octopus investments
A brighter way

For UK investors only

Octopus AIM Inheritance Tax Service: Product overview

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.

How does it work?

The Octopus AIM Inheritance Tax Service gives you the opportunity to invest in a portfolio of 20-30 carefully chosen companies that are listed on AIM and expected to qualify for Business Relief (BR).

Shares in Business Relief-qualifying companies, if held for a minimum of two years, and at time of death, should be eligible for inheritance tax relief.

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 fund management team look to capitalise on AIM-listed companies with promising growth prospects. Over the long term, smaller cap companies can demonstrate greater growth potential in comparison to listings on larger markets, and this is reflected in the risk profile.

The team carefully select 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 become exempt from inheritance tax after being held for a minimum of two years and at time of death.
- **Access:** Unlike some other estate planning options, you retain access to your investment at all times.
- **Simplicity:** This is an investment in AIM-listed shares that qualify for BR. With this service, there are no complicated legal structures (as with a trust) and no medical underwriting (as with an insurance policy).
- **Potential growth:** AIM-listed companies with promising growth prospects and dividends.

Key risks

- **Capital at risk:** This is a high-risk investment. The value of an investment, and any income from it, can fall or rise. You may not get back the full amount you invest.
- **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.

From April 2026, qualifying AIM shares which are held at death will offer 50% relief from inheritance tax, providing an effective 20% IHT rate. For investors already invested in the Service who die before 6 April 2026, 100% relief can be achieved.

You can read more about BR on the HM Revenue & Customs (HMRC) website hmrc.gov.uk. To find the relevant pages, just type 'Business Relief' in the search box.

Investment details

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

Launched	30 June 2005
Minimum investment	£25,000
Investment time frame to qualify for BR	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 adviser
Dealing charge (on the purchase and sale of all shares within the portfolio)	1%

For full details of all charges, please refer to the Octopus AIM Inheritance Tax Service product brochure, available at **octopusinvestments.com**.

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

Why Octopus?

We are experts in tax-efficient investing, and were crowned 'Best Tax and Estate Planning Solutions Provider' for the eighth year running at the Moneyfacts Awards 2023.

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

We are a Certified B Corporation™. This requires us to meet the highest standards of social and environmental consideration, transparency and accountability. We care about this because companies that understand their impact on the world are better equipped to create value for their stakeholders and drive change.

Certified B Corporation

WINNER EIGHT TIMES Investment Life & Pensions Moneyfacts Awards 2016-2023 Best Tax and Estate Planning Solutions Provider

FT ADVISER 5 Star Winner Investment Providers Octopus

[1]Tax Efficient Review, April 2024.

The Octopus Smaller Companies team includes some of the most experienced AIM-focused fund managers in the market and every year the team conducts more than 850 face-to-face meetings with AIM companies to help identify the best investment opportunities.


Richard Power


Kate Tidbury


Chris McVey


Edward Griffiths


Dominic Weller


Mark Symington


Jessica Bourdon-Pierre


Leigh Stephens


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The investments discussed are not suitable for everyone. Investors should read the product brochure before deciding to invest, this can be found at octopusinvestments.com. Information is correct as at 1 April 2025. 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: May 2025. CAM010968-2505