

Octopus Apollo VCT Product Brochure

Targeting regular
tax-free income

New share offer

octopusinvestments.com

November 2015

FOR UK INVESTORS ONLY

The logo for Octopus Investments features the word "OCTOPUS" in a bold, sans-serif font, with a stylized octopus tail graphic above the letters "PUS". Below "OCTOPUS" is the word "INVESTMENTS" in a smaller, all-caps, sans-serif font.

OCTOPUS
INVESTMENTS

SCM World delivers support services to supply chain executives of some of the world's most successful companies, including Nike, Microsoft and Unilever. Octopus Apollo VCT invested in SCM World in 2015.

Important information

Octopus Apollo VCT is an investment that places your money at risk. This means you may not get back the full amount you put in. It is important you read and fully understand the risks involved before deciding whether it is right for you.

We talk about the key risks throughout the brochure, and also in the dedicated section starting on page 20. Any decision to invest should be made on the basis of the information contained in the Octopus Apollo VCT prospectus, which can be found at octopusinvestments.com/apollo. You can also request a copy by calling **0800 316 2295** or by sending an email to clientrelations@octopusinvestments.com.

Octopus does not give advice on investments, legal matters, taxation or anything else. Our services are designed to assist your investment in a VCT. We always recommend you talk to a qualified financial adviser before making any investment decision.

All data and factual information provided within this document is sourced to Octopus Investments and correct at 2 November 2015, unless stated otherwise.



Octopus Apollo VCT looks to invest in established, profitable companies with the aim of providing investors with a regular tax-free dividend income.

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Past performance is not a reliable indicator of future results.

Octopus – an investment company with a difference

When Octopus Investments was launched in 2000, its three founders were convinced that financial services companies weren't working hard enough for their customers, and it was time to offer something different.

Today, Octopus has more than 400 employees and over £5 billion in assets under management. We work with tens of thousands of clients and we've built market-leading positions in tax-efficient investment, smaller company financing, renewable energy and healthcare. But no matter how big we get, we still have the values and enthusiasm of a small company – doing the simple things well and looking after each of our customers, day in, day out.

Investing in high growth smaller companies

One of our most popular products is our range of venture capital trusts (VCTs). When they were introduced by the government in 1995, VCTs gave investors access to the UK economy's unsung heroes, its small business entrepreneurs. The UK has always had a flourishing private company sector, and VCTs have been able to tap into that growth potential.

Twenty years later, the young upstart has grown into an established investment class. VCTs have been gaining momentum, especially with people who are comfortable with the risks of investing in smaller companies and are looking for a tax-efficient way to complement existing retirement plans. In the 2014/2015 tax year, according to the Association of Investment Companies, VCTs paid £240 million in dividends to investors, the highest dividend pay-out since VCTs began.

Talk to Octopus to find out more

We think VCTs offer great investment potential, with some exciting tax benefits attached. But VCTs also contain risks. We hope we have explained the risks clearly on page 20, but if you have any questions after reading this brochure, please give us a call on **0800 316 2295** or visit octopusinvestments.com.

“Most people have been let down by financial services companies at one time or another. Here at Octopus we dare to be different.”

Simon Rogerson, chief executive

Five promises from Octopus

Being different means putting our customers first, every time. Our relationship with our customers is more important than anything else. So, here are **five promises** we are determined to keep.

- ① **We'll always remember that it's your money** - This means we work for you, so if you want to talk to the fund managers who invest your money, you can. Just call us on **0800 316 2295** or pop in for a visit.
- ② **We'll never treat you like just another customer** - We don't use call centres and we don't have recorded messages telling you "how important your call is". Our Client Relations team is frequently praised by our customers for the help and attention they give.
- ③ **We'll always keep trying to improve** - Having the courage to do things differently lets us create innovative solutions to the real problems people face.
- ④ **We'll keep putting customers first, not profit** - Octopus is owned by the people who work here. We're not accountable to shareholders demanding short-term profits, so we don't have to cut corners or lower our standards.
- ⑤ **We'll never let complexity win** - The best companies and products make your life simpler, not harder. Why should financial services be any different? Although we legally have to include some fairly complicated information in this brochure, we've done our best to avoid small print and tried to remove any unhelpful jargon. If we haven't got it right, please let us know.



VCTs – a home-grown success story

The first VCT was launched in 1995, and the VCT industry has grown remarkably since then. VCTs offer significant benefits for investors, but also provide a valuable source of funding for hundreds of UK smaller companies.

VCTs were set up by the government to support investment into UK smaller companies. By adding useful tax incentives, it was hoped that individuals would be encouraged to invest in some of the UK's most promising, entrepreneurial businesses.

But this more dynamic sector of the UK market comes with higher risks for investors. Smaller companies often struggle in their early years and have a higher failure rate than larger companies. Investors should therefore be aware that the tax benefits of VCTs are offered because of the greater risks involved. Not all of them will go on to be successful, but the statistics show that there's a clear and positive impact for many companies that obtain VCT funding.

VCTs are an increasingly popular asset class

The continued support of a growing number of VCT investors is helping to fund more UK smaller companies. According to the Association of Investment Companies (AIC), almost £430 million was invested in VCTs in the 2014/15 tax year, and the total amount invested in VCTs currently stands at an impressive £3.5 billion¹.

VCT money is helping to create jobs, reward innovation and bolster the UK economy. If the economic recovery can continue, it raises the prospect of more VCT companies becoming established, successful businesses

in their own right. And of course, to complete the circle, the VCT selling its shares in these companies is good news for investors, as it means more potential for tax-free dividend payments.

What are the investment benefits?

VCTs aim to deliver a tax-free income to investors and are often used as a way to complement existing investment plans. New VCTs can take a few years before they start generating tax-free income. Therefore, investors often prefer well-established VCTs that already have an existing portfolio of companies and a track record of paying tax-free dividends.

To qualify for the tax benefits explained on page 7, VCTs have to invest in smaller companies that meet certain criteria. Since smaller companies have a higher failure rate than larger companies, it makes sense for a VCT to diversify its portfolio by including a number of VCT-qualifying companies. That way, if a company fails, the drop in value will have less of an impact on the total returns of the VCT.

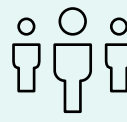
¹Source: Association of Investment Companies, April 2015.

Investment**£2.6m**

Average size of VCT investment per company¹

Turnover**£9.8m**

Average increase in company turnover since VCT investment¹

Employment**49**

Average number of new employees per firm since VCT investment¹

Exports**32%**

Proportion of VCT-qualifying companies who exported their goods or services in 2013¹

What are the tax benefits?

Income tax relief - Up to 30% income tax relief on the amount you invest in each tax year, as long as you hold the shares for at least five years. You can only claim income tax relief on VCT investments of up to £200,000 in each tax year, and the income tax relief you get cannot exceed the amount you're expected to pay.

Tax-free dividends - If your VCT pays dividends there's no tax to pay, and you don't have to declare them on your tax return.

Tax-free capital gains on the sale of your shares - If the value of your shares increases, you will not be liable for capital gains tax when you sell them, any growth is tax-free.

A UK taxpayer who invests £10,000 in a VCT would be able to reclaim £3,000 from their income tax bill (30% of £10,000).

What are some of the risks?

VCTs are high risk and should be considered as long-term investments. The value of your investment, and any income from it, could fall or rise. You may not get back the full amount you invest.

VCT shares are likely to be more volatile than those of larger companies. It is usually more difficult for investors to sell their shares compared with many other types of investment (that's why it's always worth checking the VCT manager's record of buying shares back from investors after five years). VCTs have minimum investment limits and certainly won't be suitable for everyone. If investors are not comfortable with any of the associated risks, then such investments aren't right for them.

VCT shares should be held for a minimum of five years. If you sell before then, you will have to repay any income tax relief you've received. It's important to note that tax treatment depends on your individual circumstances and can change in the future. Tax reliefs also depend on the VCT maintaining its qualifying status. For full details on risks, please see page 20.

¹Source: 'Going for growth' VCT investment 1997 to 2013, Association of Investment Companies, June 2014.

Octopus Apollo VCT – a diverse portfolio of established, profitable businesses

Octopus Apollo VCT looks to invest in established, profitable companies that the investment team is confident will support the VCT's target of providing investors with a stable, regular tax-free dividend income.

Regular income

Regular income strategies are designed for investors seeking a steady stream of tax-free dividend payments. Octopus Apollo VCT aims to provide investors with an annual dividend of 5p per share.

While smaller companies often struggle in their early years, and have a higher failure rate than larger companies, the managers of Octopus Apollo VCT aim to preserve the value of your original investment, along with paying regular tax-free dividends year after year.

Building a stronger portfolio of companies

New investors will be buying into a diverse portfolio of around 25 established, VCT-qualifying companies. With this new share offer, the investment team will look to provide additional funding to portfolio companies that the team knows and understands well and believes would benefit from greater investment to help their growth. The team will also invest in new profitable companies with attractive positions in their markets.

Finding the right companies

To maintain its focus on providing a stable, regular income, Octopus Apollo VCT looks to invest in VCT-qualifying companies that meet some or all of the following criteria:



Established and successful management team



Annual profits of at least £1 million



High level of repeat business



Broad customer base



Competitive advantage that reduces the risk of losing customers

However, we always remind investors that VCTs are high risk investments that place your capital at risk. For full details on risks, please see page 20.

Finding the right companies to invest in

The Octopus Apollo VCT investment team uses several different approaches to find suitable companies to invest in. As well as conducting its own research, the team regularly talks to companies that specialise in finding or providing financing for small and medium-sized businesses. This helps to identify funding gaps in companies that could suit Octopus Apollo VCT's investment mandate. Much of this work is driven by forming strong relationships, so the reputation of the team, and the performance track record of Octopus Apollo VCT, are important factors.

A thorough investment process

Investments are usually structured as part loan and part equity. This helps to ensure that the VCT:

- Receives a regular income from loan interest and repayments which enables Octopus Apollo VCT to pay investors regular tax-free dividends. By investing in a company's debt, as well as its shares, there's a greater chance that the VCT will get some or all of its money back if the business fails.
- Can also benefit from capital gains when the investment team sells the equity stake it has in a business. This means Octopus Apollo VCT can participate in the value created by the company if it grows.

This combination of debt and equity investment helps ensure the VCT continues to generate a stable, regular income whilst still benefiting from greater potential returns if the underlying companies perform well.

The investment team uses a rigorous screening and due diligence process, including commissioning independent advisory firms to supplement the research undertaken by the team. Investments also require the approval of various independent committees within Octopus, as well as Octopus Apollo VCT's Board of Directors.

Members of the investment team usually take a seat on the boards of the companies they invest in. This ensures the team can closely monitor the company's progress, offer continued support to the business and also help to identify further funding requirements.

Octopus expertise

At Octopus we think it is important to invest in ways that make a positive contribution to society, as well as a compelling investment case, and we want every Octopus customer to feel good about having invested with us. Octopus Apollo VCT also benefits from investing in two of our strongest areas of expertise that we believe closely match the aim of paying out a stable, regular tax-free dividend income to investors.



Healthcare

Octopus Apollo VCT will continue to invest in healthcare sector companies.

Such investments are often secured against land or buildings, and due to the recurring, long-term nature of healthcare revenues, they also generate regular income. People are getting older and living longer. There are approximately 15 million over-60s and 1.5 million over-85s in the UK¹. This is expected to continue rising and there is a growing need for investment. Octopus has a dedicated healthcare sector team that can help to find appropriate VCT-qualifying opportunities for the investment team.



Renewable energy

Energy continues to represent an attractive industry for Octopus Apollo VCT investors.

In recent years, various measures have been put in place by the Government to encourage investment in renewable energy in the UK. The investment teams at Octopus have invested more than £1 billion² in renewable energy from various Octopus managed funds and companies, including Octopus Apollo VCT. The team will continue to seek VCT-qualifying investment opportunities in energy sectors where we have confidence in the operational performance, long term running costs and returns.

¹Source: Age UK, Later Life in the United Kingdom, October 2015.

²Source: Octopus Investments, October 2015.

Backing established, profitable companies

CLIFFORD THAMES
TECHNOLOGY · CONSULTING · OUTSOURCING



**Countrywide
Healthcare**

Business know-how for car makers

Clifford Thames is a key partner to some of the world's leading motor manufacturers. They rely on the Chelmsford-based company's software, consultancy and business outsourcing expertise to help them grow and manage their businesses. Customers include Ford, GM Europe, Jaguar Land Rover, Mercedes-Benz and Renault. Global expansion has seen Clifford Thames open offices in ten countries. The data its software captures is used by customers in over 160 countries.

The company is an attractive investment for Apollo VCT because its revenue streams are recurring, so they are likely to be more stable and predictable. We are impressed by its proven management team and a history spanning 60 years. We also feel Clifford Thames is focused on its customers, which is reflected in its excellent record of customer loyalty.

Supplier keeps care homes well stocked

Countrywide Healthcare Supplies is a 'one-stop shop' supplier to the UK's rapidly growing care home sector. The company specialises in delivering a wide range of healthcare and cleaning products, as well as furniture and bedding. From its 80,000 square foot distribution centre in South Yorkshire, Countrywide serves many of the biggest names in the UK care home industry. The company was set up by four former National Health Service work colleagues and now employs over 60 people.

We were attracted to Countrywide by its strong and recurring revenues. We think the company has a good focus on customer service, with high levels of customer retention creating repeat business opportunities.

“Octopus first invested in us in 2010 and quickly developed not only a firm grasp of the business, but also a very close, open and honest relationship. We highly value the support and strategic advice that Octopus has brought to the company and the long-term partnership we have created.”

Calvin Barnett,
chief executive officer
Clifford Thames

“It was clear the team at Octopus knew exactly what we were looking to achieve at Countrywide, and the potential and growth that could be realised. Octopus shares our vision, they understand the market and they are as enthusiastic and committed to delivering high quality customer service as we are.”

Alastair Kitching,
managing director
Countrywide



Strong support for supply chain professionals

Business executives responsible for managing their company's supply chain improve their performances with support from SCM World. Supply chain specialists benefit from SCM's unique combination of networking, training, research and reports. SCM also hosts exclusive events where leading supply chain experts share and discuss the latest ideas. Many of the world's largest companies are SCM customers, including Nike, Microsoft and Unilever. This fast-growing company was founded in 2009 and is based in London, with an office in Boston.

What really impresses us about SCM is the company's highly capable management team and its track record of growth. Customer contracts give SCM regular revenue streams which are likely to continue in the future.

“We were impressed with the Octopus team’s ability to quickly understand our business and strategy, and share our enthusiasm for the future possibilities. This is an exciting time for our business – and we’re pleased to have Octopus on board as a strategic partner for this next stage in our growth journey.”

Oliver Sloane,
chief executive officer
SCM World



Monitoring software for remote workforces

It's important for care and facility management companies to be able to keep track of their remote employees, especially if they work at multiple locations. Home visits by care companies, in particular, are becoming more popular. Customers like Saga, Mitie, Servest and several UK councils use CMM's remote workforce management software to monitor the time and attendance of their workers as well as the outcome of the care provided.

We're excited by this investment because CMM is a growing business with recurring revenues in a fast-growing sector. The care market is expanding rapidly to meet the increasing demands of an ageing population, with more people looking for care in their own homes for longer. We believe CMM is well positioned to expand further, both in the UK and overseas.

“Whilst we have had many other potential investors contact us over the past few years there has only ever been one that we seriously considered. Octopus recognise the challenges faced by owner/managers and this is one of the reasons why we felt their expertise would get us to the next level.”

Peter Longman,
group chief executive officer
CMM

A strong track record of paying regular tax-free dividends

Since its launch in 2006, Octopus Apollo VCT has built a strong track record of paying regular tax-free dividends, targeting 5p per share annually.

Dividend history

One of the main benefits of VCTs is their potential for paying tax-free dividends to investors. Octopus Apollo VCT paid its first dividend in 2008 and since then has paid out a total of 30p per share to investors¹.

As well as regular tax-free dividends, Octopus Apollo VCT investors could also potentially benefit from their shares increasing in value over the years. As long as the shares are held for at least five years, there's no capital gains tax to pay when you eventually choose to sell them. But remember, past performance is not a reliable indicator of future results and the value of shares can fall as well as rise.

What is Net Asset Value (NAV)?

You'll often see us referring to the net asset value, or NAV, of the VCT. The NAV is the way we show the value of the VCT's shares, and is often expressed as a number per share.

We calculate the NAV of the VCT by:

Taking the combined value of all the VCT's existing assets (everything owned by the VCT) at their current market value.

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Deducting the value of the VCT's liabilities (its debts or financial obligations).

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NAV

We calculate NAV per share by:

NAV

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Total number of VCT shares

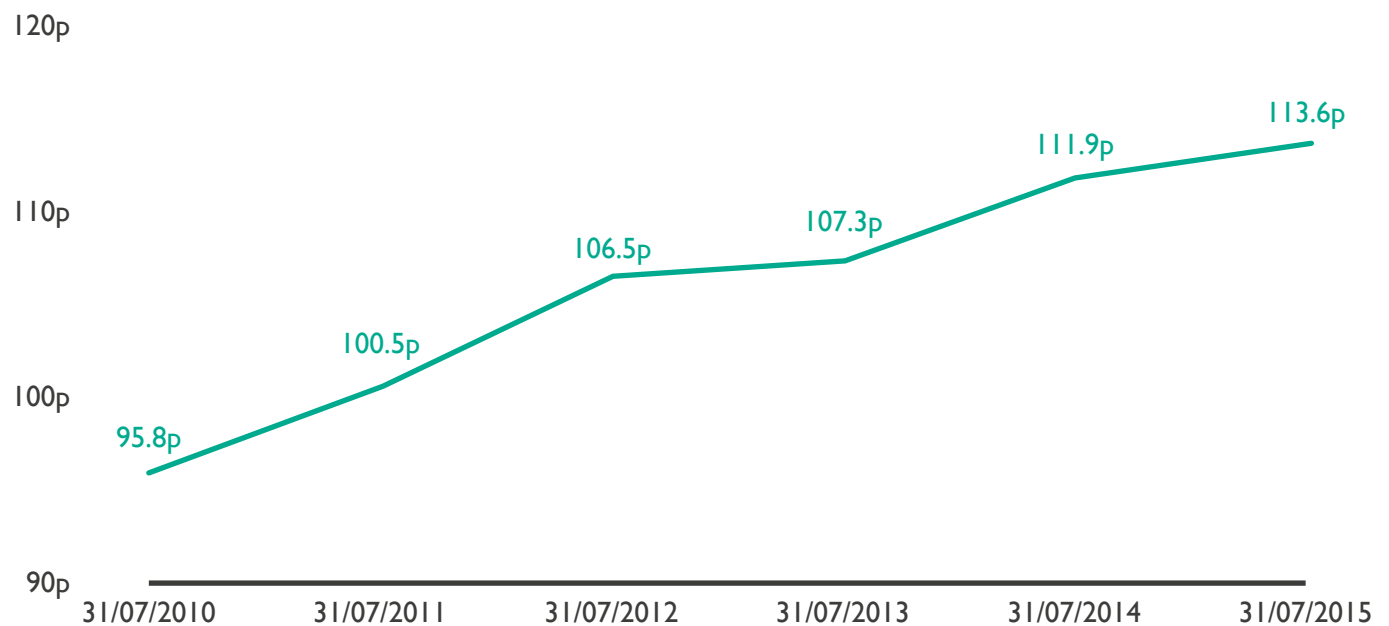
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NAV per share

¹Correct at 31 July 15.

NAV per share plus cumulative dividends paid

Pence per share



Five-year performance

	12 month performance for the period ended				
	31/07/2011	31/07/2012	31/07/2013	31/07/2014	31/07/2015
Annual total return	5.3%	6.7%	0.9%	5.3%	2.0%
Annual dividend yield	3.4%	5.6%	4.9%	5.7%	5.8%

Source: Octopus Investments, 31 July 2015.

The performance information above shows the total return of Octopus Apollo VCT for the last five years to 31 July, the VCT's interim accounting period. The annual total return for Octopus Apollo VCT is calculated from the movement in NAV over the year to 31 July, with any dividends paid over that year then added back. The revised figure is divided by the NAV at the start of that year to get the annual total return. Performance shown is net of all fees and costs (these can be found on page 24). The annual dividend yield is calculated by dividing the dividends paid per annum by the NAV at the start of the period.

Important information

Past performance is not a reliable indicator of future results and may not be repeated. Dividends are not guaranteed and tax treatment is subject to change (see page 20). Please note, the NAV per share may be higher than the share price, which is the price you may get for the shares in the secondary market (this is explained on page 19).

New share offer

Octopus Apollo VCT is open for investment through a new share offer of £30 million. This money will be used to invest in established, profitable companies that the investment team is confident will support Octopus Apollo VCT's target of providing investors with a regular tax-free dividend income.

Reasons to invest

Octopus Apollo VCT looks to invest in established, profitable companies that the investment team is confident will support the VCT's target of providing investors with a stable, regular tax-free dividend income. New investors will gain access to a diversified portfolio of around 25 established companies. This portfolio of successful companies gives us greater potential to achieve the target dividend of 5p per share every year.

Applying for shares

Once you've read the prospectus (available to download at octopusinvestments.com/apollo) and decided to invest, complete the application form on page 27 and return your completed application to us. We'll contact you when we've received your application, and we'll let you know if we need any further information.

VCT shares have to be created and then issued to shareholders, a process that is called 'share allotment'. Share allotment usually takes place several times throughout the fundraising, and we'll get in touch to confirm when your shares have been allotted.

As with any investment, there are risks you need to be comfortable with before you make a decision. Please read about these risks on page 20 and in the prospectus for the share offer. We would also encourage you to talk to your financial adviser about whether this investment is right for you.

Reinvesting dividends

Octopus Apollo VCT now gives you the option of reinvesting any dividends, allowing you to purchase more Octopus Apollo VCT shares. This could help to increase your shareholding (and get further income tax relief on the additional shares allotted). If you want to do this, you can tell us on your application form. You can also tell us what you'd like to do at any time throughout your investment, and you can always change your mind.



New share offer details

The new share offer aims to raise £30 million with an over allotment facility of an additional £10 million. It is open until 1 November 2016, but may close earlier if the fundraising target is met.

Octopus Apollo VCT is targeting a regular tax-free dividend income of 5p per share annually.

The minimum investment is £5,000. The maximum investment still qualifying for income tax relief is £200,000 per year.

A close-up photograph of a person's hands working on a green printed circuit board (PCB). The person is wearing a dark blue uniform with the 'Vista' logo and name printed on it. They are using a soldering iron to work on a component on the board. The board is populated with various electronic components, including several green electrolytic capacitors and a large black integrated circuit. The background is slightly blurred, showing more of the person's uniform and the workbench.

Vista

Vista provides maintenance for electronic point of sale devices, such as tills and credit card chip & PIN devices, to some of the best known high street retailers. Octopus Apollo VCT made its first investment in Vista back in 2014.

The Octopus Apollo VCT investment team

The Octopus Apollo VCT investment team features individuals who've come from a variety of professional backgrounds. Before joining Octopus, they worked in areas such as private equity, banking, accountancy and corporate finance, across a wide range of industry sectors. They have extensive experience of working with smaller companies on both an executive and non-executive basis. Members of the team are frequently appointed as directors and sit on the boards of the companies they work with. They are on hand to offer help and advice, networking opportunities and further funding. This allows them to play a prominent role in each company's ongoing growth.

The Octopus Apollo VCT investment team is supported by the Octopus Investment Committee, which is formed of senior investment professionals independent of the Octopus Apollo VCT team. The Investment Committee provides a further layer of independent challenge and insight to investment decisions.

The Octopus Apollo VCT Board of Directors

The Board of Directors for Octopus Apollo VCT acts independently of Octopus. The Board operates in a non-executive capacity and is responsible for overseeing the VCT's investment strategy. The directors are there to represent the interests of Octopus Apollo VCT shareholders. They have broad experience of investment in companies of all sizes, both small private companies and larger public companies.

You can find full details of the Board in the Octopus Apollo VCT prospectus available at octopusinvestments.com/apollo.

Charles Street



Clara Hansen



Edward Keelan



Felicity Pickersgill



Grant Paul-Florence



Ian Potter



Jason King



Joe Hartman



Explaining our VCT merger plans

As well as raising new funds for Octopus Apollo VCT, we're also proposing to merge Octopus Apollo VCT with Octopus VCT 2. This follows the successful merger of Octopus Apollo VCT and Octopus VCT in November 2014.

We believe this merger is in the best interests of shareholders in both VCTs, for the following reasons.

Greater portfolio diversity

Combining the portfolios of Octopus Apollo VCT and Octopus VCT 2 would create a larger portfolio of companies, expanding Octopus Apollo VCT's current range of investments in similar sectors and with a similar investment strategy. This would create a more diversified portfolio for investors.

Economies of scale

The costs of running the merged VCT will be lower than the costs of running two separate VCTs. Every year we are legally required to send every Octopus Apollo VCT and Octopus VCT 2 shareholder different sets of reports and accounts. If the merger is agreed we would be able to send investors one single report each time, reducing waste. For investors in Octopus Apollo VCT, spreading these fixed costs over a larger merged VCT will be beneficial.

A simpler investment structure

The investment team responsible for Octopus Apollo VCT also manages Octopus VCT 2. Therefore, it makes sense to combine the two and let our managers focus all their efforts on managing one single portfolio of companies to the benefit of a greater number of shareholders.

What can Octopus Apollo VCT investors expect after the merger?

- They would be shareholders in a well-diversified VCT portfolio featuring an expanded number of companies from a larger number of investment sectors.
- They would own shares in a VCT of significant size and strength, making it one of the largest VCTs in the UK.

About Octopus VCT 2

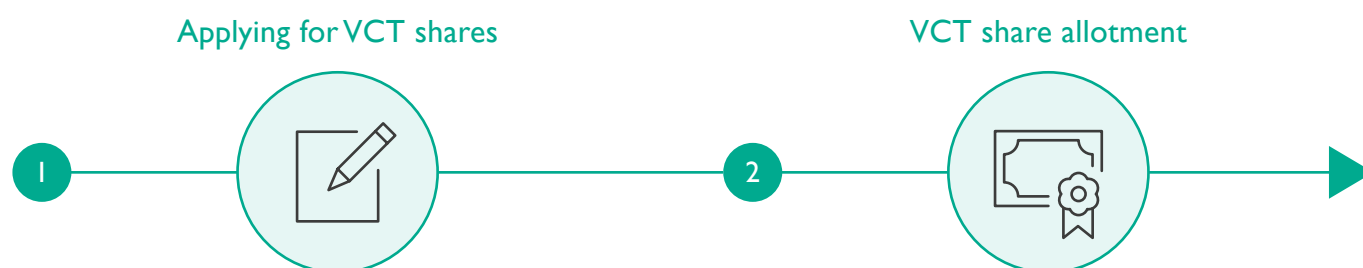
The investment approach taken by Octopus VCT 2 is similar to Octopus Apollo VCT. Both target stable returns and payment of a regular income by investing in the debt and equity of companies operating in various sectors. Octopus VCT 2 has also had a particular focus on the renewable energy sector.

Next steps

The proposed merger will depend on the outcome of votes from Octopus Apollo VCT and Octopus VCT 2 shareholders.

Taking you through the life of your VCT investment

This section tells you what to expect from your investment over the course of its life, from making the application, the first five years and what to do when you decide to sell your shares.



Once you've read the prospectus (available at [octopusinvestments.com/apollo](https://www.octopusinvestments.com/apollo)) and decided to invest, you should complete the application form on page 27 and return your application to us.

We'll contact you when we've received it, and let you know if we need any further information.

After your investment funds have cleared, we will allot your VCT shares at the next share allotment date. Upcoming share allotment dates are usually listed on our website, and we'll be in touch to confirm once your shares have been allotted. Please note, it can take up to three months before VCT shares are allotted; however, we always aim to allot shares within the financial tax year requested.

After this, you can expect to receive your Octopus Apollo VCT share certificate and income tax certificate (you need this to claim your income tax relief). The process for claiming your income tax relief is very simple, and we will enclose a guide along with your certificates. If you have any questions, just call **0800 316 2295** and we'll take you through the process.

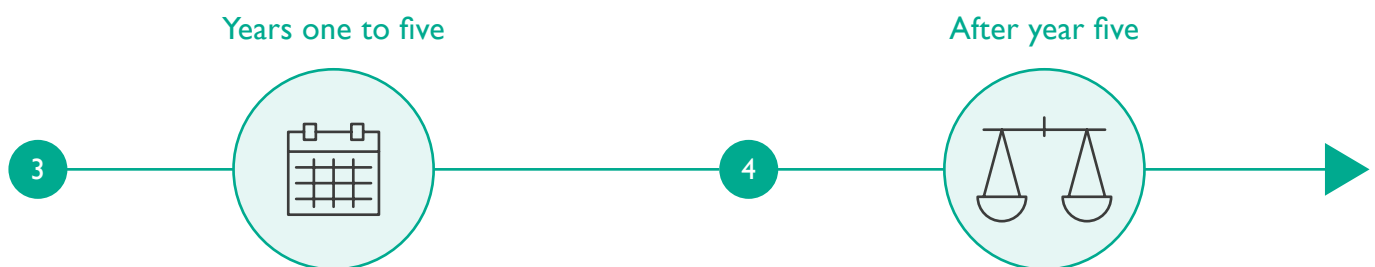
Selling your VCT shares

The price of Octopus Apollo VCT shares is quoted on the London Stock Exchange, which means you can buy or sell the shares at any time. However, you will need to use a stockbroker or open a share dealing account to do this. If you sell your shares before the five-year minimum holding period has ended, you will have to tell HMRC and repay any income tax relief claimed. You should also note that the price you are quoted to buy or sell VCT shares may not reflect their underlying Net Asset Value.

Claiming income tax relief after selling VCT shares

The Finance Act 2014 introduced restrictions on investors looking to buy and sell VCT shares in the same VCT in order to claim income tax relief twice.

Claims for income tax relief will be restricted if the investor buys or sells shares in the same VCT within a six-month period. This same rule continues to apply beyond the end of the five-year holding period.



We'll keep you updated on the performance of your investment. We'll also send you interim (half-yearly), and annual reports containing the full financial statements for the VCT.

Providing sufficient cash is available, Octopus Apollo VCT will aim to pay out tax-free dividends. Most of our VCT shareholders choose to have dividends paid directly into their bank account via the BACS system, but you can also ask us to pay dividends by cheque. You can also reinvest your dividends to get further income tax relief on the amount you reinvest. Please note that reinvested dividends would be included as part of your £200,000 annual VCT investment limit.

After the five-year holding period for your VCT shares has passed, you can choose to sell your shares without having to repay any income tax relief already claimed.

The Octopus Apollo VCT Board of Directors aim to offer a 'share buyback facility', which will buy your shares at a discount of up to 5% of NAV. This is done through a dedicated share broker, so call **0800 316 2295** and we'll pass on the broker's details.

Please note, Octopus Apollo VCT will only buy back shares if it has enough funds available. This means we can't guarantee shares will always be sold on request.

We expect the Octopus Apollo VCT share buyback facility to be closed during the dates listed below, although dates could change slightly from year to year.

- 1 February – 31 May.
- 1 August – 30 September.

If you're interested in selling your Octopus Apollo VCT shares, please call **0800 316 2295** and we'll talk through the options available to you.

Understanding the risks

All of us face different risks every day. As long as we are aware of these risks, and feel prepared for them, we can choose to accept them or not. Investments are just the same.

We want to make sure you understand and feel comfortable with the risks associated with this investment before making any decisions. If you have any questions about the risks mentioned here, please talk to a professional financial adviser.

Any decision to invest in Octopus Apollo VCT should be made on the basis of information in the prospectus, found at octopusinvestments.com/apollo.

This is a long-term investment

You should be prepared to hold your shares for a minimum of five years. If you decide to sell your shares before then, you will be required to repay to HMRC any upfront income tax relief you've claimed.

It should be considered a high-risk investment

Octopus Apollo VCT invests in companies that are not listed on the main market of the London Stock Exchange. Investments in smaller companies can fall or rise in value much more sharply than shares in larger, more established companies. If you're not comfortable with the risks involved with unlisted companies, this investment may not be right for you.

You could lose money

There's no guarantee that the amount you invest (your capital) will be returned to you. You may not get back the full amount invested.

Your shares may be difficult to sell

There isn't an active market for VCT shares in the way there is for shares in big companies like BP and Vodafone. This means that if you decide to sell your Octopus Apollo VCT shares you may not be able to find a buyer, or you may have to accept a price lower than the Net Asset Value of the investment. However, Octopus will do its best to help you sell your Octopus Apollo VCT shares.

Past performance is no guide to the future.

The past performance of an investment is not a reliable indicator of future results. Nor should you rely on any forecasts made about future returns.

Tax rules can change

The VCT tax benefits we've described in this brochure are correct at the time of going to print. However, rates of tax, tax benefits and tax allowances do change. In addition, the tax benefits available to you through this investment depend on your own personal circumstances.

The VCT's qualifying status could end

There is no guarantee that Octopus Apollo VCT will maintain its VCT status. If Octopus Apollo VCT loses its VCT-qualifying status, you will lose the tax benefits.

CMM has created specialist software that helps companies operating in the home care market. Octopus Apollo VCT made its first investment in 2015.

Risks relating to the proposed Octopus Apollo VCT and Octopus VCT 2 merger

For existing Octopus VCT 2 shareholders

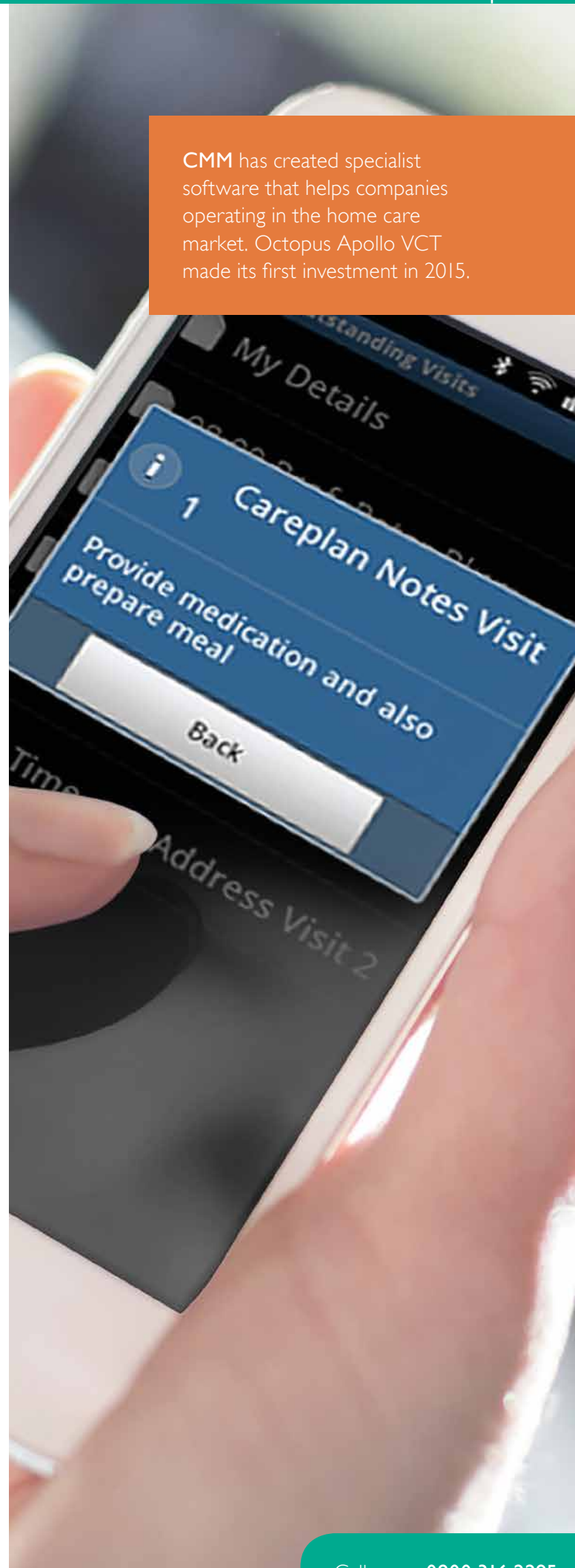
If the proposed merger is approved, shareholders in Octopus VCT 2 will find their shares become part of the merged Octopus Apollo VCT. Octopus VCT 2 investors cannot claim additional tax relief on the merged Octopus Apollo VCT shares.

For shareholders wishing to sell shares

The Finance Act 2014 introduced restrictions on investors looking to buy and sell VCT shares in the same VCT in order to claim income tax relief twice.

Claims for income tax relief will be restricted if the investor buys or sells shares in the same VCT within a six-month period. In the case of a VCT merger, sales and purchases of shares in either VCT pre-merger will be counted as if they were transactions in the same VCT post-merger.

This means that an investor in Octopus VCT 2 will not be able to claim additional income tax relief if they decide to sell Octopus VCT 2 shares and buy Octopus Apollo VCT shares within the next six months. This is also the case if the same investor were to buy Octopus Apollo VCT shares within the six months prior to selling their Octopus VCT 2 shares.



Conflicts of interest

Our investment structure is unlike that of most traditional fund managers. We've built strong relationships with many of the companies in which we invest, and we sometimes use different vehicles to invest in the same companies. This can present 'conflicts of interest' as we explain below.

With these relationships, there's a chance the interests of one group of investors will be at odds, or present a conflict, with the interests of another group, or with the interests of Octopus itself. We've tried to explain these conflicts – and what we do to make sure we manage these conflicts – as clearly as we can, but if you have any questions, please call us on **0800 316 2295**.

Investing alongside other Octopus funds

Our investment team will usually invest funds from Octopus Apollo VCT along with funds from other Octopus-managed products and sometimes even Octopus Investments itself. Through this co-investment, investors in Octopus Apollo VCT can have access to deals that may not have been possible without being part of the larger deal with other Octopus investors.

The role of Octopus employees

We often place an Octopus employee on the board of the companies we invest in, either as an observer or a director. This means we are able to closely monitor the investment we've made on behalf of our investors. Octopus takes an annual fee for this from the company we invest in.

When could conflicts of interest be harmful to investors?

Sometimes we have what we believe to be a good investment opportunity, but unfortunately are unable to invest as much money as we'd like, due to restraints such as the size of a company or amount of investment available. In these instances, the amounts being

invested from different Octopus vehicles must be managed carefully too. We have agreed policies and processes in place to make sure this is done fairly, but sometimes, investors may still be limited in the amounts they can invest.

Fees for our services

We may receive fees from the companies that Octopus Apollo VCT invests in (for example, when investing in a company or selling our investment in a company, as well as for appointing a representative to the board of directors). Such fees do not typically exceed 1.5% of the total amount invested by all Octopus managed funds (including Octopus Apollo VCT) per annum, assuming an investment of £5 million and a holding period of five years. The costs of all deals that do not proceed to completion will be borne by Octopus.

Controlling conflicts of interest

Our goal is to make sure that the interests of our customers are always looked after fairly. So, we have a number of controls in place to manage conflicts of interest.

Seeing the full picture

Our Investment Committee is responsible for reviewing new and existing investment opportunities. It's the Committee's job to make sure Octopus Apollo VCT's investment decisions are always managed in the best interests of investors, including how potential conflicts of interest are managed.

Managing the risks

Proposals that are likely to raise a significant conflict of interest are reviewed by a Conflicts Committee. The committee decides whether, given the risk of conflict, the proposal is being handled in an appropriate way.

Keeping relationships at ‘arm’s length’

By ‘arm’s length’ we mean that we conduct our business as if the other party were completely independent of us. Whenever we’ve identified a potential conflict of interest between businesses managed, owned or controlled by Octopus we set the terms and the price of each transaction completely independently. We do this by setting benchmarks from similar transactions taking place elsewhere in the wider market.

In addition, it is the responsibility of the Board of Directors for Octopus Apollo VCT to act independently of Octopus and represent shareholders’ best interests at all times.

Conflicts of interest are not a problem in themselves, but they do need to be managed carefully. Each potential conflict is treated on its own merits, but one thing is absolutely clear – we’ll look after your interests and aim to treat you fairly every time.



Fees and charges resulting from your investment

We believe in being absolutely transparent about what you pay for investing with us. We've outlined our charges in the table below, but if there is anything you don't understand, please call **0800 316 2295**. All our charges are taken from the money you invest in the VCT, so you won't ever have to send us any money to pay for the services we provide to you.

Four different ways to invest in Octopus Apollo VCT

- 1 You could apply through a financial adviser and agree for them to take an initial fee (paid through the VCT) for their services, without paying any ongoing charges.
- 2 You could request for your financial adviser to take a smaller initial fee and also receive an ongoing fee (paid through the VCT) for as long as you hold the investment¹.
- 3 You could apply through an execution-only intermediary – which doesn't offer financial advice, but will arrange for the VCT shares to be bought for you. The intermediary could charge a commission in return for this service.
- 4 You could make a direct application – without using a financial adviser or intermediary, although we always recommend investors seek financial advice before deciding to invest.

Performance fees

At Octopus, we want our investments to always do what we say they will. When the performance of the companies we invest in exceeds expectations, we think it's fair to charge a fee for delivering this outperformance. This means we will take an annual performance fee of 20% on gains above the average Bank of England base rate over the period.

		1 Advised (initial only)	2 Advised (initial and ongoing)	3 Execution only	4 Direct investor
Upfront charges	Initial fee (to Octopus)	2.5%	2.5%	2.5%	5.0%
	Adviser charges	up to 4.5%	up to 2.5%	-	-
	Commission (to Execution-only intermediary)	-	-	up to 2.5%	-
Ongoing annual charges	Annual management charges (to Octopus)	2%	2%	2%	2%
	Adviser charges ¹	-	up to 0.5%	-	-
	Commission (to Execution-only intermediary) ¹	-	-	up to 0.5%	-
	Direct application ongoing charge (to Octopus) ¹	-	-	-	0.5%
	Admin & Accounting charge (to Octopus)	0.3%	0.3%	0.3%	0.3%
Performance fees (see box above)		20%	20%	20%	20%

¹Ongoing adviser charges, direct charges or commission can only be paid for a maximum of nine years after the investment date; If the adviser or the Execution-only intermediary decides to take less than the full amount shown in the table, Octopus Apollo VCT will use the money left over to buy more shares for you.

A close-up, low-angle shot of a male mechanic with dark hair and a beard, wearing a black t-shirt and silver work gloves. He is focused on working on the underside of a vehicle, specifically the suspension or drivetrain area. The lighting is dramatic, highlighting the textures of the metal parts and the mechanic's concentration. The background is dark and out of focus, emphasizing the mechanical work.

Clifford Thames provides software, consultancy and business outsourcing expertise to the world's leading motor manufacturers. It's been an Octopus Apollo VCT holding since 2010.

How to invest

If you have a financial adviser

We suggest you contact your adviser in the first instance as they will be able to help you complete your application. If your adviser has any questions, they can call us on **0800 316 2067** or visit [octopusinvestments.com](https://www.octopusinvestments.com).

If you are investing directly

The application form starts on the next page. If you have any questions, you can call our Client Relations team on **0800 316 2295**. Please remember that we can't offer investment or tax advice, but we'll be happy to talk you through the application process and help you with anything else we can.

Any decision to invest should be made on the basis of the information contained in the prospectus. The prospectus can be found at our website [octopusinvestments.com/apollo](https://www.octopusinvestments.com/apollo). We can also post a copy to you; just call **0800 316 2295** or email clientrelations@octopusinvestments.com.

What if I change my mind?

You can't cancel your investment, but if you change your mind after you've sent us your application, please let us know as soon as possible. If you contact us before your shares have been allotted, we may be able to return your money to you, but we can't guarantee this. After the allotment, you will not be able to cancel, but can sell your shares instead. See page 19 for details of how to sell your shares.



Giving us feedback

Outstanding customer service is at the heart of everything we do. But that doesn't mean we get it right every time. If you're not happy with the service we give you, please tell us. We'll listen to your complaint and acknowledge it in writing, as well as outlining how we plan to deal with it. And perhaps more importantly, wherever possible we'll try to improve things so it doesn't happen again.

Our complaints procedures follow the rules set out by the Financial Conduct Authority, responsible for regulating investment companies like Octopus, and the Financial Ombudsman Service, which has been set up to resolve disputes between consumers and companies.

If you want to make a complaint, you can email complaints@octopusinvestments.com, call us on **0800 316 2295** or write to us at: **Octopus Investments Limited, 33 Holborn, London EC1N 2HT**, and we'll do our best to help.

Complaints that we are unable to settle may be referred to the Financial Ombudsman Service who can be contacted at: Exchange Tower, London, E14 9SR. Further information can be found at [financial-ombudsman.org.uk](https://www.financial-ombudsman.org.uk).

The form has six sections:

1. About the Investor
2. About the Investment
3. Dividend reinvestment or payment
4. Adviser/intermediary details (to be completed by your adviser/intermediary)
5. Adviser/intermediary payment
6. Investor Declaration

How to complete the form

- Any decision to invest should be made on the basis of the information contained in the prospectus, which can be found at octopusinvestments.com/apollo. You can also request a copy by calling **0800 316 2295** or emailing us at info@octopusinvestments.com.
- Please make sure you answer all the questions marked with an asterisk *.
- Leave boxes blank where they don't apply to you.

What happens next?

- We will send you an acknowledgement that we have received your application, and your funds will be invested as quickly as possible.
- Once your funds have been invested we will send regular performance updates, to you or your elected nominee if you invested through one.

When you have completed the form, tick the following to confirm:

- Your decision to invest has been made on the basis of the information contained in the prospectus. The prospectus can be found at octopusinvestments.com/apollo. You can also request a copy by calling **0800 316 2295** or emailing us at info@octopusinvestments.com.
- You've answered all the questions that apply to you.
- If you are paying by cheque, you've enclosed your cheque from your personal account, made payable to '**Octopus Apollo VCT – Applications**'. We do not accept cheques from business accounts, third parties (including your spouse) or post-dated cheques. Banker's drafts or building society cheques must specifically mention the investor's name.
- Or, if you are paying via CHAPS/BACS, please send us your completed application form before transferring your investment to the following account making sure that you **reference the payment with your name:**

Account name:	Octopus Apollo VCT – Applications	Bank:	HSBC
Sort code:	40-03-28	Branch:	Holborn
Account number:	82721546		


Payments need to come from your personal account (we do not accept payments from business accounts or third parties, including your spouse).

- You've signed and dated where indicated in Section 6.

Return your completed form and documents to:

Octopus Investments Limited
PO Box 10847
Chelmsford
CM199 2BU

Got a question?

 Please speak to your adviser or call the Octopus team on **0800 316 2295**

 Email: info@octopusinvestments.com

We can't give investment advice, but we're happy to answer questions about anything else.



Before completing this Offer Application Form you should read the prospectus dated 2 November 2015 which includes the Terms and Conditions of the Offer. The Offer will close at 12 noon on 1 November 2016 unless it is fully subscribed prior to that date or closed earlier.

Section 1 – About the Investor

* Title (Mr/Mrs/Miss/Ms/Other)

* First name(s)

* Last name

* Are you an existing investor in any Octopus products? Yes No

* Date of birth (DD MM YYYY)

* Telephone numbers
 Home: Work:
 Mobile:

* National Insurance number

* Email address

* Address line 1

Address line 2

Address line 3

* Town/City

County

* Postcode

* Do you want to receive electronic or paper company reports? Email Paper

Information from Octopus Octopus may occasionally send you information that we believe to be of interest to you e.g. newsletters. If you would **not** like to receive such information, please tick the box.

Section 2 – About the Investment

* How much are you investing? The minimum investment per applicant is £5,000. There is no maximum investment; however, tax relief is only available on a maximum £200,000 in each tax year.

2015/16 £ 2016/17 £

* Cheque/banker's draft or bank transfer? Cheque/banker's draft Bank transfer

(Tick one box only)

Please enclose a cheque from your personal account, made payable to 'Octopus Apollo VCT – Applications'. We do not accept cheques from business accounts, third parties (including your spouse) or post-dated cheques. Banker's drafts or building society cheques must specifically mention the investor's name.

Please transfer your funds to the following account after first sending in your completed application form, making sure that you **reference the payment with your surname and initials:**

Account name: Octopus Apollo VCT – Applications

Sort code: 40-03-28 Bank: HSBC

Account number: 82721546 Branch: Holborn

Payments need to come from your personal account. (We do not accept payments from business accounts or third parties, including your spouse.)



Section 3 – Dividend reinvestment or payment

*** Dividend reinvestment or payment?**

Any dividends paid by the VCT can be reinvested in additional VCT shares, or received as cash payments into your bank account. Please select your preferred option. If you select the dividend payment option please complete the bank details section as well.

(You must select one of the two options)

Reinvest dividends

Pay out dividends

By completing this section you confirm that you've read and understood the terms and conditions of the Dividend Reinvestment Scheme as set out in Annex 1 of the prospectus.

Please give us details of the bank account you would like future dividends to be paid into (bank account must be in your name)

Sort code

Account Number

Account Holder Name

Please note that this instruction overrides any previous dividend instructions you have given us for existing holdings in Octopus Apollo VCT.

If you are a direct investor please go straight to **Section 5.1**.

Section 4 – Adviser/intermediary details (to be completed by your adviser/intermediary)

* Company

Title (Mr/Mrs/Miss/Ms/Other)

* First name(s)

* Last name

Telephone

* Address line 1

Address line 2

Address line 3

* Town/City

County

* Postcode

* Email address

* FCA number

Are you part of a network/service provider?

No

Yes – please give us the network/service provider name



Section 5 – Adviser/intermediary payment

***What type of investment is this?**
(Complete one section only)

All Octopus fees and charges are outlined in both the prospectus and brochure. The VCT can also facilitate payments to your financial adviser/intermediary. Please read the following text and then complete either 5.1 or 5.2. or 5.3 or 5.4. Failure to complete this section correctly could result in delays to your investment. If you have any questions please call us on 0800 316 2295.

- If you are submitting this application yourself with no adviser or intermediary, please complete **section 5.1**.
- If you have received financial advice for this investment and have agreed with your adviser to pay ongoing charges, please complete **section 5.2**.
- If you have received financial advice for this investment and have agreed with your adviser to pay no ongoing charges, please complete **section 5.3**.
- If you have used an intermediary but you have not received financial advice, please complete **section 5.4**. Any commission due will be paid by Octopus.

5.1 **This is a direct investment (please go straight to Section 6 – Investor Declaration)**

If you have any questions on this, please call us on 0800 316 2295.

5.2 **This is an advised investment with an initial adviser charge and/or an ongoing adviser charge**

Please indicate the level of initial adviser charge and/or ongoing charges you have agreed with your adviser. If you have agreed with your adviser that you are not paying the maximum available adviser charge, the remaining amount will be rebated to you as additional shares.

To my adviser

Initial: % (maximum available charge of 2.5%)

Ongoing: % (maximum available charge of 0.5%)

5.3 **This is an advised investment with an initial adviser charge and no ongoing adviser charge**

Please indicate the level of initial adviser charge you have agreed with your adviser. If you have agreed with your adviser that you are not paying the maximum available adviser charge, the remaining amount will be rebated to you as additional shares.

To my adviser

Initial: % (maximum available charge of 4.5%)

5.4 **This is a non-advised investment through an intermediary**

Initial Commission % Ongoing Commission %

Standard terms will apply if left blank. Commission should not exceed our standard terms (given in the Octopus Apollo VCT brochure), otherwise this form may be rejected.

Special instructions

Section 6 – Investor declaration

By Signing this form I HEREBY DECLARE THAT:

1. My decision to invest has been made on the basis of the information contained in the prospectus.
2. I have provided accurate information, to the best of my knowledge.
3. I consent to Octopus facilitating my adviser's fees and charges as set out in Section 5.

* Investor name

* Investor signature

* Date signed
(DD MM YYYY)

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
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Domicile and legal form

Octopus Apollo VCT plc was incorporated and registered in England and Wales on 7 June 2006 as a public limited company by shares under the Companies Act 1985 with registered number 5840377.

Important information

This advertisement is issued by Octopus Investments Limited.

Your attention is drawn to the risks set out on page 20. Nothing in this document should be regarded as constituting legal, taxation, investment or other advice and prospective investors are advised to consult their own professional advisers before contemplating any investment.

This advertisement is not a prospectus and any decision to invest in this product should be made on the basis of the information contained in the prospectus issued by Octopus Apollo VCT, which can be found on octopusinvestments.com/apollo.

This document does not constitute, and may not be used for the purposes of, an offer or invitation to treat by any person in any jurisdiction outside the United Kingdom. This document and the information contained in it are not for publication or distribution to persons outside the United Kingdom. It does not constitute a public offering in the United Kingdom or any other jurisdiction. Octopus Investments Limited has taken all reasonable care to ensure that all the facts stated in this document are true and accurate in all material respects, and that there are no other material facts or opinions which have been omitted where the omission of such would render this document misleading.

The information in this document was captured on 2 November 2015 and therefore may not be current. All communications issued by Octopus Investments will be in English.

Please note that investments in VCTs are not covered by the Financial Services Compensation Scheme.

Octopus Investments Limited, 33 Holborn, London EC1N 2HT is authorised and regulated by the Financial Conduct Authority, 25 The North Colonnade, London E14 5HS. The firm is on the Financial Services Register and its FCA registration number is 194779.

Call us
0800 316 2295

Email us
info@octopusinvestments.com

Visit us
Octopus Investments, 33 Holborn, London EC1N 2HT

Website
octopusinvestments.com