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Octopus AIM Inheritance Tax Service

octopusinvestments



## Octopus AIM Inheritance Tax Service: an overview

A portfolio of shares listed on the Alternative Investment Market (AIM) that offers the potential for capital growth, as well as being a smart solution to inheritance tax planning.

### How does it work?

Clients will be invested in a portfolio of 20-30 carefully chosen companies that are listed on AIM and that are expected to qualify for Business Property Relief (BPR). Shares in BPR-qualifying businesses can be left to beneficiaries free from inheritance tax, as long as they have been owned for at least two years when the investor dies. The government offers this relief in return for taking the risk of investing in smaller companies.

### About the Octopus Smaller Companies team

Having the ability to spot growth potential can create the opportunity for significant returns. Managing an attractive portfolio of AIM-listed, BPR-qualifying companies takes active management investment expertise and a disciplined stock picking approach. Most of the senior members of the Octopus Smaller Companies team have been investing in AIM since its launch in 1995. Together they manage more than £1.5 billion on behalf of more than 16,000 investors across a range of AIM-listed products.

The team looks to invest in AIM-listed companies that are profitable and paying dividends. They make investment decisions based on their knowledge of the market and analysis of the companies themselves, choosing companies that display one or more of the following characteristics:

- A strong market position or global leader in its field
- A scalable business model focused on growth
- A proven management team with a record of corporate success
- A profitable business with a strong balance sheet

Every year, the team conducts around 500 face-to-face meetings with AIM companies to help identify the best investment opportunities.

### Key benefits

- **Business Property Relief:** Investments should benefit from full relief from inheritance tax after just two years, provided they are still held at the time of the investor's death.
- **Access:** Unlike some other estate planning options, investors retain access to their investment at all times.
- **Simplicity:** This is a discretionary portfolio of AIM-listed shares that qualify for BPR. There are no complicated legal structures, no trust administration and no underwriting.
- **Potential growth:** AIM-listed companies offer the potential for significant growth and dividends. The Octopus AIM Inheritance Tax Service is actively managed by one of the most experienced AIM teams in the industry.

### Key risks

- **Capital at risk:** The value of an investment, and any income from it, can fall or rise. Investors may not get back the full amount they invest.
- **Tax rules:** The benefit of tax relief will depend on personal circumstances. The availability of tax relief depends on the portfolio companies maintaining their qualifying status. Tax legislation can change in the future and inheritance tax relief is assessed on a case by case basis when a claim is made.
- **Volatility:** The shares of companies listed on AIM could fall or rise in value more than shares listed on the main market of the London Stock Exchange. They may also be harder to sell.

For full details, please read the Octopus AIM Inheritance Tax Service brochure.



## Examples of clients who might consider this service

- Clients wanting to reduce or eliminate inheritance tax liabilities.
- Clients looking for a new growth investment, who are aware of and comfortable with the risks associated with smaller company investing.
- Clients wanting to complement existing investments and estate-planning strategies and retain access to their money.

This product is not suitable for everyone. Any recommendation should be based on a holistic review of your client's financial situation, objectives and needs.

## Investment details

Octopus AIM Inheritance Tax Service is a discretionary portfolio service, which means we choose the companies to invest clients' money in.

Launched	30 June 2005
Minimum investment	£25,000
Investment time frame to qualify for BPR	Two years
Octopus initial charge (for advised investments)	2.5%
Octopus annual management charge (for advised investments)	1.5% + VAT per annum
Adviser initial charge and ongoing fee	Agreed with your client

Octopus will apply a 1% dealing charge on the purchase and sale of all shares within the portfolio. For full details of all charges, please refer to the Octopus AIM Inheritance Tax Service product brochure.



## Why Octopus?

We go the extra mile for thousands of financial advisers up and down the UK. It's why we have been awarded 'Five Stars' at the Financial Adviser Service Awards three years in a row. We are experts in the tax-efficient investing space, and were crowned 'Best Tax and Estate Planning Solutions Provider' for the second year running at the Moneyfacts Awards 2017.

The Octopus Smaller Companies team includes some of the most experienced AIM-focused fund managers in the market.



Richard Power



Edward Griffiths



Kate Tidbury



Stephen Henderson



Andrew Buchanan



Mark Symington



Chris McVey



Dominic Weller



Dan McLean