

INHERITANCE TAX

Octopus Secure Inheritance Tax Service

THE PROBLEM

Millions of people now potentially find themselves facing a substantial inheritance Tax liability.

Nobody likes the idea of the Government taking 40% of their hard earned assets when they die. But that's what can happen. When you die, HM Revenue & Customs can claim 40% of your estate above a threshold of £312,000*.

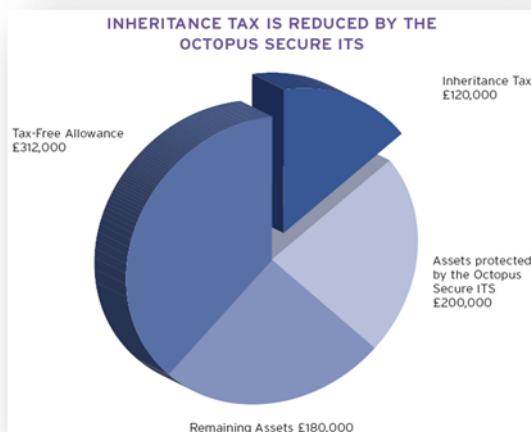
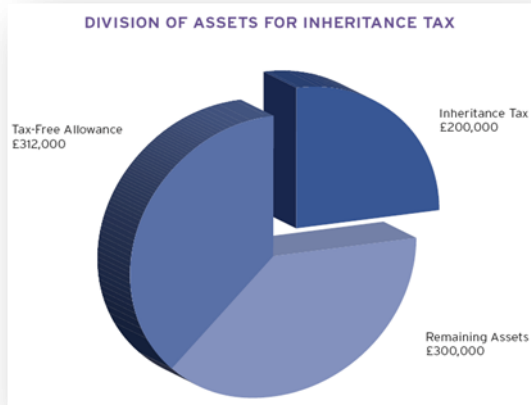
There are a number of ways to limit your exposure to inheritance tax. However, these can be risky, take years to implement or mean that you permanently lose control of and access to your money.

That's why so many people are choosing the Octopus Protected ITS

It's a simpler, more flexible way to reduce your inheritance tax liability. It provides you with control over your assets, the potential for attractive long-term returns and peace of mind that the value of your initial investment is protected when you die.

*The threshold above which your estate is liable for inheritance tax (based on the tax year to 5 April 2009).

£3.8 billion was paid in inheritance tax last year, with the average estate faced with a bill of more than £111,000. Source: HM Revenue & Customs, 2008



COVER FOR THE FIRST TWO YEARS

If you're looking to shield your assets from the impact of inheritance tax from day one, ITS can help you achieve it.

You will need to hold onto your investment for two years before it is outside your estate. However, it may be that you wish to remove the financial impact of inheritance tax from day one of your investment. Octopus can achieve this by providing you with an insurance policy that will pay out the value of the inheritance tax bill (i.e. 40% of the amount you invest), should you die within the first two years.

This is an optional feature of the product, but should you wish to obtain a quote for the cover you will need to complete part of the application. Octopus will then advise you of the one-off cost for the insurance and you can decide whether to take out the cover or not. The cover will start from the receipt of the premium payment.

The **Octopus Secure Inheritance Tax Service ('ITS')** aims to provide you with a fast, flexible solution to inheritance tax with a high degree of capital security.

It offers investors four clear advantages:

LOWER RISK

The Fund will be investing in companies that qualify under the rules relating to business property relief. These investments will all offer a high degree of capital protection. Examples of the kind of investment we will make are companies providing payroll services or wholesaling. In both examples, the companies in which the Fund invests would seek to reduce any potential risk through the use of credit insurance.

GROWTH OR INCOME

The Fund has been designed to give you a choice of growth or income. For those clients seeking growth of their investment, the net growth is estimated to be 3% per year. Clients opting for income will receive an expected net return (after all charges) of 3% per annum. Additional income can be generated by drawing down on the capital. If the annual return does not reach these estimated levels, Octopus will contribute up to 3% to make up any shortfall.

SPEED

Unlike gifts and simple transfers, which generally take seven years before they're fully exempt from inheritance tax, investments made through the Fund are exempt after just two years (provided the investments are held at the time of death). You should remember that taxation levels, rules, bases and reliefs could change in the future.

CONTROL

Unlike some other solutions, you retain access to your investment. If your circumstances change and you want to dispose of your holding, you can – although money withdrawn may not be shielded from inheritance tax. Please note that it may take up to eight weeks to achieve this and an investment in this product should be viewed as a medium to long-term investment.

CONTROL OVER YOUR INVESTMENT

Hold it, or put it into trust – the choice is yours.

Depending on the level of control you want to exercise over your investment there are a number of choices to be made once the investment falls outside your estate (i.e. two years from the date of the original investment).

HOLD THE INVESTMENT YOURSELF

You can continue to hold the investment yourself. This will give you maximum control and allows you to withdraw all or part of your investment at any time and for any use.

PUT IT INTO A TRUST

If you are confident that you do not need access to the capital, you might consider gifting the investment into a discretionary trust (i.e. a trust where you as trustee control how the assets are used). This has a number of advantages:

~ You can arrange for the trust to pay you a level of tax-free income every year (of up to 10% of the initial investment)

~ You can determine how the assets within the trust are used (to pay school fees for example)

~ Transferring your investment in the Octopus Secure ITS into the trust means that you do not have to pay the 20% initial tax charge that normally applies to discretionary trusts (based on current tax rules and regulations)

An investment in the Octopus Secure ITS is not suitable as a short-term investment and should be held for at least two years. You can invest from £30,000 in the Fund and there is no maximum investment.

If it would help to speak to an Octopus fund manager to go through the plan in greater detail call on 0800 316 2298.

There is an initial charge of 5.5%, which will be deducted from the amount invested, which is reduced to just 2.5% by the Seymour Sinclair Discount. CONTACT SEYMOUR SINCLAIR INVESTMENTS ON 02088707072 OR EMAIL US info@seymoursinclair.co.uk FOR BROCHURES AND APPLICATIONS