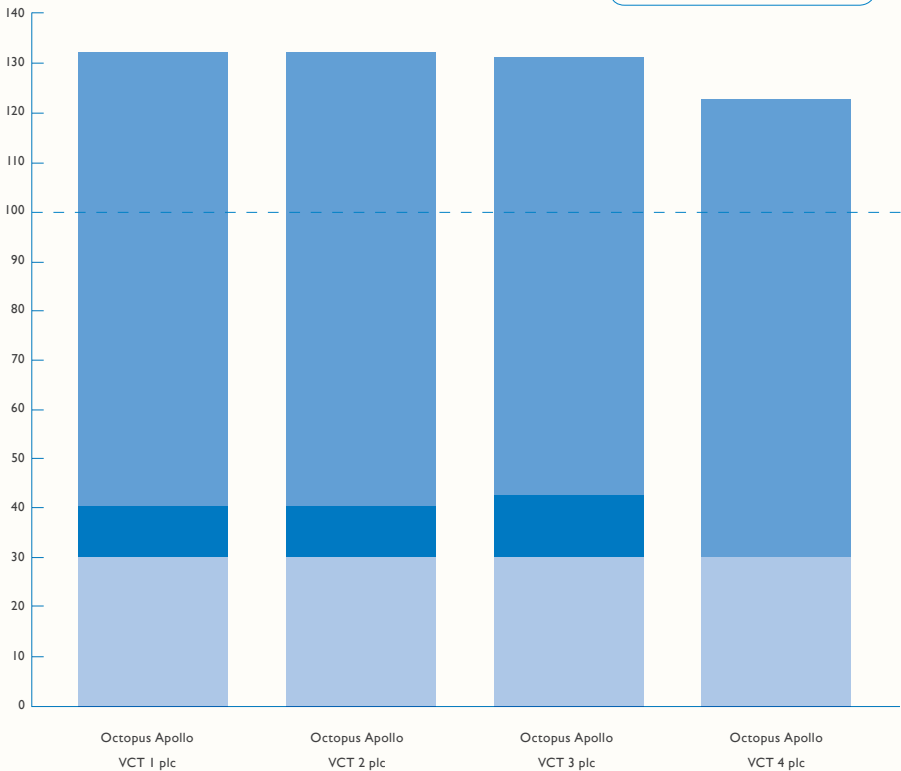
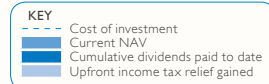


PERFORMANCE

The Apollo VCTs have continued to perform well over the three month review period. We sold our holding in Autologic Diagnostic Holdings Limited in January, (more detail is given in the Investment Activity section overleaf). The profit from the sale of the investment is expected to show through in the year-end audited NAVs when they are released in May 2012, enabling the Apollo funds to generate more income. We successfully restructured the holding in CSL Dualcom, making it more loan-based rather than equity-based. This further reduces the risk of this investment but also enables the funds to generate an increased return.

PERFORMANCE SINCE INCEPTION

NAV data as at 30 September 2011. Source: Octopus Investments



DATA AT A GLANCE

The table below shows the NAVs of the VCTs. Historic information on dividends is also included. A regular tax-free dividend is one of the major benefits that VCTs can provide to investors.

	Current NAV	Total dividends paid	NAV plus total dividends
Octopus Apollo VCT 1 plc	91.50p	10.25p	101.75p
Octopus Apollo VCT 2 plc	91.50p	10.25p	101.75p
Octopus Apollo VCT 3 plc	88.30p	12.50p	100.80p
Octopus Apollo VCT 4 plc	92.20p	-	92.20p

NAV data as at 30 September 2011. Source: Octopus Investments.

INVESTMENT ACTIVITY

In January we announced the sale of our stake in Autologic Diagnostic Holdings Limited. Autologic sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. Its products are sold globally, with well-established positions in the UK and US markets. The sale formed part of a management buyout funded by ISIS Equity Partners.

The Apollo funds originally invested £3 million into Autologic in February 2009, providing senior company debt to support a change in management. In July 2011 we invested a further £2 million (alongside a further £1 million investment from Octopus VCT) in flexible debt. Since the first investment, Autologic's turnover has grown from £6.2 million in 2009, to £14 million in 2011. The exit has returned 1.7x cash on cash.

Since the last update, Apollo 4 has invested £1.8 million into a solar power company, Shakti Power. We continue to see good investment opportunities within the solar sector, particularly where smaller developers have taken the decision to exit from the industry, or from installations, because of a lack of funding. In addition government reductions to solar subsidies (the Feed-in Tariffs) have meant that many projects are no longer viable for these smaller developers. We're pleased to be able to report that thanks to Octopus' position as the UK's largest commercial investor into solar, we have the necessary economies of scale to make some of these projects profitable. As a result, we're finding exciting opportunities to acquire already developed solar sites at increasingly competitive prices.

OUTLOOK

With the UK economy struggling to achieve growth, and with consumers still facing a squeeze of high unemployment, high inflation and static wages, these remain uncertain times for many UK companies. That said, we remain cautiously optimistic about the future. We still believe that interest rates in the UK will be held at low levels at least until the second half of the year, which is a plus for smaller companies. Furthermore, as the sale of our holding in Autologic illustrates, well-managed, profitable businesses are still highly sought after.

PORTFOLIO COMPANY IN FOCUS

CSL Dualcom (www.csldual.com)

CSL pioneered dual-signalling technology, whereby signals are transmitted over both a traditional fixed telephone line and a wireless network, in the late 1990s. This is now regarded as the standard format for alarm signalling and is specified by all leading insurance companies.

The Apollo VCT funds originally invested £2.65 million of flexible debt in February 2009. In March 2011 the Apollo VCTs invested a further £3.95m together with £1.3m from Octopus VCT in order to both refinance some loans that were due to be repaid and to buy a small amount of equity. The Octopus Eclipse VCTs had also invested in CSL. In December 2011 Bowmark, a leading UK private equity house acquired the equity of the business from Octopus Eclipse VCTs. Because we like the recurring revenue nature of the business we decided to retain the Apollo VCT and Octopus VCT investment in the business. We also chose to invest a further £2.475m from Octopus

VCT to support the transaction. OVCT's investment now totals £3.775m. Nearly all of this investment has been made as a loan and the Funds are receiving regular interest payments from the company.

The company continues to grow rapidly. Today, CSL manages the signalling for over 125,000 intruder alarms located in commercial, retail and residential premises across the UK. These are connected to alarm receiving centres via its proprietary communications network, which it has developed in partnership with Vodafone.

The management team is led by CSL's managing director, Phil Hollett, who has over 25 years' experience in the security industry, and Simon Banks, commercial director, who co-founded the business in 1996.

Commenting on our relationship with CSL via our debt funding Phil wrote, "It has been a symbiotic relationship in its truest form and it has helped us get to the position we find ourselves today."

TOP 5 HOLDINGS AS AT 31 JANUARY 2012

Apollo VCT 1		Apollo VCT 2	
1	Salus Services Holdings I	1	Salus Services Holdings I
2	Clifford Thames	2	Clifford Thames
3	CSL Dualcom	3	CSL Dualcom
4	Project Tristar	4	Project Tristar
5	Shakti Power	5	Shakti Power

Apollo VCT 3		Apollo VCT 4	
1	Salus Services Holdings I	1	Salus Services Holdings I
2	CSL Dualcom	2	Clifford Thames
3	Clifford Thames	3	CSL Dualcom
4	Bluebell Telecom Services	4	Salus Services 2
5	Project Tristar	5	Resilient Corporate Services

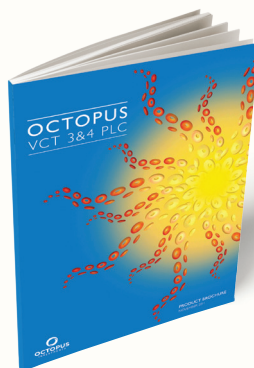
OCTOPUS VCT 3&4: MUST CLOSE TO INVESTORS BY 5 APRIL 2012

Octopus VCT 3&4 offers investors access to stable, attractive revenue streams through the government backed Feed-in Tariff (FIT) scheme, which supports investment in the UK solar energy sector.

But from 6 April 2012, new investment in solar companies will no longer be a qualifying investment for VCTs. This means it really is the last chance to take advantage of the generous tax reliefs that investment in a VCT provides, combined with the predictable returns provided through the government approved FITs.

So, if you want to make hay while the sun shines, you'll need to get in quick. Octopus VCT 3&4 remains the UK's only solar-focused VCT open for new investment but will close at noon on 5 April 2012 or earlier if capacity is reached in advance.

If you are interested in investing or for more information please speak to your financial adviser or call us on 0800 316 2298.



TALK TO OCTOPUS

We want to make sure the information we send you is interesting, useful and easy to understand. And we take your feedback very seriously. If you have any comments about this update or any questions about your investment, just call 0800 316 2295 or email comms@octopusinvestments.com

FOR UK RETAIL INVESTORS ONLY – This document is specifically for the recipient and should not be relied upon by any other person. The value of an investment in a VCT may go down as well as up and you may not get back the full amount invested. Past performance is no guide to future performance. This document is a financial promotion and has been approved for the purposes of section 21 of the Financial Services and Markets Act 2000 by Octopus Investments Ltd. Investors should seek their own personal financial advice from an appropriately authorised independent financial adviser. Any investment should be made solely on the basis of the information contained in the product prospectus and product terms and conditions attached to the application form. Shares quoted on AIM may be higher risk than companies listed on the London Stock Exchange Official List. Octopus Investments is authorised and regulated in the UK by the Financial Services Authority, 25 The North Colonnade, London E14 5HS. Registered in England & Wales under No. 3942880. All information correct as at 29 February 2012 unless otherwise stated. 1563-02-VCT-0212.