



# Stocks & Shares Individual Savings Accounts

## *Key Features Document*

Important information about our 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 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 for you.*

***Prior to investing in the Balkerne Asset Management Stocks & Shares 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 Conduct Authority.*



## **KEY FEATURES OF OUR STOCKS & SHARES** **INDIVIDUAL SAVINGS ACCOUNTS (ISA)**

### **Its aims**

- ◆ The Balkerne Asset Management Stocks & Shares ISA is a discretionary portfolio management service designed for investors with a minimum of **£20,000** to invest in 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.

### **Risk factors**

- ◆ The preferential tax treatment of ISAs may not be maintained in the future.
- ◆ The value of your Stocks & Shares ISA, and any income from it, is not guaranteed and you may not get back the amount invested. Past performance is not necessarily a guide to future returns.
- ◆ If you cancel your Stocks & Shares ISA, you may get back less than the amount you originally invested due to the application of charges and adverse movements in the market.
- ◆ If you decide to cash-in your Stocks & Shares ISA, particularly in the early years, you may get back less than the amount invested because of the application of charges and adverse movements in the market.
- ◆ If you are transferring your Stocks & Shares ISA(s) and/or Cash ISA(s) to us from another provider, your investment will be transferred as cash or stock. This means your 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. Your existing provider may also charge you for transferring.
- ◆ Charges and fees taken from capital may constrain the capital growth of your investment. Where charges and fees are taken from income, and where there is insufficient income to meet such charges, any balance will be taken from the capital. If you decide to take a regular income from your Account where the amount of income paid to you is greater than the income received into your Stocks & Shares ISA, any balance will be taken and paid out from the capital. Any of these scenarios, over time, may have a negative impact on the value of your investment, especially during adverse or challenging market conditions.

## Your investment

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

- ◆ Balkerne Asset Management does not offer a Cash ISA.
- ◆ Subject to the maximum investment limits as determined by HM Revenue and Customs you may only subscribe to one Stocks & Shares ISA and one Cash ISA in each tax year.
- ◆ You can make lump sum investments into the Stocks & Shares ISA subject to the maximum investment limits as determined by HM Revenue and Customs.
- ◆ You can transfer your existing Stocks & Shares ISA(s) and/or Cash ISA(s) to us from another Account Manager(s).
- ◆ You can transfer money saved in a Cash ISA to a Balkerne Asset Management Stocks & Shares ISA in the same tax year. Such transfers must be the whole amount saved in that tax year in that Cash ISA up to the day of the transfer. Once the money saved in that tax year is transferred from a Cash ISA to the Balkerne Asset Management Stocks & Shares ISA, it is treated as if it had been invested directly into the Stocks & Shares ISA in that tax year.
- ◆ The Balkerne Asset Management Stocks & Shares ISA will invest in UK blue-chip equities, fixed-interest/bond investments, collective investments, alternative investments (such as absolute return funds and multi-asset strategy funds) and other securities.
- ◆ The level of income that your Balkerne Asset Management Stocks & Shares ISA will generate depends on the dividends, interest and the other income received from investments in the ISA.
- ◆ You can choose whether you would like to have income paid out, directly to your bank account, or reinvested to add to the value of your investment.
- ◆ The date, frequency and amount of income paid out or reinvested varies. Details are given later in this document.

## A CHOICE OF FIVE INVESTMENT STRATEGIES

1. **THE CONSERVATIVE PORTFOLIO** is an actively-managed portfolio of 25 to 35 holdings, with a minimum cash holding of 5% and has the **Investment Objective** of capital preservation and income with a **Lower Risk Profile**.

**Suitability:** This portfolio is particularly suited to clients whose main priority is the preservation of the original value of their investment. Investors understand that the value of any investment can rise and fall and, in order to minimise the risk to their portfolio, are prepared to accept lower returns.

**Investment Policy:** To achieve the objective by investing principally, but not exclusively, in fixed-interest/bond investments (minimum weighting 50%) and, as appropriate, UK blue-chip equities within the UK FTSE-350 Index, property, international and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

**Asset Allocation Guideline:**

UK Equities	0-35%
International	0-15%
Fixed Interest	50-95%
Property	0-15%
Cash	5-50%
Alternative	0-25%

2. **THE INCOME PORTFOLIO** is an actively-managed portfolio of 30 to 45 holdings, with a minimum cash holding of 3% and has the **Investment Objective** to provide long-term capital and income appreciation with a **Lower than Medium Risk Profile**.

**Suitability:** This portfolio is suited to clients who wish to retain a degree of safety in their portfolio, but are also looking for a higher rate of investment return than is associated with prioritising capital preservation. Investors understand that the value of their investments, and the income from them, are not guaranteed and may rise and fall to a greater extent than with a 'Conservative' portfolio.

**Investment Policy:** To achieve the objective by investing principally, but not exclusively, in fixed-interest/bond investments (minimum weighting 30%), UK blue-chip equities within the UK FTSE-350 Index (minimum weighting 20%) and, as appropriate, property, international and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

**Asset Allocation Guideline:**

UK Equities	20-50%
International	0-25%
Fixed Interest	30-50%
Property	0-15%
Cash	3-50%
Alternative	0-15%

3. **THE BALANCED PORTFOLIO** is an actively-managed portfolio of 30 to 45 holdings, with a minimum cash holding of 2% and has the **Investment Objective** to provide long-term capital appreciation and income with a **Medium Risk Profile**.

**Suitability:** This portfolio is suited to clients who are willing to take the degree of risk necessary to achieve a potentially higher return than can normally be achieved by an 'Income' portfolio approach, with a bias towards equity market growth. Potential returns will be sought from a balanced portfolio of assets used in the 'Income' portfolio, as well as a wider range of capital growth and income generating assets which may experience higher levels of volatility, but have the potential to provide a higher return. Investors understand that the value of their investments, and the income from them, are not guaranteed and may rise and fall to a greater extent than with an 'Income' portfolio.

**Investment Policy:** To achieve the objective by investing principally, but not exclusively, in fixed-interest/bond investments (minimum weighting 15%), UK blue-chip equities within the UK FTSE-350 Index (minimum weighting 40%) and, as appropriate, property, international (minimum weighting 5%) and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

**Asset Allocation Guideline:**

UK Equities	40-78%
International	5-30%
Fixed Interest	15-30%
Property	0-20%
Cash	2-40%
Alternative	0-15%

4. **THE GROWTH PORTFOLIO** is an actively-managed portfolio of 30 to 45 holdings and has the **Investment Objective** to provide long-term capital appreciation, with less emphasis on income, and a **Higher than Medium Risk Profile**.

**Suitability:** This portfolio is suited to clients who understand that the level of potential return on their investment should increase as a result of taking greater risk. They also understand that to achieve the potential for higher returns, their investment may fluctuate substantially at times, but that over the longer term they could achieve a higher level of return than from a 'Balanced' portfolio. The value of investments, and the income from them, are not guaranteed and may rise and fall to a greater extent than with a 'Balanced' portfolio.

**Investment Policy:** To achieve the objective by investing principally, but not exclusively, in UK blue-chip equities within the UK FTSE-350 Index (minimum weighting 50%) and, as appropriate, fixed-interest/bond investments, property, international (minimum weighting 10%) and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

**Asset Allocation Guideline:**

UK Equities	50-90%
International	10-40%
Fixed Interest	0-20%
Property	0-20%
Cash	0-40%
Alternative	0-20%

5. **THE ADVENTUROUS PORTFOLIO** is an actively-managed portfolio of 30 to 45 holdings and has the **Investment Objective** to provide long-term capital appreciation with a **Higher Risk Profile**.

**Suitability:** This portfolio is suited to clients whose aim is to achieve higher rates of return on their investment over the longer term. In the short term the extent and style of stock market exposure could produce considerable fluctuations in the value of their investment. They accept this strategy is a much higher risk than all the other strategies in the expectation of higher long term rewards, which even then may not occur due to market conditions. Portfolios may be unbalanced and opportunistic in nature. Investors understand that the value of their investments, and the income from them, are not guaranteed and may rise and fall to a greater extent than with a 'Growth' portfolio.

**Investment Policy:** To achieve the objective by investing principally, but not exclusively, in UK blue-chip equities within the UK FTSE-350 Index (minimum weighting 40%) and, as appropriate, fixed-interest/bond investments, property, international (minimum weighting 20%) and specialist stocks through collective investments and alternative investments (such as absolute return funds or multi-asset strategy funds).

**Asset Allocation Guideline:**

UK Equities	40-80%
International	20-60%
Fixed Interest	0-20%
Property	0-20%
Cash	0-40%
Alternative	0-20%

## PORTFOLIO CONSTRUCTION

UK Equity:	The UK equity element comprises a minimum of 16 equity holdings, from a minimum of 12 different sectors. The portfolio is constructed in this way to reduce risk by diversification. (Portfolio theory demonstrates that an estimated 80% of unsystematic risk can be diversified away by holding as few as 10 holdings, spread across different sectors). The exact composition will be determined by our assessment of the UK economy, geopolitical risks, global trading conditions and the business cycle.
Fixed-Interest:	The fixed-interest element will comprise a diversified portfolio of fixed-interest/bond investments selected from; conventional and index-linked government securities (gilts), permanent interest-bearing shares (PIBS), loan stocks, convertible and preference shares, and collective investment fixed-interest/bond funds. The exact composition will be determined by our assessment of interest rate/capital risk.
International:	Unit trusts, OEICs, investment trusts and other collective investments are used to provide specialist and overseas exposure. Our stringent selection process ensures that monies are only invested in good quality collective funds with a consistent performance history and investment process. The exact composition will be determined by our assessment of the global economy.
Property:	Unit trusts, OEICs, investment trusts and other collective investments are used to provide exposure to either traditional 'bricks and mortar' funds or Real Estate Investment Trusts (REITS). Our stringent selection process ensures that monies are only invested in good quality collective funds with a consistent performance history and investment process.
Alternative:	Unit trusts, OEICs, investment trusts and other collective investments are used to provide exposure to alternative investments (such as absolute return funds or multi-asset strategy funds). Our stringent selection process ensures that monies are only invested in good-quality collective funds with a consistent performance history and investment process.

## RESEARCH

### ***Performance in all market conditions***

Our research methodology has been developed over many years and is based upon sound fundamentals and proven techniques. For UK share portfolios, we analyse the UK's 350 largest companies according to our own process, the core of which is our *SAFER* research model. This incorporates over 25 criteria, summarised as follows:

<b><i>Statistical</i></b> –	market capitalisation, index weighting, consensus recommendation, earnings per share growth, dividend per share growth, revenue growth
<b><i>Analytical</i></b> –	technical analysis by sector and stock, long and short-term
<b><i>Fundamental</i></b> –	dividend yield, dividend cover, P/E (price/earnings ratio)
<b><i>Emotional</i></b> –	risk, valuation, management and business/market assessment
<b><i>Review</i></b> –	upside, downside, momentum, growth versus P/E assessment and target price (bull, base and bear)

# STOCK SELECTION

## Equity

As Investment Managers we are not speculative but adhere to the disciplines of both value and growth investing. By this we mean that we do not believe in just one investment style, but change our policy as we go through the different stages of the economic cycle, analysing the UK Stockmarket to identify companies whose share prices do not yet reflect their true potential.

We start this process by looking at the different sectors of the market (of which there are currently 39) and eliminating the sectors which we believe will under-perform on an 18-month view (this normally eliminates 1/3<sup>rd</sup> of the sectors). We then identify the sectors which we like the most and expect to outperform on an 18-month view (again normally 1/3<sup>rd</sup> of the sectors).

The next step is to look at the individual shares within each sector and eliminate all companies which do not comply with our minimum criteria, i.e. being a current constituent of the FTSE-350 index.

We then look at each sector and apply our 'SAFER' process to analyse the data available on qualifying companies, formulating our own opinion on each stock: **BUY**, **HOLD** or **SELL**. Once we have identified those we wish to buy, we set a target price for purchase and acquire as opportunities arise.

## Fixed-Interest Stock

We analyse the different types of fixed-interest stocks in terms of both security and interest yield. For gilts, we analyse 'shorts', 'mediums' and 'longs' and look for value, taking into account interest-rate and inflation forecasts. For permanent interest-bearing shares (PIBS), we look at good-quality issuers with strong balance sheets to reduce the risk of interest payment default. For loan stocks, convertibles and preference shares, we first look at our equity analysis and only purchase stock of companies we like in order to reduce the risk of interest payment default.

## **Unit trusts, OEICs, Investment Trusts and other collective investments – overseas, specialist, commercial property, fixed-interest/bonds and alternative investments**

We start our assessment of Collective Investments by analysing performance on two bases. First, 12-month discrete rolling periods and second, short/medium & long-term cumulative performance. We are looking for consistent first or second quartile performances to identify funds that warrant further analysis.

The second part of our assessment is to examine the identified funds. We look at the size and charging structure of the fund, asset allocation by geographical/sectorial/market cap, external agency ratings and quantitative analysis.

The third part of our assessment is an in-depth analysis in terms of risk profile, investment management process and style, fund manager experience, benchmarks and risk controls, including performance ratios.

## SYSTEMS

Our resources include:

1. *Thomson Reuters Eikon* - web-based intelligent database, updated daily, covering over 22,000 companies across 87 countries. Contains Pricing data, Research, News, Estimates, Fundamentals and Charts.
2. *Alpha Terminal* – real-time prices, news stories and charts with full tools for technical analysis and monitoring.
3. *Research Houses* – Balkerne Asset Management subscribes to in-depth research, analytical opinion and broker forecasts from specialist research houses, including Numis Securities Ltd and Stifel Nicolaus Europe Ltd.
4. *Publications* - we subscribe to various daily, weekly and monthly financial & research publications for background in the stock selection process

## PORTFOLIO MANAGEMENT AND REVIEW

Once portfolios have been constructed, they are reviewed on a regular basis. Individual investments are monitored daily, and each portfolio is analysed quarterly for structure, asset allocation, stock weightings, performance, income and risk requirements.

### Equity

Equity portfolios are evaluated to ensure that their composition meets our criteria. All holdings are checked and adjusted as required to reflect changes in economic conditions affecting each company and its sector.

Holdings which perform well are retained if, in our opinion, their share price does not reflect their true potential, but profits are taken as holdings get too large and unbalance the portfolio. This is normally achieved by a partial disposal to reduce the holding back to its optimum size.

If a share becomes over-valued, profits will normally be taken with the entire holding being sold, Capital Gains Tax permitting. Stocks which under-perform are carefully examined to evaluate recovery potential. As necessary shares are sold with proceeds reinvested in stocks with greater potential for price rises.

### Fixed-Interest Stock

Fixed-interest holdings are checked regularly, taking into account current and anticipated levels of inflation and interest rates. As conditions change, we switch the stock to protect capital, crystallise gains, and to shield the portfolio as much as possible from interest-rate and inflation risks. Profits are taken if a holding becomes too large and unbalances the portfolio.

### **Unit trusts, OEICs, Investment Trusts and other collective investments – overseas, specialist, commercial property, fixed-interest/bonds and alternative investments**

Collective holdings are reviewed to ensure that they retain ratings and their first- or second-quartile performance over a rolling 12-month period.

We also continually monitor global markets to ensure that we retain exposure only to countries which enjoy favourable market conditions and prospects. Holdings which fail our criteria are sold, with the proceeds reinvested. Holdings which do well are retained as long as asset allocation requires. Profits are taken if a holding becomes too large and unbalances the portfolio.

# QUESTIONS AND ANSWERS

## 1 Who can invest in a Stocks & Shares ISA?

Any individual who is aged 18 or over AND is resident or ordinarily resident in the UK for tax purposes, or be performing duties as a Crown employee serving overseas and paid out of the public revenue of the United Kingdom (typically a serving member of the armed forces, or a diplomat), or be married to, or in a civil partnership with, such a person.

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

## 2 What investments are allowed in a Stocks & Shares ISA?

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

- Qualifying shares issued by companies wherever incorporated and officially listed on a “recognised stock exchange”.
- Qualifying securities issued by a company wherever incorporated 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.
- Alternative Investments (such as absolute return funds and multi-asset strategy funds).
- Cash.

## 3 What is the minimum initial investment level?

The minimum initial investment level is **£20,000** for lump sum investments / account transfers.

## 4 What is the maximum investment limit for a Stocks & Shares ISA?

For the tax year 2018/19, investors can subscribe up to £20,000 in either a Cash ISA or a Stocks & Shares ISA or a combination of the two subject to this overall limit.

## 5 Can I make additional investments?

Subject to the maximum ISA investment limits you can make additional investments into your Stocks & Shares ISA at any time subject to a minimum amount of **£2,000**.

## 6 How many ISAs can I subscribe to during the tax year?

In each tax year and subject to the maximum ISA investment limits, you can subscribe to:

- One Stocks & Shares ISA with one ISA Manager, or
- One Cash ISA with one ISA Manager, or
- One Stocks & Shares ISA and one Cash ISA with up to two ISA Managers.

**7 Will my Stocks & Shares ISA provide me with income?**

You can elect to have income paid directly to your bank account. Alternatively, you can elect to have income reinvested to add to the value of your holding.

**8 How much income will be paid or reinvested?**

You decide on the amount of income that you will receive.

Income paid directly to your bank account may either be a fixed amount as decided by you or a variable amount which depends on the dividends, interest and other income received from the investments in your ISA.

Income reinvested in your ISA depends on the dividends, interest and other income received from the investments in your ISA.

**9 When is income distributed/reinvested?**

Income received into your Stocks & Shares ISA throughout the year is accumulated. Where requested, you may have income paid to your bank account either:

1. As a variable amount, each quarter on the 18 January, 18 April, 18 July and 18 October.
2. As a fixed amount decided by you each quarter on 18 January, 18 April, 18 July and 18 October.
3. As a fixed amount decided by you on 18 of each month

**You should bear in mind that the amount paid to you as a fixed amount each month or quarter may be greater than the amount of income received into your ISA by way of dividends, interest and other income. Where this happens, the balance will be taken from the capital. This scenario, over time, may have a negative impact on the value of your investments, especially during adverse or challenging market conditions.**

**10 Can I be sure how much my Stocks & Shares ISA will be worth at any time in the future?**

**NO.** The value of your ISA is determined by the value of the stocks it invests in.

**You should bear in mind that the value of your stocks will vary from day to day. Past performance is not necessarily a guide to future performance. Shares and asset 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 my Stocks & Shares ISA?**

You will receive regular quarterly statements, which will be sent out within 21 days of 31 March, 30 June, 30 September and 31 December.

**12 What happens to my Stocks & Shares ISA if I move abroad?**

You can continue to hold your ISA if you move abroad but in most circumstances you will not be able to make any further contributions. If you move abroad, you must notify us in writing of your new mailing address, quoting both your new and old addresses.

### 13 How can I take my money out?

You can cash in part or all of your investment at any time. If you cash in part of your investment, the remaining value of your Stocks & Shares ISA must be above the minimum investment level of **£20,000**.

If you make a capital withdrawal from your ISA you will be entitled to re-invest the amount withdrawn without it affecting your overall maximum subscription limit. **The only conditions are that the re-investment is credited into the same ISA it was taken from and is made within the same tax year as the withdrawal.** For example, if you subscribe £10,000 into a Stocks & Shares ISA and then withdraw £2,000, you will be permitted to re-invest the £2,000 and subscribe a further £10,000 into the same Stocks & Shares ISA or re-invest the £2,000 into the same Stocks & Shares ISA it came from and subscribe a further £10,000 into a separate Cash ISA, providing the transactions are made within the same tax year.

To withdraw monies from your ISA you should advise the Account Manager in writing. All withdrawals will normally be paid to you within 10 working days from the date of receipt of your written instructions.

Where a withdrawal of monies from your ISA results in the value of your Account falling below our minimum investment level, Balcerne Asset Management reserves the right, and at its sole discretion, to close your Account by liquidating the remaining funds and stocks and on completion of all sales to forward you the proceeds within 10 working days, subject to giving you at least 1 months' notice in writing.

### 14 How will charges and expenses affect my investment?

There is no Initial Charge when you subscribe to, pay in additional lump sums or transfer into the Balcerne Asset Management Stocks & Shares ISA.

There is an Annual Management Charge (AMC), which is charged quarterly in arrears, and is based on the value of an individual Account as at 31 March, 30 June, 30 September and 31 December. The current AMC is 1.00% pa plus VAT. Capel Court Plc financial planning service clients receive a 0.25% discount thereby reducing the AMC to 0.75% pa plus VAT.

In addition, dealing charges relating to the buying and selling of equities, gilts, investment trusts, unit trusts, collective investments, alternative investments and other fixed interest stocks 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 (0.5% of consideration on equity and investment trust purchases) and Panel of Takeovers & Mergers Levy (£1 when consideration is £10,000 or greater on equity and investment trust trades) will be applied when applicable.

Balcerne Asset Management are required to expedite their regulatory and administrative responsibilities for compliance and transaction/portfolio reporting (daily, monthly, quarterly or half-yearly as required) to industry regulators, you and other authorised entities (e.g. SIPP providers) for which an Annual Compliance Charge (ACC) is levied against each individual investment portfolio at the following rates:

Portfolio Value of up to £100,000	£40 plus VAT (£48)
Portfolio Value of £100,000 and over	£80 plus VAT (£96)

The ACC is based on an individual investment portfolio valuation as at 31 December.

**15 How much will any advice cost?**

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

**16 What happens if I close my Stocks & Shares ISA?**

If you close your ISA completely, the stocks will be sold. The proceeds and any cash held within your ISA will normally be paid to you within 10 working days from the date of receipt of your written instructions. You may also be entitled to a further payment for items such as income distributions, tax repayments and interest accrued during the term of the ISA but not received until after the proceeds have been paid to you. Any such further payment will be sent to you normally within 4 months of receipt of your notice to close the ISA. On closure, disposals will be subject to our normal dealing charges and any outstanding management fees will be debited to the ISA up to and inclusive of the date of closure. There will be no refund, in whole or part, in regard to the Annual Compliance Charge.

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

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

Balkerne Asset Management only offers a Stocks & Shares ISA. Cash and Stocks & Shares ISAs may be transferred in.

While ISA regulations allow for partial ISA transfers, if your existing Account Manager has amalgamated your 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 year's ISA, you must provide details of how much and from which tax year you wish to transfer on the Transfer Application form.

For transfers of your current tax year's ISA, 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 an ISA 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 your ISA on again to another ISA manager. You may however choose to have your ISA proceeds returned to you, though this may lead to you getting back less than was transferred if the market has fallen in that time and it will also result in the loss of the ISA status relating to those proceeds.

Upon receipt of your completed Transfer Application form we will contact your existing ISA 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 your existing ISA 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 income from your investments with your existing Account Manager(s) after the date of transfer. This income will either be forwarded to us by your existing Account Manager(s) or paid by them directly to you according to your agreement with them.

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

**18 Can I transfer my Balkerne Asset Management Stocks & Shares ISA to another provider?**

Yes. In accordance with the ISA regulations, you may transfer all or part (but not part of the current tax year) of your Stocks & Shares ISA to another ISA 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 stocks in your ISA and transfer the proceeds or, if requested by you, transfer the account investments (without selling the stock i.e. in specie) to the ISA Account Manager of your choice.

Subscriptions to a Stocks & Shares ISA can be transferred to another Stocks & Shares ISA or a Cash ISA.

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 ISAs transferred to another provider up to and inclusive of the date of transfer. There will be no refund, in whole or part, in regard to the Annual Compliance Charge.

**19 What happens if I die?**

The tax benefits of your ISA cease immediately and the value of your ISA at the time of your death will form part of your estate for Inheritance Tax purposes.

Until your executor's instructions and Grant of Probate or Letters of Administration are received, your investment will continue to be subject to market movement. In the interests of good management, we will continue to sell stocks as appropriate but will not purchase any new holdings.

Upon the request of your executors or appointed administrators, Balkerne Asset Management will collate and produce a portfolio valuation specifically for probate purposes for which there will be a charge as detailed in our Schedule of Charges and Costs of our Services.

Balkerne Asset Management will only act upon the written instructions and signed authority of ALL executors and/or administrators to the estate.

## FURTHER INFORMATION

### **Cancellation Rights**

Cancellation rights do not apply.

### **Tax**

You will not pay any tax on capital gains made within the ISA.

You will not pay any tax on income withdrawn from your ISA.

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 ISA**

Any interest arising on cash held in your ISA pending investment or payment to you will be credited to your account gross, as prescribed by HM Revenue & Customs.

### **Buying and selling Investments**

The underlying investments which make up your ISA 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.

#### **Investment Risk Health Warning**

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

#### **Balkerne Asset Management**

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**[www.balkerneassetmanagement.com](http://www.balkerneassetmanagement.com)**

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