

Key dates

Cheque payments:  
6 October 2023

Completed  
applications and  
cleared funds:  
12 October 2023

# Octopus Inheritance Tax Service Rights Issue offer

## Rights Issue offer

The Octopus Inheritance Tax Service is a discretionary managed portfolio service. Through this Service, we invest into one or more companies expected to qualify for Business Relief (BR), a government-approved relief from inheritance tax. Provided the investment has been held for more than two years at the time of death, it can be left to beneficiaries free of inheritance tax.

There's currently a compelling and time-limited opportunity for existing Octopus Inheritance Tax Service clients to add to their portfolio.

One of the portfolio companies has offered shareholders the opportunity to purchase additional shares further to a Rights Issue.

A Rights Issue is an offer made by a company to every shareholder, that entitles them to subscribe for new shares in proportion to their existing shareholding. This Rights Issue is the opportunity to buy up to three new shares for each existing share held on 3 July 2023.

Clients who add to their portfolio before the deadline, should benefit from immediate or accelerated inheritance tax relief on their additional investment\*.

## An example client scenario

Judith first invested in the Service more than two years ago. As at 3 July, her portfolio was worth £250,000.

She's happy that her investment has delivered its target return over the long term, and given she has held her portfolio for over two years, it could pass to her loved ones free from inheritance tax.

On revisiting her estate plans with her adviser, she finds that her estate planning need has increased, and her visibility over cash requirements for the remainder of her life are clearer.

Judith's adviser explains that, should she make a further investment in the Octopus Inheritance Tax Service before 12 October, she can participate in the Rights Issue offer and purchase up to three new shares for every share she owns. The new shares should benefit from immediate relief from inheritance tax.

Clients who add to their portfolio before the deadline, should benefit from immediate or accelerated inheritance tax relief on their additional investment\*.

This means she could purchase up to £750,000 of shares under the Rights Issue offer. Judith's adviser recommends that she invests a further £150,000 in the Service.

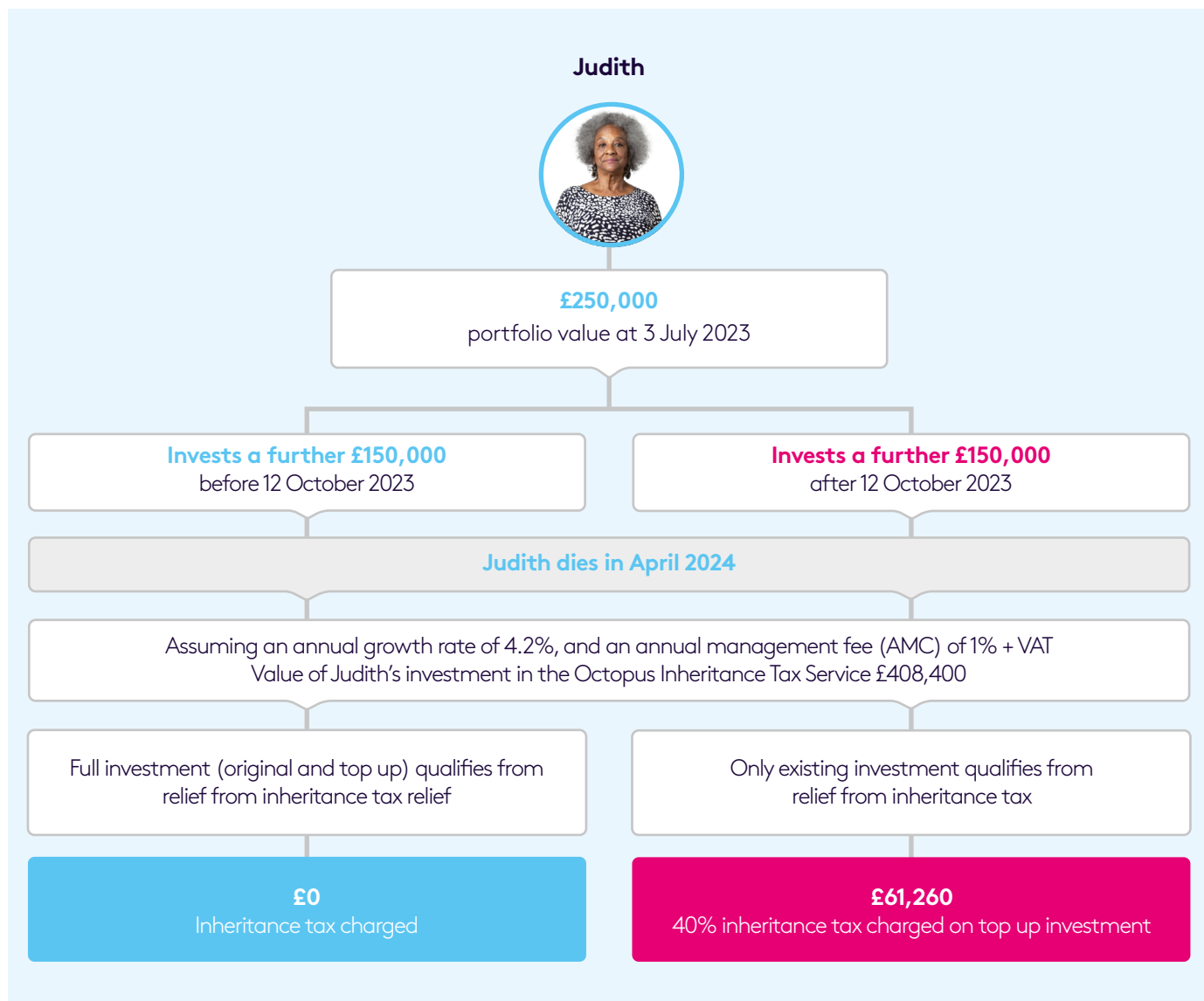


We created this tax planning scenario to help advisers develop suitable planning strategies for clients. It does not provide advice on investments, taxation, legal matters, or anything else. Any recommendation should be based on a holistic review of a client's financial situation, objectives and needs. Before recommending an investment, you should also consider the impact of charges related to the product, such as initial fee, ongoing fees, and annual management charges.

\*Immediate inheritance tax relief – if existing investment held for more than two years. Accelerated inheritance relief - if existing investment held for less than two years. For example, if existing investment held for one year, in one year the entire portfolio (existing and top up investment) should be free from inheritance tax.

## How it works in practice

Let's see how it might look if Judith were to top up her existing portfolio in the Service before 12 October 2023, compared with topping up after this date.



**Note:** This example is for illustrative purposes only and each investor's own tax situation may be different. The charging structures, including initial fees, annual management charge, and the dealing fees have not been factored in. This example does not include any charges paid for financial advice. In practice the Octopus Inheritance Tax Service has an initial charge of 2%, a deferred AMC of up to 1% + VAT and a dealing fee of 1% on entry and exit. AMC is calculated daily and paid pro-rata, contingent on performance, when shares are sold. This example assumes that the investments will be held until death and the nil-rate band is offset against other assets.

### An important reminder about risks

- Please remember that the value of an investment in the Octopus Inheritance Tax Service could fall as well as rise, and you might not get back the full amount invested.
- Any company we choose to invest in within the Octopus Inheritance Tax Service, is unquoted, not listed on any Stock Exchange, which means that shares can be difficult to sell.
- Investments within Octopus Inheritance Tax Service are managed in such a way to qualify for BR but qualification cannot be guaranteed. Tax treatment depends on individual circumstances, and tax rules could change in the future.
- Tax relief depends on portfolio companies continuing to qualify for BR in the future, not just today.

## How to apply

You should have received an email containing a link to pre-populated online applications for each of your eligible clients. If you haven't received this, please get in touch with your Business Development Manager on **0800 316 2067**.

If you'd like to discuss how these planning scenarios apply to your clients, or to find out more about how Octopus can support you, call our Business Development Managers on **0800 316 2067**, email **[support@octopusinvestments.com](mailto:support@octopusinvestments.com)** or visit **[octopusinvestments.com](https://octopusinvestments.com)**.

BR-qualifying investments are not suitable for everyone. Any recommendation should be based on a holistic review of your client's financial situation, objectives and needs. This communication does not constitute advice on investments, legal matters, taxation or any other matters.

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. We record telephone calls. Issued: August 2023.

CAM013282