

CASE STUDY

Clients who want IHT relief on their ISA



**PUMA
INVESTMENTS**

OVERVIEW

An Individual Savings Account (ISA) offers valuable tax benefits during someone's lifetime but is still subject to inheritance tax along with the rest of the person's estate.

Since 1996, private investors have been able to hold shares in AIM-listed companies and pass them with 50% relief from inheritance tax, provided the company qualifies for Business Relief (BR), the investor has held the shares for at least two of the previous five years before death and at the time of death.

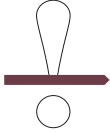
In 2013, it became possible to hold Alternative Investment Market (AIM) shares in an ISA enabling an investor to either make new subscriptions or to transfer some or all of an existing ISA pot into a BR-qualifying ISA.

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



Meet Linda

Aged 62



The problem

Linda is a committed ISA investor and since her husband died last year, she is starting to think about the inheritance liability that she might leave when she passes away.

Her house is worth just over £1 million and she expects her children will have to pay 40% IHT on her investments when she dies, including her ISAs.

She would like to find a way to invest that retains the tax benefits of an ISA wrapper without the inheritance tax liabilities.



The solution

Based on Linda's objectives and attitude to risk, her Financial Adviser suggests investing in the Puma AIM IHT ISA. It offers the same tax benefits as her ISAs, but after two years it should benefit from IHT relief, assuming it is still held when she passes away.

The Puma AIM IHT ISA offers Linda growth potential by investing in a model portfolio of companies listed on AIM. Certain AIM-listed companies qualify for BR.

With the Puma AIM IHT ISA, the investment is still held in Linda's name, so she can access it if she needs to deal with any unexpected costs.

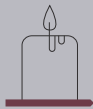
Linda's adviser makes it clear that BR investments are not without risk.

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 reclaims 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.



Without AIM IHT investment

Linda holds **£100,000** in a non-BR-qualifying investment account



Linda passes

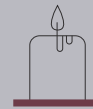
£40,000
Inheritance tax due

£60,000
Left to pass on at death

With AIM IHT investment

Linda invests **£100,000** into BR-qualifying investment

After 2 years, the investment benefits from IHT relief



Linda passes

£20,000
Inheritance tax due

£80,000
Left to pass on at death



Children

Any decision in respect of suitability should be based on a holistic review of client objectives, needs and risk profile. Please remember that IHT solutions are high risk investments and we always recommend investors seek independent investment and tax advice before considering these investments. It assumes that Linda is fully invested into Business Relief qualifying companies. For the purpose of this scenario the nil rate band and residential nil rate band have been used by other assets.

¹ Assuming that the entire investment was held in BR qualifying companies for two years and held at the time of death.

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

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

This communication is a financial promotion issued by Puma Investments in accordance with section 21 of the Financial Services and Markets Act 2000 ("FSMA").

Puma Investments is a trading name of Puma Investment Management Limited (FCA no. 590919) which is authorised and regulated by the Financial Conduct Authority. Registered office address: Cassini House, 57 St James's Street, London SW1A 1LD. Registered as a private limited company in England and Wales No. 08210180.

PI001725-1224