



*Learn how Jane protected her large equity portfolio from inheritance tax using Stellar ESP AiM.*

**KEY POINTS**

- ★ **IHT Relief:** investments qualify for 100% relief from IHT after two years.
- ★ **Control:** provides full control of and access to capital throughout lifetime.
- ★ **Liquidity:** easy access to capital.

**THE CLIENT**

Jane has recently been widowed and her own health is also deteriorating, she has an equity portfolio of £200,000. When her husband died, he used up the entirety of his nil rate band allowance. Jane’s property and other assets will exceed their combined nil-rate band.

Jane is concerned by the large inheritance tax (IHT) bill that her children will face when she passes. She wants to pass as much as possible to her children but also wants to keep control of her capital during her lifetime, as she is concerned that she may need to fund medical and long-term care costs in the future.

Jane has considered more traditional planning methods, but her health means that there may be insufficient time to utilise gifts or trusts and life assurance policies are likely to be very expensive if they are approved.

**OUR SOLUTION**

Jane decided to invest in Stellar ESP AiM because it qualifies for 100% relief from IHT after just two years and Jane can keep full control of her money, in case she needs it in the future.

Jane also chose to take out Stellar ESP Plus, Stellar’s insurance policy that protects her investment from any loss in value to maximise the inheritance that passes to her children.

**RESULTS AFTER THREE YEARS**

	Estate without IHT planning	ESP AiM no growth (net)	ESP AiM 3% growth (net)
Gross investment value	£200,000	£200,000	£200,000
0.5% initial fee	-	(£1,000)	(£1,000)
Net investment into Stellar ESP AiM	-	£199,000	£199,000
Inheritance tax at 40%	(£80,000)	-	-
Growth in value	-	-	£17,820
<b>Value of inheritance left to beneficiaries</b>	<b>£120,000</b>	<b>£199,000</b>	<b>£217,453</b>

This table illustrates that even assuming the value of Jane’s ESP AiM portfolio does not increase, her beneficiaries are still able to save nearly £80,000 after all fees are paid.

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