EQUILIBRIUM

Estate planning service

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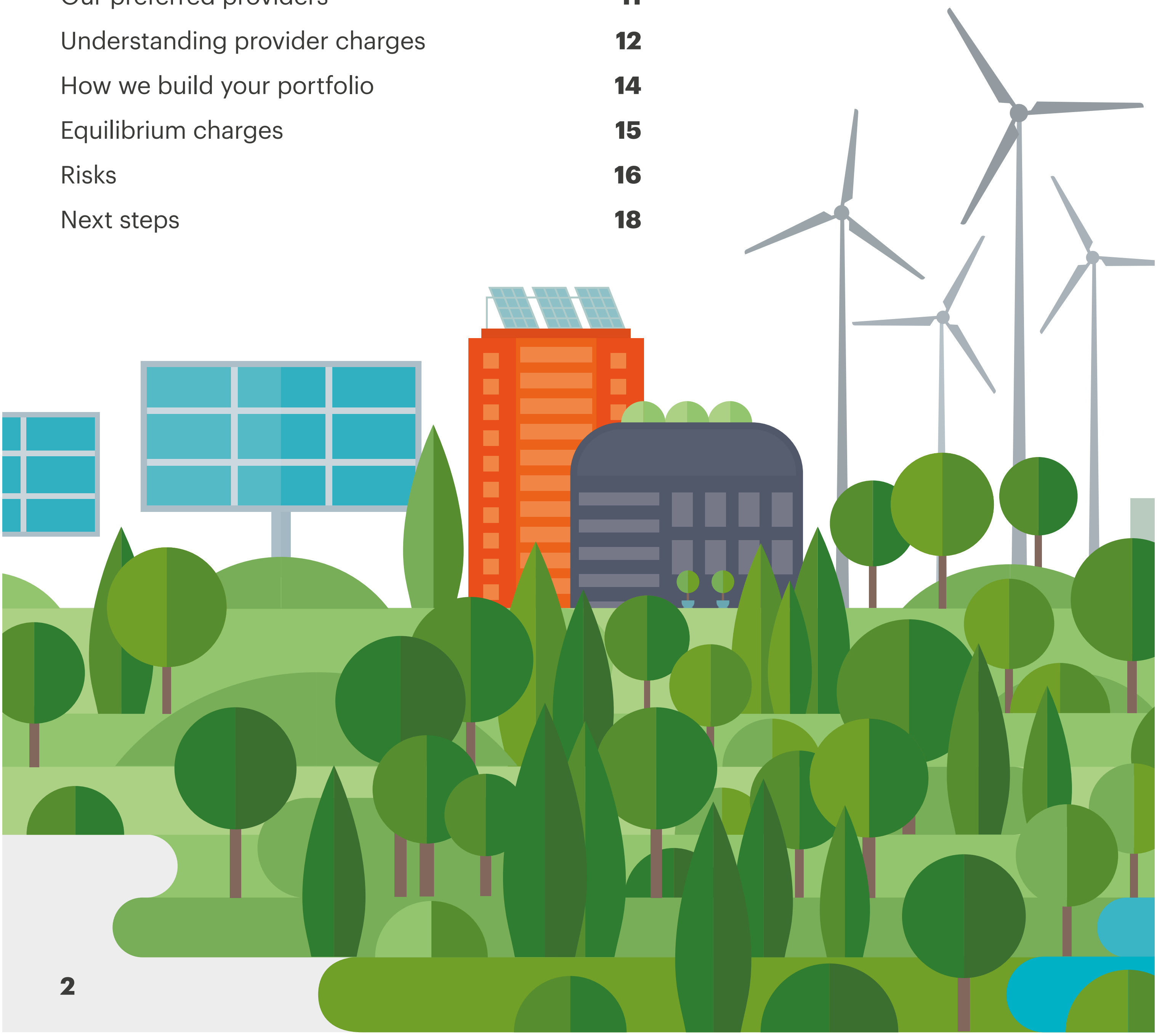


Introduction

Inheritance Tax (IHT) has a way of catching families off guard. Most people assume it only affects the very wealthy, but the reality is quite different. The nil rate band, the amount an individual can pass on tax-free, has been stuck at £325,000 since 2009, and it is not moving until at least 2031. Had it kept pace with inflation, it would be closer to £500,000 today. In that same period, property values have risen significantly and investments have grown, meaning more families than ever find themselves with an estate well above the threshold.

To make matters worse, from April 2027, pension funds will count towards your estate for IHT purposes for the first time. For many families who have spent years building up their pension savings, this is a significant change that could push their estate into IHT territory, or substantially increase an existing liability.

The numbers tell the story. HMRC collected £8.2 billion of IHT in 2024/25, and the Office for Budget Responsibility forecasts that by 2029/30, around 9.5% of all deaths will trigger an IHT charge, up from just 5.1% a few years earlier. That is roughly 66,000 families a year facing a 40% tax bill on the wealth their loved ones expected to inherit.

Put simply, the goalposts keep shifting. However, the good news is that with the right planning, you can still protect what you have worked hard to build. This booklet outlines one of these options in detail, namely investing for **business relief**.

Sources: HMRC monthly tax receipts bulletin, March 2026 (gov.uk).
OBR Inheritance Tax forecast, March 2026 (obr.uk).

Your options

When it comes to dealing with an IHT liability, there are four main options available to you.

Spend it

Enjoy your wealth during your lifetime and reduce the size of your estate in the process. There is nothing wrong with that, but most people also want to leave something behind and it can feel uncomfortable to see your asset values falling.

Give it away

You can give it away; Gifts to family and friends can eventually fall outside your estate, but you need to survive seven years for them to become fully exempt. You also give up access to and control over whatever you hand over, which can feel like a big step, particularly if your circumstances might change.

Insure it

A life insurance policy written in trust can give your beneficiaries a lump sum to cover the IHT bill. This does not reduce the tax itself, rather it simply pays for it. This option can be used in combination with gifting or other strategies, covering the liability until it disappears. Unfortunately, purchasing the right cover can prove expensive, or for some, it can be unavailable altogether.

Invest it

By investing in shares of qualifying unquoted UK trading companies, your investment can become eligible for IHT relief after just two years. Crucially, you keep access to your capital (if required) and retain control over your investment throughout. There are no age limits and no medical underwriting, meaning it does not eat into your other IHT allowances. For many of our clients, this is the most flexible and effective tool in the estate planning toolkit.

What is Business Relief?

Business relief (BR) has been part of UK legislation since 1976. Originally designed to help family businesses pass between generations without a forced sale, it has since evolved into a widely used estate planning tool available to any investor.

The concept is straightforward. If you invest in shares of a qualifying, unquoted UK trading company and hold them for at least two years, those shares can be left to your beneficiaries free from IHT. You do not need to give anything away, set up complicated trust structures, or wait seven years. The investment stays in your name, you keep access to your capital (subject to liquidity), and you can draw on it if your circumstances change.

The companies you invest in must be genuine trading businesses, which means actively doing things like generating renewable energy, lending to other businesses, or running care homes. HMRC assesses whether BR applies on a case-by-case basis after death, so it is important that investments are managed with qualification in mind throughout.

Following the Autumn Budget 2024, from April 2026 there is a £2.5 million allowance per person for 100% relief on qualifying unquoted shares. Above that, 50% relief applies, meaning an effective IHT rate of 20% on the excess. For a married couple, this could shelter up to £5 million entirely.

It is a powerful relief, but the investments that qualify are specialist in nature and highly complex. Choosing the right estate planning schemes can be a real challenge.

Estate planning schemes

An estate planning scheme is a product that invests in assets specifically to obtain business relief. These assets fall into three main categories:

Lending: Short-term loans made directly to businesses and public sector organisations, or through wholesale facilities for specialist lenders. Returns predominantly come from interest, with loans typically secured against underlying assets to manage risk.

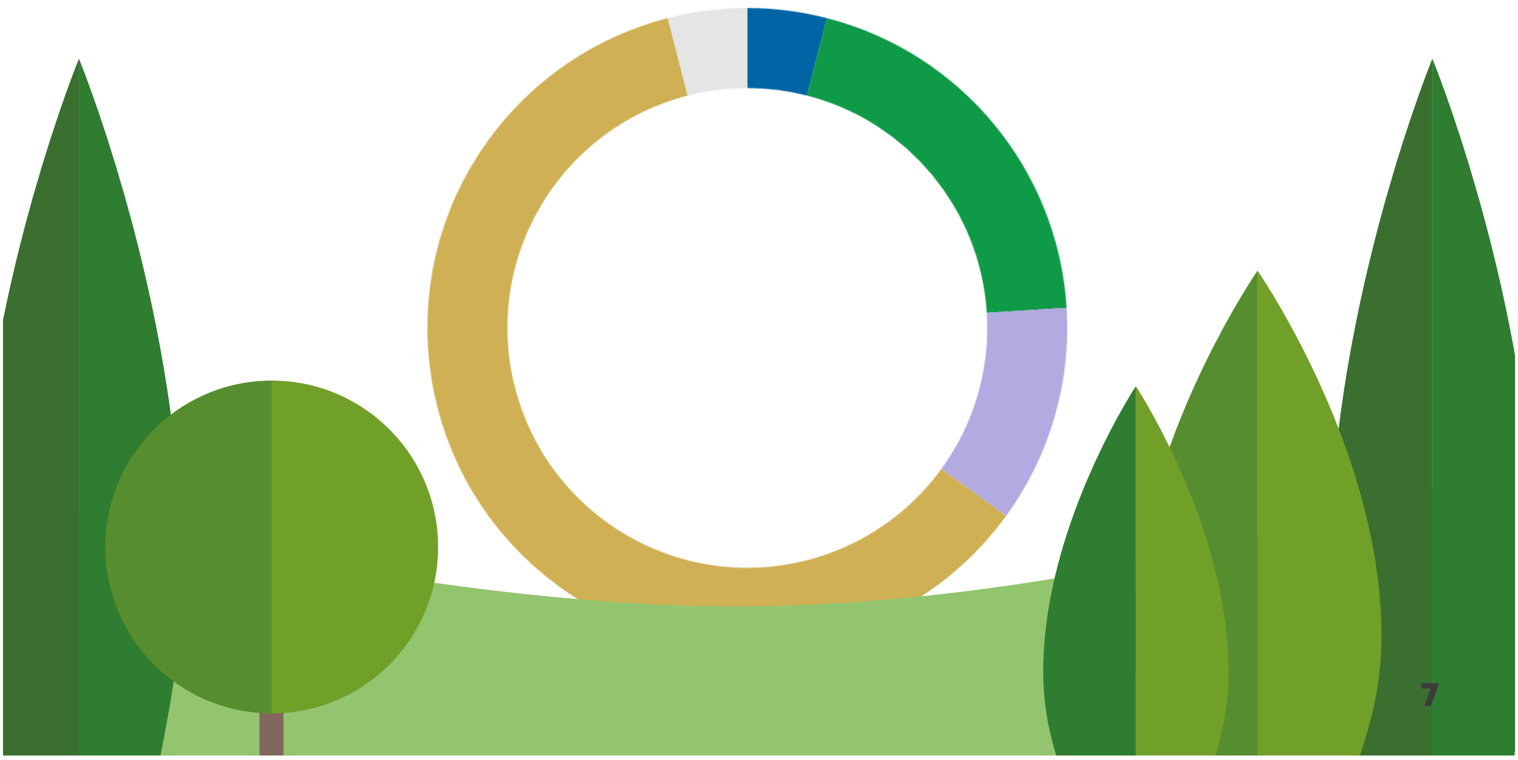
Real assets: Physical assets such as care homes, schools, hospitals, self-storage facilities and infrastructure like broadband networks and forestry. These tend to generate stable, predictable income and can benefit from capital growth over time.

Energy: Predominantly renewable energy assets, including solar farms, wind turbines and hydroelectric plants, and often supported by long-term government subsidies or contracted energy prices.

There are two other categories that might occasionally be seen.

Liquidity: Cash held within the portfolio, usually while the manager awaits new investment opportunities or following an asset sale. It generates a lower return than other asset classes but gives managers the flexibility to act quickly when the right opportunity arises.

Other: A catch-all for assets that don't fit neatly into the categories above. These might include specialist sectors or niche trading businesses that qualify for BR, but share the same core characteristics: tangible backing, stable cash flows and clear BR eligibility.



Research and selection

Estate planning schemes are not easy to understand and compare. Rather than listed funds with daily prices, you are investing in shares of individual unquoted trading companies. That makes the quality of the businesses, the strength of the management teams and the robustness of the strategy absolutely critical, which is why rigorous research sits at the heart of everything we do.

We believe clients should not have to navigate this complexity alone. Our role is to do the heavy lifting: analysing the full market, understanding the real risks beneath the surface, and forming our own independent view on which providers we are confident recommending.

Every six months, our investment team carries out a comprehensive review of every product available. This goes well beyond marketing materials, we examine underlying assets, how returns are generated, key risks, and whether targets are genuinely achievable. We also monitor developments between reviews and act if anything changes.

The outcome is a carefully curated panel of products, selected for their balance of risk management, return potential and operational quality. The products will have different characteristics, allowing us to blend them into portfolios tailored to each client's needs. Our panel is not static, and we will not hesitate to remove a provider if our confidence changes.

To be able to recommend specialist schemes with confidence, we need to be sure that the management style of the product providers we choose is consistent with our own investment ethos. To achieve this, we have developed a well-defined research and selection process.

Initial research + MICAP due diligence

Review all available products and filter on size and availability.

Use independent due diligence from MI Capital research (MICAP), an investment research company that specialises in the tax advantaged investment market.

Long list

Focused research

Initial meetings with asset managers on long list covering the nature of their product including:

- Risk
- Exposures of underlying investments
- Costs

Short list

Verify the details

Further meetings with short listed asset managers to cover the fine details. Verification of our due diligence with other specialist research providers. We are also able to negotiate discounts for clients due to our scale.

Provider decision

Monitoring

Continuous monitoring of markets and new developments.

Six monthly review

A question of suitability

Although investing into an estate planning scheme can be a highly effective option, it's certainly not for everyone. As a guide, this type of investment can be suitable if you:

- Have a large IHT liability that cannot be addressed through simpler allowances and exemptions alone.
- Have an overwhelming IHT liability where the potential tax saving significantly outweighs the investment risk.
- Are older or in poor health, where the seven-year gifting timeline feels too uncertain.
- Have a good appreciation of the risks involved.
- Wish to retain access to capital invested. However, you will only receive the IHT benefit if the qualifying asset is held on death.
- Have recently sold a business and want to reinstate IHT relief on the proceeds.

Important considerations

These investments carry a higher level of risk than mainstream investments. Your capital is at risk and returns are not guaranteed. While providers aim to offer regular access to your money, these shares are not traded on a stock exchange, so liquidity cannot be assured, particularly in times of market stress. They are also higher cost than a typical investment, as we explain later on in this booklet.

Estate planning investments are unlikely to be appropriate if you cannot afford to tie up the capital for the rest of your life, if you have a low appetite for investment risk, or if simpler planning options would achieve the same result more efficiently.

This is exactly why taking professional advice matters. Your financial planner will assess your specific circumstances and make specific recommendations on the best options for you.

Our preferred providers

Our product panel includes four specialist estate planning scheme providers. Each company has different characteristics, allowing us to blend them together to meet your individual needs.

Triple Point Estate Planning Service

Triple Point has a long and respected track record in lending and private credit, giving us confidence that they understand how to generate consistent returns while managing risk carefully. Their service offers two strategies that can be used individually or blended together. The Generations strategy (TP Leasing) takes the more conservative approach, lending to larger corporates and the public sector. For those comfortable with a little more risk, the Navigator strategy lends to small and medium-sized businesses.

Downing Estate Planning Service

Downing brings together two distinct strategies that work well together. Bagnall Energy invests in renewable energy, such as solar, wind, hydropower and battery storage. Pulford Trading takes a different angle, investing in businesses with real, tangible assets behind them: care homes, specialist education, property development and funeral care. Downing also offers an optional insurance feature called Wealth Guard Cover, which protects against a fall of up to 20% in your initial investment if you pass away during the holding period. Downing have also launched a version of their Pulford holding that offers potentially higher returns.

Foresight Inheritance Tax Solution

Foresight is one of the most experienced infrastructure investors in the UK. Their estate planning service invests across an unusually broad range of sectors: renewable energy, fibre broadband, forestry, sustainable agriculture and social infrastructure. With a rigorous, multi-stage approach to selecting investments, Foresight brings real depth and discipline to their process. Foresight also offers an enhanced option for those seeking higher potential returns, focused more on asset-backed lending.

TIME:Advance

TIME's Advance strategy invests across seven sectors, with the largest allocation to renewable energy (around 60% of revenues), complemented by property lending, forestry, self-storage and other real assets. A key feature is the asset-backed nature of the lending: if a borrower defaults, TIME can take ownership of the underlying asset, which provides a meaningful layer of downside protection. An independent advisory committee of six sector specialists provides an additional level of governance and oversight.

Understanding provider charges

Each provider structures their charges differently, which makes a direct comparison difficult. The charges typically include an initial fee, an annual management charge, and the ongoing costs of running the underlying businesses.

Provider	Underlying company	Target return
Triple Point 1 King William Street London EC4N 7AF **w:** www.triplepoint.co.uk	Navigator Trading Limited	4–5%
	TP Leasing Limited	1.5–2.5%
Downing 10 Lower Thames Street London EC3R 6AF **w:** www.downing.co.uk	Bagnall Energy Limited	3–4.5%
	Pulford Trading Limited	3–4.5%
	Pulford Trading Limited (Growth)	5–7%
Foresight The Shard, 32 London Bridge Street, London SE1 9SG **w:** www.foresight.group	Averon Park Limited	3–4.5%
	Riverhead Park Limited	5–7%
TIME 80 Strand, London WC2R 0DT **w:** www.time-investments.com	Elm Trading Limited	3–4.5%

The stated target returns are quoted net, after annual management charges and underlying business costs have been deducted.

Standard initial fee	Dealing fee	Annual management charge	Underlying business costs
2%	1%	0.5% +VAT	Up to 1.9% +VAT
2%	1%	0.5% +VAT	Up to 1.9% +VAT
2%	–	0.5% +VAT	Up to 1.5% +VAT
2%	–	0.5% +VAT	Up to 1.5% +VAT
2%	–	0.5% +VAT	Up to 2% +VAT
2.5%	–	–	Up to 2% +VAT
2.5%	–	0.5% +VAT	Up to 2% +VAT
2.5%	1%	0.5% +VAT	Up to 1.5% +VAT

How we build your portfolio

Once your financial planner has confirmed that an estate planning investment is right for you, the focus turns to how your portfolio should be structured. This isn't one size fits all. We tailor the investment mix to your circumstances, considering how much you're investing, your attitude to risk and your objectives.

How much you're investing

Where possible, we look to diversify across multiple providers, spreading risk and reducing reliance on any single strategy. Combining providers with different areas of focus helps build a portfolio that is more resilient and better suited to your attitude to risk.

Providers do have minimum investment levels, which can sometimes make wider diversification impractical for smaller investment amounts. Where this is the case, a well managed single provider solution can still deliver meaningful diversification through its underlying assets..

Planning for couples

When advising a couple, we invest each person's allocation separately. Business relief applies on an individual basis, so this approach ensures that each estate can benefit fully from the available relief. It also allows each portfolio to reflect personal attitudes to risk, which can differ between partners.

Matched to your risk profile

Our panel of investments spans a broad range, from lower-risk strategies offering more stable, predictable returns, through to higher-return opportunities with greater variability. Your financial planner will recommend a blend that reflects both the level of IHT mitigation you need and the level of investment risk you are comfortable with.

Equilibrium charges

Our estate planning service charges reflect the depth of work and additional complexity involved.

We charge an **initial fee** of 1% of the amount invested, subject to a minimum of £500 and a maximum of £5,000 per recommendation. This covers a detailed suitability report, an enhanced file check from our best practice team and detailed account set up process. We aim to achieve discounts from providers wherever possible, which are greater than our initial fee. The fees that will apply to your particular investments will be confirmed in your suitability report.

Your estate planning assets count towards the total assets under our management. This means our standard **ongoing advice fees** apply in the usual way, as detailed in our Retail client agreement.

We also charge an additional **intermediation fee** of 0.5% per year to reflect the significant additional work involved in managing these schemes. For example:

- Enhanced monitoring of each provider and their underlying investments.
- Proactive portfolio review of the balance between investment risk, target returns and business relief eligibility.

Example client charges

The table below shows examples of the fees that are payable to Equilibrium to access our estate planning service.

Investment amount £	Initial fee £	Ongoing fees £
£100,000	£1,000	Standard plus £500
£400,000	£4,000	Standard plus £2,000
£700,000	£5,000	Standard plus £3,500

Important information

The standard risks of investing with Equilibrium are set out in Managing your investments brochure (page 30). The additional risks specific to the products referred to in this booklet are as follows:

Liquidity

Investments in unquoted shares can be difficult to value or sell. The majority of schemes state 90 days to realise investments, however real life experience has shown that it has been much quicker. Although, if a scheme suffers large withdrawls then this time peroid could be extended.

If you sell a holding subject to business relief and then withdraw the funds, this could potentially result in the loss of inheritance tax relief on the amount sold.

Policy changes

The UK tax regime can be changed by Government policy resulting in the potential loss or alteration of certain tax benefits, perhaps even retrospectively. The tax reliefs set out in this booklet are based on our understanding of current legislation only, and their value depends on the individual circumstances of each investor.

Diversification

Specialist portfolios tend to be invested in fewer companies compared to our standard portfolios. The investment risk is therefore more concentrated as an issue at one company can have a material effect on the portfolio as a whole.

Performance delay

There can be a reduction in performance if the investment programme of a scheme is delayed such that cash is held for longer than expected. There are no guarantees that suitable investments will be identified to fulfil the scheme objectives or that target returns will be achieved.

Fund manager changes

Specialist investments can be very sensitive to changes in personnel and this could adversely impact on future performance.

Fledgling UK companies

Investing in unquoted companies is higher risk and may be more volatile than our standard investment portfolios. The value of any investment can fall as well as rise and investors may not get back the full amount they put in.

If something goes wrong, you may not be protected. The Financial Services Compensation Scheme (FSCS) provides compensation if the provider goes out of business but does not cover poor investment returns. The Financial Ombudsman Service (FOS) handles complaints about how a service was provided, not investment returns.

Investor qualifying status

It is possible for an investor to lose their qualifying status by taking, or not taking certain action. For example, becoming non-UK resident can have consequences in some instances.

Investee company qualifying status

Although care is taken to select companies or investments that qualify for the various forms of tax relief, it is possible that qualifying status can be lost. This can result in tax benefits being withdrawn or reclaimed by HMRC.

Next steps

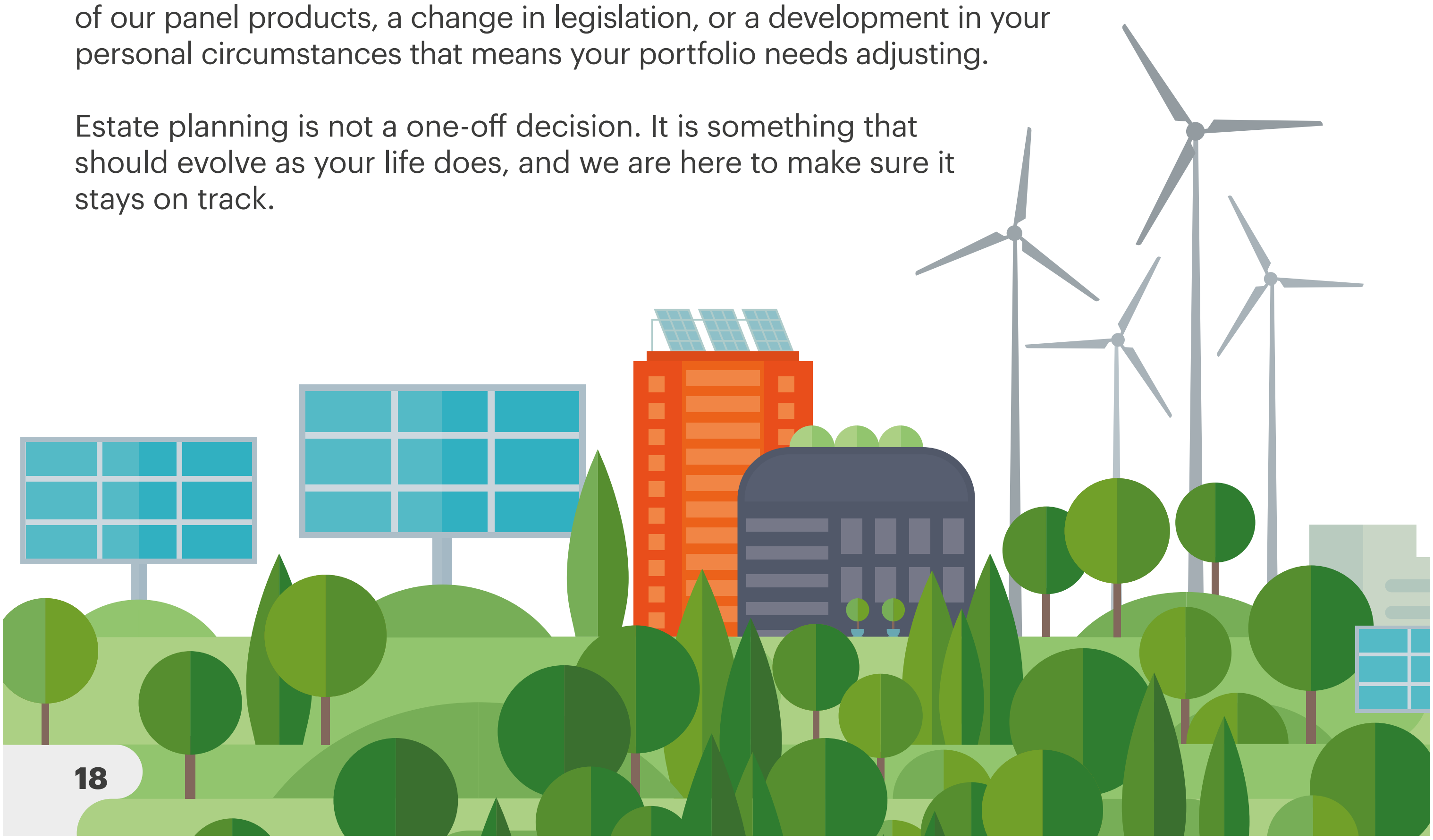
If you would like to explore whether our estate planning service is right for you, the starting point is a conversation with your financial planner. There is no obligation to proceed, it is simply about understanding your circumstances and whether this type of planning could make a difference to your estate.

Your planner will begin by reviewing your overall financial position, including the value of your estate, your existing IHT allowances, any planning already in place, and your future income and capital needs. This is where our affordability assessment comes in. We need to be confident that any money invested into estate planning investments is genuinely surplus to your current requirements and that you will not need to rely on it for day-to-day living.

If investing for BR is appropriate, your planner will then assess your attitude to risk and recommend a specific blend of products from our panel, tailored to your individual objectives. This recommendation is set out in a formal suitability report, which explains clearly why the proposed approach is right for you and what the key risks are. Nothing can be invested until you have reviewed this and are happy to proceed.

Once invested, we do not simply leave things to run. Your portfolio is monitored on an ongoing basis as part of our broader relationship with you. We review the performance of your holdings, keep you informed through our annual Estate Planning Report, and will proactively contact you if anything changes, whether that is a shift in one of our panel products, a change in legislation, or a development in your personal circumstances that means your portfolio needs adjusting.

Estate planning is not a one-off decision. It is something that should evolve as your life does, and we are here to make sure it stays on track.



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June 2026