

# Guide to Stocks and Shares ISAs

Give your savings a tax break

Investing Today for Tomorrow



Great value.  
Straightforward.

# Your quick guide to ISAs

ISAs are a tax-efficient way of investing for your future.

There are two types of ISA – Cash ISA and Stocks and Shares ISA.

You are allowed to have both a Stocks and Shares and a Cash ISA in the same tax year.

The maximum you can put in is £10,200 (2010/11) in total, with no more than £5,100 of that sum being paid into a Cash ISA. That

total is going up to £10,680 in the next tax year from 6 April 2011.

You need to be 18 or over and a UK resident to open a Stocks and Shares ISA (16 for a Cash ISA).

You can only invest into one Cash ISA and one Stocks and Shares ISA in each tax year.

## Do you like getting help from the taxman?

Then you should like ISAs.

That's because, to put it simply, ISAs let you invest for the future without paying tax.

In a Stocks and Shares ISA you pay no capital gains tax and there's no additional tax to pay on dividend income, making it a good way to get value for money on your investments.

Please remember that Stocks and Shares and equity based funds are subject to some unrecoverable tax.

## Handy hint

To make the most of the tax benefits, consider taking out an ISA as early in the tax year as possible. Payments you make after 6 April 2011 automatically fall into the new tax year – that

means you'd lose any unused allowance from the previous year. Don't lose out! Get the most from your tax-efficient ISA.

## Use it or lose it

Midnight, 5 April 2011. The deadline for subscriptions for this year's ISA allowance is fast approaching. Better still, act now while it's fresh in your mind.

An ISA is one of the best ways to invest for your future: whether for a deposit on a house, for school fees or for your retirement. The tax advantages are compelling, particularly if you are a higher rate tax payer – you can invest up to £10,200 in the current tax year (2010/11).

And who better to invest with than award-winning Alliance Trust Savings?

## 6 reasons to choose Alliance Trust Savings for your ISA

- No initial charge on most funds – save up to 5.5% or £560
- 100% fund provider rebates unique to Alliance Trust Savings
- Two free online deals worth £25 for every new customer
- Low annual charge of only £25 + VAT
- Choose from more than 1,400 funds from 40 of the UK's top fund managers, as well as all UK-listed shares and fixed-interest securities
- We were voted 'Best Stocks and Shares ISA' for the fourth year running at the What Investment awards 2010.

For further information please refer to the table of charges available at

[www.alliancetrustsavings.co.uk/isa](http://www.alliancetrustsavings.co.uk/isa)

# Do you like value for money?

## You'll love the Alliance Trust Savings Stocks and Shares ISA

We try hard to give our customers the best value for money. We believe we have one of the most competitive ISAs in the market.

To maximise the potential of your ISA it is important to understand the impact charges have on your investment. Some fund providers charge an initial charge, typically up to 5.5% of your investment.

At Alliance Trust Savings we have negotiated discounts on initial charges for the majority of the funds within our ISAs, saving you up to £560 of a full annual allowance.

In addition to this, we have negotiated rebates on the annual management charge applied by fund providers. We are the only ISA provider who passes 100% of these rebates directly back to you.

The impact of our unique 100% rebates can be significant. For example, as the table below shows, a £20,400 investment in our Stocks and Shares ISA held over 10 years could be worth £4,000 more than if you were invested in an ISA that does not pay rebates.

### The value of rebates

<b>Fund value – £20,400</b>	<b>5 years</b>	<b>10 years</b>	<b>15 years</b>	<b>20 years</b>	<b>25 years</b>
ATS rebate	£27,400	£36,900	£49,800	£67,300	£91,000
No rebate	£25,200	£32,900	£43,000	£56,200	£73,500
Difference	£2,200	£4,000	£6,800	£11,100	£17,500

Notes: figures based on ISA annual charge of £25+VAT (20%) plus a £5 charge for reinvesting the rebate. Couple each investing £10,200, invested one fund with an annual management charge of 1.5% and a rebate of 0.75% paid annually. Projections assume an annual growth rate of 7%, which is the FSA's mid projection rate. Competitor figures are based on an initial charge of 5.5%, annual management charge of 1.5%, no dealing charge and that no rebate is paid. All figures are rounded to the nearest £100.

# Take control of your investments

Saving money tax-efficiently in your ISA is only half the story. You need access to investments that can help your money grow. Our investment dealing platform, i.nvest, offers a wide range of opportunities in one easy-to-use and secure location.

## Investment choice

i.nvest allows you to select from a range of around 4,000 investments including:

- UK investment trusts
- UK listed equities
- UK government gilts
- Convertibles, debentures and loan stocks
- Fixed interest securities
- Preference stocks
- Exchange Traded Funds (ETFs)
- Investment funds – open-ended investment companies (OEICs), unit trusts and life funds

# How do I invest?

It's easy. You've three options:

1. Online at [www.alliancetrustsavings.co.uk/isa/dm](http://www.alliancetrustsavings.co.uk/isa/dm)
2. Fill in the application form and post in the reply paid envelope
3. Call us on **08000 121 494**  
(Monday to Friday, 8am-6pm).  
Calls may be recorded for training.

Online is the quickest and easiest way. You can set up an ISA online and start investing in just a matter of minutes.

## Handy hint

Why not consolidate your investments and transfer ISAs you have with other providers to Alliance Trust Savings. Simply complete a Stocks & Shares ISA Transfer In Request form and we'll take care of the rest.

# About Alliance Trust Savings

We're a subsidiary of Alliance Trust PLC, which is listed on the FTSE 100 and is the UK's largest general investment trust company.

Alliance Trust Savings was formed in 1986, giving private investors a cost-effective way to invest in Alliance Trust PLC. Today, 25 years on, we are one of the UK's leading financial services providers for private investors. That's because we give our customers the information and services they need to manage their investments in a way that works for them.

## Our services at a glance

We're not just a leading ISA provider. We also offer:

- **Pension services through our Select SIPP and Full SIPP products**
- **Dealing Accounts – invest in shares and funds outside a tax-efficient wrapper**

## Choose an award-winning ISA provider

What Investment Best Stocks & Shares ISA 2007/2008/2009/2010

For any important purchase, it's comforting to know you've made a good choice. So the independent recognition of our Stocks and Shares ISA by What Investment magazine should be reassuring. Being a Reader's Award and having won it four years in a row proves what our existing customers really think about us.



# Risk warnings

Please remember the value of investments and any income from them can go up or down and you may not get back the amount you invested. All investments carry an element of risk, which may differ significantly, and if you are unsure as to the suitability of any particular investments, you should seek professional financial advice.

You should remember that the amount of tax relief depends on your individual circumstances and that the beneficial tax treatment of ISAs may not continue in the future.

Alliance Trust Savings does not give financial or investment advice.

Information relevant to 2010/11 tax year unless otherwise stated.

## Contact us

Alliance Trust Savings Limited  
PO Box 164  
8 West Marketgait  
Dundee DD1 9YP

Tel: 08000 121494

Email: [contact@alliancetrust.co.uk](mailto:contact@alliancetrust.co.uk)

Visit our website [www.alliancetrustsavings.co.uk/isa/dm](http://www.alliancetrustsavings.co.uk/isa/dm)

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