

INVESTMENT DEALING ACCOUNT (IDA)

Information Guide

April 2019

This information guide is designed to give you important information to help you decide whether our Investment Dealing Account (IDA) is right for you. You should read this document carefully so that you can understand what you are applying for and keep it safe for future reference.

HELPING YOU DECIDE

Guide to Investment Dealing Accounts

An Investment Dealing Account (IDA) 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.

To apply for an IDA you must be aged 18 or over and resident in the UK.

You can hold an Account in your own name or jointly with someone else. You can also open up an Account for a child under the age 18, our 'First Steps Account'.

Companies, trusts, charities, clubs and societies can also apply for an IDA.

Our IDA is suitable for investors who are:

- looking to invest through funds, in shares directly, or in a combination of both;
- comfortable that investments will not be sheltered from tax, as they would be in a Stocks & Shares ISA or a Pension;
- comfortable managing an Account and their own investments or have a financial adviser;
- comfortable putting their capital at risk for possibilities of better returns.

We charge flat Account fees for our IDA 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 IDA 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 IDAs, we encourage you to read 'Your Investment Dealing Account Questions Answered' on the following pages.

AIMS OF AN INVESTMENT DEALING ACCOUNT

- 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 choose investments that match the risks you are willing to take with your money.
- 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

- 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.

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 both at www.alliancetrustsavings.co.uk/literature or by calling our Customer Services Team.

Together with this Information Guide, they will give you the full picture of how we manage your Investment Dealing Account 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 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 www.alliancetrustsavings.co.uk/literature.

YOUR INVESTMENT DEALING ACCOUNT QUESTIONS ANSWERED

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.

What are the tax benefits?

Investment Dealing Accounts do 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 Accounts.

All UK dividend income is paid gross after the 10% tax credit was abolished on 6 April 2016.

The tax-free Dividend Allowance was reduced on 6 April 2018 so you won't have to pay tax on the first £2,000 of your dividend income, no matter what non-dividend income you have. This allowance is available to anyone who has dividend income.

You can expect to pay tax on any dividends you 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 taxpayers who receive dividends in excess of £2,000 will need to complete a Self-Assessment. All higher rate or additional rate bands will continue to complete Self-Assessments.

What are the charges?

You pay us an Account charge for holding your Investment Dealing Account. We may also charge separately for some transactions, for example buying and selling investments.

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 transfer investments to you from another manager?

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.

Can I access my Account online?

Yes. All customers have access to their Investment Dealing 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.

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 Investment Dealing Account application form, within your online Preference Centre or by speaking to our Customer Services Team.

All correspondence will be provided in English.

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 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 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 Investment Dealing Account within 30 days of us accepting your application and to get your money back. 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 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.



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.

Can I transfer my Investment Dealing Account from you to another manager?

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 not charge you for transferring to another provider.

What if I have a complaint?

If you have a complaint about your Investment Dealing Account, 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

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