



STOCKS & SHARES JUNIOR 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 Junior ISA Account 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

Key features of a Stocks & Shares Junior ISA

A Stocks & Shares Junior ISA is a tax-advantaged investment Account for parents or guardians who want to save on a child's behalf.

To apply for a Stocks & Shares Junior ISA you must be either:

- the parent or legal guardian of a child under the age of 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); or
- between the ages of 16 to 18 and hold it in your own name.

Our Junior ISA is a Stocks & Shares type and is most suitable for investors who are:

- looking to invest for a child through funds, in shares directly, or in a combination of both;
- comfortable managing an Account and their own investments or have a financial adviser to assist them;
- wanting to benefit from tax saving opportunities;
- willing to view these as medium to long terms investments (5 years or more); and
- comfortable putting their capital at risk for possibilities of better returns.

We 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 Junior ISAs, we encourage you to read 'Your Stocks & Shares Junior ISA Questions Answered' on the following pages.

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

- 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 and no more than HMRC allows each tax year (£4,368 per ISA for 2019/20).

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.
- You can't normally withdraw money from a Stocks & Shares Junior ISA until the child you are investing for is aged 18.
- Laws and tax rules may change in the future without notice. The information here is our understanding in April 2019.
- 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 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 Junior 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 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 www.alliancetrustsavings.co.uk/literature.

YOUR STOCKS & SHARES JUNIOR ISA QUESTIONS ANSWERED

How much can I pay in?

You can pay in up to £4,368 in the 2019/20 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.

What are the tax benefits?

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 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 Junior ISA. 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. 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.

Can I access my Account online?

Yes. All customers have access to their Junior 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.

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 Junior ISA 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 a Stocks & Shares Junior ISA before you invest.

If you feel you need advice to decide whether a Stocks & Shares Junior 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 Junior ISA 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?

No. You can't take money out or make a withdrawal from a Stocks & Shares Junior ISA until the child (or you, if you are holding it in your own name) turns 18. The only exception are where the child is terminally ill or dies.

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

Yes. You can transfer all or part of your Stocks & Shares Junior 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 Junior ISA as you hold with us, you can ask to transfer these to your new manager without having to sell them first.

What if I have a complaint?

If you have a complaint about your Stocks & Shares Junior 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

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