

**For the use of professional advisers only  
and not to be relied upon by retail clients.**

# Clients seeking good ISA returns, without investing in the stock market

Some clients may be unwilling to expose too much of their ISA to the ups and downs of the stock market. But in today's low-return environment, how else can they make their ISA money work harder?

This example highlights an alternative for clients who want to target attractive returns within their ISA wrapper, without stock market risk.

## About this scenario

This tax-planning scenario is designed to help advisers develop appropriate planning strategies for their clients. Advisers should be aware that tax treatment depends on individual circumstances, and tax rules may change. You will also need to consider the impact of your initial and ongoing fees.

Nothing here should be viewed as advice. Any suitability decisions should be based on a comprehensive review of your client's objectives, needs and attitude towards risk. For more details and information about the associated risks, please see the relevant product literature available at [octopusinvestments.com](https://www.octopusinvestments.com).



**octopus**investments

A brighter way

## Meet John, a committed ISA investor

After many years of making contributions into various ISA pots, John has accumulated £150,000 of tax-free savings.

His portfolio includes a number of different cash and stocks and shares ISAs and, while the latter have provided solid growth over the last few years, he is wary of a market correction and so reluctant to further expose his ISA money to equities.

At the same time, he is reluctant to let his ISA languish in today's climate of low returns.



## An alternative ISA solution from Octopus

John speaks to his financial adviser, who recommends transferring some of his existing ISA portfolio into the Octopus Choice ISA.

Octopus Choice invests John's money across a portfolio of many different secured property loans, to help him target a rate of around 4% a year.

Octopus Property, the underlying lender, makes the loans at a conservative loan-to-value (LTV) of no higher than 76% – meaning the property value would have to drop by nearly a quarter before he would lose any money.

The conservative nature of the loans, not to mention the fact that Octopus invests 5% in each and every loan, at first loss – gives him confidence that the investment will be less volatile than his stocks and shares portfolio.

All while targeting a return that means his money won't shrink in real terms, after the effects of inflation.

### An important reminder about key risks

It's important to note that the risk profile of the Octopus Choice ISA is likely to differ from other ISAs.

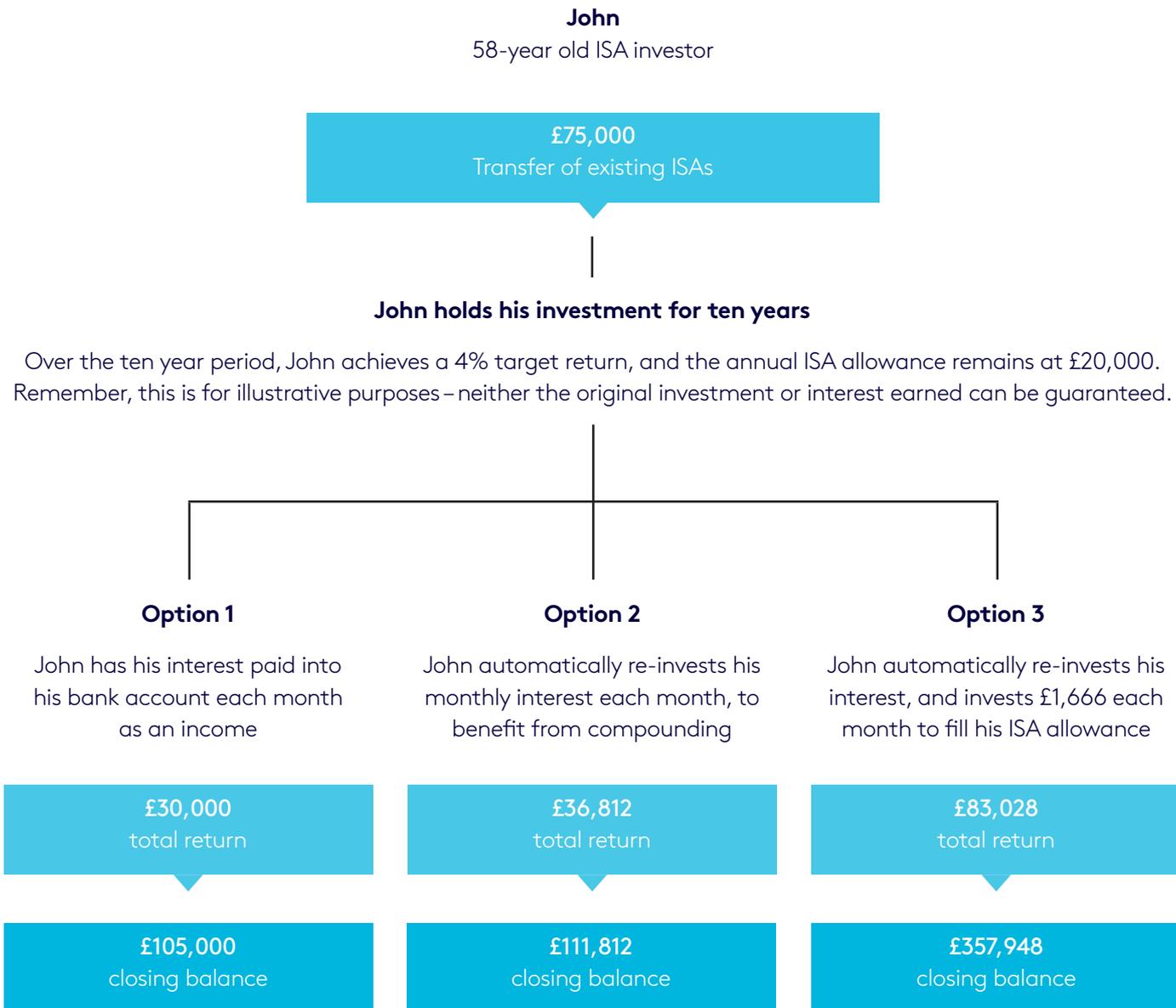
The value of an investment, and any income from it, can fall or rise. Investors may not get back the full amount they invest.

Because investments are concentrated in property, they could be affected by market conditions – and for the same reason, instant access cannot be guaranteed, should he request a withdrawal.

Investments in peer-to-peer lending aren't covered by the Financial Services Compensation Scheme (FSCS).

## How Octopus Choice can help

This diagram shows the potential returns John can achieve by transferring some of his ISAs to the Octopus Choice ISA, and the various options he has to suit his particular needs. John can transfer some or all of his existing ISAs and/or make a cash subscription using his current year's allowance. Although instant access cannot be guaranteed, there is no fixed term for the investment and he can request to make a withdrawal at any time.



**Note:** This example is for illustration purposes only and assumes that the annual ISA allowance remains at £20,000. It also assumes that John's investment with Octopus Choice achieves its target 4% return for the entirety of the 10-year holding period. It's important to note that the risk profile of the Octopus Choice ISA is likely to differ from other ISAs. Tax rules are subject to change and individual circumstances. The example does not include any charges paid for financial advice. Also, the current ISA provider may charge a fee for transferring an existing ISA.



### Octopus can help your clients

For more information about how the Octopus range of ISAs could help your clients, call **0800 316 2067** or visit [octopusinvestments.com/brighterISAs](https://octopusinvestments.com/brighterISAs)

# Octopus – an investment company with a difference

When we launched Octopus in 2000, our ambition was to create a different type of financial services company. We wanted to be known for putting our customers first.

Today, Octopus is an investment company with more than 500 employees and more than £7.2 billion in funds under management (source: Octopus, June 2017). We work with tens of thousands of clients, and we've built market-leading positions in tax-efficient investment, smaller company financing, renewable energy and healthcare. But no matter how big we get, our aim is to keep doing the simple things well and to look after each of our customers, day in, day out.

Our products are not suitable for everyone. Any recommendation should be based on a holistic review of your client's financial situation, objectives and needs. We do not offer investment or tax advice, but we recommend investors seek professional advice.

## Why not look through some of our other ISA planning scenarios?

An ISA that can help clients leave more for their loved ones...

An ISA for clients who want a little more spice...

For a copy, call our Business Development Managers on 0800 316 2067 or visit [octopusinvestments.com/clientscenarios](https://octopusinvestments.com/clientscenarios)

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