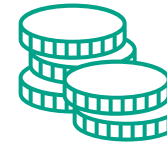


# Case Study: Life Interest Trust

Ms Arrowsmith is the life tenant of a trust, holding an investment bond valued at £1m.

# Life Interest Trust

The life interest trust (LIT) is considered part of Ms. Arrowsmith's estate for IHT purposes and is taxable to IHT on her death. This could be mitigated by investing in an alternative asset.



**Ms. Arrowsmith**

**£1,000,000**

**Deemed in Estate**

If the trust continues to hold bonds or traditional assets, IHT will apply.

**£600k to beneficiaries**

assumes IHT at 40% applies to whole investment

One option would be to reinvest in a Business Relief (BR) qualifying asset.

Ms. Arrowsmith would be eligible to benefit from IHT exemption, **meaning the net value to beneficiaries would be £1,000,000**

**For further information, please contact your Business Development Manager or the Sales Team**

Foresight Group LLP  
The Shard  
32 London Bridge Street  
London SE1 9SG  
United Kingdom

t: +44 (0)20 3667 8199  
e: [sales@foresightgroup.eu](mailto:sales@foresightgroup.eu)  
w: [foresight.group](https://foresight.group)

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