

Key Information Document

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

Octopus AIM 2 VCT plc

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This Key Information Document (KID) is issued and approved by Octopus Investments Limited, authorised and regulated in the UK by the Financial Conduct Authority (FCA).

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You are about to purchase a product that is not simple and may be difficult to understand

What is the product?

Shares in Octopus AIM VCT 2 plc (the "Company") which is a Venture Capital Trust (VCT) listed on the London Stock Exchange. It primarily invests into UK smaller companies that are not listed on the main London Stock Exchange, but are traded on London's Alternative Investment Market (AIM).

Investment policy

The long-term distribution of the Company's assets are intended to be largely a portfolio of qualifying AIM, NEX Exchange traded investments, or unquoted companies with an initial public offering (IPO) on AIM or NEX Exchange in the short to medium-term. Other investments are held for short term liquidity, generally comprising short-term cash, funds managed by Octopus, direct equity investments or money market deposits.

Shareholders should be aware that the Company's qualifying investments are held with a view to long-term capital growth as well as income and will often have limited marketability; as a result, it is possible that individual holdings may grow in value to the point where they represent a significantly higher proportion of total assets prior to a realisation opportunity being available.

Dividend policy

Octopus AIM VCT 2 intends to pay dividends to Shareholders and currently has a policy of paying a minimum dividend of 3.6p per year or a 5% yield based on share price, whichever is greater. In addition, the VCT can pay special dividends if there are significant gains from the sale of portfolio holdings.

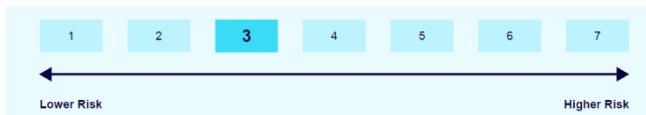
Who is this product suitable for?

A typical investor for whom the Offer is designed is a UK taxpayer over 18 years of age with an investment range of between £5,000 and £200,000 who considers the investment policy to be attractive. This may include retail and sophisticated investors, as well as high net worth individuals who already have a portfolio of investments. Investors need to be comfortable that investing in smaller UK companies is higher risk than some other investments and have a longer investment horizon of at least 5 years. Your shares may be difficult to sell, it may take time to find a buyer or you may have to accept a price lower than the NAV (net asset value – value per share on a specific date or time) of the investment.

Recommended Holding Period

There is no recommended holding period for VCT shares, although for the purposes of this Key Information Document (to allow you to compare this with other similar products) the recommended holding period is stated as 5 years. This is because VCT shares must be held for a minimum of 5 years in order to retain the 30% upfront income tax relief.

What are the risks and what could I get in return?



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is medium-low risk class. This rates the potential losses from future performance at a medium low level, however poor market conditions are likely to impact the amount you could get back. The risk indicator is based on the historical share price total return.

Investment in AIM / NEX Exchange traded investments and unquoted companies, which constitutes most of the Company's portfolio, by their nature, involve a higher degree of risk than some other investments.

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest £10,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

| Scenarios | | 1 Year | 3 Year | 5 Years (Recommended holding period) |
|-----------------------|-------------------------------------|---------|---------|--------------------------------------|
| Stress Scenario | What you might get back after costs | £4,486 | £6,173 | £5,396 |
| | Average return each year | -55.14% | -14.85% | -11.61% |
| Unfavourable Scenario | What you might get back after costs | £9,193 | £10,077 | £11,351 |
| | Average return each year | -8.07% | 0.26% | 2.57% |
| Moderate Scenario | What you might get back after costs | £10,338 | £12,360 | £14,776 |
| | Average return each year | 3.38% | 7.32% | 8.12% |
| Favourable Scenario | What you might get back after costs | £11,606 | £15,133 | £19,202 |
| | Average return each year | 16.06% | 14.81% | 13.94% |

The scenarios presented are an estimate of future performance based on evidence from the past, and are not an exact indicator. What you get will depend on how the market performs and how long you keep the investment. The stress scenario shows what you might get back in extreme market circumstances and it does not take into account the situation where we are not able to pay you.

The figures shown include all the costs of the product itself, where applicable, but may not include all the costs that you pay to your adviser or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

The figures shown do not include any upfront income tax relief you receive on your investment or take into account any penalties to which this investment may be subject, from HMRC, in the event of a sale before 5 years. Any dividends paid out by the VCT are also tax-free.

What happens if Octopus AIM VCT 2 is unable to pay out?

If the Octopus AIM VCT 2 is unable to facilitate a share buyback then you could sell your VCT shares on the secondary market. The number of buyers of second-hand VCT shares is limited, as a result, selling shares directly into the market can produce a poor result.

As a shareholder of the Octopus AIM VCT 2 you are not covered by the Financial Services Compensation Scheme (FSCS).

The value of the shares may go down as well as up. This product does not include any protection from future market performance so you could lose some or all of your investment.

There is no certainty that the market price of shares will fully reflect their underlying NAV or that any dividends will be paid, nor should shareholders rely upon any share buyback policy to offer any certainty of selling their shares at prices that reflect their underlying NAV.

The risk indicator assumes you keep the product for 5 years. If you decide to sell early the risk indicator may be different.

For full details on the risks associated with the Octopus AIM VCT 2 refer to 'Section D – Risks' of the VCT's Prospectus dated 3 August 2018, which is available on our website.

What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account one-off, ongoing and incidental costs. The amounts shown here are the cumulative costs of the product itself, for three different holding periods.

The figures assume you invest £10,000. The figures are estimates and may change in the future. The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. This does not take into account any penalties that may be incurred by HM Treasury for selling prior to the 5 year minimum holding period.

| Scenarios | If you cash in after 1 year | If you cash in after 3 years | If you cash in at 5 years |
|---------------------------------|-----------------------------|------------------------------|---------------------------|
| Total costs | £796 | £1,339 | £1,957 |
| Impact on return (RIY) per year | 8.40% | 4.42% | 3.61% |

The table below shows the impact each year of the different types of costs you might get at the end of the recommended holding period and, what the different cost categories mean. This table shows the impact on return per year.

| | | | |
|------------------|-----------------------------|-------|--|
| One off costs | Entry costs | 1.24% | The impact of the costs you pay when entering your investment. The entry cost assumes a Octopus initial charge of 5.5% (direct application) and is the most you will pay, if you invest through a discount broker or financial adviser the Octopus initial charge would be 3%. |
| | Exit costs | 0.00% | The impact of the costs of exiting your investment. See the 'How long should I hold it and can I take money out early' section below. |
| Ongoing costs | Portfolio transaction costs | 0.00% | The impact of the costs relating to buying and selling underlying investments for the product. This also includes arrangement, monitoring, director and exit fees. These costs are payable by the underlying portfolio companies rather than by the fund itself. |
| | Other ongoing costs | 2.38% | The impact of the costs taken each year. This takes into account the Octopus annual management charge of well as all other running costs associated with the fund (director remuneration, registrar fees, audit fees, listing fees, printing cost etc.) |
| Incidental costs | Performance fees | 0.00% | There are no performance fees associated with this product. |
| | Carried interests | 0.00% | There are no carried interests associated with this product. |

How long should I hold it and can I take money out early?

You must hold onto the shares for a minimum of 5 years in order to retain the upfront income tax relief. If you choose to disinvest before the 5 year holding period you will have to pay any income tax relief back to HMRC and there may be additional penalties.

Your shares may be difficult to sell, there isn't an active market for VCT shares in the way there is for shares in many other listed companies. This means that if you decide to sell your VCT shares, it may take time to find a buyer, or you may have to accept a price lower than the NAV of the investment. The Octopus AIM VCT 2 offers investors a share buyback facility, provided there are funds available and will purchase them at a small discount to the NAV price (currently 5%). The buybacks are conducted at the Board's discretion, therefore there are no guarantees that shares will always be sold on request.

How can I complain?

If you have a complaint, you can contact Octopus Investments by phone on '0800 316 2295', by email 'complaints@octopusinvestments.com' or in writing to 'The Complaints Manager, Octopus Investments Ltd, 33 Holborn, London, EC1N 2HT'.

Other Relevant Information:

Other relevant information relating to the Octopus AIM VCT 2 can be found in the Prospectus dated 3 August 2018 (which acts as the Terms & Conditions of an offer) which is the last Prospectus under which investment was sought and available on our website. For full details of the VCT's risks please see 'Section D – Risks' of the VCT's Prospectus. This Key Information Document is in relation to subscribing to new issue shares, if shares are purchased on the secondary market costs may be different and you would not be eligible to claim the 30% upfront income tax relief.

The cost, performance and risk calculations included in this Key Information Document follow the methodology prescribed by EU rules as stated in the PRIIPs Regulation and as transposed in UK law in the FCA Handbook.