A photograph of a lighthouse on a wooden pier extending into the ocean at sunset. The lighthouse is white with a black lantern room and a glowing light. The pier is made of weathered wooden planks and has a white railing. The sky is a mix of orange and yellow, and the water is calm. The overall mood is serene and peaceful.

An overview of

ESP Income Portfolio Service

A discretionary managed portfolio generating a regular income



Estate & Succession Planning

About Stellar

We are an independent firm, wholly owned by our directors and staff. We have been helping clients plan to mitigate inheritance tax successfully for over a decade.

We are focused solely on estate and succession planning. Our clients include **individuals, trustees, business owners** and those with **lasting powers of attorney**.

We work with you to offer your clients

- ★ a different approach to estate planning;
- ★ capital preservation and tax efficiency; and
- ★ a wide choice of services to maximise diversification.

Our approach

- ★ is consultancy rather than transaction-led;
- ★ uses technology to improve administration; and
- ★ offers complementary services through trusted partners.

Our services invest exclusively in business activities which qualify for Business Relief (BR).

Business Relief

- ★ formerly called Business Property Relief (BPR);
- ★ legislation introduced in the Finance Act 1976;
- ★ applies to a wide range of business activities;
- ★ is not restricted in the same way as VCT or EIS investments; and
- ★ qualification provides 100% relief from inheritance tax after only 2 years.



ESP Income Portfolio Service

ESP Income is a discretionary managed portfolio that commits your clients' capital to a range of asset-backed trading activities to qualify for full inheritance tax relief after two years.

All of the trading activities are carefully selected for both their low-risk characteristics and ability to generate a natural yield. This yield in turn creates a regular and reliable income stream that is distributed twice a year.

Key features



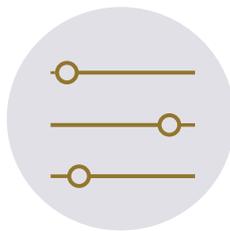
Income
4.5% per annum target return (net of all fees)



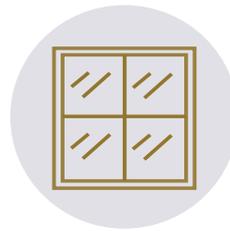
Tax-efficiency
Full inheritance tax relief after two years



Diversified
Capital spread across three trading activities



Control
Investments made in your client's name so they keep full control



Transparent
Simple investment strategy and fee structure

Our Investment Strategy

ESP Income is designed to help your clients pass on capital to their children, whilst providing a regular income for them to enjoy during their lifetime.

The qualifying business activities are carefully selected for their ability to provide capital security and generate a reliable income stream. Your clients are able to elect to have the distributions paid to them or reinvested in further shares. The target income is 4.5% per annum (net of fees) and will be paid twice a year in April and October.

We choose qualifying business activities that have lower risk characteristics and are underpinned with a physical asset, for example investors in our hotels will own both the land and physical hotel building.

All of the trading activities offered are carefully selected to ensure that they

- ★ Qualify for Business Relief and therefore full inheritance tax relief after two years
- ★ Are asset-backed to offer a high level of security
- ★ Are uncorrelated to equities, gilts & bonds to provide investment diversification
- ★ Generate a natural yield to meet the net target return of 4.5% per annum
- ★ Offer the prospect of capital growth

Security of our qualifying business activities

Trade	Security #1	Security #2	Timescale	Return Profile
Hotels	Freehold or Long Lease	Bricks and Mortar	5-7 Years	Growth and Income
Solar Energy	Lease	Asset Value & Govt. subsidy	5 Years	Income
Wind Energy	Lease	Asset Value & Govt. subsidy	5 Years	Income
Construction Finance	Freehold Land	Bricks and Mortar	2 Years	Income

New qualifying trades are introduced regularly to provide maximum diversification.

Features and Benefits

ESP Income Portfolio Service

Features of the service	Benefits to clients
Full relief from IHT after two years	Rapid inheritance tax efficiency
Generates an income of 4.5%	Regular income stream to support lifestyle
Low transparent fees with uncapped returns	Maximise investment returns

Features of the portfolio	Benefits to clients
Wealth preservation	Mitigate risk to preserve client capital
Asset-backed	Tangible assets are less volatile
High number of trades	Prevents over-exposure to a single asset class
Uncorrelated to other major asset classes	Creates investment diversification
Diversified portfolio	High diversification lowers investment risk

No Barriers to Investing

Most importantly **anyone can qualify** as there are no health or age restrictions, the only requirement is that assets are held for two years or greater and are held on death.

Fees and Charges

Minimum Investment	Initial Fee	Dealing Fee	Annual Management Fee (p.a.)	Annual Administration Fee (p.a.)
£25,000	1%	1%	1%	0.5%

Adviser charging can be facilitated from an investment in ESP Income and the relevant pages of the Application Form should be completed.

Performance Updates

We produce quarterly factsheets showing our latest performance, our allocations and up to date market commentary.

These are available on our website www.stellar-am.com and will also be published on our online portals for clients and advisers.

Tailored Illustrations

We create bespoke illustrations for any clients considering investing in ESP Income and these can be tailored to their individual needs.

Please contact Alistair Maguire to request an illustration alistair.maguire@stellar-am.com



Multi Device Access

All our reports, factsheets and illustrations are available across a range of platforms and devices.



Computer



Tablet



Mobile Phone

Planning Ideas and Typical Clients



Regular Income

Clients in need of a steady income stream to support their lifestyle.



Annuity Alternative

Clients who wish to leave their pension untouched but who require a regular and predictable income stream.



Inheritance Tax Efficiency

Clients seeking to leave a growing legacy to their children can transfer other investments to ESP Income to increase tax efficiency.



Funding Care

Many older clients may be concerned by future care costs, ESP Income can help provide funding for later life care whilst creating a tax efficiency legacy for beneficiaries.



Investment Diversification

Clients seeking to diversify their existing investment portfolio by investing in asset-backed trades that are uncorrelated to major asset classes.

Next steps

If you would like to learn more about our ESP Income Portfolio Service, you can find further details within our extensive literature suite.

Our literature is available to download via our website, or please contact us to request copies.

If you would like to discuss any of our services in more detail, please contact us.

Literature suite

★ Performance
Factsheets



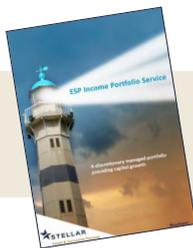
★ Placemats



★ Case Studies



★ Brochure



★ IMA



★ Application
Forms



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