

OCTOPUS

**EUREKA
EIS PORTFOLIO SERVICE**

BROCHURE WITH APPLICATION FORMS



OCTOPUS
INVESTMENTS

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WELCOME

The Eureka EIS Portfolio Service ('Eureka') offers a simple and effective solution to individuals looking to defer (and potentially reduce) a capital gain or significantly reduce their income and inheritance tax liabilities.

Since its establishment in 2000, Octopus has built a reputation for creating innovative and successful investment solutions that meet the needs of individual investors. We now have over 11,000 customers across our range of funds and we're growing our funds under management by more than 100% year on year.

Eureka is a bespoke portfolio service that offers a number of advantages over other products in the market and is structured in such a way as to greatly increase the return and reduce the risk of the investment. A further benefit is that it can be tailored to provide a solution to meet your specific needs.

I hope that you find this brochure clear and easy to understand. We always recommend that you seek independent financial advice before you invest, but if you do have any questions - or if it would help to speak to one of the fund managers - please call us on **0800 316 2298**.



Simon Rogerson
Chief Executive



ALEX INVESTOR

GUY OCTOPUS HEAD OF INVESTMENT

*I want to deal with
a company that doesn't
just understand my
problems but wants
to solve them.*

WELCOME TO OCTOPUS.

INTRODUCTION

Eureka is a discretionary portfolio service offering a dynamic solution to individuals looking to defer or reduce their capital gains, income and inheritance tax liabilities whilst also offering the potential for considerable capital growth.

TAX BENEFITS

EIS structures are one of the least understood investment products in the market but, for the right investors, they are also one of the most compelling. What's more, the change to capital gains tax rates announced by the Chancellor in October 2007 has made these structures even better for investors. So an investor who has realised a capital gain at 40% over the last three years can now invest in Eureka, knowing that when they come to sell their investment the tax rate on the capital gain originally deferred will have fallen from 40% to 18%. Combined with the 20% income tax relief, this provides investors with the potential for tax relief of 42%.

PERSONALISED SERVICE

Eureka is a discretionary portfolio service and is not a pooled investment or fund. The investments we make on your behalf will be held in your name and the tax reliefs and deferrals are generated as and when your money is invested in qualifying companies (typically invested over a 12-18 month period).

You can invest from £50,000 in Eureka and there is no maximum investment (but you will only receive income tax relief on qualifying investments up to £400,000 per tax year).

POTENTIAL FOR HIGH RETURNS

Eureka will be investing in UK smaller companies, one of the most dynamic and potentially highest return sectors of the market, and a core area of expertise at Octopus. Track record details of Octopus are shown in Appendix 1 on page 18.

You should remember that past performance of other Octopus products or Octopus fund managers is no guide to future performance and may not be repeated. Investments made by Eureka may be higher risk than investing in shares listed on the London Stock Exchange Official List and may be difficult to realise. The value of your investment could go down as well as up and you may not get back the full amount invested.

Tax rules and regulations are subject to change.

TAX ADVANTAGES

The tax advantages available to investors in Eureka provide you with a significant head start in comparison to more traditional investment products.

Provided the underlying investments made by Eureka are held for at least three years, you're entitled to four separate tax advantages:

- 20% upfront income tax relief
- 100% capital gains tax deferral for the life of the investment

Following the changes announced to capital gains tax rates (which will come into effect from 6 April 2008), the capital gain will be taxed at 18% rather than 40% when the investment is sold in the future.

- up to 40% loss relief on any holdings that fall in value
- 100% inheritance tax relief after two years (provided the investments are held at time of death)

These tax advantages depend on individual circumstances and if you're unsure of your own potential tax liabilities, you should seek professional advice from a qualified tax adviser.

TAX ADVANTAGE ONE - CAPITAL GAINS TAX DEFERRAL

If you've made a capital gain that is taxable, you can invest the gain into Eureka and the capital gains tax that was payable will, under current legislation, be deferred for the life of the investment. You should note that:

- capital gains tax deferral will apply as and when the investments into portfolio companies are made
- the proceeds must be invested into qualifying companies within three years from the date the gain was realised (ie you can even reclaim tax you have already paid)
- if you die while your money is invested, the tax due on your capital gain will die with you

What's more, the recent change to capital gains tax rates announced by the Chancellor have made EIS structures even better for investors. So an investor who has realised a capital gain at 40% over the last three years can now invest in Eureka, knowing that when they come to sell their shares the tax rate on this gain will have fallen from 40% to 18%. Combined with the 20% income tax relief, this provides investors with the potential for tax relief at an effective rate of 42%.

There is no upper limit on the size of the capital gain that can be deferred.

EXAMPLE

Mr Smith sold an investment property realising a taxable capital gain of £100,000. This gave rise to a £40,000 capital gains tax liability that Mr Smith is looking to defer. He therefore decides to invest his £100,000 gain into Eureka.

If the £40,000 tax bill was yet to be paid, at the point he receives the tax certificate from Octopus Mr Smith would simply advise HM Revenue & Customs that he had made the investment and he would not need to pay the tax. If it had already been paid to HM Revenue & Customs, then he would receive the £40,000 tax back as a refund.

Let's assume that Mr Smith decides to sell his investment three years later. At this point, his deferred capital gain will become taxable, but at the new, lower rate of 18%. This means that his capital gains tax bill has fallen from £40,000 to £18,000 (ie a saving of £22,000).

In addition to deferring the £40,000 capital gain, Mr Smith will also receive £20,000 of income tax relief (provided he has paid that amount in income tax).

TAX ADVANTAGE TWO - INCOME TAX RELIEF

Under current legislation, you receive 20% income tax relief on qualifying investments made through Eureka, up to a maximum of £400,000 per tax year (provided the underlying investments are held for at least three years). This tax relief is generated as and when the money is invested into portfolio companies and not from the date of your investment in Eureka.

ADDED BENEFIT

Eureka offers a further structural advantage in that individual holdings will, if possible, be sold after three years (the minimum holding period that allows investors to retain the initial income tax relief). The proceeds from these sales are then reinvested back into new investment opportunities, providing you with a further 20% income tax relief (assuming no change to the legislation). This has the effect of significantly enhancing the post-tax return over time.

TAX ADVANTAGE THREE - LOSS RELIEF

Loss relief is one of the most compelling features of the Eureka portfolio service and significantly improves the overall post-tax risk/return profile of your investment.

The reason that loss relief is so attractive is that each individual holding within the portfolio is assessed separately for this relief. This means that any individual holding that has fallen in value at the time of sale will qualify for loss relief irrespective of the overall portfolio performance. Even if only one holding within a portfolio of ten investments falls in value, you would be entitled to loss relief on this one holding.

Loss relief is defined as the tax that you can claim back, should your investment fall below the 'effective' cost of that investment. It is calculated at your marginal tax rate (ie up to 40%). The example below explains how this works in more detail.

EXAMPLE

Mrs Jones is a higher rate taxpayer earning £70,000 per year. She decides to invest £100,000 in Eureka. To illustrate how the loss relief works, we have assumed that one investment of £10,000 falls by 40% (ie from £10,000 to £6,000).

In calculating the loss relief on this one investment, the first thing to calculate is the 'effective' cost of investment. This is calculated as the starting value of the investment less the initial income tax relief:

Initial Cost of Investment	£10,000
Income Tax Relief (at 20%)	£2,000
Effective Cost of Investment	£8,000

The loss relief on this investment applies to the difference between the effective cost of investment (£8,000) and the end value of the investment (£6,000).

Effective Cost of Investment	£8,000
End Value of Investment	£6,000
Effective Loss	£2,000
Loss Relief (at marginal rate of 40%)	£800

Mrs Jones is entitled to loss relief at her marginal rate (ie 40%) on this effective loss of £2,000. This gives her £800 of loss relief which can be offset against income tax of that tax year or the preceding tax year, or against capital gains tax of that year or a future year (ie you can turn a capital gain deferral into a capital gain relief).

Although the underlying investment performance means that Mrs Jones' holding has fallen from £10,000 to £6,000 (ie down by 40%), the effect of the Eureka structure means that, on a post-tax basis, the result is:

End Value of Investment	£6,000
Initial Income Tax Relief	£2,000
Loss Relief	£800
Total	£8,800

Owing to the tax benefits, Mrs Jones' holding has only fallen from £10,000 to £8,800 on a post-tax basis (ie a fall of 12% rather than 40%). Her gain will remain deferred if the proceeds from the sale are reinvested into another qualifying company.

The following table shows the effect of different investment returns within the Eureka structure. All returns are shown on a post-tax basis and include the benefit of income tax relief and loss relief.

Investment Performance	With Tax Benefits
+80%	+100%
+40%	+60%
0%	+20%
-40%	-12%
-80%	-36%

NOTES

All positive investment returns are free of capital gains tax and are boosted by the 20% income tax relief if held for at least three years.

Negative returns are reduced by the 20% upfront income tax relief and the loss relief of up to 40% (dependent on individual circumstances) if held for three years.

TAX ADVANTAGE FOUR - INHERITANCE TAX RELIEF

On death, investments made by Eureka will qualify for 100% exemption from inheritance tax under current legislation, provided the investments have been held for at least two years.

This two-year period applies from the date the money is invested into portfolio companies and not from the date of your investment in Eureka.

EXAMPLE

Mr Wilson, a widower, is 80 years old and has an annual income of £60,000 and a total estate worth £800,000. Under current legislation, his taxable estate would be £500,000 (ie £800,000 less the current tax-free allowance of £300,000). This would result in an inheritance tax liability of £200,000 (ie 40% of £500,000). Mr Wilson therefore decides to invest £100,000 in Eureka.

In addition to tax-free capital growth on his original investment of £100,000, Mr Wilson will also receive £20,000 of income tax relief (provided he holds the investments for three years) and his estate will save £40,000 in inheritance tax upon his death (assuming no change in the value of his £100,000 investment).



ALEX INVESTOR

*I've worked hard
for my money. How
do I know you'll
look after it?*



TOBY OCTOPUS DIRECTOR OF SALES

WE UNDERSTAND
THAT AND WE ARE
NEVER RECKLESS WITH
YOUR MONEY.

INVESTMENT STRATEGY

WHERE IS YOUR MONEY INVESTED?

We will typically invest your money in a portfolio of at least 10 'qualifying' companies. These will be private companies or companies listed on the Alternative Investment Market (AIM) (part of the London Stock Exchange). Some types of company, such as investment companies, property companies and oil and mining companies, do not qualify and therefore we will not invest in them.

To understand and evaluate each investment opportunity, we go through a rigorous process that involves spending time with a company's management team, evaluating their competitors and reviewing financial models. We'll only invest when we're confident that we've found the right company at the right price.

INVESTMENT ALLOCATIONS

Allocations of investment opportunities between clients are generally made pro rata to the initial level of demand by each client.

THE TEAM

Members of our team have substantial experience and a strong track record in smaller company investing.

Octopus is one of the fastest growing fund management companies in the UK. We're doubling our customer base year-on-year, and now have over 11,000 investors and more than £400 million invested across our range of products.

Our reputation for excellence means that we have attracted some of the most experienced investment professionals within the industry to invest your money. And it shows - our Eclipse VCT was voted 'New Venture Capital Fund of the Year 2004' and we were voted as 'Best VCT Provider of the Year' in the Professional Adviser awards held in January 2007.

GUY MYLES

Guy is Head of Investment at Octopus and has more than 11 years' experience of managing investment portfolios

SIMON ROGERSON

Simon is Chief Executive of Octopus

CHRIS HULATT

Chris is a Founding Director of Octopus and has 10 years of fund management experience

GUY HEAD OF INVESTMENT

SIMON CHIEF EXECUTIVE

CHRIS DIRECTOR



ABOUT OCTOPUS

At Octopus, we're focussed on building long-term relationships with you and helping you meet your financial goals.

A DIFFERENT KIND OF INVESTMENT COMPANY

Our success comes from listening to our customers, designing investment products that meet their needs and providing a level of service that, we believe, is unmatched within the industry.

"Thanks for taking the time to understand me and my needs. I've always known how important making the right investment decision is, but you're the only company I've come across which makes this seem easy. Thanks."

Mrs S Coates, Investor, April 2006.

PRODUCTS THAT MEET YOUR NEEDS

We understand that one product doesn't suit everyone. That's why we offer a range of innovative products to suit different types of investor.

Certain characteristics, however, are common to all Octopus products. For example, we don't take unnecessary risks with your money and, unlike many fund managers, we don't manage your money relative to a stock market index.

PERSONALISED SERVICE

At Octopus, we're always delighted when an investor chooses to place their trust in us, but we also believe you should know how we're investing your money.

That's why we encourage you to be as involved as you want to be throughout the investment process. You can speak directly to your fund manager, and attend any of the regular investment seminars we hold. In other words, we never forget it's your money.

THE CHARGES

There is an annual management charge of 2% plus VAT of the value of your portfolio, paid quarterly in advance.

There is no administration charge but dealing charges of 1% will apply on the purchase and sale of shares.

In line with standard industry practice, a performance fee is payable. The performance fee is equivalent to 20% (plus VAT, if applicable) of the return in excess of the gross amount originally invested (excluding all tax reliefs). This performance fee, if applicable, is payable at the end of year three (calculated from the date of your investment into Eureka). Thereafter, the portfolio must continue to rise in value over each subsequent 12 month period for any further performance fee to be payable.

There is an initial charge of 5%, which will be deducted from the amount invested. Of this, 2.5% may be payable to your financial adviser if you have one. If appropriate, your financial adviser will receive an annual trail commission of 0.5% of the value of your portfolio (paid out of our management fee).

Octopus retains the right to change upfront arrangement and monitoring fees to the private companies in which Eureka invests. The costs of all deals that do not proceed to completion will be borne by Octopus.

If you have any questions about the charges, please call one of the team on **0800 316 2298**.

QUESTIONS AND ANSWERS

If you have any questions, or if you would like to speak to one of the fund managers, please call us on 0800 316 2298.

HOW DO I CHECK THE PROGRESS OF MY INVESTMENTS?

A valuation statement will be sent to you every three months, but you can call us at any time. In addition, we encourage you to attend the regular investment seminars and workshops we run at various locations throughout the UK.

CAN I WITHDRAW MONEY FROM EUREKA?

You may give notice to withdraw money at any time. However, your investments in private companies are not readily marketable and the timing of any realisation cannot be predicted. With respect to any investments in AIM companies, you should expect to receive funds within 10 days. Very large transactions may take a few days longer but you will be kept informed throughout the sales process.

There are also potential tax consequences of withdrawing money. If the three-year holding period on the investment sold has not been reached, the income tax relief received in respect of this one investment will have to be repaid and (if applicable), a portion of the deferred capital gains liability will become payable once again.

The money withdrawn will also not be exempt from inheritance tax.

WHAT IS THE MINIMUM AND MAXIMUM I CAN INVEST?

The minimum investment is £50,000 and there is no maximum. Once you are an investor, additional minimal contributions of £5,000 can be made at any time.

HOW DO I APPLY?

Please complete the application form at the end of this brochure.

WHO DO I MAKE MY CHEQUE PAYABLE TO AND WHERE DO I SEND IT?

Your cheque should be made payable to 'Eureka'. This cheque, along with your application form, should be sent to:

Octopus Investments Ltd
8 Angel Court
London
EC2R 7HP

WHAT SHOULD I EXPECT AFTER I INVEST?

We will acknowledge receipt of your application by return post.

THE RISKS

As with many investments, there are risks associated with investing in this product. We've tried to explain these risks as clearly as possible.

This investment product may not be suitable for all investors. Potential investors are recommended to seek independent advice before investing. Please note that Octopus is not able to provide you with advice about whether you should invest in this product.

PAST PERFORMANCE

Past performance is no guide to future performance and there is no guarantee that the Portfolio's objective will be achieved. We can make no guarantee of investment performance or the level of capital gains or income that will be generated.

The value of investments and the income derived from them may go down as well as up and you may not get back the full amount invested.

INVESTMENTS

Investments made by Eureka, because they are private and AIM-listed companies, are likely to be higher risk than securities listed on the London Stock Exchange Official List.

Investments in shares in private companies are not readily marketable and the timing of any realisation cannot be predicted. You should not invest in this product unless you have carefully thought about whether you can afford it and whether it is right for you. You should be prepared to leave the investment intact for at least three years.

CURRENT LEGISLATION AND EIS FUND APPROVAL

Rates of tax, tax benefits and allowances described in this brochure are based on current legislation and HM Revenue & Customs practice. These may change from time to time and are not guaranteed. Octopus does not provide advice and potential investors are recommended to seek specialist independent tax and financial advice before investing. Eureka has been designed with UK-resident taxpayers in mind. If you are not resident or ordinarily resident in the UK for tax purposes, it may not be appropriate or advantageous for you to invest in Eureka.

Your obtaining income tax relief is subject to you making the proper filings with HM Revenue & Customs within the requisite time periods and you may lose such relief if not so filed.

QUALIFYING INVESTMENTS

We will make investments which we reasonably believe to be qualifying investments at the time of acquisition (but please be aware that we give no commitment that any such investment will remain a qualifying investment at all times thereafter). Companies in which we invest may cease to qualify. In this case, the relief available on that particular investment (and not on your whole portfolio) will be lost.

APPENDIX 1

TRACK RECORD

Our reputation for excellence means that we have attracted some of the most experienced investment professionals within the industry to invest your money. We have a team of 20 investment managers at Octopus, all of whom are focused on making investments in UK smaller companies.

The track records of the different investment teams within Octopus are shown below:

PRIVATE UNQUOTED COMPANIES

The team managing the investments into unquoted companies has an excellent track record. Indeed, over the last seven years, this team has generated an average return of more than 27% per annum. In other words, in seven years they've turned £10,000 into more than £50,000.

Octopus also manages several Venture Capital Trusts ('VCTs') which invest into private companies. Their track records are excellent, as shown in the table below:

VCT	NAV	Total Dividends	Total Return	Ranking
Eclipse VCT	123.2p	6.7p	129.9p	1st out of 26
Eclipse VCT 2	121.9p	2.25p	124.15p	2nd out of 26
Eclipse VCT 3 & 4	103.0p	0.7p	103.7p	4th out of 20

Ranking compares the performance of that Octopus VCT with the other VCTs of the same type from the same tax year.

(Source: Tax Efficient Review. Data correct as at 1 November 2007.)

AIM COMPANIES

Octopus is one of the largest, and most successful, investors in the AIM market. We have been investing EIS portfolios in this market for more than three years and the track record is excellent.

Octopus also manages a VCT that is focussed on investing in AIM companies and the performance is shown below:

VCT	NAV	Total Dividends	Total Return	Ranking
Phoenix VCT	107.4p	17p	124.4p	1st out of 2
Phoenix VCT C share	114.1p	4p	118.1p	4th out of 9

(Source: Tax Efficient Review. Data correct as at 1 November 2007.)

AWARDS WON

- 2004 Eclipse VCT voted '**New Venture Capital Fund of the Year**'
- 2005 Phoenix VCT shortlisted as '**VCT of the Year**'
- 2006 Eclipse VCT shortlisted as '**VCT of the Year**'
- 2007 Eclipse and Phoenix VCTs voted '**VCT of the Year**'
- 2007 Octopus voted '**Best VCT Provider**' by independent financial advisers

Please remember that past performance is no guide to future performance.

APPENDIX 2

INVESTMENT EXAMPLES

We've shown some examples below to give you an idea of the kind of companies Eureka will be investing in.



LoveFilm is Europe's leading online DVD rental and movie download company with nearly 500,000 active household subscribers. It is one of the top three most visited UK sites in Entertainment and Movies with the UK's largest range of DVDs with over 65,000 titles. It is estimated that the company has over 20% of the total DVD rental market.

In the last two years, Lovefilm launched in Sweden, Denmark, Norway, and Germany making it market leader in digital film delivery with the largest movie download catalogue in Europe.



Future Route provides software dedicated to solving complex data quality and exploration problems through the application of unique Artificial Intelligence solutions. Using patented Machine Learning and Inductive Logic Programming (ILP) based solutions, Future Route's software automatically analyses, predicts and detects anomalies, errors and interesting behaviour in complex data. The software is available over the web for on-demand users, to third parties who embed the technology in their applications and to integration and consulting partners who deploy large information discovery, compliance and data quality projects for their customers.



ITM's aim is to be one of the key enablers of the hydrogen economy by using its low-cost patented materials and manufacturing processes. These should help overcome the key economic barrier to the use of hydrogen as a fuel. The company is developing near-term commercial applications which should facilitate the introduction of hydrogen to the consumer and pave the way towards this ultimate goal.



FSP is a Midlands based company set up with the aim of creating a major group of independent funeral businesses across the UK.

FSP was founded in April 2007 by Phillip Greenfield, a former founder and director of the Fairways funeral business which he grew to manage 6,000 funerals per year.

APPENDIX 3

CASE STUDIES

We've included three case studies to show how an investment in Eureka might work in practice. The following case studies are designed for three different types of investor:

1. An individual looking to defer (and ultimately eliminate) a capital gain.
2. A higher rate income tax payer looking to reduce his income tax liability.
3. An individual looking to combine income tax, inheritance tax and capital gains tax advantages.

Please note that the case studies are for illustrative purposes only and should not be relied on to predict actual returns. Tax rules and regulations are subject to change.

SCENARIO 1 - DEFER AND REDUCE CAPITAL GAINS TAX

Mrs Jones earns £70,000 a year and sold a buy-to-let property in August 2006, making a capital gain of £50,000. In September 2007, she decides to invest £50,000 in Eureka to defer her £20,000 capital gains tax liability. For illustrative purposes, we have made certain assumptions:

ASSUMPTIONS

- We make five investments on her behalf (most portfolios will contain at least 10 holdings)
- These investments are all made in the first tax year (ie in the year to April 2008) and sold three years later
- To demonstrate the impact of the tax advantages, we assume a negative investment return
- Returns do not take charges or dividends into account

	Initial Amount (£)	Date Invested	Ending Amount (£)	Income Tax Relief (£)	Date Sold	Loss Relief (£)	Total Amount (£)
Company A	£10,000	Sep 2007	£13,000 (+30%)	£2,000	Sep 2010	-	£15,000
Company B	£10,000	Nov 2007	£11,000 (+10%)	£2,000	Nov 2010	-	£13,000
Company C	£10,000	Jan 2008	£10,000 (0%)	£2,000	Jan 2011	-	£12,000
Company D	£10,000	Feb 2008	£7,000 (-30%)	£2,000	Feb 2011	£400*	£9,400
Company E	£10,000	Mar 2008	£5,000 (-50%)	£2,000	Mar 2011	£1,200*	£8,200
TOTAL	£50,000		£46,000 (-8%)	£10,000		£1,600	£57,600 (+15.2%)

* The loss relief is calculated from the 'effective' cost of investment. This is calculated by deducting the initial income tax relief of £2,000 from the original investment of £10,000 (ie £8,000). As these investments had fallen to £7,000 and £5,000 respectively, this created 'effective' losses of £1,000 and £3,000. Consequently Mrs Jones is entitled to relief at 40% on these losses (ie 40% of £1,000 is £400 and 40% of £3,000 is £1,200).

CURRENT SITUATION

Initial investment	£50,000
Capital gains tax	(£20,000)
Remaining total	£30,000

INVEST IN EUREKA

Initial investment	£50,000
Ending portfolio value	£46,000
Income tax relief	£10,000
Loss relief	£1,600
Capital gains tax	(£9,000)
Remaining total	£48,600

CONCLUSION

Even though the overall portfolio has fallen in value (-8%) the combination of income tax relief and the loss relief provided by Eureka means that Mrs Jones makes an after tax return of 15.2%.

ADDITIONALLY

Mrs Jones would also benefit from the change to the capital gains tax rate. When she sells her individual holdings, her deferred capital gains tax bill (totalling £20,000) will become payable once more, but at the new capital gains tax rate of 18%. This reduces her capital gains tax bill to £9,000 (ie 18% of £50,000), saving her a further £11,000.

SCENARIO 2 - REDUCE INCOME TAX

Mr Brown earns £100,000 and is looking at ways of reducing his income tax bill. In October 2007, he decides to make an investment of £100,000 into Eureka. For illustrative purposes, we have made certain assumptions:

ASSUMPTIONS

- We only make five investments on his behalf (typical portfolios will contain at least 10 holdings)
- All investments are made in the first six months (typical portfolios will be invested over 12-18 months)
- These investments are sold as soon as the three year minimum holding period is reached and the proceeds are reinvested into qualifying companies
- To demonstrate the impact of the tax advantages, we assume a negative investment return
- Returns do not take charges or dividends into account

CONCLUSION

Even though the overall portfolio investment return is negative (-8%), the combination of the initial income tax relief and the loss relief provided by Eureka means that Mr Brown makes an after-tax return of +16.8%. This does not take into account the second instalment of 20% income tax relief that he will receive as the proceeds from the sales are reinvested back into qualifying companies.

	Initial Amount (£)	Date Invested	Ending Amount (£)	Income Tax Relief (£)	Date Sold	Loss Relief (£)	Total Amount (£)
Company A	£20,000	Oct 2007	£28,000 (+40%)	£4,000	Oct 2010	-	£32,000
Company B	£20,000	Nov 2007	£24,000 (+20%)	£4,000	Nov 2010	-	£28,000
Company C	£20,000	Jan 2008	£20,000 (0%)	£4,000	Jan 2011	-	£24,000
Company D	£20,000	Feb 2008	£12,000 (-40%)	£4,000	Feb 2011	£1,600*	£17,600
Company E	£20,000	Mar 2008	£8,000 (-60%)	£4,000	Mar 2011	£3,200*	£15,200
TOTAL	£100,000		£92,000 (-8%)	£20,000		£4,800	£116,800 (+16.8%)

* The loss relief is calculated from the 'effective' cost of investment. This is calculated by deducting the initial income tax relief of £4,000 from the original investment of £20,000 (ie £16,000). As these investments had fallen to £12,000 and £8,000 respectively, this created 'effective' losses of £4,000 and £8,000. Consequently Mr Brown is entitled to relief at 40% on these losses (ie 40% of £4,000 is £1,600 and 40% of £8,000 is £3,200).

SCENARIO 3 - HOLD UNTIL DEATH

Mr Wright, a widower, is 75 years old and has an income of £60,000 a year. He made a capital gain of £100,000 in July 2007 and is looking at ways of sheltering this gain. He has total assets worth £1,000,000 and is looking at ways of mitigating inheritance tax upon death. He decides to invest £100,000 in Eureka in September 2006. For illustrative purposes, we have made certain assumptions:

ASSUMPTIONS

- We make five investments on his behalf (most portfolios will contain at least 10 holdings)
- These investments are all made in the first tax year (ie in the year to April 2008)
- These investments are not sold until his death in September 2011
- Returns do not take charges or dividends into account

CONCLUSION

Assuming an overall investment performance of 10%, Mr Wright's ending portfolio value will be £110,000. He will also benefit from the initial income tax relief (a further £20,000) and the investment (but not the income tax relief) would be exempt from inheritance tax on death and no capital gains tax would be paid. As can be seen from the table below the beneficiaries of Mr Wright would receive £36,000 from the £100,000 had he not invested it into Eureka. However, if he had invested in Eureka they would receive £122,000 (an increase of 239%).

	Initial Amount (£)	Date Invested	Ending Amount (£)	Income Tax Relief (£)	Date Sold	Loss Relief (£)	Total Amount (£)
Company A	£20,000	Sep 2007	£35,000 (+75%)	£4,000	Sep 2011	-	£39,000
Company B	£20,000	Dec 2007	£30,000 (+50%)	£4,000	Sep 2011	-	£34,000
Company C	£20,000	Dec 2007	£20,000 (0%)	£4,000	Sep 2011	-	£24,000
Company D	£20,000	Feb 2008	£15,000 (-25%)	£4,000	Sep 2011	-	£19,000
Company E	£20,000	Mar 2008	£10,000 (-50%)	£4,000	Sep 2011	-	£14,000
TOTAL	£100,000		£110,000 (+10%)	£20,000		-	£130,000 (+30.0%)

CURRENT SITUATION

Ending portfolio value	£100,000
Income tax relief	£0
Capital gains tax	(£40,000)
Inheritance tax	(£24,000)

Remaining total **£36,000**

INVEST IN EUREKA

Ending portfolio value	£110,000
Income tax relief	£20,000
Capital gains tax	(£0)
Inheritance tax	(£8,000)

Remaining total **£122,000**

THE CUSTOMER AGREEMENT

If you are unclear as to these terms and conditions, you should take independent advice.

DEFINITIONS:

'Agreement' or 'Customer Agreement'

This customer agreement

AIM

The London Stock Exchange's Alternative Investment Market

Application Form

The application form attached to the Brochure

Associate

Any holding, sister or subsidiary company of Octopus Investments and any director thereof

Brochure

The Eureka EIS Portfolio Service marketing Brochure published by Octopus Investments, of which this Customer Agreement forms part

Business Day

Any day on which AIM is open for business

Custodian

Any entity (which may be an Associate or a third party), whom we appoint to carry out safe custody and administration (and related) services in relation to investments in your Portfolio

EIS

The Enterprise Investment Scheme as set out in the Income Tax Act 2007.

Eureka

The Eureka EIS Portfolio Service

FSA

Financial Services Authority

FSA Rules

Those rules made by the FSA for the regulation of the conduct of our business

'Octopus', 'Octopus Investments', 'us' or 'we'

Octopus Investments Limited, a company registered in England & Wales under company number 3942880 and with a registered address at 8 Angel Court, London EC2R 7HP

Portfolio

Your portfolio of investments which are managed in accordance with the investment policy for Eureka as stated in the Brochure

Qualifying Investment

An investment into a company which is a qualifying company for the purposes of EIS

1. Agreement

This Agreement constitutes the contract between you and us appointing us to constitute and manage your Portfolio in accordance with our Eureka service. By signing this agreement you confirm that: (1) you have read and understood the Brochure (as more particularly set out in this Customer Agreement); (2) your investment in Eureka will be operated on the terms and conditions of the Brochure; and (3) this Agreement shall supersede, replace and operate to the entire exclusion of any previous or other terms and conditions.

2. Regulatory Status

Octopus Investments Limited is authorised and regulated by the FSA with a Firm Reference Number of 194779. Details of our registration can

be checked on the FSA's website at www.fsa.gov.uk. The address of the FSA is 25 The North Colonnade, Canary Wharf, London E14 5HS.

3. Start Date

3.1 This Agreement will come into force (and therefore we are able at our discretion to start managing your Portfolio) on the date of receipt by us of your duly completed and signed Application Form (or if later, on the date by which we have cleared funds and have completed any compliance procedures required of us in accordance with the FSA rules on Money Laundering Regulations 2003).

3.2 The compliance procedures discussed at 3.1 above include requiring proof of your identity and of your address. Under the Money Laundering Regulations 2003, we are required to check the identity of clients. Octopus Investments may therefore undertake an electronic search for the purposes of verifying your identity. To do so, Octopus Investments may check the details you supply against your particulars on any database (public or other) to which we have access. Octopus Investments may also use your details in the future to assist other companies for verification purposes. A record of this search will be retained. If we cannot verify your identity, we may ask you to provide, among other things, a recent, original bank statement and an original HM Revenue & Customs Tax Notification, or a copy of your passport certified by a bank, solicitor or accountant or a Client Verification Certificate from your IFA.

4. Cancellation Rights

4.1 When we first receive your Application Form, we will write to you enclosing our form of cancellation notice. If you wish to exercise your right to cancel, you must notify us in writing within 14 days of receipt of that form, by sending it duly completed to us at our address as printed in the Brochure.

4.2 If you exercise your cancellation rights, we shall refund any monies paid by you less any charges we have already incurred for any service undertaken in accordance with the terms of the Agreement, although this would exclude the initial charge stipulated in the Brochure.

4.3 We will endeavour to return any such monies as described at clause 4.2 as soon as possible. You will not be entitled to interest on such monies.

4.4 If you do not exercise this right to cancel within the requisite time period, you will still be entitled to exercise your right under clause 16 below to terminate this Agreement which is a separate right.

4.5 The right to cancel under the FSA Rules does not give you the right to cancel/terminate/reverse any particular investment transaction executed for the account of your Portfolio before cancellation takes effect.

5. Customer Status

We have classified you as a retail client for the purposes of the FSA Rules.

6. Investment Management Services

6.1 Eureka is a discretionary investment management service. By entering into this Agreement, you grant to us the right to select and manage, at our discretion, Qualifying Investments which correspond with the objectives and principles for Eureka, as set out in the Brochure. The investment objective of the Portfolio is long-term in nature and is focused on capital growth. You acknowledge receipt of and understand the Brochure and the risk factors set out in it and acknowledge that Octopus has not provided you with advice about this product. You agree that investment in equities includes risks arising from the effect of a variety of factors on the share price of a company.

6.2 Notwithstanding the generality of clause 6.1, and also to clause 13.2 below (aggregation of orders), all transactions for your Portfolio will be undertaken in accordance with the overriding principles of 'Suitability' and 'Best Execution' under the FSA Rules.

6.3 We will acquire for your Portfolio Investments which we reasonably believe to be Qualifying Investments at the time of acquisition (but please be aware that we give no commitment that any such investment will remain a Qualifying Investment at all times thereafter). Subject thereto, there shall be no restriction on the amount invested in any one investment, or on the proportion of your Portfolio in any one investment, or any particular type of investment, or on the markets on which transactions are effected, unless specified in this Brochure. If we sell Qualifying Investments on your behalf, there may be tax consequences about which you should speak to your adviser.

6.4 You should be aware that some investments in your Portfolio are likely to be classified under FSA Rules as "not readily realisable". It may be difficult to deal in such investments on a regular basis, for example because there is only a very limited market in which dealing is possible and the spread between the buying and selling price may be wide or because the investee company is unquoted.

6.5 We may arrange to exclude practising accountants or other professional persons from any investment which their professional rules prevent them from making.

7. Fees and Expenses

7.1 The fees and expenses that you will bear are set out in the Brochure.

7.2 The initial charge shall be deducted from the amount you subscribe before the balance is invested in your Portfolio.

7.3 Our management charge (including the performance fee if applicable) will be deducted from any uninvested monies in your Portfolio. In circumstances where there are insufficient monies available to meet the fees and charges, then we will allow this to roll up interest free to be deducted on a later occasion when sufficient monies may be available to cover such fees and charges, whether such monies are derived from dividends, investment liquidity events, additional investments made by you, or otherwise.

8. Delegation and Use of Agents

8.1 We may delegate any of our functions under this Agreement to any Associate or third party of our choosing which is competent (and if relevant, appropriately regulated) to perform such functions.

8.2 We will act in good faith and with due diligence in the selection, use and monitoring of third party delegates.

8.3 We will accept responsibility for the acts and omissions of any Associate as if they were our own.

8.4 You agree that we may at our discretion change the Custodian from time to time. If terms relating to this change are more onerous, we may seek your consent in writing.

9. Custody

9.1 The Custodian will hold all investments in your Portfolio in safe custody on the following basis:

- (a) title documents to investments in respect of which such documents are issued will be physically held by the Custodian;
- (b) any registerable investment acquired for your Portfolio will normally be registered in the name of the Custodian or its nominee company; and
- (c) any documents of title to investments in bearer form will be held by the Custodian.

9.2 Please note that investments held by the Custodian for the account of your Portfolio may be pooled with other holdings held by the Custodian. Such investments may not be identifiable by separate certificates, other physical documents of title or equivalent electronic record and, should the Custodian default, you will share in any shortfall in proportion to your original share of any investments in the pool. On occasion, your investments may be used to settle another person's transaction, which will not affect the Custodian's record of your entitlements.

9.3 We have discretion to exercise (or if we so choose, not to exercise) any conversion, subscription, voting or other rights (such as may arise in takeover situations, other offers and capital reorganisations) relating to investments held in your Portfolio, and to give suitable instructions to the Custodian, without consulting with you first and by entering into this Agreement, you hereby authorise Octopus to act on your behalf and exercise all rights attaching to shares held in your Portfolio as it shall deem fit and at its discretion.

9.4 The Custodian, as soon as reasonably practicable, will claim and account to you for all dividends, interest and other payments or entitlements received in relation to investments in your Portfolio, but is entitled to deduct or withhold any sum on account of any tax required to be so deducted or withheld and provide you with evidence of such deduction or withholding for your tax records.

10. Client Money

10.1 All uninvested cash received or held for the account of your Portfolio shall be treated by us under the FSA Rules as 'client money'. Our Custodian will hold all such cash in one or more client money accounts in accordance with the FSA Rules.

10.2 Following our acceptance of your application, interest earned on uninvested cash within your Portfolio will accrue daily at a rate equal to the prevailing HSBC base rate less 1% and will be credited to your Portfolio quarterly.

11. Valuations and Reports

11.1 You will receive periodic statements, comprising the cost, current value, and dividends of all holdings within your Portfolio as at the last Business Day of the period in question. Statements will be produced for the period ended 31 March, 30 June, 30 September and 31 December in each year. We will provide all such reports within 25 Business Days of the end of the period in question. The performance of the investments held within your Portfolio will not be measured against a stock market index.

11.2 All Investments will be valued at mid market price at the close of business on the last Business Day before the end of the quarter or, if there is no such price, at the value which is, in our opinion, a reasonable valuation as at that date. Periodic statements will also show income and interest credited to your Portfolio, fees charged and transactions made within the period.

11.3 A contract note will be forwarded to you within 10 Business Days of each transaction.

12. Best Execution

12.1 In accordance with the FSA rules, we have implemented an order execution policy which sets out the reasonable steps that we will take in order to obtain the best possible result for our customers. Details of our execution policy are set out in Annex 2.

12.2 Our execution policy will be set out on our website at www.octopusinvestments.com. Any changes to our execution policy will be posted on our website.

13. Dealing, Counterparties and Aggregation

13.1 We will act in good faith and with due diligence in our choice and use of counterparties. All transactions will be effected in accordance with the rules and regulations of the relevant market, exchange or trading facility, and we may take all such steps as may be required or permitted by such rules and regulations and/or by appropriate market practice.

13.2 We may aggregate your transactions with those of other customers and of our employees in accordance with the FSA Rules. It is likely that the effect of such an allocation will not work to your disadvantage however occasionally this may not be the case. We will allocate aggregated transactions promptly on a fair basis in accordance with the requirements of the FSA Rules.

14. Conflicts of Interest

We take the identification and management of conflicts of interest seriously. We have implemented a conflicts of interest policy that identifies those circumstances that constitute, or may give rise to, conflicts of interest that pose a material risk of damage to our customers. This policy also addresses the effective organisational and administrative arrangements that we maintain and operate to manage those conflicts. A copy of our conflicts policy is available on request from the Compliance Officer.

15. Our Liability

15.1 We will act in good faith and with due diligence in managing your Portfolio in accordance with this Agreement. We accept responsibility for loss to you only to the extent that such loss is due to our negligence, wilful default or fraud or that of our Associates.

15.2 If the Custodian should fail to deliver any necessary documents or to account for any

investments, we will take all reasonable steps on your behalf to recover such documents or investments or any sums due or compensation in lieu thereof but subject thereto to our general duty of good faith, shall not be liable for such failure.

15.3 In the event of any failure, interruption or delay in the performance of our obligations resulting from acts, events or circumstances not reasonably within our control (including, but not limited to: acts or regulations of any governmental or supranational bodies or authorities; breakdown, failure or malfunction of any telecommunications or computer service or services; disruption to stock market dealings; and acts of war, terrorism or civil unrest) we shall not be liable to you for consequent loss in the value of, or failure to perform investment transactions for the account of, your Portfolio.

15.4 Nothing in clauses 15.1 - 15.3 is deemed to limit any liability we may have to you under the terms of the FSA Rules.

15.5 In addition to clause 15.1, we shall not be liable for any loss or damage of any direct or indirect nature caused by the retraction by HM Revenue & Customs of its approval of any benefits or changes in law.

16. Termination

16.1 You may terminate this Agreement at any time by immediate written notice to us and we may terminate this Agreement by giving you one month's written notice.

16.2 We reserve the right to settle outstanding transactions for your Portfolio at the effective date of termination.

16.3 Further to clause 6.4 above, you should be aware that if on termination we are required to liquidate your Portfolio, this may take place over an extended period of time as there may be

limited liquidity for your Portfolio's investments.

16.4 Termination will not affect accrued rights, or any contractual provision intended to survive termination.

16.5 On termination, you will be liable to pay (meaning that we may debit from your Portfolio):

- (a) all fees and other charges mentioned at clause 7 above, pro rata to the date of termination;
- (b) any additional expenses necessarily incurred by us in terminating this Agreement; and
- (c) our charges (if any) in connection with transferring your Investments into your name or as you may direct.

16.6 On termination, we may retain and/or realise such Investments as may be required to settle transactions already initiated and to pay your outstanding liabilities. If there is a dispute as to the payment of fees to us, you may require the disputed amount to be held in an escrow account pending resolution of the dispute.

17. Data Protection and Confidentiality

17.1 We are registered under the Data Protection Act 1998, and as such may keep records in which your name and certain personal information provided by you to us will be stored. We may share this information with other persons (including Associates) if we consider that they have products or services to draw to your attention that may be of interest. However, if you so indicate when executing this Agreement, we will not do so.

17.2 You have the right, upon payment of a reasonable fee, to receive a copy of the information that Octopus holds about you to the extent that it constitutes personal information. For more details, please write to the Compliance Officer.

17.3 We will keep confidential any data or other information which we hold on you. We may however share some or all of this with the FSA if we are required to do so in accordance with FSA Rules, and with other governmental, judicial, law enforcement or regulatory bodies if similarly required to do so.

18. Risk Warnings and Further Disclosures

18.1 General

Your attention is drawn to the risk warnings set out in the Brochure.

18.2 Penny Shares Risk Warning

There is an extra risk of losing money when shares are bought in some smaller companies including 'penny shares' (as defined in the FSA Rules). Because the spread between the buying price and the selling price of such shares is a substantial part of the share price, they are more susceptible to movement in market price than other investments, and in addition a dealing in such shares is liable to cost proportionately more on purchase and yield proportionately less on disposal on account of the effect of the dealing spread.

18.3 Borrowing and lending

We will not borrow money for the account of your Portfolio, nor lend securities or enter into stock lending or similar transactions.

18.4 Supplement

We cannot require you to add further funds to your Portfolio (although you may do so if you wish).

18.5 Limit on investment powers

We will not invest in warrants, in units in collective investment schemes or in derivatives of any sort.

18.6 Stabilisation

We draw your attention to the Stabilisation Risk Warning Notice in Annex 1 of this Agreement.

19. Complaints Procedure and Compensation

19.1 If you have a complaint, you should write to our Compliance Officer, who will acknowledge receipt of your letter, investigate the circumstances and report back to you. If we have given you our final response and you are still dissatisfied you may refer your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints. It will only consider complaints after we have provided you with written confirmation that our internal complaints procedure has been exhausted. The FOS can be contacted at South Quay Plaza, 183 Marsh Wall, London E14 9SR. A copy of our complaints handling procedure is available on request.

19.2 We are covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Most types of investment business are covered for 100% of the first £30,000 and 90% of the next £20,000 so the maximum compensation is £48,000. Further information about compensation arrangements is available from the Financial Services Compensation Scheme. The address of the Financial Services Compensation Scheme is 7th Floor, Lloyds Chambers, Portsoken Street, London E1 8BN.

20. General

20.1 We may assign this Agreement to any appropriately authorised and regulated person, such assignment being effective upon written notice to you. This Agreement is personal to you and you may not assign it.

20.2 Amendments to this Agreement shall be effective only if in writing and agreed by both

parties, provided that we may amend the Agreement in circumstances where we are required to do so in accordance with applicable law or to reflect changes in regulations and any such amendment will be effective when notified to you in writing.

20.3 This Agreement, together with your Application Form, constitutes the basis of our entire relationship with you. In this connection, you should also note that no person is authorised by us to make any representation to you concerning Eureka or our management thereof which is not contained in the Brochure.

20.4 It is not intended that any term contained in this agreement shall be enforceable, whether by virtue of the Contracts (Rights of Third Parties) Act 1998, or otherwise, by any third party.

20.5 We may send any communication to you at the address which you provide to us in the Application Form (or to any provided address). You may communicate with us at Octopus Investments Limited, 8 Angel Court, London EC2R 7HP. Notice sent by first class post is deemed to have arrived on the second Business Day after posting. Notice sent by fax or email or hand-delivered is deemed to be delivered immediately (or on the next Business Day if sent after 5pm on a Business Day or on a non-Business Day). Our telephone number is 020 7710 2800.

20.6 This Customer Agreement is governed by English Law and the parties shall submit to the courts of England.

20.7 These terms and conditions are supplied in English, and we will only communicate in English during the course of our relationship with you.

ANNEX 1

Risk Warning: Dealing in securities which may be subject to stabilisation

This statement complies with the rules of the Financial Services Authority (FSA). Octopus Investments Limited or its representatives may, from time to time, recommend transactions in securities to you, or carry out such transactions on your behalf, where the price may have been influenced by measures taken to stabilise it.

You should read the explanation below carefully. This is designed to help you judge whether you wish your funds to be invested at all in such securities and, if you do, whether you wish:

- (1) To be consulted before Octopus Investments Limited carries out any such transaction on your behalf; or
- (2) To authorise Octopus Investments Limited to carry out any such transaction on your behalf without first having to consult you.

What is stabilisation?

Stabilisation enables the market price of a security to be maintained artificially during the period when a new issue of securities is sold to the public. Stabilisation may affect not only the price of the new issue but also the price of other securities relating to it. The FSA allows stabilisation in order to help counter the fact that, when a new issue comes onto the market for the first time, the price can sometimes drop for a time before buyers are found.

Stabilisation is being carried out by a 'stabilisation manager' (normally the firm chiefly responsible for bringing a new issue to market). As long as the stabilising manager follows a strict set of rules, he is entitled to buy back securities that

were previously sold to investors or allotted to institutions which have decided not to keep them. The effect of this may be to keep the price at a higher level than it would otherwise be during the period of stabilisation.

The Stabilisation Rules:

- (1) Limit the period when a stabilising manager may stabilise a new issue;
- (2) Fix the price at which he may stabilise (in the case of shares and warrants but not bonds); and
- (3) Require him to disclose that he may be stabilising but not that he is actually doing so. The fact that a new issue or a related security is being stabilised should not be taken as any indication of the level of interest from investors, nor of the price at which they are prepared to buy the securities.

ANNEX 2

Execution policy

Execution factors and execution criteria: Octopus has an obligation when executing orders on behalf of a client to obtain the best possible outcome. The FSA requires Octopus to take into account various execution factors including price; cost; speed; market impact, likelihood of execution and settlement; size; or any other consideration relevant to the execution of the order. Price will ordinarily merit a high relative importance in obtaining the best possible result. However, in some circumstances, we may appropriately determine that other execution factors are more important than price in obtaining the best possible execution result. We will determine the relative importance of the execution factors by using our commercial judgment and experience in light of market information available and taking into account the execution criteria.

The execution criteria are defined as the characteristics of the client, order (orders placed in the market will indicate a price range that is suitable for the investment decision), type of financial instrument (some shares are more liquid than others, and illiquid shares will be less easily tradable in volume) and the execution venue. Octopus's policy on execution venues when placing orders for stocks whose principal listing is in London will be through FSA regulated brokers/market makers who are members of The London Stock Exchange and/or Plus markets.

The execution factors and their importance are defined as:

Price

The Firm believes that price is the most significant factor and therefore rates the price as being of primary importance and all subsequent factors as secondary.

Size and speed

The market may be quoting a price that represents trading in a particular size but this may not be the size that Octopus wishes to trade in. Large size trades in equities are negotiated as they have gone beyond the size where a transaction within the normal market size would take place and subsequently the orders are given to a dealer to negotiate and execute. In situations where Octopus works an order, it is impossible to compare the result with what another similar firm might have achieved. Speed is also related to size and this means that Octopus may execute the order on a staggered basis to limit the market impact of an unusually large order. In other instances Octopus may execute the order as a single trade. It is the policy of Octopus to execute business through FSA regulated market makers and brokers trading

in the applicable instruments while taking into account the price and size they are making in the instrument.

Cost

Octopus does not believe that cost is relevant to giving the client best execution as we charge commission but do not pass onto clients the costs of execution ie transaction reporting fee, brokers' charges. We do not structure or charge our commissions in such a way as to discriminate unfairly between execution venues.

Probability of execution

Transactions in AIM shares are settled through the CREST clearing system and as such Octopus does not regard the probability of settlement as relevant to its execution policy.

Specific instructions

Where you have provided us with specific instructions regarding an order, we will execute the order in accordance with those specific instructions. You should be aware that providing specific instructions to us in relation to the execution of a particular order may prevent us from taking the steps set out in this execution policy to obtain the best possible result in respect of the elements covered by those instructions.

Monitoring and review

We will review our execution policy and order execution arrangements on an annual basis. Whenever a material change occurs that affects our ability to continue to obtain the best possible result for our clients, we will notify you of any material changes to our execution arrangements or our execution policy by posting an updated version on our website.

APPLICATION PROCEDURE

EUREKA

Please send the completed Application Form together with your cheque or bankers' draft to Octopus Investments Limited, 8 Angel Court, London EC2R 7HP.

If you have any questions on how to complete the Application Form please contact Octopus Investments on **0800 316 2298**.

SECTION 1

Please insert your full name, permanent address, daytime and evening telephone numbers, email address, date of birth and national insurance number in Section 1. Your national insurance number, which you will find on your pay slip, is required to ensure you obtain the relevant tax certificates.

SECTION 2

Please note that the minimum investment is £50,000. The maximum investment on which income tax relief is available is £400,000 per tax year. Please attach your cheque or bankers' draft to the Application Form for the total amount of your investment.

Make cheques payable to 'Eureka' and crossed 'A/C Payee only'. Cheques must be from a recognised UK Bank or Building Society account and your payment must relate solely to this application. No receipt will be issued.

SECTION 3

Read the declaration below and sign and date the Application Form.

If this form is completed and signed by the investor named in Section 1:

By signing this form I HEREBY DECLARE THAT:

- i. I have read and understood the Brochure and agree to be bound by the terms and conditions set out in the Customer Agreement;
- ii. I will be the beneficial owner of the Shares acquired on my behalf by Eureka; and
- iii. To the best of my knowledge and belief, the personal details I have given are correct.

- iv. I will notify Octopus if any investment is made in a company with which I am connected as defined in Sections 166, 167, 170 and 171 of the Income Tax Act 2007 or if within three years of the issue of the relevant shares I become connected with a company invested in or receive value from such a company.

If this form is completed and signed by an authorised financial intermediary or any other person on behalf of the investor:

By signing this form on behalf of the individual whose details are shown above, I make a declaration (on behalf of such individual) on the terms of sub-paragraphs i. to iv. above.

SECTION 4

Authorised financial intermediaries who are entitled to receive commission should stamp and complete Section 4, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of commission if Octopus Investments is not, in its sole discretion, satisfied that the financial intermediary is authorised.

FREQUENTLY ASKED QUESTIONS

Q: To whom should I make the cheque payable?

A: Cheques should be made payable to 'Eureka'.

Q: Where should I send my application?

A: Your Application Form and cheque should be sent to Octopus Investments Ltd, 8 Angel Court, London EC2R 7HP.

Q: What happens after I invest?

A: We will send you confirmation that we have received your application by return of post.

For other frequently asked questions, please see page 16.

APPLICATION FORM

EUREKA

Before completing this Application Form you should read the Customer Agreement and Application Procedure.

If you have any questions on how to complete the Application Form please contact us on 0800 316 2298.

SECTION 1

Mr/Mrs/Miss/Other _____ First Name _____

Middle Name(s) _____ Surname _____

Address _____

_____ Postcode _____

Email (Optional) _____

Date of Birth _____ National Insurance No _____

Telephone (Daytime) _____ Telephone (Evening) _____

Mobile No (Optional) _____

SECTION 2

Investment Amount (minimum £50,000) £ _____

I ENCLOSE A CHEQUE OR BANKERS' DRAFT DRAWN ON A UK CLEARING BANK OR BUILDING SOCIETY, MADE PAYABLE TO 'EUREKA'.

SECTION 3

Signature _____ Date _____

SECTION 4

Financial Adviser _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____

Surname _____

Administrator _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____

Surname _____

FSA Number and Company Stamp

Special IFA Instructions

INVESTOR SERVICES PROGRAM

At Octopus, we pride ourselves not only on our track record but also on the level of service we provide to all our investors. That's why we provide you with quarterly updates that keep you involved and informed throughout the investment process. These quarterly updates will include:

- i. A portfolio valuation (shown net of all fees)
- ii. An explanation of all transactions over the period
- iii. A review of existing holdings

We encourage you to speak to the fund managers investing your money. If you have any questions, or if it would help to meet one of the team, please call us on **0800 316 2298**.

- Please tick here if you do not want us to contact you with information about other Octopus products which we feel may be of interest to you.
- Please tick here if you do not want us to disclose your personal data to selected third parties so that they can provide you with information about their goods or services.

APPLICATION FORM

EUREKA

Before completing this Application Form you should read the Customer Agreement and Application Procedure.

If you have any questions on how to complete the Application Form please contact us on 0800 316 2298.

SECTION 1

Mr/Mrs/Miss/Other _____ First Name _____

Middle Name(s) _____ Surname _____

Address _____

_____ Postcode _____

Email (Optional) _____

Date of Birth _____ National Insurance No _____

Telephone (Daytime) _____ Telephone (Evening) _____

Mobile No (Optional) _____

SECTION 2

Investment Amount (minimum £50,000) £ _____

I ENCLOSE A CHEQUE OR BANKERS' DRAFT DRAWN ON A UK CLEARING BANK OR BUILDING SOCIETY, MADE PAYABLE TO 'EUREKA'.

SECTION 3

Signature _____ Date _____

SECTION 4

Financial Adviser _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____

Surname _____

Administrator _____ Telephone _____

Mr/Mrs/Miss/Other _____ First Name _____

Surname _____

FSA Number and Company Stamp

Special IFA Instructions

INVESTOR SERVICES PROGRAM

At Octopus, we pride ourselves not only on our track record but also on the level of service we provide to all our investors. That's why we provide you with quarterly updates that keep you involved and informed throughout the investment process. These quarterly updates will include:

- i. A portfolio valuation (shown net of all fees)
- ii. An explanation of all transactions over the period
- iii. A review of existing holdings

We encourage you to speak to the fund managers investing your money. If you have any questions, or if it would help to meet one of the team, please call us on **0800 316 2298**.

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Please contact us on
0800 316 2298

or email us at
info@octopusinvestments.com

8 Angel Court
London EC2R 7HP

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