



STOCKS & SHARES ISA

April 2019



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 Stocks & Shares ISA 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

Key features of a Stocks & Shares ISA

A Stocks and Shares ISA is a tax-advantaged investment Account open to UK residents who are aged 18 or over.

There are four types of ISA. Cash ISA, Innovative Finance ISA, Lifetime ISA and Stocks & Shares ISA.

Our ISA is the Stocks & Shares type and is most suitable for investors who:

- are comfortable managing an Account and their investments on their own or have a financial adviser to assist them;
- want access to a wide choice of investments, including funds, investment trusts, exchange-traded funds (ETFs) and shares;
- are looking to benefit from tax-savings opportunities;
- understand that these are medium to long-term investments (5 years or more); and
- are comfortable putting their capital at risk for possibilities of better returns.

We charge flat Account fees for our Stocks & Shares ISA which means it may be best suited for larger investment portfolios. Therefore, for investors who are looking to invest only a small amount and not add to it over time, our Stocks & Shares ISA may not be the right choice.

We also cannot accept applications by or on behalf of US Persons. For details on what we mean by US Persons, please refer to our online Glossary which can be found at www.alliancetrustsavings.co.uk/glossary.

For answers to some of our most frequently asked questions about Stocks & Shares ISAs, we encourage you to read 'Your Stocks & Shares ISA Questions Answered' on the following pages.

AIMS OF A STOCKS & SHARES ISA

- To offer you a tax-advantaged way to invest.
- To let you choose from a range of investments.
- 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 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 5 years or more.
- To pay us your Account charge.
- To pay into only one Stocks & Shares ISA each tax year and no more than HMRC allows each tax year (£20,000 for 2019/2020).

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.
- Past performance is not a guide to future performance.
- Our charges may change in the future.
- Laws and tax rules may change in the future without notice. The information here is our understanding in April 2019.

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 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.
- 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.
- Over time cash that remains uninvested in your Account, could be eroded by inflation and zero or low interest rates.

OUR LEGAL RELATIONSHIP WITH YOU

You should read this document along with our:

- *Terms and Conditions*
- *Charges Guide*

You can find both at www.alliancetrustsavings.co.uk/literature or if you work with a financial adviser, you can get these from them. You can also contact our Customer Services Team.

Together with these *Key Facts*, they will give you the full picture of how we manage your Stocks & Shares ISA and your legal relationship with us.

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 £85,000. 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 www.alliancetrustsavings.co.uk/fscs.

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 www.alliancetrustsavings.co.uk/literature.

YOUR STOCKS & SHARES ISA QUESTIONS ANSWERED

How much can I pay in?

You can pay in up to £20,000 to an ISA in the 2019/20 tax year.

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

If you have already paid into a Cash ISA, Innovative Finance ISA or Lifetime ISA this tax year with any provider, that reduces the amount you can pay in to this ISA. This ISA is non-flexible so the amount subscribed is not reduced if you make a subsequent withdrawal.

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.

What are the tax benefits?

An ISA is a tax-advantaged Account.

You don't have to pay tax on any income or capital gains from your ISA or declare these on your tax return. That includes any interest we might pay on cash you hold in your ISA, which we will pay to you gross (without deducting tax). You can view our *Interest Rate Table* at alliancetrustsavings.co.uk.

Laws and tax rules may change in the future without notice. The information given here is based on our understanding in April 2019. It takes no account of your personal circumstances which may impact on tax treatment.

What are the charges?

You pay us an Account charge for holding your Stocks & Shares ISA. We may 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 KID/KIID (for funds that have one). See our *Generic Investment Illustration* document for more details of the effect of charging on investments at alliancetrustsavings.co.uk.



You can find details of all our charges in our *Charges Guide* online at www.alliancetrustsavings.co.uk/literature. And you can also find the KID/KIID for each fund, which includes their 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.

Can I have more than one Stocks & Shares ISA?

You can have more than one Stocks & Shares ISA, however you can only pay in to one Stocks & Shares ISA, one Innovative Finance ISA, one Lifetime ISA or one Cash ISA each tax year. You can only contribute £20,000 per year across all ISAs you hold. Alliance Trust Savings only offer a Stocks & Shares ISA.

Can I transfer a Stocks & Shares ISA I have with another manager to you?

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

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

Can I access my Account online?

Yes. All customers have access to their ISA Account online.

If you are a self-directed customer, we will automatically send you login details after you have opened your Account. These will include a Personal ID and Password. Your Password will be provided under separate cover for security purposes. If you are an advised customer and would like access, your adviser can arrange this and provide you with your login details.

I'm not sure, can you give me advice?

Alliance Trust Savings can't give you financial or investment advice. You should understand the risks and commitments of a Stocks & Shares ISA before you invest.

If you feel you need advice to decide whether a Stocks & Shares ISA is right for you and don't already have a financial adviser, you can search for one near you at <https://register.fca.org.uk/directory/s/>.

Can I change my mind?

Yes. You have the right to cancel your Stocks & Shares ISA within 30 days of us accepting your application to get your money back. You will not be deemed to have contributed to your ISA in the Tax Year if you cancel. When you open an Account, you will receive a *Cancellation Notice* within your Welcome Pack. You simply need to complete this and return to us. Copies of this are also available on our website at alliancetrustsavings.co.uk.

In the event that the value of your investment has dropped by the time we receive your notice, we will take this amount from the money to be returned to you, meaning you may get back less than you initially invested.

Can I take 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 ISA. 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 ISA.

All payments in to this ISA count towards your £20,000 limit for a tax year. So you can't withdraw money and then pay it back in later that same tax year if doing this would put you over your limit. This ISA is non-flexible so the amount subscribed is not reduced if you make a subsequent withdrawal.

What information do you provide?

As part of our service to you, you will receive a Welcome Pack after you have opened your Account.

You will also receive quarterly Statement and Valuation Reports and an Annual Costs and Charges Statement.

To make the most of your investments with us, you have the option to receive our topical and marketing communications. You can consent to receive these in your Stocks & Shares ISA application form, within your online Preference Centre or by speaking to our Customer Services Team.

All correspondence will be provided in English.

What happens when I die?

Your Account will remain as an ISA, and retain its tax advantages until the earlier of:

- the completion of the administration of your estate;
- the closure of your Account; or
- the 3rd anniversary of your date of death. After which the ISA will lose its tax advantages.

If you have a spouse or civil partner who is living with you when you die, special rules for ISA allowances in this case mean they may be able to continue benefitting from the tax advantages by transferring your ISA savings to an ISA in their name.

Can I transfer my Stocks & Shares ISA from you to another manager?

Yes. You can transfer all or part of your Stocks & Shares ISA to another ISA manager. If you want to transfer payments from the current tax year, you have to transfer these to the other manager in full.

If your new manager offers the same investments in their Stocks & Shares 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, for full details view our *Charges Guide* at alliancetrustsavings.co.uk.

What if I have a complaint?

If you have a complaint about your Stocks & Shares ISA, please contact our Customer Relations 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 *Complaints Leaflet* gives all the details of our complaints process. You can find this online at alliancetrustsavings.co.uk in the Contact Us section.

If there is a dispute, what governing laws apply?


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



Still have questions? You can find out more about our products and services within the FAQs section of our website at alliancetrustsavings.co.uk.

Alliance Trust Savings

Registered head office:
PO Box 164, 8 West Marketgait,
Dundee DD1 9YP

 +44 (0)1382 573737

 contact@alliancetrustsavings.co.uk

 alliancetrustsavings.co.uk