Key features of the Zurich Junior Stocks and Shares ISA
Helping you decide

This important document gives you a summary of the Zurich Junior Stocks and Shares ISA. Please read this before you decide to invest, and keep it for future reference.

The Financial Conduct Authority is a financial services regulator. It requires us, Sterling ISA Managers Limited, to give you this important information to help you to decide whether our Junior Stocks and Shares ISA is right for you.

You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

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The Zurich Junior Stocks and Shares ISA

The Zurich Junior Stocks and Shares ISA (the account) is provided by Sterling ISA Managers Limited, trading as Zurich – it’s made available to you within a Zurich Junior Portfolio. The account provides access to a wide range of assets, giving your child’s savings the potential for tax-efficient capital growth and income. Your adviser will help you decide if the Zurich Junior Stocks and Shares ISA is right for you and your child.

Its aims

**What the account is designed to do**
- Allow you to save for a child in a tax-efficient and flexible way.
- Increase the value of the money you invest.
- Give you access to a wide range of assets to match your investment objectives and attitude to risk.

Your commitment

**What we ask you to do**
- Read the information about the account, including its features and risks.
- Maintain an ongoing relationship with an adviser who has an appropriate agreement with us, they will set up and administer the account on your behalf. If you don’t have an adviser, your investment options will be limited and you may not make the most suitable financial decisions.
- Agree with your adviser how you will pay them for their services to you. Where appropriate, you can authorise us to deduct your adviser’s remuneration from the account, and pay it to them.
- Give us accurate information and tell your adviser when your circumstances change, for example, if you or the child move house.
- Look to invest for at least five years. The money you invest can only be accessed by the child and only when they reach age 18.
- Regularly review the account.

Risk factors

**What you need to be aware of**
- The value of the account can go down and the child may get back less than you invest – see the ‘How will charges and expenses affect the investment?’ section on page 9.
- The level of risk and potential investment performance depends on the assets you invest in – see the ‘How do I know where to invest?’ section on page 10.
- If you are transferring from a cash ISA, you should be aware of the increased risks associated with a Junior Stocks and Shares ISA.
- Changes to tax law may affect the tax benefits of the account.
- Charges may increase in future.

Information about risks associated with assets available through the account is detailed in the Zurich Portfolio Asset guide, asset information sheets and, where available, key investor information documents and supplementary information documents or simplified prospectus – these are available from your adviser.
Other documents you should read

Zurich Portfolio Terms and conditions
This sets out the terms and conditions that apply to the Zurich Portfolio and the accounts you take out within it.

Charges information document
This document specifies the charges and adviser remuneration that apply specifically to the account.

Zurich Portfolio Asset guide
This provides details of the asset classes that we make available to you, together with a description of the main investment risks associated with them.

Asset information sheets
These tell you what each of the investment funds is designed to do.

Key investor information documents (KIID)/Supplementary information document/Simplified prospectus
Where available, these are issued by fund managers and set out the investment objectives, financial highlights, risks and charges that relate to each fund provided by the fund manager.
Questions and answers

About the Junior Stocks and Shares ISA

Who can open a Junior Stocks and Shares ISA?
A registered contact can open an account for a child. The child must:

- be aged 17 or under, and:
- have been resident in the UK for tax purposes for the last six months if your country of origin is not subject to UK tax
- not already hold a junior stocks and shares ISA or Child Trust Fund, and if they do, intend to transfer its value to the Zurich Stocks and Shares ISA
- have not exceeded the overall junior ISA limit taking into account any payments made to a junior Cash ISA. You can find out the current limit from your adviser or by calling us.

Is the account right for the child?
The account is only available within a Zurich Junior Portfolio – a wealth management service that enables your adviser to look after all your assets online.

The account may be right for the child if you:

- are looking for potentially higher investment returns for the child than a typical bank or building society account
- are looking for a tax-efficient way of investing
- want to invest in the types of assets available in the account and are aware of and accept the risks associated with these assets
- want an investment adviser to manage assets in the account
- are prepared to maintain an ongoing relationship with an adviser who has an appropriate agreement with us and who has assessed that a Zurich Junior Portfolio and a Zurich Junior Stocks and Shares ISA are right for you.

The Zurich Junior Portfolio and the accounts you can hold within it are only available through your adviser. Your adviser will administer your Zurich Junior Portfolio and the accounts within it and instruct us on your behalf.
How can I invest?

The account is only available within a Zurich Junior Portfolio, and your adviser will apply for it on your behalf.

There is no minimum payment.

You must not pay more than the yearly junior ISA allowance in any tax year – your adviser can tell you the current junior ISA allowance for a junior stocks and shares ISA.

You can:

• make regular payments monthly, quarterly, half-yearly and yearly by direct debit
• make one-off payments by cheque, BACS or CHAPS, and
• arrange a cash transfer of proceeds from an existing junior stocks and shares or junior cash ISA or Child Trust Fund
• re-register assets from an existing Junior Stocks and Shares ISA or Child Trust Fund.

All payments into the Junior Stocks and Shares ISA are classed as a gift so cannot be returned.

Your adviser is responsible for arranging your payments and transfers to the account on your behalf.

Cash transfer from an existing stocks and shares ISA or a Child Trust Fund

The Child Trust Fund manager or the ISA manager for the existing junior stocks and shares ISA will sell the assets held in it, and send the proceeds to us. During the transfer period, the holdings will not benefit from any growth or income.

Re-registration of existing assets

If possible, and where requested by your adviser, we’ll arrange for assets that are held in an existing junior stocks and shares ISA or Child Trust Fund to be re-registered with us. The benefit of this is that you don’t need to sell the assets and then buy them back – the money remains invested.

Only assets that are available under the account can be re-registered with us – your adviser will tell you what these are.

Phased investment

If you make a one-off payment, cash transfer or have some cash, you can ask your adviser to ring-fence it and use a proportion of it to buy assets each month. You can choose to do this for a period of between 3 and 12 months.
What are the charges?

The following charges may apply to the account:

**Our charges**

**Zurich Portfolio charge**

This is a yearly charge that we deduct monthly. The amount we deduct is based on the value of the account. The percentage we use to calculate the charge depends on the overall value of your Zurich Portfolio – excluding any money in the Cash Account – and our agreement with your adviser.

Because our agreement with your adviser affects the charge you pay, if you change adviser the charge may also change and could increase. We’ll limit any increase to the standard Zurich Portfolio charge detailed in the Zurich Portfolio Terms and conditions.

If a close family member also has a Zurich Portfolio, it may be possible to link them for the purposes of calculating this charge. This could reduce the amount you pay – you should speak to your adviser about this.

**Interest charge**

Currently, we keep the first 0.1% of the interest rate we receive on cash in the account. This may change in the future and we’ll let you know if it does.

**Asset charges**

Different charges will apply depending on the assets you invest in.

**Fund manager charges**

These are applied by fund managers and can include, for example, initial charges, bid-offer spreads, annual management charges, fund expenses, and dilution levies or adjustments.

**Adviser remuneration and investment adviser charges**

You will agree with your adviser their charges for the services they provide to you. Where you are invested in a model portfolio managed by an investment adviser, your adviser will explain the applicable charges.
How will charges and expenses affect the investment?

The following tables show the effect of charges and expenses. They are based on the following assumptions:

- payments are invested in a mutual fund with a yearly growth rate of 5%
- net fund manager charges of 1%
- the standard Zurich Portfolio charge applies (see the Zurich Portfolio Terms and conditions)
- this is the only account in the Zurich Junior Portfolio and no family linking applies, and
- no adviser remuneration or investment adviser charge is payable.

You should speak to your adviser to find out more about the effect of charges.

**Single payment**

**£1,000 single premium investment**

<table>
<thead>
<tr>
<th>At year end</th>
<th>Payments to date</th>
<th>Effect of deductions to date</th>
<th>What you might get</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£1,000</td>
<td>£14</td>
<td>£1,030</td>
</tr>
<tr>
<td>3</td>
<td>£46</td>
<td>£1,110</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>£84</td>
<td>£1,190</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>£207</td>
<td>£1,420</td>
<td></td>
</tr>
</tbody>
</table>

The last line in the table shows that for a single payment of £1,000 invested over 10 years the effect of charges and deductions could amount to £207. Put another way, this would have the same effect as reducing the investment growth from an assumed 5% to 3.6%.

**Monthly payment**

**£200 a month payments**

<table>
<thead>
<tr>
<th>At year end</th>
<th>Payments to date</th>
<th>Effect of deductions to date</th>
<th>What you might get back</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>£2,400</td>
<td>£18</td>
<td>£2,440</td>
</tr>
<tr>
<td>3</td>
<td>£7,200</td>
<td>£164</td>
<td>£7,600</td>
</tr>
<tr>
<td>5</td>
<td>£12,000</td>
<td>£478</td>
<td>£13,100</td>
</tr>
<tr>
<td>10</td>
<td>£24,000</td>
<td>£2,180</td>
<td>£28,800</td>
</tr>
</tbody>
</table>

The last line in the table shows that for payments of £200 a month invested over 10 years the effect of the total charges and expenses could amount to £2,180.
Put another way, this would have the same effect as reducing the investment growth from an assumed rate of 5.0% a year to 3.6% a year.

In each of the above examples in the early years the deductions would reduce investment growth from an assumed rate of 5% a year down to 3.6% a year at the end of year 3 and to 3.6% at the end of year 5.

These figures are not guaranteed and only illustrate the effect of the charges and expenses.

What the child will get back depends on the value of the account when they cash it in.

The value of the child account depends on:
- how much is invested
- how long the money is invested
- charges
- the performance of the assets invested in.

**How will I know how the account is doing?**

We’ll send you a statement every January, April, July and October showing the value of the account at that time.

Alternatively, you can ask your adviser for an up-to-date valuation or, if your adviser has agreed, you’ll be able to view the account online via [www.myfinancialportfolio.co.uk](http://www.myfinancialportfolio.co.uk).

**What about tax?**

Currently, the child doesn’t have to pay income tax or capital gains tax on any investment gains within an ISA, and there’s no need to mention it on their tax return.

If income is received net of UK income tax, we will claim that tax from HM Revenue & Customs (HMRC) on behalf of the child and add it to the account.

We’ve based this information on our understanding of current UK law and HMRC practice. Any changes in your circumstances or in the law and tax practice could affect the amount of tax you pay.

**Managing the account**

The account is an online account your adviser will manage on your behalf – only they can instruct us online.

**What will my adviser do?**

Your adviser will manage the account and instruct us on your behalf, in line with what you agree with them.

Your adviser will instruct us whenever you want to:
- set up a new payment or transfer
- change the assets you’re investing in, and
- make any other changes.
What if I leave my adviser?

If you leave your adviser and want to continue with the account, you must appoint a new adviser and they must have an appropriate agreement with us. Changing your adviser may affect the charges you pay.

If you don’t appoint a new adviser, we’ll restrict some account features and the availability of certain assets.

How do I know where to invest?

Your adviser is responsible for helping you to decide what assets to invest in. Whether a particular asset is suitable for you will depend on your circumstances, your investment objectives and your attitude to risk. We will never assess whether any asset is suitable for you.

Before you invest you should be aware that:

• the value of assets can fall – you may get back less than you invest
• the level of income from assets can fall
• over time the value of the assets, or income from them paid back into the account or cash held in the Cash Account, may be eroded by inflation
• you could lose money if we, or another financial institution in which you have invested, fails.

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

The performance of the assets you invest in affects the value of the account – we are not responsible for how any assets perform. Fund managers are responsible for fund performance and the performance of other assets will be affected by financial markets.

You may agree with your adviser to invest in a model portfolio managed by an investment adviser. You can instruct your adviser to stop using this model portfolio at any time.

Where can I invest?

We give you access to a wide range of assets that are traded and valued in pounds sterling (£). You can get more information about these assets from your adviser.

Subject to any restrictions imposed by ISA legislation, we will give you access to a range of assets that include:

Onshore and offshore mutual funds

Collective investment schemes that include:

• unit trusts
• open-ended investment companies (OEICs)
Model portfolios
These are tailored investment portfolios made up of a range of assets. They aim to achieve a particular investment objective and reflect a specified attitude to investment risk.

What about cash?
Available cash is any cash held in the account that is not currently invested in assets. It is available for investing in assets, or to pay charges.

Available cash can come from payments, the sale of assets, investment income, interest and annual management charge rebates from fund managers.

Committed cash is any cash that has been ring-fenced to complete any trading instructions. It is not available to be used for charges or to pay adviser remuneration.

We’ll deposit cash in a bank account with our chosen banking partner as set out in the Zurich Portfolio Terms and conditions. This cash will earn a variable rate of interest – the current rate is available from your adviser and the charges information documents.

What is a disinvestment strategy?
You’ll need to choose a disinvestment strategy to decide what assets we’ll sell if there isn’t enough cash in the account to cover deductions such as:

- charges due to us, and
- any ongoing adviser remuneration or any ongoing investment adviser charge.

You can choose to have assets disinvested:

- proportionately from funds and model portfolios in the account, or
- from the least volatile fund, or
- from the most recently purchased fund.

You may choose to exclude specific assets from this strategy.

If you are invested in a model portfolio managed by an investment adviser, the disinvestment strategy for assets in that model portfolio will be to sell units from the least volatile fund.

If we have to sell assets as part of a disinvestment strategy, it may have a negative effect on investment performance. Your adviser will be able to explain the potential consequences of selling assets.
Can I change the assets?

Yes – you can instruct your adviser to change the assets on your behalf.

You may ask your adviser to:

- buy and sell assets, and
- redirect regular payments to different assets.

If you’re invested in a model portfolio, your adviser will buy and sell assets when necessary to rebalance the model portfolio.

If you invest in a model portfolio managed by an investment adviser, they’ll be responsible for deciding if and when they change the assets you’re invested in.

There may be restrictions on the sale of assets, for example, if an asset is suspended from trading, or where there are restrictions on when an asset can be sold.

Can I take money out?

No – the Rules for junior ISA’s do not allow withdrawals from the account.

The Junior Stocks and Shares ISA will convert to a Zurich Stocks and Shares ISA when the child reaches 18. The child will then be able to access the account as per the terms of a standard stocks and shares ISA, including regular and one-off penalty-free withdrawals.

Can I transfer the account to another ISA manager?

Yes – you can arrange to transfer the value of the 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 the assets.

If you choose a cash transfer, you’ll be out of the market and won’t benefit from any growth during the transfer period.

You can transfer or re-register:

- all the assets bought with all the payments you have made to the account in the current tax year, and/or
- all of the value of the account built up from investments made in previous tax years.

A child can only hold one stocks and shares junior ISA and one cash ISA so if transferring to a stocks and shares junior ISA, you will need to transfer the full amount.

Can I cash in the account?

No. Under the Junior ISA regulations you are unable to cash in the account.
What happens to the account when the child reaches 18?

We will write to you and the child shortly before they reach 18 when we will ask for the information we need to convert the Junior Stocks and Shares ISA to a Zurich Stocks and Shares ISA. Once we receive this information we will convert the account.

What happens to the account if the child dies?

Any tax advantages of the Junior Stocks and Shares ISA will end, but there is no loss of tax exemption on interest, dividends or gains which arise before the date of death. We will pay the proceeds as set out in the Zurich Portfolio Terms and conditions.

Can I change my mind and cancel?

Should anyone change their mind, the registered contact has a legal right to cancel, but needs to do so within 30 days of the date of receipt of our letter confirming the establishment of the Junior Stocks and Shares ISA.

After the cancellation period all payments are treated as gifts and cannot be returned.

If you cancel the account, what you’ll get back depends on the type of payment:

- If you’re cancelling a regular payment, we’ll return the payment back to the registered contact, less any adviser remuneration or investment adviser charge we’ve already deducted.
- If your payment was a one-off payment, we’ll return any payment to the registered contact, less any fall in value and less any adviser remuneration or investment adviser charge we’ve already deducted.
- If you cancel a transfer, from a junior stocks and shares ISA or junior cash ISA we’ll try to return it to the previous ISA manager, less any fall in value and less any adviser remuneration or investment adviser charge we’ve already deducted. If they refuse to take it back, you’ll need to find a different ISA provider to take it.

If you start the account by re-registering existing ISA assets, you’ll have 30 days from the date you sign your transfer authority to tell us if you want to cancel. Where possible, we’ll stop the re-registration of assets. However, if the process to re-register assets has already started, we’ll be unable to stop the transaction and you must arrange to re-register the assets to another provider after we’ve completed the re-registration.

If you start the account with any transfer from a Child Trust Fund, the 30-day cancellation period for this is replaced by a 14-day withdrawal period. This means we will not request the transfer until the end of the 14-day withdrawal period.

If you subsequently transfer a junior cash ISA after the account has been started we will provide you with a 30-day cancellation period at that time. You will not be able to cancel the whole account.

If you cancel the account or a subsequent cash transfer during the 30-day cancellation period, any gain in the value of your assets up to the point at which you cancel will not be returned to you.
Other information

We classify you as a retail client under Financial Conduct Authority (FCA) rules. This means you’ll receive protection for complaints and compensation and receive information in a straightforward way.

**How to complain**

If you need to complain, please see the ‘How to contact us’ section on page 16.

Details of our complaints handling process are available from your adviser or directly from us.

If you’re not satisfied with our response you can complain to the Financial Ombudsman Service.

Website: www.financial-ombudsman.org.uk
Email: complaint.info@financial-ombudsman.org.uk
Telephone: 0800 023 4567 or 0300 123 9123

Write to:
Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

This service is free and using it won’t affect your legal rights.

**Compensation**

If we, or any of the asset providers you are invested with are unable to meet any financial obligations to you in full, you may be entitled to help from the Financial Services Compensation Scheme (FSCS). The compensation you will receive will be based on the FSCS rules, and whether or not you are eligible to make a claim may depend on which firm is in default, what service or investment they were providing, where they are based and where you are resident.

The Zurich Portfolio Terms and conditions give more details about compensation limits, the circumstances when it might be available and how to claim.

**Benefits we may give to your adviser**

We may give benefits to your adviser – designed to help them give you an improved service. These benefits may include marketing and promotional support, technical services and training, seminars, travel and accommodation expenses, gifts and hospitality. Your adviser will give you details of any such benefits they receive from us.

**Terms and conditions**

This key features document gives a summary of the Zurich Junior Stocks and Shares ISA. It doesn’t include all the definitions, exclusions or terms and conditions.

Your adviser will give you a copy of the Zurich Portfolio Terms and conditions, which you should read before you take out the account.

We’ll also send you a copy when you first start the Zurich Portfolio. We’ll let you know about any changes when we send you quarterly statements.

If at any time you’d like a copy of the latest Zurich Portfolio Terms and conditions, please contact your adviser.

**Moving abroad**

If you or the child move abroad you need to tell us. This may result in you having tax obligations in that country. If you or the child move to the US we may place further restrictions on the account. Please refer to the terms and conditions.

**Conflicts of interest**

We make every effort to identify conflicts of interest. A conflict of interest is where the interests of our business conflict with those of a customer, or if there is a conflict between customers of the business. Once identified, we aim to either prevent the conflict or put steps in place to manage it so that it is no longer potentially detrimental to our customers.

We have processes in place to ensure we conduct our business lawfully, with integrity, and in line with current legislation. We operate in line with our conflicts of interest policy, available on request or on our website, which details the types of conflicts of interest that affect our business and how we aim to prevent or manage these. Where we cannot prevent or manage a conflict which may be detrimental to you, we will fully disclose it to you in line with our policy.

**Law**

The account is governed by the law of England.
Our regulator

Sterling ISA Managers Limited, trading as Zurich, is authorised and regulated by the Financial Conduct Authority. We are entered on the Financial Services Register under number 191278. You can find this on the website www.fca.org.uk.

You can contact the FCA:

Telephone: 0800 111 6768 (freephone).

Write to:

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Communicating with you

The account documents and Zurich Portfolio Terms and conditions are in English and all our other communications with you will be in English.
How to contact us

To contact us you can email, phone or write.

Email
zurichportfolioteam@uk.zurich.com

Phone
0345 607 2013
(Monday to Friday 8am until 6.30pm, Saturdays from 9.30am to 12.30pm, except on public holidays)
We may record or monitor calls to improve our service.

Write to
Zurich Portfolio Team
PO Box 1200
Bishops Cleeve
Cheltenham
GL50 9UP
UK

Please let us know if you would like a copy of this in large print or braille, or on audiotape or CD.