

CASE STUDY

Estate planning for clients who want to maintain access to their capital



**PUMA
INVESTMENTS**

OVERVIEW

It takes seven years for gifts and assets in a trust to fall outside an estate for inheritance tax purposes. Moreover, gifting assets or placing them into trust means you will no longer have direct control over your capital.

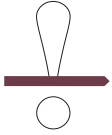
Business Relief (BR) qualifying investments, on the other hand, become free of inheritance tax after two years and remain in the investor's name. So investors can apply to withdraw their capital at any time, should their circumstances change – giving greater peace of mind.

For investment professionals only,
not to be read as tax advice.



Meet Susanna

Aged 78



The problem

Susanna, 78, has been meeting her financial adviser to discuss how she can pass on as much as possible to her three grandchildren when she passes away. Her husband died four years ago and her estate is now worth £1.5 million, which means that when her grandchildren inherit, they'll need to pay an inheritance tax bill. Susanna has had some health scares recently, and has a carer who visits her to assist with her daily living. She worries that if she were to gift her grandchildren their inheritance now, she may not have enough to cover any medical expenses, should they arise in the future. She is also worried that she may pass away before the required seven years (for any gift to fall outside an estate for inheritance tax calculation purposes) have elapsed, leaving her beneficiaries to pay an inheritance tax bill.



The solution

Susanna talks to her financial adviser. After making an assessment based on her risk profile and investment time horizon, her adviser suggests she invest a portion of her estate in a BR-qualifying investment. Her adviser explains that if she holds the investment for two years and at the point of death, it is likely to be free from inheritance tax.

Susanna's adviser mentions that one of these BR-qualifying investments, Puma Heritage Estate Planning Service, even offers the option of regular withdrawals. Investors can set up instructions to have a fixed amount paid monthly, quarterly, semi-annually or annually. She can also request to access her investment on an ad hoc basis.

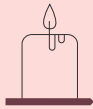
With the help of her financial adviser, Susanna invests £500,000 in Puma Heritage EPS and sets up an annual withdrawal of £30,000 to help pay for her care.

An investment in Puma Heritage EPS carries risk and may not be suitable for all investors. An investor can only apply to subscribe for shares in Puma Heritage EPS through a Financial Adviser who has assessed that a subscription is suitable for them. Any decision in respect of suitability should be based on a holistic review of client objectives, needs and risk profile. It is intended, but not guaranteed, that a subscription for shares in Puma Heritage EPS will benefit from inheritance tax relief, provided the shares have been held for at least two years prior to and at the point of death. Tax reliefs depend on individuals' personal circumstances, minimum holding periods and may be subject to change.



Without BR investment

Susanna gifts **£500,000** to her three grandchildren



After 2 years

Susanna passes

- £200,000
Inheritance tax due

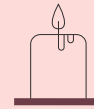
£300,000
Left to pass on at death

With BR investment

Susanna invests **£500,000** into a BR-qualifying investment

- £60,000

Susanna sets up an annual withdrawal instruction of £30,000 to help pay for her care¹



After 2 years

Susanna passes

£0
Inheritance tax due

£440,000
Left to pass on at death



Grandchildren

This example is for illustration purposes only and should not be read as advice. For the purpose of this scenario, the nil-rate band and residence nil-rate band have been used by other assets, no investment growth or losses are assumed, and Susanna is assumed to be fully invested in BR-qualifying companies. It is also assumed that Susanna has already used her annual gifting exemption allowance of £3,000.

¹ Any withdrawal will be subject to liquidity.

Please note from 6 April 2026, the first £1 million of BR qualifying assets per individual that are held for at least two years (and at the point of death) will continue to attract full IHT relief, with the excess over £1 million attracting a reduced rate of relief of 50% of the IHT 40% rate (ie: an effective IHT rate of 20%).

Get in touch

We're here to help

Contact us on 020 7408 4070,
email businessdevelopment@pumainvestments.co.uk
or visit www.pumainvestments.co.uk

RISK FACTORS

An investment in Puma Heritage EPS carries risk and may not be suitable for all investors. For more information please see below and visit www.pumainvestments.co.uk.

Past performance

Past performance is no indication of future results and share prices and their values can go down as well as up.

Tax reliefs are not guaranteed

Tax reliefs depend on individuals' personal circumstances, minimum holding periods and may be subject to change.

Long-term investment

An investment in the Service should be considered a long-term investment.

You may lose money

An investment in smaller companies is likely to be higher risk than other investments. Investors' capital may be at risk and investors may get back less than their original investment.

Potentially illiquid investment

Shares in private trading companies are illiquid. It may prove difficult for investors to realise immediately or in full proceeds from the sale of such shares.

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