

# An overview of the Octopus AIM Inheritance Tax ISA

A portfolio of shares listed on the Alternative Investment Market (AIM) that offers the potential for capital growth, as well as helping you pass on more of your wealth to your loved ones. Plus, you continue to enjoy all the tax advantages an ISA wrapper provides.

## How does it work?

Many people are not aware that when they die, their Individual Savings Accounts (ISAs) are treated as part of their taxable estate. Introduced in 2013, the Octopus AIM Inheritance Tax ISA aims to help investors facing this problem. You will be invested in a portfolio of 20-30 carefully chosen companies that are listed on AIM and expected to qualify for Business Relief (BR). The government offers this relief in return for taking the risk of investing in smaller companies.

Shares in BR-qualifying businesses can be left to beneficiaries free from inheritance tax, as long as they have been owned for at least two years when you die.

## About the Octopus Smaller Companies team

The Octopus Smaller Companies team is one of the most experienced smaller companies teams in the industry. Most of the senior members of the team have been investing in AIM since its launch in 1995 and they have over 150 years' combined experience.

The team looks to invest in AIM-listed companies that are profitable and paying dividends, and are expected to qualify for BR. They make investment decisions based on their knowledge of the market and detailed analysis of companies, carefully selecting businesses 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.

## Key benefits

- **Business Relief:** Investments should benefit from full relief from inheritance tax after just two years, provided they are still held at the time of death.
- **Access:** Unlike some other estate planning options, you retain access to your investment at all times.
- **Simplicity:** This is a discretionary portfolio of AIM-listed shares that qualify for BR. 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 ISA is actively managed by one of the most experienced AIM teams in the industry.
- **ISA benefits:** No capital gains tax to pay on investment growth and no income tax to pay on dividends.

## Key risks

- **Capital at risk:** The value of an investment, and any income from it, can fall or rise. You may not get back the full amount you invest. An Octopus AIM Inheritance Tax ISA is likely to be higher risk than more mainstream stocks and shares ISAs.
- **Tax rules:** Tax treatment depends on individual circumstances and tax rules could change in the future. Tax relief depends on portfolio companies maintaining their qualifying status.
- **Volatility and liquidity:** 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.

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## Investment details

The Octopus AIM Inheritance Tax ISA is a discretionary portfolio service, which means we choose the companies to invest client money in.

<b>Launched</b>	September 2013
<b>Minimum investment</b>	£20,000
<b>Investment time frame to qualify for BR</b>	Two years
<b>Octopus initial charge (for advised investments)</b>	0%
<b>Octopus annual management charge (for advised investments)</b>	1.5% + VAT
<b>Adviser initial charge and ongoing fee</b>	Agreed with your adviser
<b>Dealing charge (on the purchase and sale of all shares within the portfolio)</b>	1%

For full details of all charges, please refer to the Octopus AIM Inheritance Tax ISA product brochure, available at [octopusinvestments.com](https://octopusinvestments.com).

We strongly recommend you seek professional advice before deciding to invest in the Octopus AIM Inheritance Tax ISA.

## Why Octopus?

We are experts in tax-efficient investing, and were crowned 'Best Tax and Estate Planning Solutions Provider' for the sixth year running at the Moneyfacts Awards 2021.

We're the largest provider of investments that qualify for BR<sup>1</sup>. Our size enables us to source the best investment opportunities and maintain significant in-house expertise.

At Octopus, we care about how we do business. We are a certified B Corporation, which means we meet the highest standards of social and environmental consideration, in an effort to balance profit with the impact we have as a company.



<sup>1</sup>Tax Efficient Review, April 2022.

The Octopus Quoted Smaller Companies team includes some of the most experienced AIM-focused fund managers in the market and every year the team conducts more than 900 face-to-face meetings with AIM companies to help identify the best investment opportunities.



Richard Power



Kate Tidbury



Chris McVey



Edward Griffiths



Stephen Henderson



Mark Symington



Dominic Weller



Jessica Sweeney



Charles Lucas



Freda Isingoma

BR-qualifying investments are not suitable for everyone. Investors should read the product brochure before deciding to invest, this can be found at [octopusinvestments.com](https://octopusinvestments.com). Information is correct as at 1 August 2022. Issued by Octopus Investments Limited, which is authorised and regulated by the Financial Conduct Authority. Registered office: 33 Holborn, London, EC1N 2HT. Registered in England and Wales No. 03942880. This document does not constitute tax or investment advice. We record telephone calls. Issued: August 2022.

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