

Key Features of the Modular ISA

Important information you need to read and understand before you invest

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, James Hay Partnership, to give you this important information to help you to decide whether our Modular 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.

What you should know before you invest

What is the purpose of this Key Features Document?

This Key Features Document, along with your Key Features Illustration, gives you a summary of information to help you decide:

- if you want to invest in the Modular ISA
- whether the Modular ISA is right for you.

What is an ISA?

An ISA provides a tax efficient way of saving. There are four types of ISA available:

- Cash ISA
- Stocks and shares ISA
- Innovative finance ISA
- Lifetime ISA.

For the 2022/23 tax year, the ISA allowance is £20,000. You can split the amount you pay into an ISA between a cash ISA, a stocks and shares ISA, an

innovative finance ISA and a lifetime ISA (up to a maximum of £4,000 and subject to age restrictions) up to the £20,000 limit.

If you do not use the ISA subscription limit in any tax year you cannot carry it forward or add it to the subscription limit of the next tax year.

What is the Modular ISA?

The Modular ISA is a stocks and shares ISA as defined under ISA regulations.

Who is the Modular ISA suitable for?

The Modular ISA may be suitable for anyone who can afford to set aside money, to build up savings over the medium to long term.

Key features of the Modular ISA

Its aims

The Modular ISA provides a tax efficient way of investing in a wide range of investments, including stocks and shares, bonds and gilts, as well as collective investment schemes.

It enables you to benefit from potential capital growth and/or income over the medium to long

term as well as a return on cash investments in the form of interest, that is paid gross.

It provides you with the facility to make regular withdrawals, if required, as you continue to invest.

Your commitment

Before opening a Modular ISA, you should consider whether you have sufficient investment experience and are prepared to be responsible for making decisions about how your money is invested during the time that your Modular ISA is open.

You will need to:

- make at least one payment into your Modular ISA
- pay the charges set out in the Modular ISA Charges Schedule

- regularly review your investments and the amount you pay
- consider this type of investment as a medium to long term commitment.

To open a Modular ISA you must already hold a Modular iSIPP. If you later close your Modular iSIPP, the Modular ISA will also have to be closed. For further information, please refer to the Modular ISA Terms and Conditions, a copy of which is available on our website at www.jameshay.co.uk.

Understanding the risks

There are risks associated with investing your money via a Modular ISA which, depending on how they are managed, could affect the value of your Modular ISA in the future. These are detailed below. You may be able to reduce the impact of some of the risks, as you are able to control:

- the amount you put in
- the investments you select
- if you choose to take withdrawals.

However, other factors that contribute to the different risks involved in having a Modular ISA may be outside of your control. For example, the Government may change the tax rules applicable to ISAs and this could affect the tax treatment of your ISA.

To understand the risks associated with investing via a Modular ISA and how the amount of money you will eventually receive may be affected, we strongly suggest you read on.

Applying for the Modular ISA

If you open a Modular ISA and later change your mind and choose to cancel it, you may get back less than you paid in. Please refer to the Modular ISA Terms and Conditions for further information.

Transferring investments in

If you are transferring an existing ISA, there could be exit penalties imposed by the transferring ISA manager.

If you transfer existing investments into your Modular ISA, they may need to be transferred as cash and you may not get the benefit of any investment increases whilst the transfer is being processed.

Investing your money in your Modular ISA

The value of your investment can fluctuate up and down and it is possible that you may get back less than the amount you originally invested.

Depending on the type of investments you choose to invest in, there will be different risks that will affect the value of your investment. For example:

- foreign investments will be affected by changes in the rate of currency exchange
- investments in stocks and shares or funds that invest in stocks and shares, will be affected by fluctuations in the stock market.

For further information on the risks that are specific to a particular investment, please read the Guide to Investment Risk available on our website at www.jameshay.co.uk, or speak to your financial adviser.

If the returns on your Modular ISA investments are poor, they may not cover the level of charges applied and the value of your Modular ISA could significantly reduce in value over time. You should regularly review the performance of your chosen investments to check that they remain suitable for providing you with the benefits you require in the future.

Not all your investments may be protected by the FSCS. The FSCS provides financial compensation to investors in the event of the failure of a financial institution. To understand how this may affect your Modular ISA, please see the 'Other Information' section on page 8 of this Key Features Document.

Withdrawals from your Modular ISA

The value of your Modular ISA is not guaranteed. Its value will depend on a number of factors including:

- what you have paid in
- how your investments have performed
- the charges that have been deducted.

The level of the withdrawals you can make will depend on:

- the value of your Modular ISA
- whether you are able to sell your investments.

High levels of inflation could reduce the value of your Modular ISA in real terms.

Modular ISA on death

In the event of your death, your Modular ISA will form part of your estate and may be subject to inheritance tax.

Questions and answers

Is the Modular ISA the correct product for me?

The Modular ISA may be right for you if you are looking to:

- build capital growth
 - save money whilst earning interest free of UK income tax
 - take income from your existing investments
 - access a wide variety of investment options
 - accept a degree of risk with your capital.
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Who can take out the Modular ISA?

You can take out a Modular ISA if you are:

- over 18
 - resident in the UK
 - not an undischarged bankrupt.
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Who can make payments into the Modular ISA?

We will normally only accept payments, known as subscriptions, into your Modular ISA from you. Payments can be made by bank transfer or Direct Debit.

Your product bank account details, including the required payment reference, can be found within your James Hay Online account.

How much can I pay in?

There is no minimum amount you must pay into your Modular ISA. The maximum amount you can pay into an ISA in the 2022/23 tax year is £20,000. This limit may be reviewed by HM Revenue & Customs (HMRC) and could change in the future. You can split the amount you pay into an ISA between a cash ISA, a stocks and shares ISA, an innovative finance ISA and a lifetime ISA (up to a maximum of £4,000) as you choose, up to the £20,000 limit. For example you could put £5,000 in a cash ISA, £4,000 in a lifetime ISA and £11,000 in a stocks and shares ISA.

of your payments, as long as you do not exceed the HMRC maximum limits for tax free savings into an ISA account in any tax year.

If you do not have an FCA authorised financial adviser who is advising you on your Modular iPlan products, you must have a minimum of £100,000 already invested in the Core Modular iPlan investments (Investment Centre, Managed Portfolio Panel, Cash Panel and panel stockbroker) before we will consider allowing you to invest outside of the Core Modular investment options.

You can make regular or occasional payments at any time and you can vary the amount and frequency

Can I transfer existing ISAs into the Modular ISA?

You can transfer existing ISAs that you own into your Modular ISA. Transfer payments in the form of cash or assets other than cash (known as in-specie transfers) may be accepted.

What is the product bank account?

Any money you pay into your Modular ISA is held in a pooled bank account in the name of James Hay Wrap Managers Limited, until we receive instructions to invest. This pooled bank account also holds money for other clients and is operated by us in accordance with the FCA's Client Money Rules.

Your Modular ISA's individual holding is recorded in our internal records and referred to as your product bank account.

For further information on our product bank accounts, please visit our website at www.jameshay.co.uk.

What can I invest in?

Through the Modular ISA you can invest in a wide range of investments, including collective investment funds (such as unit trusts and OEICs) and investment trusts.

You can change investments at any time, unless an investment has restrictions. These will be covered in the literature or terms and conditions for the relevant investment you or your financial adviser has chosen.

You can open an account with a stockbroker on our panel to buy and sell stocks and shares.

What are the modules within the Modular ISA?

Modular ISA Core Investments

The Core Modular ISA gives you access to:

- the James Hay Investment Centre which provides the facility for you to choose individual collective investment funds from a wide range of leading fund managers at discounted charges
- a range of model portfolios via the Managed Portfolio Panel

Please note: If you invest in a model portfolio on the Managed Portfolio Panel, you will be unable to hold Investment Centre funds outside of the portfolio in the Modular ISA.

- the services of a stockbroker on our panel.

Full details of our stockbroker panel and Managed Portfolio Panel are available on our website at www.jameshay.co.uk.

Whole of Market Module

You can invest in most other types of investments allowed under HMRC ISA rules which do not fit within the Core Modular ISA.

Please note: If an investment fund is available under our Investment Centre, you must buy it through our Investment Centre and you will not be permitted to purchase it via the Whole of Market Module.

For further information on the investments available to you under the Modular ISA, please see the Modular ISA Permitted Investments List which is available on our website at www.jameshay.co.uk.

What are the charges?

Full details of our charges are given in the Modular ISA Charges Schedule which is available on our website at www.jameshay.co.uk. You may pay charges to other parties depending on the investments you select. You may also pay charges to your financial adviser. These charges can be paid out of your Modular ISA.

Our charges are normally deducted from the product bank account. If there is insufficient money available in the product bank account we will ask you to either sell some investments within your Modular ISA or you can pay us directly.

Can I have an illustration?

If you have a financial adviser they will provide you with an illustration. If you do not have a financial adviser, we will send you an illustration when we receive your application form.

Alternatively, you can request an illustration before you make an application by contacting us. Our contact details are in the 'How to contact us' section on page 8 of this Key Features Document.

When can I make withdrawals?

You can make withdrawals from your Modular ISA at any time. These can be on a single or regular basis.

Withdrawals generally take 14 to 30 days to complete, and are made by CHAPS or Faster Payments to an account in your name that you nominate. Single withdrawals may alternatively be paid by cheque payable to you.

Can I transfer to another ISA manager at any time?

You can transfer your Modular ISA to another ISA manager at any time.

A transfer may be made in cash or by re-registering assets depending on your new ISA manager's agreement.

You may transfer all of your current tax year ISA, or part or all of a previous tax year's ISA at any time, provided the transfer is in accordance with the regulations applying to ISAs and your new ISA manager agrees to the transfer.

What tax will I pay?

The Modular ISA is a tax-exempt product which means you will not pay tax on any gains you make within your Modular ISA product.

The tax treatment of ISAs may change in the future. We are unable to provide you with individual tax advice and if you need this you should speak to your financial adviser.

What happens to my Modular ISA when I die?

If an ISA account holder dies, the investments remain sheltered from tax as a 'continuing account of a deceased investor', until the earlier of:

- the completion of the administration of the deceased's estate
- the closure of the ISA account, or
- the third anniversary of the ISA account holder's death.

During this period, no new subscriptions can be made to the account, and it normally cannot be transferred to another ISA manager.

On receiving appropriate proof of title, such as probate, we will pay in accordance with the instructions of your personal representatives the balance together with any interest earned up to the date we close the Modular ISA.

The proceeds from your Modular ISA will form part of your estate for inheritance tax purposes.

If on your death you have a surviving spouse or civil partner, they will be able to invest an amount into their ISA in addition to their usual allowance, referred to as Additional Permitted Subscriptions (APS). The APS can be funded from ISA assets or cash that they inherit or, if in cash, from their own resources.

The APS limit is the value of the ISA investments either:

- at the date of death of the ISA account holder, or
- at the point when the account ceases to be a continuing deceased's account (i.e. when the ISA is closed after investments are distributed to the estate, or the third anniversary of the ISA account holder's death - whichever is earlier).

The surviving spouse or civil partner can choose which value to use, but once they have done so, they cannot change their mind.

Can I change my mind?

You have the right to cancel your Modular ISA. On receipt of your Modular ISA application form we will send you a cancellation notice.

You will have 30 days from receipt of this notice to tell us that you have changed your mind and wish to cancel your application. For further details, please see the **Modular ISA Terms and Conditions**.

What other documents should I read?

We ask that you also read the Modular ISA Key Features Illustration provided by your financial adviser, or by us if you do not have a financial adviser. In addition, you should read the:

- Modular ISA Charges Schedule
- Modular ISA Permitted Investments List
- Modular ISA Terms and Conditions and
- Modular iPlan Technical Guide.

These documents provide you with more detailed information on the Modular ISA.

If after reading the documentation you are unclear about any aspect of the Modular ISA, or you are unsure whether the Modular ISA is right for you, we strongly suggest you take advice from a financial adviser.

What correspondence and communications will I receive?

We will issue:

- a cancellation notice that gives you the right to cancel your Modular ISA (unless you have waived these rights in your application form)
- information to allow you to access the secure area of our website for you to view details of your Modular ISA
- a quarterly valuation statement for your Modular ISA
- other necessary correspondence depending on the day-to-day operation of your Modular ISA.

Where you have a financial adviser we will send correspondence to them, apart from cancellation notices which we will send to you. The only correspondence we will send to both you and your financial adviser is your quarterly valuation statement.

Our standard methods of communication are by letter, secure electronic messaging (through James Hay Online) and telephone. We do not consider standard email to be secure and so we will not normally communicate in this way if the communication includes personal information or instructions relating to your Modular ISA or investments.

Other information

How to complain

If you wish to complain about any aspect of the service you have received, please contact the Complaints Manager using any of the methods detailed in the 'How to contact us' section below.

Complaints about this product that we cannot address may be referred to the Financial Ombudsman Service.

For details of our formal complaints procedure or contact information for the Financial Ombudsman Service, please see the Guide to our Complaint Procedure leaflet, a copy of which can be obtained from our website at www.jameshay.co.uk.

Making a complaint will not affect your right to take legal proceedings.

Law

The information given in this document is based on our current understanding of financial services regulations and can be subject to change as tax laws and legislation may change over time.

In the event of a dispute, the law of England and Wales will apply, and by completing a Modular ISA application form you will be agreeing to this.

Financial Services Compensation Scheme (FSCS)

The FSCS provides protection to consumers when financial services firms fail (or go bust). It is the compensation scheme for customers of UK

authorised financial services firms.

FSCS can compensate customers if a firm has stopped trading or does not have enough assets to pay claims made against it.

The Modular ISA is covered by the FSCS in the event that we are unable to meet our obligations to you regarding administration of the Modular ISA. The product bank account is also separately covered by the FSCS in the event of the failure of the relevant bank itself.

Similarly, the underlying investments within your Modular ISA may be subject to their own protection from the FSCS in the event of the failure of the relevant investment provider. However, this will depend on the investments you select and you should seek further clarification from the investment provider or your financial adviser of the cover applicable to your chosen investments before investing.

For details on how we will hold any money and/or investments, and the level of protection available, please read the document available on our website at www.jameshay.co.uk called How your Money and Investments are held within James Hay Partnership Products.

For further information, please visit the FSCS website at www.fscs.org.uk.

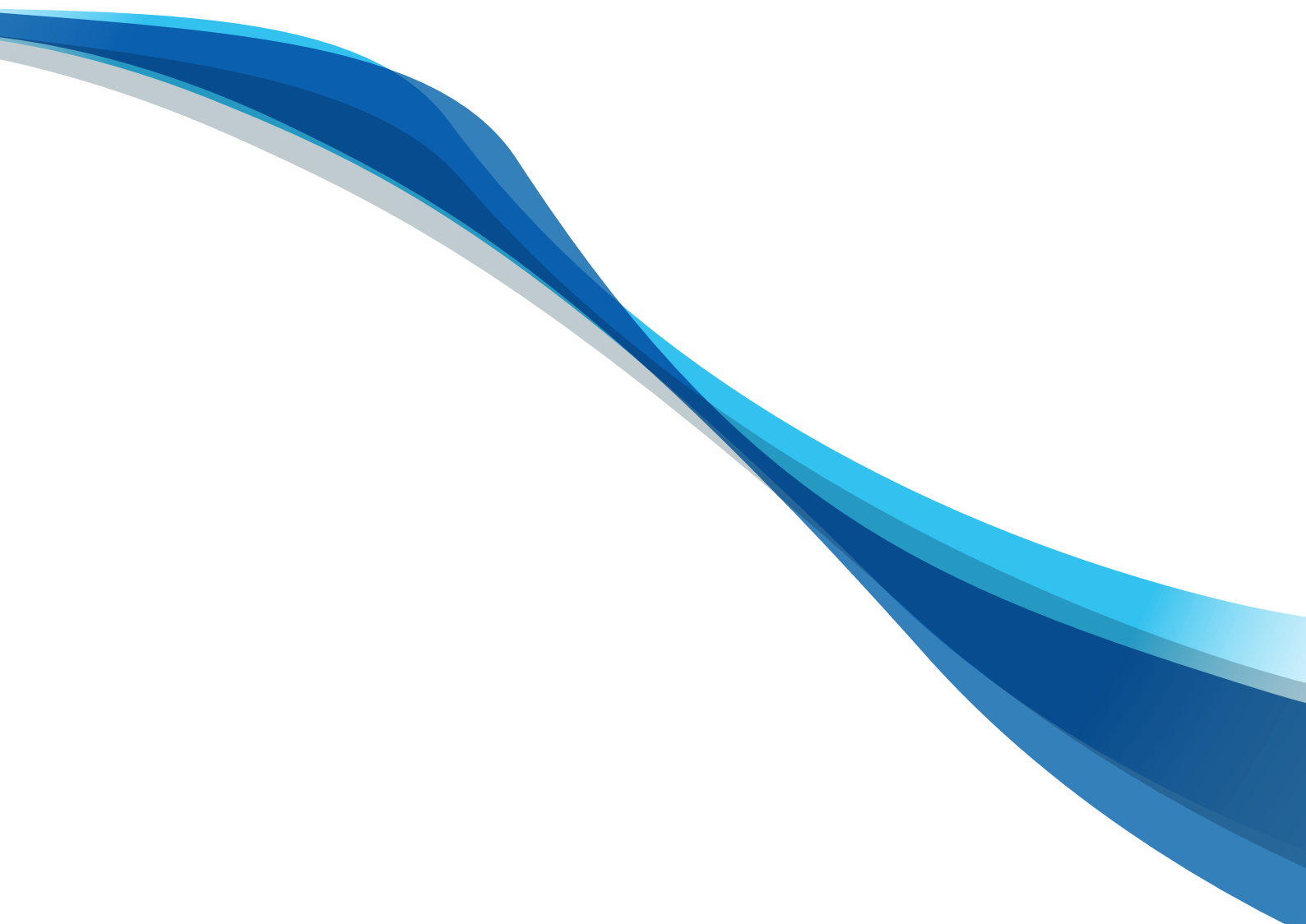
How to contact us

We do not provide financial advice. Your financial adviser (if you have appointed one) will normally be your first point of contact. However, if you need more help or information regarding the administration or features of your Modular ISA, or if you wish to exercise your right to cancel your Modular ISA, you can write to us at the following address:

**James Hay Partnership
Dunn's House
St Paul's Road
Salisbury
SP2 7BF**

**Website: www.jameshay.co.uk
Telephone: 03455 212 414**

Lines are open from 9am to 5pm Monday to Friday. To help us improve our service we may record or monitor calls.



We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Typetalk service on 18001 03455 212 414).

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