

## CASE STUDY

# Clients looking to protect their UK small-cap exposure from IHT, on a platform



**PUMA  
INVESTMENTS**

### OVERVIEW

After years of diligent investing, people can often build large, balanced ISA portfolios that inadvertently expose their estate to a large inheritance tax (IHT) liability when they pass away. However, certain companies that are quoted on the alternative investment market (AIM) qualify for Business Relief (BR). Investors are therefore able to shift a part of their existing ISA portfolio into an IHT mitigation strategy.

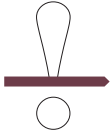
If the shares are held for two years and at the point of death, investors will potentially reduce their IHT bill on their small-cap exposure without significantly changing the amount of risk naturally associated with investing in smaller companies. In addition, AIM portfolios can also be held within an ISA tax wrapper, keeping or getting access to the many tax benefits.

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



# Meet Debbie

Aged 75



## The problem

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Over many years, with the help of her Financial Adviser, Debbie has built up a balanced portfolio that suits her risk profile.

Debbie recently celebrated her 75th birthday and began to worry that if anything should happen to her, she may be leaving her loved ones with a IHT bill.

Debbie doesn't want to move her entire portfolio into only smaller companies, reducing her diversification and increasing her risk.



## The solution

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Debbie's Financial Adviser suggests a solution that will match her current risk appetite but potentially mitigate her IHT liability by moving her existing UK small-cap exposure into a BR-qualifying AIM-quoted portfolio. This will give her peace of mind that she has reduced the IHT bill that she will leave to her beneficiaries.

Her adviser also explains that she could even transfer her quite sizable stocks and shares ISA into a discretionary managed service like the Puma AIM ISA IHT Service without losing any associated tax benefits.

THE PUMA AIM ISA IHT SERVICE IS AVAILABLE  
ON SEVERAL WRAP PLATFORMS

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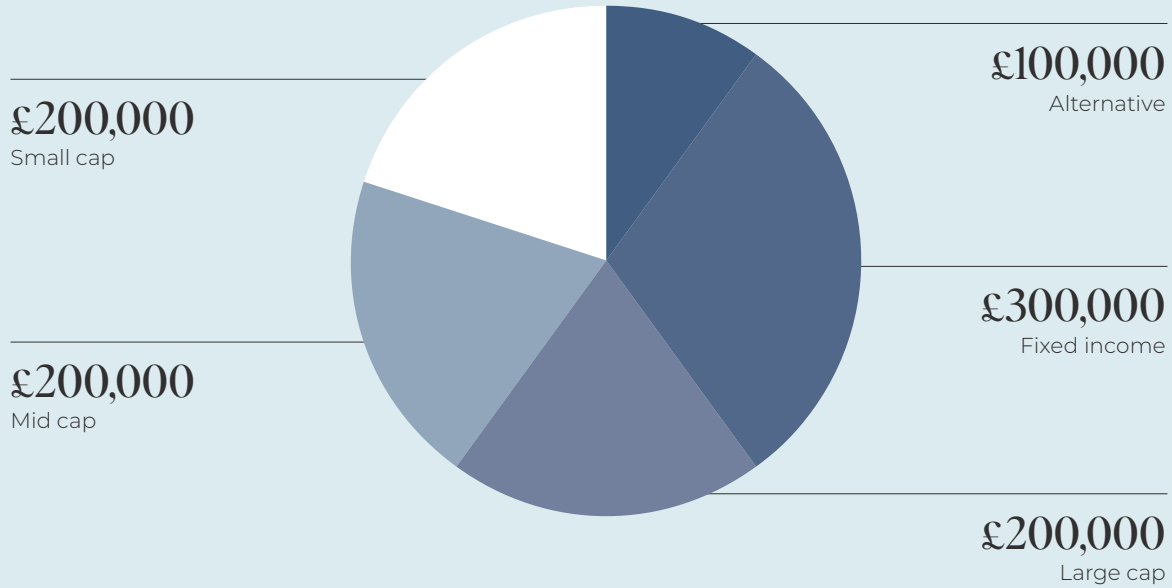


### Debbie's portfolio

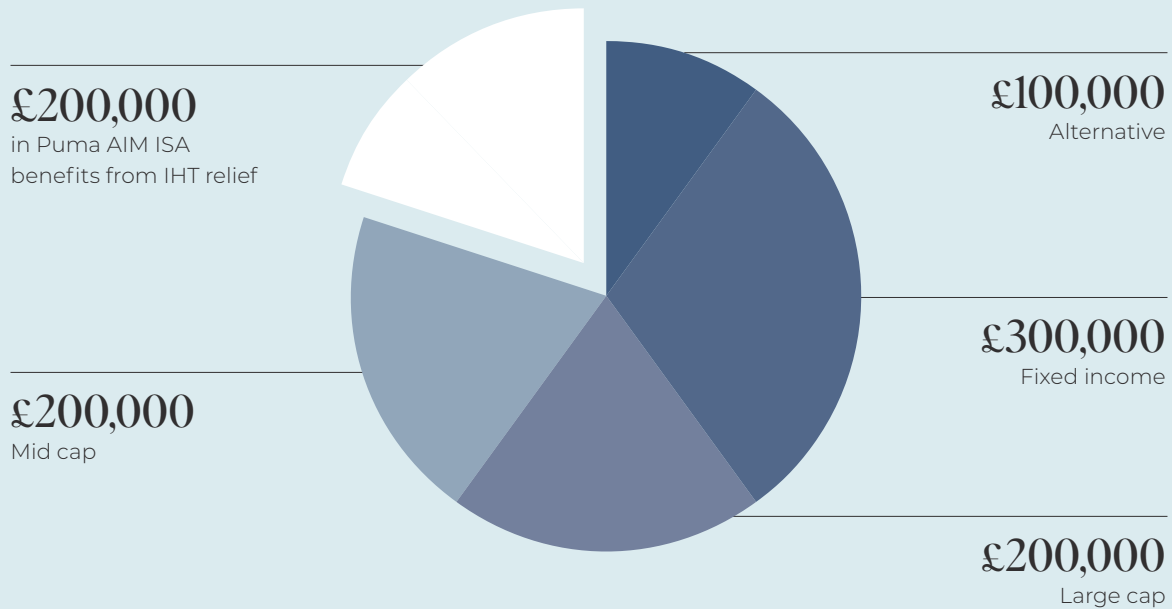
Debbie's portfolio is managed by her Financial Adviser on a platform.

Based on Debbie's risk profile, attitude towards investing in smaller companies and her target investment time, her adviser suggests moving her small-cap exposure, currently held within her ISA, over to the Puma AIM ISA IHT Service. This will maintain a similar level of risk for Debbie, while also helping her potentially mitigate some of her IHT bill.

DEBBIE'S CURRENT PORTFOLIO



IF DEBBIE TRANSFERRED TO PUMA ISA



The case study scenario is for illustrative purposes only and assumes no gains or losses on investments. The adviser will need to consider the eligibility and timings of tax reclaim and tax liabilities depicted and the impact of charges, as relevant to the offering(s) represented and/or any specific offer chosen. Tax reliefs are not guaranteed and depend on minimum holding periods, the individual investor's circumstances and may be subject to change.

Please note from 6 April 2026, BR qualifying AIM shares that are held for at least two years (and at the point of death) will continue to benefit from a reduced rate of relief of 50% of the IHT 40% rate (ie: an effective IHT rate of 20%). Currently, and until 6 April 2026, qualifying AIM shares are fully exempt from IHT if they are held for at least two years.

# Get in touch

We're here to help

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Contact us on 020 7408 4070,  
email [businessdevelopment@pumainvestments.co.uk](mailto:businessdevelopment@pumainvestments.co.uk)  
or visit [www.pumainvestments.co.uk](http://www.pumainvestments.co.uk)

## RISK FACTORS

An investment in the Puma AIM ISA Inheritance Tax Service may not be suitable for all investors.

An investment in the Service carries risk and you should take your own independent advice. You should only invest in the Service on the basis of the Investment Overview and Investor Agreement, which details the risks of the investment. Below are the key risks of the Service.

### Tax reliefs are not guaranteed

Tax rules may change, which could affect the reliefs available for IHT purposes. Tax reliefs are subject to an individual's personal circumstances and independent tax advice should be taken. While the Tax Adviser will also carry out an annual review of the portfolio, we can't guarantee that all portfolio investments will qualify for BR. If a company should be non-qualifying at the time of being selected for the portfolio or become non-qualifying thereafter, then any applicable BR could be reduced accordingly.

### Long-term investment

An investment in the Puma AIM Inheritance Tax Service should be considered a long-term investment.

### Capital at risk

The value of investments can go down as well as up, so investors may not receive their full amount invested. An investment in smaller companies is likely to be higher risk than many other investments. Companies quoted on AIM are likely to be more risky and have less rigorous listing requirements than companies quoted on the main list of the London Stock Exchange. Dealing costs may be significant, particularly in respect of a relatively small investment in the Service.

### Past performance

The past performance of the Puma AIM Inheritance Tax Service, Puma Investments, the funds Puma Investments manages and the companies it advises, is not a reliable indicator of future performance. Future performance may be materially different from past results. There is no guarantee that can be given as to the overall performance or level of return that can be achieved from investments made, or that the objectives of the Service will be achieved.

### Potentially illiquid investment

AIM stocks are largely small and illiquid. They are characterised by significant spreads and low trading volumes. A sale of such shares may be difficult, slow and only achievable at lower than indicated market price.

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