



Stocks & Shares Junior Individual Savings Accounts

Key Features Document

Important information about our Junior Individual Savings Accounts

- ◆ Its aims
- ◆ Your commitment
- ◆ The risks
- ◆ Your Investment

This Key Features Document provides important information about the Balkerne Asset Management Stocks & Shares Junior Individual Savings Accounts and is designed to help you make an informed choice about your intended investment. This document does not in itself constitute the provision of advice or make any assumptions as to the suitability of the investment.

Prior to investing in the Balkerne Asset Management Stocks & Shares Junior Individual Savings Account you should consult with your Financial Adviser.

Balkerne Asset Management is a trading style of Capel Court Plc which is authorised and regulated by the Financial Services Authority.

KEY FEATURES OF OUR STOCKS & SHARES JUNIOR INDIVIDUAL SAVINGS ACCOUNTS

Its aims

- ◆ The aim of our Stocks & Shares JISA is to allow you to invest on behalf of the eligible child through a tax efficient account.

Your commitment

- ◆ Time – You should view this as a medium to long-term investment and should plan to keep it for at least five years. A JISA investment must run until the eligible child's 18th birthday.

Risk factors

- ◆ **The preferential tax treatment of JISAs may not be maintained in the future.**
- ◆ **The value of the Balkerne Asset Management Stocks & Shares JISA is not guaranteed and you may not get back the amount invested. Past performance is not necessarily a guide to future returns.**
- ◆ **If you are transferring a Stocks & Shares JISA(s) and/or Cash JISA(s) to us from another provider, the investment will be transferred as stock or cash. This means the investment could be out of the market for approximately twenty working days, during which time the market may move up or down, resulting in a potential loss of growth and income. The existing provider may also charge you for transferring.**
- ◆ **Charges taken from capital may constrain the capital growth of your investment. Where charges are taken from income, and where there is insufficient income to meet such charges, any balance will be taken from the capital.**

Your investment

There are two types of JISA; a Cash JISA and a Stocks & Shares JISA.

- ◆ **Balkerne Asset Management does not offer a Cash JISA.**
- ◆ Subject to the maximum investment limits as determined by HM Revenue and Customs subscriptions may only be made to one Stocks & Shares JISA and one Cash JISA throughout the child's eligible period.
- ◆ You can only make lump sum investments into the Balkerne Asset Management Stocks & Shares JISA.
- ◆ You can transfer an existing Stocks & Shares JISA(s) and/or Cash JISA(s) to us from another Account Manager(s).
- ◆ You can transfer money saved in a Cash JISA to a Balkerne Asset Management Stocks & Shares JISA in the same tax year. Such transfers must be the whole amount saved in that tax year in that Cash JISA up to the day of the transfer. Once the money saved in that tax year is transferred from a Cash JISA to the Balkerne Asset Management Stocks & Shares JISA, it is treated as if it had been invested directly into the Stocks & Shares JISA in that tax year.
- ◆ Transfers from a previous year cash JISA may be a partial transfer into the Balkerne Asset Management Stocks & Shares JISA IF after the transfer process the child only holds one of each JISA type.
- ◆ The Balkerne Asset Management Stocks & Shares JISA will invest in UK blue-chip equities, fixed-interest/bond investments, collective investments and other securities.
- ◆ No income may be drawn from a JISA.
- ◆ A JISA cannot be operated under a Power of Attorney (PoA) for the registered contact.
- ◆ Persons proposing to subscribe to a JISA accept that all subscriptions will be treated as a gift to the child and as such cannot be repaid to the subscriber if at a later date the subscriber changes their mind.

A CHOICE OF THREE INVESTMENT STRATEGIES

1. **The Balkerne Asset Management UK MIXED JISA** is an actively-managed portfolio of 25 to 35 holdings, with a nominal cash holding and has the **Investment Objective** to provide long-term capital and income appreciation with a **Lower than Medium Risk Profile**.

Investment Policy: To achieve the objective by investing principally, but not exclusively, in UK blue-chip equities within the UK FTSE-350 Index, fixed-interest/bond investments and, as appropriate, property and overseas and specialist stocks through collective investments and other securities.

Asset Allocation Guideline:	UK Equities	35-75%	International	0-10%
	Fixed Interest	25-50%	Property	0-10%
	Cash	0-20%		

2. **The Balkerne Asset Management UK STOCKMARKET JISA** is an actively-managed portfolio of 20 to 30 holdings, with a nominal cash holding and has the **Investment Objective** to provide long-term capital and income appreciation with a **Medium Risk Profile**.

Investment Policy: To achieve the objective by investing principally, but not exclusively, in UK blue-chip equities within the UK FTSE-350 Index and, as appropriate, fixed-interest/bond investments, property and overseas and specialist stocks through collective investments and other securities.

Asset Allocation Guideline:	UK Equities	65-100%	International	0-10%
	Cash	0-20%	Property	0-10%
	Fixed Interest	0-10%		

3. **The Balkerne Asset Management UK & INTERNATIONAL JISA** is an actively-managed portfolio of 25 to 35 holdings, with a nominal cash holding and has the **Investment Objective** to provide long-term capital and income appreciation with a **Higher than Medium Risk Profile**.

Investment Policy: To achieve the objective by investing principally, but not exclusively, in UK blue-chip equities within the UK FTSE-350 Index, property and overseas and specialist stocks through collective investments and, as appropriate, fixed-interest/bond investments, and other securities.

Asset Allocation Guideline:	UK Equities	40-80%	Property	0-15%
	International	20-50%	Fixed Interest	0-10%
	Cash	0-20%		

Questions and answers

1 Who can invest in a Stocks & Shares JISA?

Any person may invest in a JISA for an eligible child.

A child is an eligible child for a JISA if, when the account application is made

- They are under 18 years of age.
- They were born on or after 3rd January 2011 or do not have a Child Trust Fund (CTF) account.
- They are resident and ordinarily resident in the UK, or are a UK Crown servant, married to or in a civil partnership with a UK Crown servant, or a dependent of a UK Crown servant.

In addition, an investor must not have subscribed to another JISA of the same type in that tax year and must not have exceeded the overall subscription limits.

To open a JISA for an eligible child you must be:

- A person with parental responsibility for the child.
- The child themselves if between the ages of 16 and 18 years.

There can only be one registered contact at any time. The registered contact is the only person who can give instructions to Balkerne Asset Management on management of the investments in the JISA.

The role of registered contact can be passed to another person who has parental responsibility subject the consent of the existing registered contact and submission to and acceptance by us of the relevant registered contact application form.

If a child is between 16 and 18 years of age, they can become the registered contact for their account at any time without the consent of the existing registered contact. Once the child account holder has assumed registered contact status this cannot be passed to another person.

2 What investments are allowed in a Stocks & Shares JISA?

A broad range of investments can be included in your Stocks & Shares JISA, including:

- Qualifying shares issued by companies incorporated anywhere in the world that are officially listed on a "recognised stock exchange"
- Qualifying securities issued by a company that is incorporated anywhere in the world that are listed on the official list of a "recognised stock exchange".
- Government securities - Gilt edged securities, gilt strips, securities and strips of securities issued by or on behalf of a government of any EEA State, that have at least 5 years to run to maturity.
- Qualifying authorised funds – Authorised unit trusts and open ended investment companies.
- Qualifying investment trusts
- Qualifying units or shares in a relevant UCITS.
- Cash

3 What is the minimum initial investment level?

The minimum initial investment level is £3,600.00 into a Balkerne Asset Management JISA, which may be invested either by cash, cheque or BACs.

4 What is the maximum investment limit for the JISA?

Up to £3,600.00 can be subscribed to a JISA in the tax years 2011/12 and 2012/13. From 6th April 2013 this annual limit will be increased in line with the Consumer Prices Index. Any part of the limit which is not used is lost – it cannot be carried forward or back to other years.

Subject to the overall annual subscription limit for the tax year, subscriptions can be divided between a cash JISA and a Stocks & Shares JISA at the discretion of the registered contact.

An initial charge is taken from your investment before your shares are purchased. To enable you to maximise the tax efficiency of your JISA where you invest the maximum lump sum, you can pay the initial charge on top of your investment so the full JISA allowance is invested. For example, with an initial charge of £50 inclusive of VAT, you can choose to pay £3,650 into the Stocks & Shares JISA; the £50 will be used to pay the initial charge, leaving the full £3,600 available for investment.

5 Can I make additional investments?

Subject to the maximum annual JISA subscription limits additional investments may be made into a Balkerne Asset Management Stocks & Shares JISA at any time. The current minimum increase is £500.

6 How many JISAs can be subscribed to for the child?

Each eligible child may hold a maximum of one of each type of JISA – one cash JISA and one Stocks & Shares JISA throughout their childhood. Each type may be held with one or more manager and may be transferred between managers but only one of each may be held at any one time.

7 What changes after the child reaches the age of 16?

At 16 the eligible child may take over as the registered contact at any time (see question 1)

When a child reaches the age of 16 they can apply for an “adult” cash ISA which they can subscribe to **in addition to** any subscriptions made to their JISA(s). Holding both a cash JISA and an “adult” cash ISA does not breach the JISA rule that the child may only have one JISA account of each type, and the subscription limits for all “adult” ISA products apply independently of whether or not a child holds or has held a JISA in the relevant year.

This means that in the tax year in which the child turns 16 they can subscribe up to the JISA limit, and from their 16th birthday they can in addition subscribe up to 50% of the overall “adult” ISA limit to a cash ISA.

In the tax year in which the child turns 17 they may subscribe up to the JISA limit and subscribe up to 50% of the overall “adult” ISA limit to a cash ISA as outlined above.

In addition, from the start of the tax year the child turns 18, they can:

- Use their whole JISA subscription limit **and**
- Subscribe 50% of their overall “adult” ISA limit to a cash ISA **and**
- From their 18th birthday, invest in a Stocks & Shares ISA subject to the normal “adult” ISA subscription limits

When the child turns 18 the JISA will automatically become an ISA. If the investor wishes to make additional subscriptions after this point they will need to provide their National Insurance Number (if they have one), confirm their residence status and complete an ISA application form.

8 Will my child’s JISA provide an income?

No. No income may be drawn from the JISA until the child’s 18th birthday.

9 Who does the JISA belong to?

Any subscription to a child’s JISA is regarded as a gift. As soon as it is invested into the JISA the child becomes the beneficial owner and as a gift, it cannot be repaid even if the donor “changes their mind” at a later date. For Inheritance Tax purposes, gifts made by a parent to a JISA are treated in the same way as any other gifts they make.

10 Can I be sure how much my child's JISA will be worth at any time in the future?

NO. The value of your JISA is determined by the value of the underlying investments that it invests in.

You should bear in mind that the value of your underlying investments will vary from day to day. Past performance is not necessarily a guide to future performance. Stock and Share prices can fall as well as rise and you may not get back the amount you originally invested.

11 How am I kept informed about the child's JISA?

You will receive regular statements, which will be sent out within 21 days of 5 April and 5 October.

12 Can I take the child's money out?

Investments (including cash) in a JISA may only be withdrawn in the following circumstances:

On the death of the child or where a terminal illness claim made on behalf of the child has been agreed.

On direct instruction from HM Revenue & Customs (where we are informed the JISA is void).

To meet certain management charges and other specific expenses.

13 How will charges and expenses affect my child's investment?

13.1 There is an Initial Charge of £25.00 inclusive of VAT when you first open an account by subscription, or transfer into the Balkerne Asset Management Stocks & Shares Junior Individual Savings Account.

13.2 There is an Annual Management Charge (AMC), which is a percentage of the value of the account. This is charged quarterly on 5 January, 5 April, 5 July and 5 October and is currently 0.75% plus VAT.

13.3 In addition, dealing charges relating to the buying and selling of equities, gilts, investment trusts, unit trusts, OEICs, fixed-interest stock and other collective investments are levied at the following scale:

1.25%	on the first	£ 7,500
0.75%	on the next	£12,500
0.50%	thereafter	

The Company will retain the difference between the above scale and lower dealing charges. Other mandatory charges e.g. Stamp Duty and Panel of Takeovers & Mergers Levy will be applied when applicable. All commissions payable to the Company on unit trusts and other collective investments will be fully rebated to the client.

14 How much will any advice cost?

For arranging this transaction we will pay your adviser an initial commission, based on the amount you have invested, as per your instruction on the adviser agreed remuneration form. We will also pay portfolio-based renewal commission, quarterly in arrears, based on the value of your investment per annum, as per your instruction on the adviser agreed remuneration form.

15 What happens to my child's JISA if we move abroad?

You can continue to hold and subscribe to the JISA even if the child is not present in the UK. The JISA may be transferred between providers but a new JISA may not be opened. If you move abroad, you must notify us in writing of your new mailing address, quoting both your new and old addresses.

16 What happens if my child dies?

The tax benefits of the JISA cease immediately and the value of the JISA at the time of death will form part of the child's estate.

Balkerne Asset Management will require proof of the death of the child (either by providing the original death certificate or the Coroner's interim document) before the JISA can be closed. The investment will continue to be subject to market movements until the point of closure.

17 Can I transfer an existing JISA from another provider to Balkerne Asset Management?

Yes. JISAs from other providers can be transferred to the Balkerne Asset Management JISA using the JISA Transfer Application form.

Balkerne Asset Management only offers a Stocks & Shares JISA. Cash and Stocks & Shares JISAs may be transferred in, but JISAs containing an insurance or stakeholder component may not.

While JISA regulations allow for partial JISA transfers, if the existing Account Manager has amalgamated the subscriptions into a single Account, you may only be able to transfer the whole Account to us.

If you are transferring only part of a previous years' JISA, you must provide details of how much and from which tax year you wish to transfer on the Transfer Application form. Please note that as Balkerne Asset Management only offer a Stocks & Shares JISA, partial transfers can only be accepted from a Cash JISA (thus ensuring that at the end of the transfer process, the Child only holds one of each type of JISA)

For transfers of a current tax years' JISA, regulations only allow you to transfer the whole amount saved (right up to the day of transfer) in the current tax year.

If you transfer a JISA to us from another provider, you will not receive a cancellation notice from us, which means you will not have the option of immediately transferring the JISA on again to another JISA manager.

Upon receipt of your completed Transfer Application form we will contact the existing JISA Account Manager to arrange the transfer and contact you once the proceeds have been received (this may take up to 20 working days to complete). You should be aware that where stocks in the existing JISA are sold prior to transferring the proceeds to us the monies will be out of the investment market during the period of the transfer.

You may continue to receive a return on your investment with your existing Account Manager(s) after the date of transfer. These returns will be forwarded to us by the existing Account Manager(s) to be re-invested.

Transfers can be made either as stock (in specie) or as cash; either way the investment does not lose its JISA tax status during the transfer process.

18 Can I transfer my Balkerne Asset Management JISA to another provider?

Yes. In accordance with the JISA regulations, you may transfer all or part (but not part of the current tax year) of the Stocks & Shares JISA to another JISA Account Manager where they agree to such a transfer.

Following receipt of your written instructions and acceptance from the new Account Manager we will sell the shares in the JISA and transfer the proceeds or, if requested by you, transfer the account investments (without selling the shares i.e. in specie) to the JISA Account Manager of your choice.

Transferring the account investments in specie are subject to a charge of £25 plus VAT per holding. Any outstanding management fees will be debited to all JISA's transferred to another provider up to and inclusive of the date of transfer.

Further Information

Cancellation Rights

Cancellation rights do not apply.

Tax

The child will not pay any tax on capital gains made within the JISA.

This information is based on current legislation and HM Revenue & Customs practice. Legislation and tax practice may change in the future.

Cash held in the Stocks & Shares JISA

Any interest arising on cash held in your JISA pending investment will be credited to your account net of an amount representing the Flat Rate Charge, as dictated by HM Revenue & Customs.

Buying and selling Investments

The underlying investments which make up the JISA are bought and sold by the account manager who has total discretion as to the timing of such transactions.

Money Laundering

We reserve the right to carry out any money laundering checks as may be required by regulations.

Law

This investment is governed by the Law of England and Wales.

Health warning

The value of investments can go down as well as up, and as a consequence, the value of the portfolio at any given point in time cannot be guaranteed. Upon withdrawal or transfer of the portfolio it may not realise the sum originally invested. Past performance is not necessarily a guide to future returns.

Balkerne Asset Management

1 Balkerne Hill, Colchester, Essex CO3 3FG
Freephone 0808 200 0808

www.balkerneassetmanagement.com

Balkerne Asset Management is a trading style of Capel Court Plc which is authorised & regulated by the Financial Services Authority; FSA Registered Number 154146