

Consolidating Portfolios on a Platform

How Mr and Mrs Jones consolidated their investments from various providers on a wrap platform.

The Client

Mr and Mrs Jones have invested in equities for most of their working lives. They are now in their seventies and were concerned to learn that none of these investments qualify for inheritance tax (IHT) relief. Their portfolio has grown over the years and they are worried by the large IHT bill their children will face when they die.

They are also frustrated by the different fees and charges and the inconsistency of reporting on their investments. Some of their investments are already held on a wrap platform and they are looking to move the others on platform to organise their portfolios.

Our Solution

Mr and Mrs Jones spoke to their financial adviser and she suggested that given that they already hold investments on the Standard Life platform, they move their other investments on to this platform.

Because of their large IHT liability, their adviser also suggested investing in the Stellar AiM IHT Service because this should provide full relief from IHT after just two years.

Mr and Mrs Jones made a transfer to the Stellar AiM IHT Service. This solution also enables them to retain access to, and control of, their capital.

Key Features



IHT Relief

Investments should qualify for 100% relief from IHT after two years.



Control

Clients retain ownership of their capital so they keep control.



Streamlined

Investments are held in one place with combined reporting.

The table below illustrates that even assuming the net value of Mr and Mrs Jones' Stellar AiM IHT Service portfolio does not increase, their beneficiaries should still save £80,000 after all fees are paid, by not having to pay the 40% IHT liability.

Additionally, Mr and Mrs Jones will benefit from streamlined reporting and their beneficiaries will inherit one consolidated portfolio.

Results After Three Years

| | Estate without IHT planning | Stellar AiM IHT Service no growth (net) |
|---|-----------------------------|---|
| Gross investment value | £200,000 | £200,000 |
| 0% initial fee | - | - |
| Net investment in Stellar AiM IHT Service | - | £200,000 |
| Inheritance tax at 40% | (£80,000) | - |
| Value of inheritance left to beneficiaries | £120,000 | £200,000 |

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