

Investment Dealing Account (IDA)

Information Guide

April 2018

This document gives you important information to help you decide whether the Alliance Trust Savings limited Investment Dealing Account (IDA) is right for you. You should read this document carefully so that you understand what you are applying for and keep it safe for future reference.

AIMS OF AN IDA

- To let you choose from a wide range of investments from the UK, Europe and North America.
- To give you potential for capital growth, or income, or a combination of both.
- To let you take money out on a regular or one-off basis, or a combination of both.

YOUR COMMITMENT

- To pay in at least the minimum investment level of £50 (either as a single lump sum or each time you make a regular payment).
- To pay us your Account charge.

RISKS

General risks

- As a self select Investment Dealing Account, you will be responsible for making investment decisions.
- Alliance Trust Savings does not give advice. If you are unsure or don't understand the Account or individual investments take professional advice.
- Investments can go down as well as up. You may get back less than you originally invested. Past performance is not a guide to future performance.
- The value of your investments, and any income you get from them, can go down as well as up and are not guaranteed.
- Your Investment Dealing Account does not shelter your investments from tax.

Investment specific risks

- Different investments have different levels of risk. Some have more risk than others.
- You can find details of the specific risks for a fund or PRIIP (e.g. Investment Trust or ETF) in their prospectus and a summary in the *Key Investor Information Document (KIID)/Key Investor Document (KID)*.
- If investments have holdings which are denominated in a currency other than Sterling they may be affected by movements in exchange rates. Consequently the value of an investment may rise or fall in line with exchange rates.
- Fund managers make their own investment decisions based on the investment objectives of their fund. They don't make decisions based on your personal circumstances.
- Investments in property funds can be difficult to sell. You might not be able to sell them when you want to. The valuation of property is generally a matter of opinion, rather than fact.
- If you invest directly in the shares of a company you become a joint owner of that company with the other shareholders. The company, or the industry it is part of, might fail.
- Factors outside of the control of a company's managers can affect the price of shares. These can be national or global. They include political, economic and social factors and the actions of governments and other organisations.
- Investment trusts may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that a relatively small movement, down or up, in the value of a trust's assets will result in a magnified movement, in the same direction, of that NAV. This may mean that you could get back nothing at all.
- When you want to trade there may not be a market to buy or sell the shares you are interested in.

YOUR QUESTIONS ANSWERED

What is an Investment Dealing Account?

It is an Account that allows you to hold a variety of investments including those available on selected stock markets but not within a tax sheltered product wrapper.

Who can apply for an Investment Dealing Account?

- If you are 18 or over and resident in the UK you can apply for an Investment Dealing Account.
- You can hold an Account in your own name or jointly with someone else.
- You can open an Account for a child under the age 18 (our 'First Steps Account').
- Companies, trusts, charities, clubs and societies can also apply for an Investment Dealing Account.
- We don't accept applications by or on behalf of any US Persons.



For the details of what we mean by US Persons, you can look up our Glossary online at alliancetrustsavings.co.uk/glossary.

Is this Investment Dealing Account for me?

This Investment Dealing Account is intended for people who are:

- looking to invest through funds, in shares directly, or in a combination of both.
- comfortable that their investments will not be sheltered from tax, as they would be in a Stocks & Shares ISA or a Pension for example.
- comfortable with putting their capital at risk for the possibility of better returns.

I'm not sure if I need advice?

Alliance Trust Savings can't give you financial advice. You should understand the risks and commitments of an Investment Dealing Account before you invest. If you feel you need advice to decide whether an Investment Dealing Account is right for you and you don't already have a Financial Adviser, you can search for one near you at www.unbiased.co.uk.

Can I change my mind?

Yes, you can change your mind at any time by taking all of your money out ('withdrawing' it) or transferring your investments to another provider.

If you ask to withdraw your money, the amount you get back will depend on the value of your investments at the time. It may be more or less than you paid in.

It may not be possible to transfer some or all of your investments to another provider without selling them first, if that provider doesn't offer all of the same investments that you hold with us.

We will charge you for transferring your Account to another provider.

Full details are available in our *Charges Guide*, available online at alliancetrustsavings.co.uk.

How much can I pay in?

You can pay as much as you like into an Investment Dealing Account. Because it is not tax-advantaged there are no annual limits.

How flexible can I be with my payments?

Each payment you make must be £50 or more. Otherwise, you can be very flexible with your payments. You can set up monthly or quarterly payments. You can also make one-off payments. And you can start, stop and vary your payments whenever you like.

Can I transfer investments to you from another provider?

Yes. If we offer the same investments in our Investment Dealing Account as you hold in a similar Account with another provider you can ask to transfer these to us without having to sell them first.

Your current provider might charge you for this and you should work out the impact of any charges on your investment before going ahead.



You can find details of all the different payment methods we accept, how to go about setting up your payments, and also how to transfer investments from another provider to us in your Welcome Pack.

What about taking money out?

You can take money out (make withdrawals) at any time. Each withdrawal you make must be at least £100 unless you are closing your Investment Dealing Account. You can make one off withdrawals. You can also set up regular withdrawals on a monthly, quarterly, half-yearly or annual basis.

Withdrawals will reduce the value of your Investment Dealing Account.

Can I transfer my investments to another provider?

Yes. If another provider offers the same investments as you hold in your Investment Dealing Account you can ask us to transfer these without having to sell them first.

We will charge you for transferring to another provider.



You can find details of how to set up withdrawals and other useful information about managing your Investment Dealing Account – including how to transfer to another provider – in our *Platform Guide*, available online at alliancetrustsavings.co.uk.

What are the charges?

You pay us an Account charge for holding your Investment Dealing Account. We will also charge separately for some transactions (for example, buying and selling investments and transferring your investments to another provider). Full details of the charges we will apply to your Investment Dealing Account can be found in our *Charges Guide*. We will give you a minimum of 30 days notice where possible of any changes to our charges.

Our charges may change in the future.

If you invest in funds or PRIIPS, you will also pay charges to the fund manager(s). You will find details for each fund in the fund prospectus or in the KID/KIIDs (for funds that have one). We also provide an *Generic Investment Illustration* detailing investment projections and examples of breakdown of charges for OEICs, Investment Trusts and Exchange Traded Funds.



You can find details of all our charges in our *Charges Guide*. If you invest through us directly you can find this online in the IDA Forms and Documents section at alliancetrustsavings.co.uk. And you can find the KID/KIIDs for each investment, including the charges, at alliancetrustsavings.co.uk. If you work with a Financial Adviser, these documents are available from them or by contacting us.

If you have a Financial Adviser you may also pay charges to them. They will agree these with you separately.

What about tax?

Your Investment Dealing Account does not shelter your investments from tax. Depending on your individual (or corporate) circumstances you may have to pay tax on any income or capital gains from your Investment Dealing Account.

Since 6 April 2018 the tax-free Dividend Allowance will be reduced to £2,000. This means that individuals won't have to pay tax on the first £2,000 of their dividend income, no matter what non-dividend income they have. The allowance is available to anyone who has dividend income. Since 6 April 2016 the 10% tax credit was abolished and all UK dividend income is paid gross.

Individuals pay tax on any dividends they receive over £2,000 at the following rates:

- 7.5% on dividend income within the basic rate band
- 32.5% on dividend income within the higher rate band
- 38.1% on dividend income within the additional rate band

Basic rate taxpayers who receive dividends in excess of £2,000 will need to complete a self-assessment. All higher rate or additional rate tax payers will continue to complete self-assessments. This simpler system will mean that only those with significant dividend income will pay more tax.

You are responsible for making sure you comply with relevant tax rules and pay any tax that is due.

We will help by sending you a tax certificate each year (normally around May) that summarises the income from your Investment Dealing Account for the tax year just ended.

If you die, your Investment Dealing Account will be part of your estate for working out any Inheritance Tax that might be due.

What information do you send me?

We send you a welcome pack when we accept your application.

As well as sending you a tax certificate, we will also send you reports and valuations in line with industry regulations.

Can I access my Account online?

Yes. When we open your Account we automatically send you a user ID and password (under separate cover for security). These let you access your Account online and check the value of your Investment Dealing Account at any time.

Law

The law of England applies if you have a dispute with us.

Language

We will communicate with each other in English.

Complaints

If you have a complaint about your Investment Dealing Account please contact our Service Quality Team in writing, by email or on the phone using the contact details shown at the end of this document.

You can make a complaint yourself or someone else can complain on your behalf, as long as you have given them written authority to do so.

If you are not satisfied with our answer to your complaint you can contact the Financial Ombudsman Services by writing to **The Financial Ombudsman Service, Exchange Tower, London, E14 9SR** or calling **0800 023 4567**.



Our *Complaints Leaflet* gives all the details of our complaints process. You can find this online at alliancetrustsavings.co.uk.

COMPENSATION

We are covered by the Financial Services Compensation Scheme (FSCS). The FSCS can pay compensation to depositors if a bank is unable to meet its financial obligations. Most depositors – including most individuals and small businesses – are covered by the scheme. In respect of investments held in Accounts, you may be eligible for compensation under the FSCS, up to £50,000. In respect of deposits, an eligible depositor is entitled to claim up to £85,000. The £85,000 limit relates to the combined amount in all the eligible depositor's Accounts with the bank, including their share of any joint Account, and not to each separate Account.



Our *Compensation Statement* gives more details about the FSCS and what it covers. You can find this online at alliancetrustsavings.co.uk. You can also visit the FSCS website www.fscs.org.uk or call them on **0800 678 1100**.

CONFLICTS OF INTEREST POLICY


We have regulatory obligations to identify and manage conflicts of interest. Our *Conflicts of Interest Policy* explains how conflicts can arise in our business, and the arrangements we have for managing them.

You can find our *Conflicts of Interest Policy* online at alliancetrustsavings.co.uk in the pensions Forms and Documents section, under useful information.

You should read this document along with our *Terms and Conditions* and our *Charges Guide*. You can find both at alliancetrustsavings.co.uk and together with this product guide they give the full picture of how we manage your Investment Dealing Account and the legal relationship between us.

Alliance Trust Savings

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