

# Stocks & Shares Junior ISA

Key Facts

April 2018

## KEY FACTS

The Financial Conduct Authority is the independent financial services regulator. It requires us, Alliance Trust Savings, to give you this important information to help you decide whether our Junior ISA Account 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.

## HELPING YOU DECIDE

What you should know before you invest.

### What is the purpose of this document?

To give you a summary of information to help you decide if you want to invest in our Stocks & Shares Junior ISA.

### What questions should I ask before I invest?

In this document we have given you the answers to some very important questions about our Junior ISA. These are set out between pages 3 and 4 and will help you make your investment decision.

### Who is our Junior ISA suitable for?

Our Junior ISA and Junior ISAs in general, are suited for customers who have children under the age of 18 and are comfortable managing their own investments or have a Financial Adviser to assist them. If you only plan to invest a small amount in our Junior ISA and not add to it over time to it, our flat fee may not be suitable to your personal circumstances. Our Junior ISA offers wide investment choice and therefore individuals who have an understanding of various investments and wish to invest across different asset types may be attracted to a Junior ISA.

## AIMS OF A STOCKS & SHARES JUNIOR ISA

- To offer you a tax-advantaged way to invest for the benefit of a child.
- To let you choose from a range of investments.
- To give potential for capital growth.

## YOUR COMMITMENT

- If you wish to make a contribution you understand that there is a minimum payment of £50 and no more than HMRC allows each tax year (£4,260 for 2018/19).
- To choose investments that match the risks you are willing to take with your money.
- To view those investments as being for the medium to longer term, meaning you should usually plan to hold them for five years or more.
- To pay us your Account charge.
- To only pay into one Junior ISA per child each tax year.

## RISKS

### General risks

- The value of your investments, and any income you get from them, can go down as well as up and are not guaranteed.
- You may get back less than you put in. That includes if you cancel in the first 30 days and the value of your investment has fallen by the time we get your instruction.
- Past performance is not a guide to future performance.
- You can't normally withdraw money from a Junior ISA until the child you are investing for is 18.
- Both the rules for Junior ISAs and tax, and our charges, might change in the future.
- Remember you can only contribute to one Junior Stocks & Shares ISA each year and one Junior Cash ISA, regardless of provider. If you have contributed to a Cash ISA this will reduce the amount you can contribute to a Stocks & Shares ISA.
- Laws and tax rules may change in the future without notice. The information here is our understanding in March 2018.

### 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 Information Document (KID)*.
- 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 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.
- 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 increased volatility 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.
- When you want to trade there may not be a market to buy or sell the shares you are interested in.



For the funds available through this Junior ISA Account, you can look up fund prospectuses and KID/KIID online at [alliancetrustsavings.co.uk](http://alliancetrustsavings.co.uk).

## YOUR JUNIOR ISA QUESTIONS ANSWERED

### What is a Junior ISA?

It is a tax-advantaged Account for parents or guardians who want to save on a child's behalf. It is designed for medium to long term investment (5 years or more).

### Who can apply for a Junior ISA?

If you are 16 or over and resident in the UK you may be able to apply for a Junior ISA. To qualify you must either be:

- the parent or legal guardian of a child under 18, and hold it for the benefit of that child (the Account will be set up in the child's name and everything in the Account will belong to them)
- between age 16 and 18 and hold it in your own name.

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](http://alliancetrustsavings.co.uk/glossary).

### Is this Junior ISA for me?

This Junior ISA is for people who are:

- looking to invest for a child from a range of investments including Funds, Investment Trusts, ETFs and Equities
- looking to hold their investments in a tax-advantaged Account
- willing to view these as medium to long term investments (5 years or more)
- comfortable with putting their capital at risk for the possibility of better returns.

### I'm not sure, what if I need advice?

Alliance Trust Savings can't give you financial advice. You should understand the risks and commitments of a Junior ISA before you invest. If you feel you need advice to decide whether a Junior ISA is right for you and don't already have a Financial Adviser, you can search for one near you at [www.unbiased.co.uk](http://www.unbiased.co.uk). You may be charged for this.

### Can I change my mind?

Yes. You have the right to cancel your Junior ISA within 30 days of us accepting your application. You just need to contact us to let us know. We will give you your money back, unless your investment has fallen in value by the time we get your instruction. In that case we will take off the amount by which it has fallen first.



We'll remind you of your right to cancel in your *Junior ISA Welcome Pack*, including the address to write to and all the details you'll need to include.

### How much can I pay in?

You can pay in up to £4,260 in the 2018/19 tax year.

You can hold some or all of this as cash if you like.

If you are a parent or legal guardian, your payments are treated as a gift to the child.

### 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 regular 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 a Stocks & Shares Junior ISA or a Child Trust Fund I have with another manager to you?

Yes. You can transfer all or part of an existing Stocks & Shares Junior ISA to us. If you are transferring payments from the current tax year, you have to transfer these to us in full.

You can also transfer a Child Trust Fund to us. Child Trust Funds can only be transferred in full.

If we offer the same investments in our Stocks & Shares Junior ISA as you hold with your current Child Trust Fund or Junior ISA manager you can ask to transfer these to us without having to sell them first.

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



You can find details of the different payment methods we accept, how to go about setting up your payments, and also how to transfer a Child Trust Fund or a Junior ISA from another manager to us in your Welcome Pack.

## What about taking money out?

You can't take any money out of a Junior ISA (make 'withdrawals') until the child (or you, if you are holding it in your own name) turns 18.

The only exceptions are where the child is terminally ill or dies.

## Can I transfer my Junior ISA from you to another manager?

Yes. You can transfer all or part of your Junior ISA to another Junior ISA manager. If you want to transfer during the tax year for which you are currently making payments (your current year's 'subscription') you have to transfer the whole of that subscription.

If your new manager offers the same investments in their Junior ISA as you hold with us, you can ask to transfer these to your new manager without having to sell them first.

We will charge you for transferring to another manager.

## What are the charges?

You pay us an Account charge for holding your Stocks & Shares Junior ISA. We also charge separately for some transactions (for example, buying and selling investments and transferring your ISA to another manager).

Our charges may change in future.

If you invest in funds, you will also pay charges to the fund manager(s). You will find details for each fund in the fund prospectus or in the KIID/KIDs (for funds that have one).

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



You can find details of all our charges in our Charges Guide online at [alliancetrustsavings.co.uk](http://alliancetrustsavings.co.uk).

## What about tax?

A Junior ISA is a tax-advantaged Account.

You don't have to pay tax on any income or capital gains from your Junior ISA or declare these on your tax return. That includes any interest we might pay on cash you hold in your Junior ISA, which we will pay to you gross (without deducting tax).

If the child Account holder dies, the tax advantages of the Junior ISA will stop. Tax won't be backdated, but the child's legal representatives will pay tax on income or capital gains from the date the child dies until the Junior ISA is closed. The Junior ISA will also be part of their estate for working out any Inheritance Tax that might be due.

Laws and tax rules may change in the future without notice. The information given here is based on our understanding in March 2018. It takes no Account of your personal circumstances which may impact on tax treatment.

## What information do you send me?

We send you a Welcome Pack when we accept your application.

We also send you statement and valuation reports in line with 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 Junior ISA 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 Stocks & Shares Junior ISA, 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 this.

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



Our Compensation handling procedure gives all the details of our complaints process. You can find this online at [alliancetrustsavings.co.uk](https://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](https://alliancetrustsavings.co.uk) in the ISA Forms and Documents section.

## 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](https://alliancetrustsavings.co.uk) in the 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](https://alliancetrustsavings.co.uk) and together with these *Key Facts* they give the full picture of how we manage your Stocks & Shares ISA and the legal relationship between us.

## Alliance Trust Savings

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