

KEY FEATURES OF THE
Children's Individual
Savings Account

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The Children's ISA Limited, registered number 07486015 is authorised and regulated by the Financial Conduct Authority (FCA number 563043). We are required to give you this important information to help you to decide whether our Child Individual Savings Account is right for your child.

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

Where this document uses "You/Your" this applies to the Registered Contact (the person with parental responsibility) or the eligible child upon reaching age 16.

If you have any questions, or there is anything you do not understand, please do not hesitate to contact us.

The Child's Individual Savings Account is a stocks and shares Junior Individual Savings Account (the Account) provided by The Children's ISA Limited, trading as Children's ISA. Embark Investment Services Limited(Embark) is the ISA Manager of your Account. Embark is authorised by HMRC and regulated by the FCA.

The Account provides access to favourable tax allowances on growth and income as well as access to a wide range of investments to invest in.



Its Aims

The Account allows you to invest into Investments such as unit trusts and OEICs on behalf of the eligible child in a tax efficient way with the aim of growing the eligible child's investment over the medium to long term (usually meaning at least five years).

You can choose which Investments are right for your child.

Your child will also benefit from favourable tax advantages offered by the Government on savings and the income from it.

Your Commitment

What we need you to do

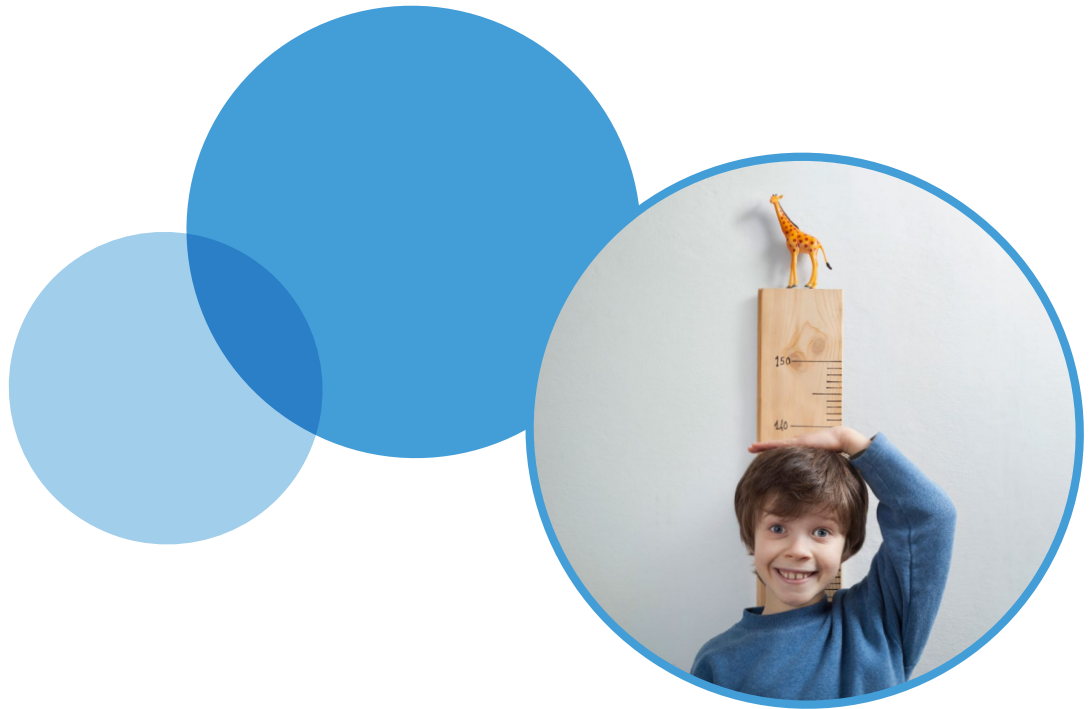
Take time to read the information about the Account in this document, including its features and risks, and any other documentation we provide you.

Make sure we always have up-to-date information about you and your child and for you to tell us when your circumstances or your child's circumstances change, for example, if you or your child move house or change bank account details.

Make sure you maintain an email address with us that you regularly access. We will use this address to contact you about documentation.

You should review the Investments held in the Account and monitor their performance taking into account your child's financial goals and risk profile. You should consider getting advice whenever your child's circumstances change.

Ensure you only have one stocks and shares JISA at any one time, and pay in no more than HM Revenue and Customs (HMRC) allows each tax year.



Risks

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

The level of risk and potential Investment performance depends on the Investments selected.

Many of the Investments available to you are intended as medium to long term commitments meaning you should usually plan to hold them for 5 years or more.

If you opt to cancel after making a one-off contribution or transfer from another provider within the cancellation period, you could get back less than was invested. If you cancel a transfer from another provider to us, the other provider may refuse to accept the return of the transfer money.

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

If we cannot pay any charges or other payments from your Account due to insufficient cash, we would need to sell other Investments to meet these.

Applicable law and tax rules that affect the The Children's ISA may change in the future without notice.

Questions & Answers

To open an Account for the child, the child must:

- ✓ be under 18 years old
- ✓ be resident in the UK for tax purposes
- ✓ not hold a Child Trust Fund or another stocks and shares JISA (unless you are transferring the JISA in full onto the The Children's ISA).

The account must be linked to a registered contact who must:

- be aged 16 or over
- be resident in the UK for tax purposes

As the Registered Contact you must be aged over 16 and, where not the child, must have parental responsibility for the child or Government appointed responsibility.

You cannot open a The Children's ISA Account jointly with any other person.

As with any other client, we will need to carry out verification checks on the Registered Contact prior to opening the Children's ISA. When the Children's ISA Account becomes a Grown Up ISA in the child's name at age 18, proof of identity of the child will be required before any withdrawals can be made.

Is this the right option for my child?

The Account may be right for your child if you:

- ✓ want potentially higher returns on savings than in a regular bank or building society account
- ✓ want to invest into Mutual Funds and securities 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

You How do I start saving in an Children's ISA?

You can start saving in a Children's ISA Account once you have decided it is the right product for your child's needs. Once you have agreed to open the Account, we will then set the Account up for you in accordance with the Child and Grown Up ISA Terms and Conditions.

Subscriptions paid into the Children's ISA are a gift to the eligible child and cannot be returned to the subscriber.

How much can I save in the Children's ISA?

A Children's ISA can be started with a minimum payment of £10 paid regularly, as a one-off or as a transfer.

The following types of payments can be made into your The Children's ISA:

- regular payments - monthly
- one-off payments
- a transfer of Investments and /or cash from an existing JISA.

There is also a choice of ways to make these payments:

- By Direct Debit
- Electronically by direct credit (BACS, CHAPS, FASTER payment)
- By cheque (please see our Children's ISA Account Charges Guide for details of the cheque handling charge).

The Government has set a Children's ISA payment annual allowance that sets a maximum payment level into a Children's ISA Account in any one tax year. If you make payments into a Children's ISA in excess of this annual allowance, you may lose any tax advantages that this type of product offers. You can find the current Children's ISA annual allowance in our Child and Grown Up ISA Terms and Conditions or visiting www.gov.uk/individual-savings-accounts.

Can I transfer in from other JISAs and Child Trust Funds?

Yes, we will accept transfers from other stocks and shares JISAs, cash JISAs. We can accept transfers from Child Trust Funds. Before you proceed you will need to consider which types of Investments we would accept.

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

- As a cash payment
- As a re-registration of existing Investments.

A full re-registration transfer can only happen if the existing JISA contains the same Investments that we offer in a Children's ISA Account.

What are the charges?

Two types of charges will be applied to your Account.

The charges are the:

Initial Charge; and the Annual Transaction Charge.

Charges are deducted from the Available Cash part of your Account. You can find a more detailed description of our charges in our Child and Grown Up ISA Terms and Conditions. To find out the actual charges you should refer to The Children's ISA Terms and Conditions document.

How will I know how my child's Account is doing?

There are several ways you can keep up to date with how your Children's ISA Account is performing:

- You can get an up-to-date valuation of the Investments in the Account at any time by logging into your online account.
- We provide you with a regular statement every three months showing the

value of the Investments in the Account. The first statement is three months after you open the Account and will be available by logging into your online account.

- You can ask us for an up to date valuation.

What about tax?

Your child does not have to pay any UK income or capital gains tax on any Investment gains within a Children's ISA Account.

You do not have to include any information about the Account in a tax return.

On reaching the age 18 your child may withdraw money from the Account tax free.

This information is based on our current understanding of current UK law and HMRC practice.

Changes in the law or your child's personal circumstances could affect the amount of tax payable in the future.

How is my child's Children's ISA Account managed?

Your child's Account is set up and managed online by you. You will provide us with instructions for all transactions. This will include:

- setting up a new payment or transfer
- changing the Investments, you are investing in
- making any other changes.

You will be given access to view your child's Account online. You

will be required to supply an email address as the Registered Contact for the child when you apply to open a Children's ISA Account. We will use these details to provide your secure username and password. This will allow you to see:

- which Investments your child is invested into
- the value of those Investments and how they are performing
- any charges applied
- Any Account literature that we need you to read

How do I know where to invest?

This is one of the most important decisions you will make. Whether a particular Investment is suitable for your child will depend on your child's circumstances, and your investment goals for the child. We are an execution only service and we will never advise or instruct you on investing money.

Each Investment your child invests into will have specific Investment risks associated with it.

The range of Investments we make available includes:

- Unit Trusts

You can find out more about these types of Investments available in our Child and Grown Up ISA Terms and 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 you but holds amounts of money for all The Children's ISA clients centrally.

Any money held in the cash facility may be eligible for interest payments. However a proportion of the interest received from our banking partners may be retained to cover our costs of administration. The rate which is applied and paid to you will be determined by us and will be detailed in The Children's ISA Terms and Conditions

What is a disinvestment strategy?

If we are due to take money from your Children's ISA Account because there is not enough available cash in the Account to cover our charges, we may automatically disinvest money from Investments into available cash and apply the charges.

You can find out more about both disinvestment strategies in our Child and Grown Up ISA Terms and Conditions.

Can I change the Investments?

Yes, you can ask us change the Investments on your child's behalf.

You may ask to:

- buy and sell Investments
- redirect regular contributions 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 my child moves abroad?

This may affect other savings and Investments you have and so you should seek professional advice.

Can money be taken out of a Children's ISA?

No, not until the child has reached the age of 18 at which point we will open a Grown Up ISA for the child allowing the child to provide us with instructions directly. The only circumstances in which withdrawals from the Children's ISA are permitted are upon the death, or diagnosis of terminal illness of the child.

Can I transfer the Account to another JISA manager?

Yes, you can arrange to transfer the value of the Account to another JISA 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 you choose to transfer the value of your Account to another JISA manager the whole value of your Account must be transferred.

If you choose a cash transfer there will be a period of time between when we sell your Investments and when your

new JISA manager invests the proceeds from that sale.

You must transfer or re-register your entire Children's ISA to another provider. Partial transfers are not permitted as you are only allowed to hold one JISA account.

What happens to the Children's ISA if the child is diagnosed with a terminal illness?

The Registered Contact will need to make a claim to HMRC for the release of the funds. If they agree to the request, HMRC will issue a letter to confirm this. This letter must be forwarded to us by you and we will retain it

The return of funds can be made to the Registered Contact in cash or by directly transferring the Investments held in the Children's ISA. Partial transfers out are permissible, and the Children's ISA can remain open, subject to any minimum balance that we may require to be held in the Children's ISA being maintained.

What happens if my child dies before age 18?

In the event of your death, any regular contributions being collected or withdrawals being made will stop. However, the tax benefits associated with your Account will continue for a period of time.

The tax benefits of the Account will continue until the earlier of:

- closure of the Account.
- the completion of the administration of your estate.

- three years from the date of your death.

From the date the tax benefits of an open Account stop, we will start the process of moving all investments and 'available cash' from your ISA into a GIA, in your name.

We will move the investments through an administrative process, however we should point out that:

- any interest, dividends and/or distributions received after the date tax benefits stop will be subject to the standard tax treatment applied to other investments in the Embark GIA.
- This movement of investments from your Embark ISA to an Embark GIA will not incur any charges from us.
- Any Financial Adviser charges and Discretionary Investment Manager charges will also be stopped.

The investments will remain unchanged and therefore subject to market movement until we receive any appropriate instruction or required documentation from your Legal Personal Representatives to allow us to distribute proceeds from the Embark GIA.

What happens to the Children's ISA if the Registered Contact dies?

We will be unable to complete any Instructions including

Trade Instructions until a new Registered Contact is appointed.

What if the Registered Contact needs to be changed?

The transfer of Registered Contact status while the child is under 18 years of age will usually require the consent of the current Registered Contact, although there are certain circumstances in which this may not be required. Our Child and Grown Up ISA Terms and Conditions provide further information.

What happens to the Children's ISA Account when the child reaches age 18?

We will write to the Registered Contact one month prior to the child's 18th birthday to remind the Registered Contact that the child is approaching the age at which their Children's ISA will be converted into a Grown Up ISA.

On becoming the client, the child can choose to withdraw the funds once the account is converted into a Grown Up ISA.

Our charges will continue to be deducted until the necessary Instructions are received.

Any regular contributions paid by the Registered Contact in the form of a Direct Debit should be stopped and the Direct Debit cancelled.

Cancellation

Can I change my mind?

Yes you can at any time within the 14 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 the Account prior to the time you cancel. If you exercise your right to cancel within 14 days from when we issue your [[Confirmation Schedule]] we will refund any cash payment in full that we have already received as part of a regular direct payment you have set up.

In all cancellation cases, any deductions we make when an Account is cancelled will be restricted to the following:

- ✓ our own charges; and
- ✓ charges incurred in relation to your Investment choices.

For one-off payments or cash transfers the amount we pay back will also reflect any market movement in the Investments between the date the money was first applied to the Account and the cancellation date. This may be less or more than your original Investment.

How do I cancel?

For all cancellations, we will require you to call us on [ph number] 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 and your child's name
- your child's investor 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. The first step is to write to us at the address 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 and conditions

This document gives you the key features of our Child and Grown Up ISA Terms and Conditions. It does not include all the definitions, exclusions and terms and conditions. You can find full details in our Child and Grown Up ISA Terms and Conditions which you can find on our website.

We have the right to make changes to the Child and Grown Up ISA Terms and Conditions. If this happens, we will let you know and explain the changes.

In the event of a conflict between the Child and Grown Up ISA Terms and Conditions and this Key Features Document, the Child and Grown Up ISA Terms and Conditions prevail.

Client Categorisation

We categorise all of our clients as "Retail clients" under the Financial Conduct Authority 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

The Children's ISA Limited is authorised by the Financial Conduct Authority (FCA) so you will have access to the Financial Services Compensation Scheme (FSCS). In the event your child suffers financial loss because of our failure or an Investment failure the actual level of compensation your

child receives will depend on the basis of the claim and where the money your child has through us is invested. The FSCS only pays compensation for financial loss. Compensation limits are per person per firm, and per claim category.

The FSCS may be able to pay your child compensation if we or any banks with whom we place your money are no longer able to meet our or their financial obligations. If certain Investments fail, you may also be eligible for compensation. In the unlikely event we fail, you may be eligible for compensation up to £50,000. For cash held on deposit you may be eligible for compensation up to £85,000. If your Investment fails, you may be eligible for compensation for up to £50,000 per Investment.

You can find out more details on the FSCS and how it covers your child's savings and Investments in our Child and Grown Up ISA Terms and Conditions.

Law

The Children's ISA will be set up and governed by the law of England and Wales.

Contact us

If you have any questions about your Grown Up ISA you may contact us using any of the methods below:

By mail:

The Children's ISA Limited
Unit 2, Digital Park
Pacific Way, Salford Quays, M50 1DR

By email: info@thechildrensisa.com

By Telephone: **0161 914 6099**

Available Monday – Friday 9am to 5pm

Calls may be recorded for training purposes