STOCKTRADE

INDIVIDUAL SAVINGS ACCOUNT
KEY FEATURES DOCUMENT

stocktrade

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INDIVIDUAL SAVINGS ACCOUNT KEY FEATURES

Stocktrade is a trading name of Embark Investment Services Limited, a company incorporated in England and Wales (company number 09955930). Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (FCA).

You should read this document carefully so that you understand the account you are opening and then keep it safe for future reference.

If you have any questions or there is anything you do not understand, please speak with your financial adviser.

This document should be read alongside the Stocktrade Terms and Conditions.

Its Aims

The Stocktrade Individual Savings Account (ISA), the 'Account', is a stocks and shares ISA product provided by Embark Investment Services Limited, trading as Stocktrade. Unless otherwise agreed with us, it is only available to you through a financial adviser.

The Account provides access to a wide range of investments that have the potential to provide capital growth and income, with favourable tax allowances. Your financial adviser will help you to decide if this product is right for you.

What does the ISA do for you?

The ISA gives you the potential for capital growth, or income, or a combination of both.

You achieve this by investing. You and your financial adviser can choose which investments are right for you, based on your needs and attitude to risk.

The ISA allows you to choose from a wide range of investments.

You will benefit from favourable tax advantages offered by the Government on your savings and the income from it.

You can take money out at any time on a regular or one-off basis, or a combination of both.

Your Commitment

What do we need you to do?

Take time to read the information in this document about the Account, including its features and risks, and any other documentation we provide either directly or through your financial adviser.

Make sure we have up-to-date information about you. Always tell your financial adviser when your circumstances change. For example, if you move house or you change your bank account or change your country of tax residence.

Keep an ongoing relationship with a financial adviser who has an appropriate agreement with us. They will provide you with advice and take responsibility for setting up and administering the Account on your behalf.

You should review the investments held in your Account on a regular basis and speak with your financial adviser about their performance, taking into account your financial goals and risk profile. You should consider getting advice whenever your circumstances change and before you take money out of your Account.

Make sure you maintain an email address with us that you regularly access. We will use this address to contact you about documentation that is available to view in your Document Library (refer to Managing Your Account for more information, once logged into your account).

Agree with your financial adviser how you will pay them, or their associates, for their services to you. This will be the adviser charge. You can authorise us to deduct the adviser charge from your Account and pay it to them.

Only pay into one stocks and shares ISA (this includes your Account) each tax year and at a level no higher than the HM Revenue and Customs (HMRC) annual limit. You must also ensure there is sufficient cash in your Account to pay the product fee.

Risks

What could go wrong?

The value of your Account depends on the performance of the investments you and your financial adviser choose to invest in. The value of these investments, and therefore your Account, can go down as well as up and you may get back less than you originally invested.

The level of risk and potential investment performance depends on the investments you invest in. Past performance is no guide or guarantee of how your investments will perform in the future.

Many of the investments available to you are intended as medium to long term commitments, meaning you should usually plan to hold them for five years or more. If you take money out early, you may not get back the full amount you invested.

Investments in property funds can be difficult to sell. You might not be able to sell them when you want. The valuation of property is also a matter of opinion rather than fact.

When you want to buy or sell shares there may not be a market for the shares you are interested in.

If you opt to cancel your Account after making a contribution or transfer from another provider within the cancellation period, you could get back less than you invested. If you cancel a transfer from another provider to us, the other provider may refuse to accept the return of the transfer money. Should this happen, it is recommended you discuss the options you have with your financial adviser.

Any charges we apply to your Account will affect the value of your Account. These charges may vary from time to time. You can find more information about our charges and how we apply them in your Rate Card.

If we cannot take charges or other payments from your Account due to insufficient cash, we may need to sell investments to meet the outstanding charges. This could be from an investment you would not choose to disinvest from.

If you are transferring from a cash ISA you should be aware of the increased risks of investing in a stocks and shares ISA.

Over time, inflation will reduce the buying power of the money you have saved. For example, if inflation is 2% p.a., then in 20 years' time £10,000 will only buy the equivalent of what £6,676 buys today.

Applicable law and tax rules that affect ISAs may change in the future without notice.

QUESTIONS AND ANSWERS

Who can invest?

To open an Account with us you must:

- be aged 18 years or over;
- be resident in the UK for tax purposes;
- have not paid into another stocks and shares ISA (unless you are transferring what you have paid within the current tax year from an existing ISA to us);
- not have exceeded the ISA payment limit for the current tax year.

Is this the right option for me?

The Account may be right if you:

- want potentially higher returns on your savings than in a regular bank or building society account;
- want to invest through mutual funds or equities directly or a combination of both;
- are comfortable investing in investments that do not give a guaranteed rate of return and could put your capital at risk;
- want a tax efficient way of saving;
- are prepared to maintain an ongoing relationship with a financial adviser who has an appropriate agreement with us.

Your financial adviser will help you to decide whether the Stocktrade ISA is right for you. They will also help you to understand how applicable tax and regulations could affect your choices.

How do I start saving in a Stocktrade ISA?

You can start saving in a Stocktrade ISA once your financial adviser recommends it is the right product for your needs. Once you have agreed to the recommendation, your financial adviser or provider will set up the Account up for you in accordance with the Client Terms & Conditions (these contain the specific ISA terms).

How much can I save in my ISA?

There is no minimum contribution required for the Stocktrade ISA. The following types of payments can be made:

- regular payments (monthly, quarterly, half-yearly and yearly);
- one-off payments; and
- a transfer of investments and/or cash from an existing ISA arrangement.

The Government has set an ISA payment annual allowance that you are not allowed to go over in any one tax year. If you do, you may lose any tax advantages offered by this type of product. You can confirm the current ISA Annual Allowance by contacting your financial adviser or visiting **gov.uk/individual-savings-accounts**.

The Stocktrade ISA is not a flexible ISA. This means that the amount subscribed in the tax year is not reduced if you make a subsequent withdrawal.

If you transfer funds from an existing ISA made up only of payments from previous tax years, there is no limit to the amount you can transfer. If you have made payments in the current tax year to an existing ISA, then this part of your ISA must be transferred to your new ISA. Further payments that you make will be deducted from the current ISA Annual Allowance.

Can I transfer in from other ISAs?

Yes, we will accept re-registration transfers from other stocks and shares ISAs, as well as cash ISAs. We currently cannot accept transfers from the Government's Help to Buy, Innovative Finance or the Lifetime ISA. We recommend you speak with your financial adviser to find out which products we can accept.

Your financial adviser should also tell you whether or not transferring is the right option, and the benefits and risks involved.

If you do transfer, we will normally receive the transfer in one of two ways:

- a cash transfer;
- the re-registration of existing investments.

A re-registration transfer can only happen if your Stocktrade ISA offers the same type of investments as those held in your existing ISA. Your financial adviser will be able to check this for you.

What are the charges?

The following shows the types of charges that could be applied to your Account depending on the services you choose to buy. A more detailed description of our charges is available in your Rate Card.

Initial charges, may include an:

- initial adviser charge.

Ongoing and ad-hoc charges, may include an:

- ongoing account charge;
- ongoing adviser charge;
- ad-hoc adviser charge;
- manual communication charge.

How will I know how my Account is doing?

There are several ways you can keep up-to-date with how your Account is performing:

- You can get an up-to-date valuation of the investments in your Account at any time by logging on to your Stocktrade Account online. You will be required to supply an email address when you apply for a Stocktrade ISA. These details will be used to provide you with a secure username and password. You can find out more in the Managing Your Account section.
- We provide you with a statement every three months showing the value of the investments in your Account.
- You can ask your financial adviser for an up-to-date valuation at any time.

What about tax?

How are payments affected by tax?

Currently you do not have to pay income or capital gains tax on any investment gains within your ISA. Therefore you do not have to include any information about your Stocktrade ISA in your tax return.

This information is based on our understanding of current UK law and HMRC practice. Changes to the law or your personal circumstances could affect the amount of tax you pay in the future.

Managing your Account

When your Account is open, you will be given access to view your Account online. This will allow you to see:

- which investments you are invested in;
- the value of those investments and how they are performing;
- any charges applied;
- any Account literature that we need you to read (placed in your Document Library).

How do I know where to invest?

This is one of the most important decisions you will make. Your financial adviser will help you to choose your investments. Whether a particular investment is suitable for you will depend on your circumstances, your investment goals and your attitude to risk. Our service is execution only. Therefore we will never advise or instruct you on investing your money.

Each investment you invest in will have specific investment risks associated with it and your financial adviser will tell you what these are.

The range of investments we make available include:

- mutual funds;
- exchange-traded instruments (ETIs) including securities.

You can find out more about these types of investments from your financial adviser or in our Terms & Conditions.

What about cash?

Within each Account we offer a cash facility. We do this by providing access to a bank account operated by our banking partner. This bank account is not unique to your Account. It holds amounts of money for all investors centrally.

Any money held in the cash facility may be eligible for interest payments. The rate applied will be determined by us and can be found on **stocktrade.co.uk**.

What is a disinvestment strategy?

If we are due to take money from your Account to pay our charges or comply with any contractual obligations you have or to facilitate financial adviser charges and there is not enough available cash we may automatically disinvest from your investments. This action will raise cash so the charges and costs can be deducted.

You can find out more about our disinvestment strategies in the Terms & Conditions.

Can I change my investments?

Yes, you can use your online account to:

- buy and sell investments;
- redirect regular payments to different investments.

In some instances, there may be restrictions on the sale of investments, for example, if an investment is suspended from trading or where there are restrictions on when an investment can be sold.

What if I move abroad?

It is important that you inform us immediately if it is your intention to move abroad, as you may no longer be eligible to contribute to your ISA. You may also want to speak with your financial adviser as the move may affect other savings and investments you hold.

YOUR QUESTIONS ANSWERED (CONTINUED)

Can I take money out?

Yes, you can arrange either one-off or regular withdrawals at any time. We do not apply any charges for taking money out of the Account, however, there may be charges involved in selling certain investments.

Any money you withdraw from your Stocktrade ISA will reduce the value of your ISA. 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.

One-off withdrawals

A one-off withdrawal can be made at any time. One-off withdrawals must be taken from available cash in your Account. You may need to sell investments to generate cash for a one-off withdrawal.

Remember, withdrawals will reduce the value of your Account.

What are distribution, dividend and interest payments?

Depending on the type of investments held, you may be eligible to receive a certain type of income payment from an investment. These payments are not guaranteed and can go down as well as up. The different types of income payments are:

- distribution payments;
- dividend payments;
- interest payments.

More information on these payments is available from your financial adviser or in our Terms & Conditions.

How is investment income paid?

There are three ways investment income can be paid to you:

- immediate withdrawal;
- periodic withdrawal by frequency;
- periodic withdrawal by minimum amount.

You can find out more about each of these methods in our Terms & Conditions or by asking your financial adviser.

Can I transfer my Account to another ISA manager?

Yes, you can arrange to transfer the value of your Account to another ISA manager at any time. You can do this either as a cash transfer or by re-registering assets, if the receiving provider can accept the re-registration of your investments.

If using a cash transfer, there will be a period of time between when we sell your investments and when your new ISA manager invests the proceeds from that sale.

You can transfer or re-register:

- the investments bought with all of the contributions you have made to your Account in the current tax year;
- some or all of the value of your Account built up from investments made in previous tax years.

Can I cash in my Account?

Yes, you can sell all investments and arrange a payment to you at any time.

What happens if I die?

In the event of your death, the tax benefits of your ISA will continue until the earliest of these events:

- The completion of the administration of your estate;
- The closure of the account;
- The third anniversary of your death.

Any interest, dividends or gains in respect of investments in the continuing ISA Account, which arise after your death to the date of closure of the ISA are exempt from tax.

If, after a period of three years, the administration of the estate is ongoing and the Account has not been closed, the Account will cease to benefit from the tax advantages of an ISA.

Can I change my mind?

Yes, you can change your mind at any time within the 30 day cancellation period described below.

What will I receive back if I cancel?

The amount we pay back will depend on what action has been taken in respect of your Account prior to the date when you cancel.

If you exercise your right to cancel within 30 days from when we issue your Confirmation Schedule, we will refund any cash payment in full that we have received as part of a regular direct payment arrangement, subject to the paragraphs below.

In all cancellation cases, any deductions to an Account will be restricted to the following:

- our own charges;
- charges incurred in relation to your investment choices;
- charges incurred for any transactions you make.

The amount we return to you will also reflect any market movement in the investments between the date the money was first applied to your Account and the cancellation date. This may be less or more than your original investment.

The amount returned on cancellation will also be less any financial adviser charges or discretionary investment manager charges that have already left your Account when we receive the cancellation request. Stocktrade cannot refund these to you.

If you start trading within the cancellation period you may be liable for any charges detailed above, along with any charges levied by third parties such as investment managers or stockbrokers.

How do I cancel?

For all cancellations, we will require you to call us on **0131 240 0400** to confirm your intention to cancel. On the call we will verify your identity and then ask you to send an email to us (from the registered email address we hold) confirming the following information:

- your name;
- your Stocktrade Account Number.

OTHER INFORMATION

How to complain

If you are unhappy with the way you have been treated by us, you always have the right to complain. You can write or call us at the address and number in the How to Contact Us section.

If you are not satisfied with our response, you can then raise the issue with:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Phone: **0800 023 4567**
Email: **complaint.info@financial-ombudsman.org.uk**
Website: **financial-ombudsman.org.uk**

Referring the matter to the Ombudsman will not affect your right to take legal action later on.

Terms & Conditions

This document provides information on the key features of our Stocktrade ISA. It does not include all the definitions, exclusions and terms and conditions. You can find full details in our Terms & Conditions, available on our website.

We have the right to make changes to the Terms & Conditions. If this happens, we will let you know and explain the changes. Any changes will be added to your Document Library and posted on our website.

In the event of a conflict between the Terms & Conditions and this Key Features document, the Terms & Conditions will prevail.

Client categorisation

We categorise all of our clients as 'Retail Clients' under the FCA rules for all services and transactions. This helps us to make sure that you receive appropriate disclosure documents from us and that you are told everything you need to know in a timely fashion.

Communication

Our contract with you is in English and all future communication about it will be in English.

Financial Services Compensation Scheme

Stocktrade is authorised by the FCA so you will have access to the Financial Services Compensation Scheme (FSCS).

In the event that any of the holders of Assets or providers of investment Services available through your Accounts cannot meet any Financial obligations, you may be able to claim compensation from the FSCS. This level of compensation you receive will depend on where your money is held at the time of the claim and the FSCS rules that cover it.

You can find out more about the FSCS and how it covers your savings in our Terms & Conditions.

Law

You must be resident in the UK to open a new Stocktrade ISA. The Stocktrade ISA will be set up and governed by the law of England and Wales.

Where you have declared to us to being tax resident in any non-UK country, or where based on information you have provided to us, or where based on publicly available information, we have assessed you to be tax resident in any non-UK country, we reserve the right to place restrictions on your account to limit further contributions, investment execution and any activity as we see fit.

CONTACT

If you have any questions about the Stocktrade ISA you should contact your financial adviser in the first instance. If you feel that you need to contact us, you can do so using any of the methods below.

By mail: **Stocktrade**
11/12 Wellington Place
Leeds
LS1 4AP

By email: **support@stocktrade.co.uk**

By telephone: **0131 240 0400**

Available Monday to Friday 8am to 5pm. Calls may be recorded for training purposes.

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support@stocktrade.co.uk

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Stocktrade is a trading name of Embark Investment Services Limited, a company incorporated in England and Wales (company number 09955930) with its registered office at 33 Old Broad Street, London, EC2N 1HZ. Embark Investment Services Limited is authorised and regulated by the Financial Conduct Authority (Financial Services Register number 737356).

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