FTSE AIM All-Share TR	-6.40	-30.67	6.12	21.75	13.26
FTSE All-Share TR	7.92	0.34	18.32	-9.82	19.17

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:

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Top ten holdings (%)

FP Octopus UK Micro Cap Growth Fund P Class	6.5
Hasgrove Limited	4.1
Breedon Group plc	4.0
FP Octopus UK Multi Cap Income S Acc	3.6
Judges Scientific plc	3.2
Learning Technologies Group plc	2.9
Equipmake Holdings plc	2.8
IDOX plc	2.5
Popsa Holdings Limited	2.3
Brooks Macdonald Group plc	2.2
Total	34.1

Top ten sectors (%)

Unit Trusts	11.0
Software & Computer Services	10.7
Electronic & Electrical	7.3
Unquoted Investment	6.8
Support Services	4.6
Specialty & Other Finance	4.5
Construction & Building	4.0
Pharmaceuticals & Biotech	3.8
General Retailers	3.3
Telecommunication Services	2.7
Total	58.7

5-year dividend history

17 Jan 2020	Special	3.50p
17 Jan 2020	Interim	2.50p
07 Aug 2020	Final	3.00p
15 Jan 2021	Interim	2.50p
13 Aug 2021	Special	2.50p
13 Aug 2021	Final	3.50p
14 Jan 2022	Interim	2.50p
12 Aug 2022	Final	3.00p
12 Jan 2023	Interim	2.50p
10 Aug 2023	Final	2.50p

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*	2.10%
ISIN code	GB0034202076
Sedol code	3420207
Ticker (LSE)	OOA

*Calculated as at 28 February 2023.

Directors

Neal Ransome (Chairman)
Joanne Parfrey
Stephen Hazell-Smith
Andrew Boteler

Monthly commentary

The Net Asset Value (NAV) of the Octopus AIM VCT increased by 1.4% during the month. This compares to a 7.0% rise in the FTSE AIM All Share and a 4.5% increase in the FTSE All Share, both on a total return basis.

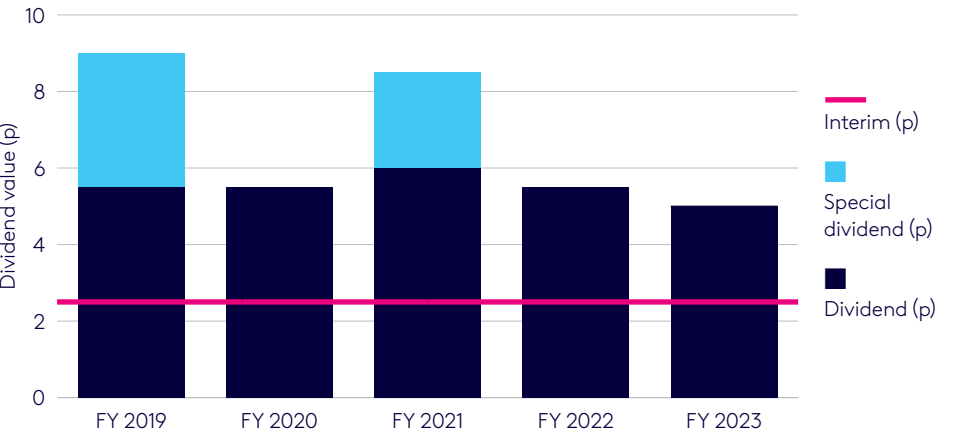
UK equity markets ended 2023 on a far more positive note, with smaller companies in particular delivering a strong final quarter. November’s inflation figure of 3.9% surprised many, and reinforced predictions that interest rates have peaked, with expectations now for rate cuts from many global Central Banks in the first half of 2024. We expect this pivot to be accompanied by an equity market rally, with UK smaller companies likely to return firmly to the radar screens of equity investors, in our view.

Contributors to performance over the month included secure payments facilitator PCI Pal. A trading update provided at its Annual General Meeting confirmed that the business remains on track to be profitable over the full year to June 2024, and that new business wins are tracking ahead of last year. Low-code software specialists Netcall provided a very good trading update, in line with market expectations. Annual Contract Value is growing in the double digits, and the business has a strong pipeline of new opportunities. Talent management and training provider Learning Technologies announced the sale of its non-core Lorien business for \$21.4 million. Sustainable crop protection business Eden Research announced that its innovative new seed treatment for protection against birds has been granted emergency use in Italy, the first of its kind made with its unique plant-based chemistry.

Detractors included motor retailer Vertu Motors. Profitability has been negatively impacted by an excess of used car supply in the face of falling consumer demand. Scientific instrumentation manufacturer SDI Group cautioned in its interim results that temporary customer destocking, and some softening in demand from customers in China and Germany, means that profit expectations for the year to 30 April have been downgraded by 18%. Other significant detractors over the month included LungLife AI and Equipmake, despite providing no news over the period.

Market sentiment has begun to improve, and we remain of the view that increasing risk appetite should see UK smaller company prices improve significantly from recent historic lows, reflective of the progress being made by our underlying investee companies.

Tax-free dividend payments over last five years



Based on ex-dividend dates per financial year 28 February 2023.

Important information

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