

FUNSDIRECT KEY FEATURES



The Financial Services Authority is the independent financial services regulator. It requires us, Investment Funds Direct Limited, to give you this important information to help you decide whether our online supermarket 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.

Introduction

The Fundsdirect Key Features should be read carefully in conjunction with our Terms & Conditions and Best Execution Policy, which are freely available on our website and in hard copy.

Your use of our service will confirm your acceptance of the Fundsdirect Terms & Conditions.

We offer an execution only investment online dealing service provided by our Fund Supermarket. Once registered, the service can be accessed over the Internet as well as by telephone for certain transactions. Fundsdirect provides access to a range of UK based collective investments such as investment trusts, OEICS and unit trusts.

Please be aware that our Terms & Conditions and Best Execution Policy are standard within the Fundsdirect offering, and at times there may be products and services that are not currently available or are unsuitable to you as a non-advisory client. If you have any queries regarding the service we are providing, please call our Customer Services team on 0845 600 5361.

Fundsdirect is a trading division of Investment Funds Direct Limited, part of the Royal London Group. The registered office of Fundsdirect is 9 Palace Yard Mews, Bath, BA1 2NH. Fundsdirect is authorised and regulated by the Financial Services Authority (FSA No. 114432).

What Is A Fundsdirect Account?

Fundsdirect is a fund supermarket that offers a secure online account giving you access to a wide choice of funds, many at discounted rates. All transactions are conducted online and held in one place, leading to a significant reduction in paperwork.

Our fund supermarket facility records transactions, provides consolidated reporting and up to date valuations of current holdings. This makes it easier to monitor and manage your portfolio of funds, making tax returns easier to complete.

Up to date valuations of your current portfolio can usually be accessed online at any time.

Aims Of Fundsdirect Account

The Fundsdirect Account allows you select, trade and manage your investment portfolio on a single platform. You can log in to your portfolio whenever you want with access to immediate valuations. Fundsdirect will send you a consolidated statement every six months and consolidated Tax Vouchers each year to help with the completion of your end of year tax return.

Buying and selling funds on our fund supermarket offers lower initial and annual charges than if you bought the same funds directly from a fund management house.

Aims Of Each Wrapper

- ▶ **General Investment Account** - this is to hold investments which will be subject to normal UK tax.
- ▶ **Individual Savings Account** - you can invest up to the HMRC subscription limit in each year into this account and transfer ISAs taken out in previous years with other product providers.

Risk Factors

- 🔔 The value of these investments and the income generated from them can fall as well as rise and you may not get back what you originally invested or transferred into the Account;
- 🔔 Past performance is not a guide to future performance;
- 🔔 The performance of your fund will be reduced by the effect of charges including initial charges, annual charges and dealing charges;
- 🔔 Income generating funds sometimes deduct expenses from capital in order to improve income. This means that capital growth will suffer correspondingly;
- 🔔 Withdrawing income from your fund can reduce capital growth especially where performance is poor and the level of income withdrawn is high;
- 🔔 Certain investments for example 'emerging markets', 'high technology sector' and 'small companies' are generally more volatile than UK and large company investments;
- 🔔 The risks in your investment portfolio will depend on the funds you have chosen;
- 🔔 Investments in foreign assets are subject to currency risk i.e. as well as the risk of the underlying asset there is also a risk of a loss from the currency falling against Pound Sterling.

Frequently Asked Questions About The Fundsdirect Account

- 🔔 **How can I invest in a Fundsdirect account?**

You will need to choose the appropriate product wrapper (e.g. ISA or GIA) that will meet your personal circumstances and your asset allocation. Your account will not be fully active until funds are available i.e. cash is in your account. Funds may be transmitted either:

 - electronically by debit card or by cheque from you personally;
 - by transfer of funds from a previously arranged product with another provider;
 - or from a newly selected third party product provider which will hold your funds.
- 🔔 **What investments are available?**

Your Fundsdirect Account can invest in a wide selection of Unit Trusts and OEICs.
- 🔔 **How can I make investments and deal?**

Once your account has been set up online, you will be able to access it using your unique security log in details. You will then need to decide which wrapper(s) is/are appropriate together with your investment selection. Your contract note detailing each investment transaction will be available online.
- 🔔 **What happens to money that remains uninvested?**

This is held in a cash account within each respective wrapper and earns interest. The rates of interest are available on the Fundsdirect website.
- 🔔 **Can I save my money in cash?**

Yes, there is a cash account in each wrapper. However, the rules of each product wrapper vary and there are some restrictions to holding cash in some wrappers e.g. ISA.
- 🔔 **How can I see what I have invested in?**

When you open your account online, you will set your own security. Once we have issued your login details, you will then be able to access the Fundsdirect website for trading.
- 🔔 **How often will you communicate the value of my investments?**

You will be able to print off a full valuation of your investments in your Fundsdirect Account whenever you wish. In addition we will send you a full statement twice a year by post. We will not send you copies of reports, accounts or voting and meeting information normally issued by investment providers, unless you specifically request it. This will incur an additional charge.
- 🔔 **What happens to income from my investments?**

Income from investments in your Fundsdirect Account will be paid to your cash account. Monies from your cash account can be paid to your selected bank account at calendar quarterly intervals (i.e. four times a year) in amounts you select. Please note that should there be insufficient cash in your account to meet the income payment, we will sell investments to meet it as stated in the Fundsdirect Terms and Conditions.

- How much will the service cost?**
 The full costs of the service are shown in the Fundsdirect Charges Schedule on the website.
- Can I switch my investment from one fund to another?**
 Yes. This will be treated as a 'sell' and a 'buy' transaction. This means that you will be charged for both transactions and that you will be out of the market for a time while the receipts of the 'sell' instruction are confirmed and before the 'buy' instruction can be made.
- How long will I be out of the market when I switch from one fund manager to another?**
 On average it should take 4 days for this process to complete.
- What happens when I encash my investment?**
 You instruct us to sell all of your investments and we will pay the proceeds into your nominated bank account after deducting any outstanding charges.
- Can I transfer my investment?**
 Yes, although transfers are subject to charges as detailed above.
- What if I die?**
 Fundsdirect will await instructions from executors to rearrange investments and for Grant of Probate. ISAs immediately cease to benefit from any tax advantages.

Your Commitment

- The minimum investment for a Fundsdirect account is £1,000. There is no minimum for subsequent investments.

Suitability of Agreement

- You will be categorised as a retail client in relation to your use of our services.
- We offer an Execution Only service to you via our website and therefore are not required to assess the suitability of our service to you. This means that the protection offered by the Financial Services Authority's rules on assessing suitability will not apply to our services. If required, you should consult your own investment adviser as to its suitability to you.
- The material on our website is for information only and should not be used as financial advice or a recommendation. Any opinion that may be detailed in our website does not constitute an offer to sell or solicitation, or an offer to buy any investment products, accounts or services or any advice or recommendation, with respect to such financial instruments.
- Before entering into an agreement with us, you are advised to obtain appropriate legal, accounting and tax advice where necessary.

Governing Law

- Fundsdirect literature is governed by the laws of England and Wales;
- All communications will be in English;
- Nothing in these Terms & Conditions will restrict the duties of Fundsdirect under the rules of the Financial Services and Markets Act 2000 or subsequent legislation.

Charges

- Please see our Charges Schedule for details.

The right to change your mind

You are able to cancel your ISA or GIA up to 30 days after we receive your application. However, if you have asked us to invest your funds, you may get back less than you contribute or transfer in if the investments you choose go down in value;

- You may ask us to put your fund into a deposit account for the 30 days of your 'cooling off period', and if you then cancel, you will receive back the original amount less any charges applicable for the period, plus any interest applicable for the period.

How can I complain?

We hope you will never be unhappy with our service. If this does happen we will make it as simple as possible for you to contact us to discuss your concerns and we will endeavour to resolve them straight away. If you are still not entirely satisfied, we have an internal complaints procedure which follows the standards required by the Financial Services Authority. Initially, contact us to let us know what you are unhappy with. You can contact us:

- by phone on **0845 600 5361** (Monday to Friday 0900 to 1730);
- by email to **customerservices@fundsdirect.co.uk**;
- by letter to **The Compliance Officer, Fundsdirect, 9 Palace Yard Mews, Bath, BA1 2NH.**

What you can expect

In the majority of cases, we aim to resolve your complaint there and then. If this is not possible, we will advise you at the time and acknowledge your complaint within 5 working days. At this point, we will give you an estimation of how long we need to resolve your complaint and provide you with a final response.

If eight weeks have passed since you first raised your complaint with us, you have the right to refer your complaint to the Financial Ombudsman:

- by telephone to **0300 123 9 123 or 020 7964 0500**;
- by email to **complaint.info@financial-ombudsman.org.uk**;
- by letter to **The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.**