

Lifetime Individual Savings Account (LISA)

Application Form

Suitability Responsibility: Professional Adviser



BROOKS MACDONALD

Lifetime Individual Savings Account (LISA) application form

Personal details

Full name:

Permanent residential address:

Postcode:

National insurance number: | | | | | | | |

Date of birth:

Please note, a valid national insurance number is required to open a LISA.

Subscribing to your LISA

I apply to subscribe for a Brooks Macdonald Asset Management LISA for the / tax year.

Please subscribe the following into my Brooks Macdonald Asset Management LISA for the specified tax year:

Maximum allowable subscription for the specified tax year (please tick here) OR £

Subscriptions in subsequent tax years

You can subscribe in subsequent tax years without completing another LISA application form – even if you do not subscribe every tax year. How subsequent year subscriptions are handled will depend on how you choose to fund your LISA.

Lifetime Individual Savings Account (LISA) application form

Funding your LISA

I wish to fund my LISA:

By bank transfer

By cheque payable to 'BMAM Ltd re: Client name'

By direct debit

From my existing portfolio

By bank transfer or cheque

Bank transfers of funds by CHAPS or Faster Payments are welcome, however, please do not send any funds to us until we have confirmed that your accounts are open and provided you with your account number. Your account number will need to be quoted on all bank transfers to us. Funds or cheques sent to us before we have confirmed your account is open will be returned to you.

From your existing portfolio

We will **not** automatically subscribe to your LISA from your existing Brooks Macdonald portfolio in subsequent tax years. If you do wish to fund your LISA subscription from your existing portfolio in a particular tax year, you should notify us of this in writing.

By direct debit

Direct debits will be taken monthly and can range in value from £50 to 1/12 of the maximum annual LISA subscription. If you are subscribing part of the way through a tax year, you will also need to make an additional subscription through an alternate method in order to subscribe the maximum allowable amount. If you set up a direct debit to fund your LISA, we will continue to subscribe to your LISA until you notify us otherwise in writing.

Accumulated income

Any accumulated income will be automatically credited to your LISA and held on deposit/re-invested.

Discretionary management: investment profile

Please note that this LISA will be managed in line with the investment profile of your main account unless we receive a specific instruction otherwise in writing.

Payment authority

Please note that, due to the LISA Government Withdrawal Charge, payment authority is handled differently for LISAs than other accounts:

- The only third party who is permitted to have payment authority on a LISA account is a Professional Adviser. If you have already granted payment authority to your Professional Adviser in connection with your main account, they will have the ability to request payments to be made to your nominated bank account(s) on your behalf and amend regular payment amounts.
- Payment authority cannot be granted to any other person
- In certain circumstances we will require written payment instructions from you, including:
 - requesting a withdrawal for a property purchase
 - requesting a withdrawal which would result in your LISA incurring a Government Withdrawal Charge

Lifetime Individual Savings Account (LISA) application form

Brooks Macdonald fees and charges

Please note that Brooks Macdonald will apply fees to this LISA in line with the annual management charge of your main account unless we receive a specific instruction otherwise in writing.

LISA specific administration charges

- Withdrawal of funds for purchase of first house - £250 + VAT
- Other withdrawal of funds - £50 + VAT

Adviser charges

It is not possible for any Adviser Charges to be paid to your Professional Adviser from this LISA.

Important information

A LISA is a type of ISA. Our Terms and Conditions, including Section 13 of the Client Agreement, headed 'Individual savings account (ISA)', will apply to our management of the LISA.

Declarations and authority

I declare that:

1. all subscriptions made, and to be made, are from my own funds
2. either
 - I am 18 years of age or over and under 40; or
 - The account is being opened to receive investments from another Lifetime ISA, a defaulted Lifetime ISA subscription or a returned withdrawal after a failed first time residential purchase
3. I have not subscribed/made payments, and will not subscribe/make payments, for more than the overall subscription limit in total to any combination of permitted ISAs in the same tax year
4. I have not made current year payments, and will not make current year payments, that exceed the Lifetime ISA payment limit
5. I have not subscribed, and will not subscribe, to another Lifetime ISA in the same tax year that I subscribe to this Lifetime ISA
6. I have not made current year payments, or transfers from a Help to Buy ISA and will not make current year payments, or transfers from a Help to Buy ISA, to another Lifetime ISA in the same tax year that I subscribe to this Lifetime ISA
7. this declaration shall have effect for each year in which I make a payment to the account
8. I am resident in the United Kingdom for tax purposes or, if not resident, either perform duties which, by virtue of Section 28 of the Income Tax (Earnings & Pensions) Act 2003 (Crown employees serving overseas) are treated as being performed in the United Kingdom, or I am married to, or in a civil partnership with, a person who performs such duties. I will inform Brooks Macdonald Asset Management Limited if I cease to be so resident or to perform such duties or be married to, or in a civil partnership with, a person who performs such duties
9. the information given by me on this form is true and correct to the best of my knowledge and belief, and I shall inform Brooks Macdonald Asset Management Limited immediately if my circumstances affecting this investment change
10. I will be the beneficial owner of shares held in my account
11. I am aware that there is a right to cancel or withdraw from the Terms in accordance with section 14.8
12. I agree that all charges will be paid in accordance with the amounts detailed on page 3 of this pack

I authorise Brooks Macdonald Asset Management Limited:

1. to hold my cash subscription, Lifetime ISA investments, interest, dividends and any other rights or proceeds (including any Lifetime ISA Government bonus payments) in respect of those investments and any other cash
2. to make on my behalf any claims to relief from tax in respect of Lifetime ISA investments
3. to submit Lifetime ISA bonus claims to the HMRC on my behalf
4. to withhold and deduct from a balance in the Lifetime ISA and pay the HMRC any charges due on withdrawals
5. to make a record in writing in accordance with Regulation 12B paragraph 7(a) of the Individual Savings Account Regulations where required to do so

I hereby agree to the above declaration and authority.

Your attention is drawn to the Brooks Macdonald Asset Management Limited Client Agreement and Guide to Lifetime ISAs upon which we intend to rely. For your own benefit and protection you should read the terms of the Client Agreement carefully before signing the declaration below. If you do not understand any point please ask for further information.

First Applicant

Signature:

Date:

Full name:

Declarations and authority

The Professional Adviser is required, as part of the legal agreement between Brooks Macdonald and the Professional Adviser to confirm the following:

- I have carried out anti-money laundering identification and verification to the standards required by the Money Laundering Regulations 2017
- I have been appointed by the client as their Professional Adviser
- I have carried out an assessment of the Suitability for the client in accordance with applicable requirements
- I have discussed with the client and advised them based on their investment profile
- I have full and continuing authority from the client in respect of any instructions given by me in the context of my agreement with the client

Signature:

Date:

Full name:

FCA reference number:

Guide to Lifetime Individual Savings Accounts (LISAs)

What is a LISA?

A LISA is a type of ISA. It is a tax advantageous account for your savings/investments specifically designed to help you save for your first house and/or for your retirement.

How is a LISA different to other ISAs?

Unlike other ISAs, LISAs can only be opened by investors aged 18 – 39 years. Once an investor has opened a LISA they are permitted to make subscriptions until the day before their 50th birthday.

The Government also provides a 25% bonus based on the sum subscribed, up to a maximum of £1000 - where the investor makes the maximum subscription of £4000.

Whilst a Cash, Innovative Finance or Stocks and Shares ISA allow withdrawals without penalty, withdrawals from a LISA are subject to a 25% penalty – unless the investor is buying a first home or is over the age of 60.

A LISA can invest in the same assets as a Stocks and Shares ISA which is designed to invest in qualifying investments and or cash.

Can I open a LISA?

A LISA can be opened by investors aged 18-39 years who are resident in the UK, or are a Crown employee serving overseas or their spouse/civil partner. The LISA can only be opened in your name and cannot be in joint names.

You must make a payment to the LISA in the same tax year you open it.

Brooks Macdonald only accepts:

- Bespoke Portfolio Service (BPS) LISA applications for existing clients or as part of a larger portfolio application
- Self-Select LISA applications for existing clients or their close relatives
- Managed Portfolio Service (MPS) LISA applications for existing or new clients

Can I subscribe to a LISA?

Only LISA account holders aged 18-49 who are resident in the UK and have not paid into another LISA in the current tax year can invest in a LISA.

Payments must be made from the account holder's own funds.

Brooks Macdonald accepts one-off and/or monthly Direct Debit payments. One-off payments of at least £1,000 are accepted by bank transfer or cheque.

Monthly Direct debit payments must be at least £50.

We also accept:

- subscription using shares from an HMRC qualifying share scheme
- withdrawal from existing ISAs held with Brooks Macdonald
- cash or investments held with Brooks Macdonald

What is the LISA limit for 2022/23?

LISA account holders aged 18-49 can invest up to £4,000 into a LISA. Any amount applied to a LISA will form part of the individual's £20,000 ISA allowance.

For example: if the individual chooses to invest £2,000 in a LISA, they can invest the remaining £18,000 across their other ISAs.

If I have used my full ISA subscription already, can I open a LISA?

Provided you have a Flexible ISA you can withdraw funds from your ISA and use these to subscribe to a LISA. If you have a Brooks Macdonald Flexible ISA, this option is available to you.

What happens if I inadvertently exceed the annual allowance?

You will be advised by HMRC (the Government body tasked with the regulation of ISAs) if you have oversubscribed. One of your ISA managers may be asked to return the oversubscription to you.

Do I pay tax on dividends or gains within a LISA?

No – there is no tax to pay on dividends or interest earned from the investments held and the LISA is exempt from capital gains tax. As such they do not need to be declared on your tax return.

How do I transfer a LISA?

Brooks Macdonald is not currently accepting the transfer of LISAs from other Plan Managers but this is actively under review. You can transfer the value of your Brooks Macdonald LISA, subject to the deduction of any outstanding charges/Government Withdrawal Charge.

Guide to Lifetime Individual Savings Accounts (LISAs)

What is the LISA Government Bonus?

LISA investors receive a 25% Government bonus on investments paid into the account (up to a maximum bonus of £1,000 per annum).

What is the LISA Government Withdrawal Charge?

You are able to make a withdrawal from your LISA at any time, but you should be aware that the Lifetime ISA Government Withdrawal Charge may apply.

The withdrawal charge is 25% of the amount withdrawn from the LISA (including any investment growth) plus any applicable administrative charges. This may mean the LISA Government Withdrawal Charge is greater than the bonus you received. You could receive back less money than you invested.

Can I withdraw money from my LISA without incurring the Government Withdrawal Charge?

The options for withdrawing money without incurring the Government Withdrawal Charge are limited and are as follows:

- you are aged 60 or over; or
- the withdrawal is for the purchase of your first house (of value up to £450,000); or
- Brooks Macdonald has received evidence from a medical practitioner that you have less than 12 months to live; or
- after your death.

What investment options do I have for my LISA?

Brooks Macdonald only offers a Stocks and Shares LISA – we do not offer a Cash Only LISA.

Brooks Macdonald offers three different options:

- Part of your BPS discretionary portfolio – managed on a ‘combined basis’ with your main investment account, in-line with the suitability assessment made by your Professional Adviser; or
- As a stand-alone Self-Select LISA, where you choose which Brooks Macdonald Fund to invest in; or
- As an MPS LISA, where your Professional Adviser will provide a suitability assessment of the Investment Strategies.

When selecting which investment option, you should consider:

- if you are saving to buy your first house and/or for retirement and when you plan to withdraw funds from the LISA
- whether your subscription level and investment choice is likely to achieve this objective
- some investments need to be held for the long term to achieve a return
- how the LISA investment aligns to your financial circumstances and any other retirement provisions

Please note that the above factors may change over time and you should regularly review your LISA subscription and investment choice with your Professional Advisor, if applicable, to ensure the investment remains suitable.

What factors should I take into consideration before deciding if a LISA is the right way for me to save?

If you need to withdraw money from LISA, the LISA Government Withdrawal Charge could mean you get less money back than you invested.

If you open a LISA instead of enrolling in or contributing to a qualifying scheme, occupational pension scheme or personal pension scheme you may lose the benefit of contributions by an employer (if any) to that scheme. Your employer cannot make contributions into your LISA.

Your current and future entitlement to means-tested benefits (if any) could be affected as the value of your LISA may count towards any assessment of your assets whereas the value of your pension savings may not.

The value of investments held in the LISA, and any income derived from these can fall as well as rise. You may get back less than the amount invested. This may be particularly important if you are saving in the short-term for the purchase of your first house.

Additional Permitted Subscription (APS Allowance)

If you die before your 60th birthday and leave a spouse or civil partner they may, subject to certain conditions, be permitted to add the value of the LISA at the date of your death to their ISA savings, irrespective of whether the assets are bequeathed under the terms of your Will.

Guide to Lifetime Individual Savings Accounts (LISAs)

What might my LISA be worth at age 60?

The table below is designed to help you understand what the value of your Brooks Macdonald LISA could be when you reach 60 years old, in today's money, depending on:

- the age when you start saving
- if you are investing the maximum amount at the start of each tax year up to the age of 50
- if you are receiving the Government bonus each year
- the rate of return you receive on your investments – fixed at 0% and 5% for all LISAs as an illustration
- the rate of inflation over the investment period – fixed at 2.5% for all LISAs as an illustration
- the charges the LISA plan manager levies – which may vary by plan managers and investment selection

The table may not be relevant if you are using the LISA to save for a house purchase.

1	2	3	4	5	6
Age saving in Lifetime ISA started	Total amount paid in by the Lifetime ISA saver/ investor	Total amount paid in, plus Lifetime ISA Government Bonus	Estimated outcome at 60 from 0% return	Estimated outcome at 60 from 5% return	Charges and estimated inflation would reduce a 5% return to
18	£132,000	£165,000	£68,418	£256,190	1.6%
25	£104,000	£130,000	£59,624	£190,116	1.6%
30	£84,000	£105,000	£51,903	£147,218	1.6%
35	£64,000	£80,000	£42,724	£107,593	1.6%
40	£44,000	£55,000	£31,812	£70,991	1.6%

- For the illustration, we have included an indicative Brooks Macdonald MPS annual management charge of 0.9%, this may not be the charge that is applied to your LISA
- Column 4 uses an overall return of -3.4% (0% return rate - 2.5% inflation - 0.9% MPS charge)
- Column 5 uses an overall return of +1.6% (5% return rate - 2.5% inflation - 0.9% MPS charge)
- You can use column 6 to compare the Brooks Macdonald LISA charges to those of other LISA providers and to charges applicable to other long term savings products
- The standardised rates of return may not reflect actual or expected returns for your choice of investment. Investment returns will depend on the portfolios selected and not all investments will provide the same return
- The factsheets for each Brooks Macdonald MPS risk profile and each of the qualifying funds, including annualised rates of return, are available on request
- The rate of inflation used may not reflect the actual rate of inflation over the investment period
- The charges used in the table may vary over time and exclude any fee or charge for advice received or relating to the qualifying investments held in the LISA

Important Information

Investors should be aware that the price of your investments and the income from them can go down as well as up and that neither is guaranteed.

Tax treatment depends on your individual circumstances and may be subject to change in the future.

The information in this document does not constitute advice or a recommendation and you should not make any subscription or investment decisions on the basis of it.

Guide to Lifetime Individual Savings Accounts (LISAs)

What might my LISA be worth at age 60?

The table below is designed to help you understand what the value of your Brooks Macdonald LISA could be when you reach 60 years old, in today's money, depending on:

- the age when you start saving
- if you are investing the maximum amount at the start of each tax year up to the age of 50
- if you are receiving the Government bonus each year
- the rate of return you receive on your investments – fixed at 0% and 5% for all LISAs as an illustration
- the rate of inflation over the investment period – fixed at 2.5% for all LISAs as an illustration
- the charges the LISA plan manager levies – which may vary by plan managers and investment selection

The table may not be relevant if you are using the LISA to save for a house purchase.

Option 1: Annual management charge plus dealing

1	2	3	4	5	6
Age saving in Lifetime ISA started	Total amount paid in by the Lifetime ISA saver/ investor	Total amount paid in, plus Lifetime ISA Government Bonus	Estimated outcome at 60 from 0% return	Estimated outcome at 60 from 5% return	Charges and estimated inflation would reduce a 5% return to
18	£132,000	£165,000	£50,594	£186,622	0.5%
25	£104,000	£130,000	£45,031	£143,755	0.4%
30	£84,000	£105,000	£39,829	£114,180	0.4%
35	£64,000	£80,000	£33,308	£85,449	0.4%
40	£44,000	£55,000	£25,163	£57,536	0.3%

- For the illustration, we have included the **maximum** Brooks Macdonald BPS Option 1 annual management charge of 1.8% (1.5% + 0.3% VAT), this may not be the charge that is applied to your LISA
- For the illustration, we have included the Brooks Macdonald BPS Option 1 tiered annual management charge for ISAs (0.5% + 0.1% VAT for the first £30,000 and 0.1% + 0.02% VAT thereafter)
- No dealing charges have been included in the illustration
- Column 4 uses an average return of -5.0% (0% return rate - 2.5% inflation - 2.5% BPS charge)
- Column 5 uses an average return of +0.4% (5% return rate - 2.5% inflation - 2.1% BPS charge)
- You can use column 6 to compare the Brooks Macdonald LISA charges to those of other LISA providers and to charges applicable to other long term savings products
- The standardised rates of return may not reflect actual or expected returns for your choice of investment. Investment returns will depend on the portfolios selected and not all investments will provide the same return
- The rate of inflation used may not reflect the actual rate of inflation over the investment period
- The charges used in the table may vary over time and exclude any fee or charge for advice received or relating to the qualifying investments held in the LISA

Guide to Lifetime Individual Savings Accounts (LISAs)

Option 2: Increased annual management charge with no additional dealing charges

1	2	3	4	5	6
Age saving in Lifetime ISA started	Total amount paid in by the Lifetime ISA saver/ investor	Total amount paid in, plus Lifetime ISA Government Bonus	Estimated outcome at 60 from 0% return	Estimated outcome at 60 from 5% return	Charges and estimated inflation would reduce a 5% return to
18	£132,000	£165,000	£47,529	£169,521	0.1%
25	£104,000	£130,000	£42,814	£133,093	0.1%
30	£84,000	£105,000	£38,273	£107,229	0.1%
35	£64,000	£80,000	£32,435	£81,493	0.1%
40	£44,000	£55,000	£24,929	£55,886	0.1%

- For the illustration, we have included the **maximum** Brooks Macdonald BPS Option 2 annual management charge of 2.4% (2.0% + 0.4% VAT), this may not be the charge that is applied to your LISA
- Column 4 uses an overall return of -4.9% (0% return rate - 2.5% inflation - 2.4% BPS charge)
- Column 5 uses an overall return of +0.1% (5% return rate - 2.5% inflation - 2.4% BPS charge)
- You can use column 6 to compare the Brooks Macdonald LISA charges to those of other LISA providers and to charges applicable to other long term savings products
- The standardised rates of return may not reflect actual or expected returns for your choice of investment. Investment returns will depend on the portfolios selected and not all investments will provide the same return
- The rate of inflation used may not reflect the actual rate of inflation over the investment period
- The charges used in the table may vary over time and exclude any fee or charge for advice received or relating to the qualifying investments held in the LISA

Important Information

Investors should be aware that the price of your investments and the income from them can go down as well as up and that neither is guaranteed.

Tax treatment depends on your individual circumstances and may be subject to change in the future.

The information in this document does not constitute advice or a recommendation and you should not make any subscription or investment decisions on the basis of it.



BROOKS MACDONALD

Instruction to your bank or building society to pay by Direct Debit



Please fill in the whole form using a ball point pen and send it to:

Brooks Macdonald Asset Management Limited

21 Lombard Street, London EC3V 9AH

Name(s) of account holder(s)

Service user number

2	7	5	1	1	7
---	---	---	---	---	---

Reference

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Bank or building society account number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Branch sort code

--	--	--	--	--	--

Instruction to your bank or building society

Please pay Brooks Macdonald Asset Management Limited Direct Debits from the account detailed in this instruction subject to the safeguards assured by the Direct Debit Guarantee.

I understand that this instruction may remain with Brooks Macdonald Asset Management Limited and, if so, details will be passed electronically to my bank or building society.

Name and full postal address of your bank or building society

To the Manager	Bank or Building Society	Signature(s)
Address		
		Date
Postcode		

Banks and building societies may not accept Direct Debit instructions for some types of account

This guarantee should be detached and retained by the payer.

The Direct Debit Guarantee



- This Guarantee is offered by all banks and building societies that accept instructions to pay Direct Debits
- If there are any changes to the amount, date or frequency of your Direct Debit Brooks Macdonald Asset Management Limited will notify you 10 working days in advance of your account being debited or as otherwise agreed. If you request Brooks Macdonald Asset Management Limited to collect a payment, confirmation of the amount and date will be given to you at the time of the request
- If an error is made in the payment of your Direct Debit, by Brooks Macdonald Asset Management Limited or your bank or building society, you are entitled to a full and immediate refund of the amount paid from your bank or building society. If you receive a refund you are not entitled to, you must pay it back when Brooks Macdonald Asset Management Limited asks you to
- You can cancel a Direct Debit at any time by simply contacting your bank or building society. Written confirmation may be required. Please also notify us



BROOKS MACDONALD

Direct Debit payment details form

Client name:

Direct Debit amount: £

Please note, you must not exceed the LISA allowance for the current tax year. If you are unsure of the amount, please refer to the 'Guide to Lifetime Individual Savings Accounts (LISA)' included in this application pack, or visit the HMRC website: <http://www.hmrc.gov.uk/isa>

The maximum Direct Debit we will accept into a LISA is £333.33. (1/12 of the £4,000 LISA allowance)

The minimum Direct Debit we will accept into a LISA is £50.

Frequency of Direct Debit: Monthly

Month in which the Direct Debit is to commence:

Please note, your Direct Debit will be collected on, or just after the 10th day of every month and will be placed into your Brooks Macdonald LISA.

Signature:

Date: