

SCOTTISH WIDOWS READY-MADE INVESTMENTS

ISA KEY FEATURES

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

The Financial Conduct Authority is a financial services regulator. It requires us (Embark) to give you this important information to help you to decide whether our Ready-Made Investments 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.

Where this document uses "us", "we" or "our" this means Embark.

ITS AIMS

The Ready-Made Investments ISA (the Account) provides you with an Account where you can invest in a range of investment funds. The value of these investment funds can go down as well as up and you may get back less than you originally invested.

You will also benefit from favourable tax advantages offered by the Government on your savings and the income from investments held within the ISA.

YOUR COMMITMENT

What do we need you to do?

Take time to read the information in this document about the Account, including its features and risks, and any other documentation we provide to you. You should use it to help you decide if this product is right for you.

Regularly review the contributions you make, your investment approach, and any income you are taking, to make sure your Account meets your future needs.

Make sure we always have up-to-date information about you; for example, if you move house or change your bank account or your country of tax residence.

Make sure you maintain an email address with us that you regularly access. We will use this address to contact you about documentation that is available to view in your Account's 'Inbox' (see the Managing Your Account Section for more information).

Pay into your stocks and shares ISA or ISAs (including your Account) at a level no higher than the HM Revenue & Customs (HMRC) annual limit.

RISKS

What could go wrong?

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

The level of risk and potential investment performance depends on the investments you invest in. Past performance of these investments is not a guide or guarantee of how they will perform in the future.

The investment funds 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 take money out early, there may be a greater risk that you may not get back the full amount you invested.

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

Any charges we take from your Account will affect the value of your Account. These charges may vary from time to time. You can find more information about our charges and how we apply them in our Ready-Made Investments Terms & Conditions. Whenever a charge is applied to your Account, you will receive confirmation details in a Charges Information Document that will be placed in the 'Documents' tab in your Account's Inbox.

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

If you transfer money into your Account from a Cash ISA, you should be aware of the increased risks in investing in a Stocks and Shares ISA.

Over time, inflation will reduce the buying power of the money you have saved. For example, if inflation is 2% each year, then in 20 years' time £10,000 will only buy the same as £6,729 buys today.

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

QUESTIONS & ANSWERS

Who can invest?

To open an Account with us you must:

- be an existing Online Banking Customer;
- be aged 18 or over;
- be resident in the UK for tax purposes;
- not be a US Person, or resident of the United States;
- not have paid into another Stocks and Shares ISA in the current tax year (unless you are transferring what you have paid so far in the current tax year from that ISA to us);
- not have exceeded the ISA allowance limit for the current tax year in any other existing ISA.

Is this the right option for me?

The Account may be right if you:

- want potentially higher returns on your savings than in a regular bank or building society account;
- are comfortable investing in investment funds that do not give a guaranteed rate of return and could put your capital at risk;
- are willing to invest your capital over the medium to longer term;
- want to invest through mutual funds, and understand and accept the associated risks;
- want a tax-efficient way of saving.

For Invest+ customers, Invest+ will help you to decide if the Ready-Made Investments ISA is right for you. They will also help you to understand how applicable tax and regulations could affect your choices.

How do I start saving in a Ready-Made Investments ISA?

You can start saving in a Ready-Made Investments ISA once you have decided it is the right product for your needs. You can open an Account online using the Lloyds online banking service or via your banking app.

How much can I save in my ISA?

You can make the following types of payments into your Ready-Made Investments ISA:

- regular monthly payments;
- one-off payments.

You can make payments in the following ways:

- regular payments by Direct Debit;
- one-off payments electronically by debit card.

The Government has set an ISA payment annual allowance that you are not allowed to go over in any one tax year.

If you do go over the limit, you may lose any tax advantages offered by this type of product. You can confirm the current ISA Annual Allowance by visiting gov.uk/individual-savings-accounts. The Ready-Made Investments ISA is a flexible ISA. This means if you have withdrawn cash from your ISA, any future cash you pay in within the same tax year will be treated as a repayment of the previous withdrawal, before it starts to count towards your ISA Annual Allowance.

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

Can I transfer in from other ISAs?

Yes, we will accept transfers from other Stocks and Shares ISAs as well as Cash ISAs. We currently cannot accept transfers from the Government's Help to Buy, Innovative Finance or the Lifetime ISA.

If you do transfer, we will only receive the money as a cash transfer, so you would need to sell any stocks you have in your existing ISA before transferring.

Please contact us if you need further information.

What are the charges?

The type of charges that could be applied to your Account will depend on the services you choose to buy.

Account charges (sometimes referred to as 'Account fees') are deducted from the Cash part of your Account.

QUESTIONS & ANSWERS (CONTINUED)

An Account Charge of £36 per annum will be taken as 12 monthly payments of £3 automatically from your Account. This covers all the administration and the management of your Ready-Made Investments ISA.

There will also be charges taken directly on your investment. The Ongoing Charge and the Transaction Costs cover the ongoing management of your investments, and all trading costs. They are annual % charges based on the value of each fund that you are invested in.

These charges will be detailed in your Charges Information Document.

How will I know how my Account is doing?

There are a couple of ways you can keep up to date with how your Account is performing:

- You can get a valuation of the investments in your Account at any time by signing into the Lloyds online banking service or via your banking app.
- We provide you with a statement every three months showing the value of the investments in your Account. The first statement will be issued three months after you open your Account and placed in the 'Documents' tab in your Account's Inbox.

What about tax?

Currently, you do not have to pay income tax or capital gains tax on any investment gains or income generated by the investments held within your ISA.

Therefore, you do not have to include any information about your ISA in your tax return.

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

Managing your Account

Your Account is set up and managed online and you will complete transactions online. This will include:

- setting up a new payment;
- changing your investments;
- taking any withdrawals;
- making any other changes. You will also be able to see:

- which funds you are invested in;
- the value of those investments and how they are performing;
- any charges applied;
- any Account literature that we need you to read (this will be placed in the 'Documents' or 'Product literature' tab in your Account's Inbox).

How do I know where to invest?

This is one of the most important decisions you will make for your ISA. Whether a particular investment is suitable for you will depend on your circumstances, your investment goals, and your attitude to risk.

We can't give you advice on your Ready-Made Investment. Therefore, we will never advise or instruct you on investing your money. Each investment fund you can invest in will have specific investment risks associated with it. If you would like financial advice, we recommend that you speak to a financial adviser. Unbiased (unbiased.co.uk) can help you find a local adviser based on your needs.

You can find out more about the types of investments we offer in our Ready-Made Investments Terms & Conditions, and Our fund range and investments guide.

What about cash?

Due to the way charges are managed within each Account you have, we need to hold a small amount in cash at any given time. We do this by providing access to a bank account operated by our banking partner. This bank account is not unique to your Account. It holds money centrally for all Embark Platform investors.

Any money held in the cash facility may be eligible for interest payments. The rate applied will be determined by us; see embarkgroup.co.uk/banking-and-interest-rates.

What is a disinvestment strategy?

If we are due to take money from your Account to pay for any charges or costs and there is not enough cash available, we will automatically disinvest from your investments. This action will raise cash so the charges and costs can be deducted.

You can find out more about this disinvestment strategy in our Ready-Made Investments Terms & Conditions.

QUESTIONS & ANSWERS (CONTINUED)

Can I change my investments?

Yes, you can change your investment funds online using the Lloyds online banking service or via your banking app.

You can buy and sell investments and 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 I move abroad?

You must be a UK resident to open and hold our Ready-Made Investments ISA.

It is important that you inform us immediately if you intend to move abroad, as contributions into the Ready-Made Investments ISA may no longer be possible.

Can I take money out?

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

We do not apply any charges for taking money out of your Account; however, there may be charges involved in selling certain investments.

Any money you take from your Account will be paid in UK pound sterling into a UK bank or building society account.

Any money you withdraw may be paid back in to the Account during the same tax year, and will not count again towards your annual ISA allowance.

Remember, withdrawals will reduce the value of your Account.

What are distribution, dividend and interest payments?

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

The different types of income payments are:

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

More information on these payments can be found in our Ready-Made Investments Terms & Conditions.

Can I transfer my Account to another ISA manager?

Yes, you can arrange to transfer the value of your Account to another ISA manager at any time. You can do this as a cash transfer. There will be a period of time between when we sell your investments and when your new ISA manager invests the proceeds from that sale.

You can transfer:

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

If you have withdrawn any money from your ISA in the current tax year, you may want to repay this amount before you transfer. Withdrawals made in the current tax year cannot be paid back in after you have transferred to another ISA manager.

Can I cash in my Account?

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

What happens if I die?

In the event of your death, the tax benefits of your ISA will continue as a Continuing ISA until the earliest of:

- the completion of the administration of your estate;
- the closure of the Account;
- the third anniversary of your death

Any interest, dividends or gains in respect of investments in the Continuing ISA Account, arising after your death and up to the date of closure of the ISA, will be exempt from tax.

If, after a period of three years, the administration of your estate is ongoing and the Continuing ISA has not been closed, the Account will cease to benefit from the tax advantages of an ISA. We will then move all investments and available Cash from the Continuing ISA into a General Investment Account (GIA).

We will move the investments through an administrative transfer process. Please note that:

QUESTIONS & ANSWERS (CONTINUED)

- if you are invested in any investments that have 'gross share class' units, these will be converted to the equivalent 'net share class'. If there is no 'net share class' equivalent available, then the Investment will be sold, and the cash passed over to the GIA.
- from the time that the transfer of each Investment from the Continuing ISA Account to the GIA is complete, all interest, dividends and/or distributions received in respect of the Investment will be subject to the standard tax treatment applied to the GIA.

This movement of investments from the Continuing ISA Account to a GIA will not incur any charges from us.

The investments will remain unchanged until we receive any appropriate instruction or required documentation from your estate that allows us to distribute any proceeds from the GIA. They will therefore continue to be subject to market movements, and the value could rise or fall.

CANCELLATION

Can I change my mind?

Yes, you can. We will send you a Confirmation Schedule document which includes details of Your Right to Cancel. You will have 30 days from when we issue your Confirmation Schedule in which to cancel.

What will I receive back if I cancel?

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

If you exercise your right to cancel within 30 days from when we issue your Confirmation Schedule, we will refund any regular payments in full.

For a cash transfer or one-off payment, we will return the payment, less any Account charges we have deducted. We will also not refund you any charges applied by the investment manager for transactions made.

In all cancellation cases, the amount we return to you will also reflect any market movement in the investments between the date your payment was first applied to your Account and the cancellation date. This amount may be less than the amount you paid in.

How do I cancel?

For all cancellations, we will require you to call us on **0330 678 0066** to confirm your intention to cancel. On the call we will verify your identity and ask you to confirm the following information:

- your name;
- your Ready-Made Investments ISA Account number;
- the date at the top of your Confirmation Schedule that refers to the Account you want to cancel.

OTHER INFORMATION

How to complain

If you are unhappy with how you have been treated by us, you always have the right to complain. You can write to us or call us at the address and number below:

Ready-Made Investments

12 Wellington Place
Leeds
LS1 4AP

Phone: 0330 678 0066

If you are not satisfied with our response, you can then raise the issue with the Financial Ombudsman, using any of the contact methods below:

Financial Ombudsman Service

Exchange Tower
London
E14 9SR

Phone: 0800 023 4567

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

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

Terms & Conditions

This document provides information on the key features of our Ready-Made Investments ISA. It does not include all the definitions, exclusions and the terms and conditions. You can find full details in our Ready-Made Investments Terms & Conditions. An electronic copy of this can also be found in the 'Product literature' tab in your Account's Inbox.

We have the right to make changes to the Ready-Made Investments Terms & Conditions. If this happens, we will let you know and explain the changes. Any changes will also be added to your Account's 'Product literature' tab.

In the event of a conflict between the Ready-Made Investments Terms & Conditions and this Key Features Document, the Terms & Conditions shall prevail.

Customer categorisation

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

Communication

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

Financial Services Compensation Scheme

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

In the event you suffer financial loss because of our failure or an Investment failure, the actual level of compensation you receive will depend on the basis of your claim and where the money you have with 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 you 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.

Embark failure

In the unlikely event that Embark fails, you may be eligible to make a claim for compensation as a consequence of losing investments you hold with Embark Investment Services Limited, for up to a maximum of £85,000. It is, however, unlikely that you would need to make an FSCS claim in these circumstances, because your Cash and Assets are held by appointed third party custodians on a segregated basis and in accordance with FCA Client Money Rules. This means your Cash and Assets are always protected from such an event.

Bank failure

In the event a Banking Partner is unable to meet its financial obligations to you, you may be eligible to make a claim for any losses up to a maximum of £85,000.

Asset failure

In the event of an Asset failure, meaning the Asset may no longer be able to trade, you may be eligible to make a claim for any losses up to a maximum of £85,000 per Asset.

Lloyds failure

In the unlikely event of a Lloyds failure, there would be no impact to the custody or value of the investments held within the account as the responsibility of this is held by Embark. However, it could mean that for a brief period of

OTHER INFORMATION (CONTINUED)

time your ability to provide instructions in respect of these investments could be disrupted. In such circumstances, you may have a claim against us in relation to our services in arranging investments, meaning you may be entitled to compensation under the FSCS.

You can find more details on the FSCS and how it covers your savings and investments in our Ready-Made Investments Terms & Conditions.

Law

You must be resident in the UK to open a Ready-Made Investments ISA Account. The Account will be set up and governed by the laws of England and Wales.

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

HOW TO CONTACT US

If you have any questions about the Ready-Made Investments ISA, you should contact us at the address or on the telephone number below:

Ready-Made Investments
12 Wellington Place
Leeds
LS1 4AP

Phone: **0330 678 0066**

Available Monday – Friday 9am to 5pm

Calls may be recorded for training purposes.



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