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CENTRED AROUND YOU

Stocks & Shares ISA

An Individual Savings Account (ISA) is a highly tax-efficient savings vehicle that allows you to retain flexibility of access. Whilst there are lots of advantages to using an ISA, there are also certain disadvantages that should be considered. Ultimately, how appropriate it is for you will depend on your unique personal circumstances.

Advantages

No Personal Tax (Income or Capital Gains) on any investment returns

Income and gains do not need to be included in tax returns

Money can be withdrawn at any time

On death, the ISA status can be inherited by your spouse without affecting their annual ISA allowance

Disadvantages

You cannot have a joint ISA or put it in trust

The maximum you can pay into an ISA is £20,000pa

If you do not use your annual allowance you will lose it

If you have already used your Cash ISA allowance this will be included in the maximum amount you can invest in a Stock & Shares ISA

ISAs form part of your estate for inheritance tax purposes

Disclaimer:

We try to ensure that the information provided is correct, but we do not give any express or implied warranty as to its accuracy. We do not accept any liability for errors or omissions.

You should be aware that pension and life fund performance differs from unit trust/OEIC performance, due to underlying tax treatment. Past performance is not a reliable indicator of future returns. This means that investments will fluctuate and you may not receive back the full amount of your original investment.

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Stocks & Shares ISA – Risk Considerations

There are a number of risk considerations that need to be taken into account when investing your money into an ISA. It is important that you are aware of these...

- Governments can and do change the rules on tax efficient vehicles, like ISAs.
- An ISA is not a risk free product and the value of the ISA investment may be at risk due to the investments held within the wrapper.
- ISAs can grow but depending on market conditions, you may not realise the initial sum invested. There is no guarantee that you will get more out of an ISA investment than you have paid in.
- Income generated from investments held in ISAs is variable and is not guaranteed.
- If is income taken:
 - The capital value of the fund may be eroded if withdrawals taken exceed the net growth of the fund
 - The level of income provided/required may not be sustainable
- If you leave the UK and no are longer a UK resident you can keep the ISA investment with its UK tax advantages but can't make any new contributions to the ISA. Depending on where you move to, you may be liable to income tax overseas.
- ISA investments are liable to Inheritance Tax on death (except those eligible for Business Relief) and Income Tax deducted at source on foreign dividends may be recoverable.
- Past performance is no guarantee of future returns. The price of units and the income from them can fall as well as rise.
- If growth is low, charges may eat into the capital invested.
- Please be aware that there may be occasions when an individual fund or funds may have a higher risk rating than your overall stated attitude to risk. If this is the case, then the overall risk rating applied to all of the combined funds being recommended is still designed to meet your stated tolerance.