



Redmayne  
Bentley

INVESTING  
FOR CHILDREN



Securing the future  
of generations to come

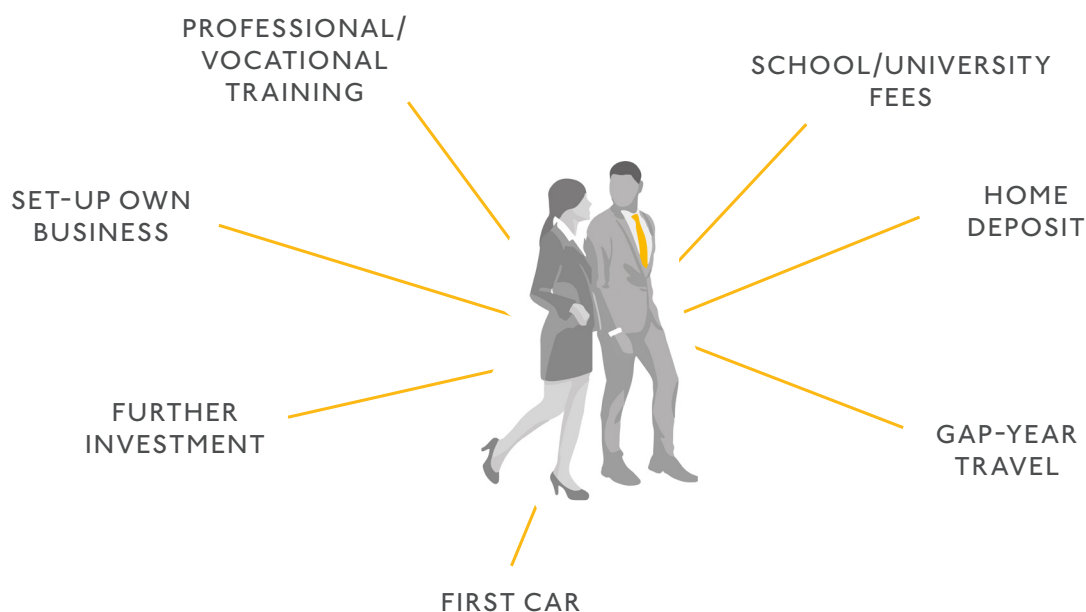



# Plan today *for their tomorrow*

There are many reasons for investing but, ultimately, they are driven by the same desire, to enjoy life safe in the knowledge that the money you have is working efficiently.

Redmayne Bentley's investment products for children allow you the flexibility to choose when, where and how to invest, providing you with the opportunity to select the most appropriate product for your individual circumstances.

Redmayne Bentley's trusted and experienced investment managers and stockbrokers are here to help every step of the way, allowing you to focus on what is important to you and your family.



A black and white photograph of a person on a bicycle on a dirt path. The person is on the right side of the frame, wearing dark clothing and riding a bicycle. The path is made of dirt and is surrounded by tall grass. A large tree trunk is on the left side of the path. The background is a soft-focus landscape with trees and a bright sky. The text is overlaid on the upper left portion of the image.

*Our purpose is ultimately a simple one, to help  
our clients achieve financial prosperity and  
security.*



## Why time matters *in the stock market*

Having savings put aside in a safe place, for unexpected events or planned expenditure, is generally considered to be a good idea.

Capital is generally protected and returns will be typically limited to an agreed (but usually low) rate of interest. However, due to the impact of inflation, cash carries the risk that it will decline in real value.

In a time of historically low rates of return, investing a portion of wealth may provide a better return than is available on cash deposits.

Investing in equities ideally requires a minimum time horizon of three to five years but, realistically, the longer the better.

When looking over a period of ten years of consecutive investing, for instance, historical data gathered from over the past 100 years indicates that the chance of equities outperforming cash is extremely high.

If you are willing and able to tolerate the volatility, then time is expected to bring you, and future generations, rewards as an investor.

Please note that past performance is not a reliable indicator of future results. The value of investments can fall as well as rise.

## Our products, at a glance

Depending on your eligibility, family requirements and circumstances we have several products to choose from.

	What are the tax benefits?	How much can I contribute?	Who can open a portfolio?
JUNIOR ISAS (JISAS)	<ul style="list-style-type: none"> <li>• Tax-free growth</li> <li>• No UK tax on income</li> </ul>	<ul style="list-style-type: none"> <li>• £9,000 (in the current tax year)</li> </ul>	<ul style="list-style-type: none"> <li>• Parents or guardians can open a Junior ISA for the child, if the child is a UK resident</li> <li>• Children born up to 2nd January 2011 need to have transferred their Child Trust Fund to a Junior ISA to open a portfolio</li> </ul>
BARE TRUSTS	<ul style="list-style-type: none"> <li>• Income tax will be trust-specific depending on the Settlor (creator) of the Trust</li> </ul>	<ul style="list-style-type: none"> <li>• No maximum</li> </ul>	<ul style="list-style-type: none"> <li>• The Trustees of the Bare Trust can open a portfolio</li> </ul>
DESIGNATED PORTFOLIOS		<ul style="list-style-type: none"> <li>• No maximum</li> </ul>	<ul style="list-style-type: none"> <li>• Parents and guardians can open a portfolio for the child.</li> </ul>
SELF-INVESTED PERSONAL PENSIONS (SIPPS)	<ul style="list-style-type: none"> <li>• 20% boost from the government</li> <li>• Tax-free growth</li> <li>• No UK tax on investment income</li> <li>• Up to 25% can usually be withdrawn tax free</li> </ul>	<ul style="list-style-type: none"> <li>• £3,600 per year (including £720 tax relief)</li> </ul>	<ul style="list-style-type: none"> <li>• Parents or guardians can open a SIPP for the child, if the child is a UK resident</li> </ul>

## Costs and Charges

Please view our *Schedule of Charges* and *Ancillary Charges*, available from [www.redmayne.co.uk/terms](http://www.redmayne.co.uk/terms) or in hard copy on request.

## Junior ISA (JISA)

A JISA can be opened for any child resident in the UK, under 18 years. If your child already has a CTF or JISA, this can be transferred to a Redmayne Bentley Stocks and Shares JISA.

A JISA allows you, along with family and friends, to contribute each year in order to build up a portfolio that the child can access at 18 years or roll into an adult ISA.

The funds can be invested in stock market related investments or cash, and any income paid into the portfolio will not be subject to income tax or capital gains tax.

In most circumstances, once funds are committed to the JISA, they are the property of the child and cannot be refunded to the contributor.



### THE BENEFITS

- Wide investment scope, from UK stock markets to overseas areas such as the US, Asia and Europe, through to commodities such as oil and gold.
- Your contributions and the investments made can provide the child with a head start as a young adult.
- Contributions can be made regularly or as ad-hoc lump sums.
- The JISA can be incorporated within our investment management services including being managed with other family portfolios.
- JISAs can roll into an adult ISA (at the age of 18) retaining beneficial tax status. Their funds grow exempt of capital gains tax and there is no further income tax liability on income and interest received.

### THE RISKS

- The value of the child's investments and income arising from them can fall as well as rise in value and the child may lose some or all of the amount invested.
- You cannot restrict what the child does with the funds once they have access to their investments.
- Commissions and other charges paid on transactions, and the annual administration charge, will affect overall performance.
- Tax treatment depends on the specific circumstances of each individual and may be subject to change in the future.

# Making the Right Choice

Before committing to a JISA, it's a good idea to consider whether it is right for your circumstances.

The Redmayne Bentley JISA should only be considered for a child if you:

- Intend to make sufficient contributions and investments, which are likely to provide tax benefits in the future
- Wish to make your own choices about where monies are invested or to opt for one of our investment management services such as bespoke discretionary investment management or our Managed Portfolio Service (MPS) which is available from £9,000
- Understand that investments and income arising from them can fall in value and the child may lose some or all of the amount that has been invested
- Understand that tax treatment depends on the specific circumstances of each individual and may be subject to change in the future

### CONTROL OF THE JISA

The portfolio belongs to the child, however, at the age of 16 they can become actively involved by taking control of the investment decisions should they wish, though they cannot make any withdrawals until the age of 18.

Upon reaching 18, the child will be able to access the funds within their portfolio. They can also choose to continue to invest in the potentially tax favourable environment of an adult ISA. Alternatively, they may wish to use the funds towards university fees or perhaps a deposit on a house.

Please note that once the JISA is transferred into an adult ISA, all ISA rules apply thereafter.



# Bare Trusts

There are several types of trust that can be used for the benefit of a child, with one of the simplest being a Bare Trust. The child (beneficiary) is absolutely entitled to the income during the life of the trust and the capital of the trust on their 18th birthday (or 16th birthday in Scotland).

Up to this point, withdrawals are only permitted if they are for the child's benefit. This is unlike JISAs or SIPP's from which no withdrawals can be made until the child reaches 18 years or within ten years of state pension age respectively under current legislation. Unlike Bare Trusts, more complex trusts can restrict access to the capital until the child is older.

Under a Bare Trust, all gains are treated as the gain of the child, with a separate personal allowance. If income exceeds £100 and the money in the trust came from a parent, then all income is taxed as theirs, or else it is taxed as the child's. For this reason, it is common for contributions in Bare Trusts to come from grandparents.

Due to the complicated nature of trusts and the associated taxation, we recommend you take advice from an Independent Financial Adviser (IFA), solicitor or other legal entity on what is best suited to your family's circumstances.

We have produced a *Bare Trusts Fact Sheet* which gives more information. To download a copy, please visit [www.redmayne.co.uk/forms](http://www.redmayne.co.uk/forms).

# Designated Portfolios and Self-Invested Personal Pensions (SIPPs)

## DESIGNATED PORTFOLIOS

A designated portfolio can be created by opening a portfolio in your name and designating it to the child. With a designated portfolio, both the transfer of ownership and access to the portfolio (including income and capital) is decided by the Trustee at a time they feel is appropriate.

However, the Trustee and (potentially) the child may be liable for any tax to be paid on income or gains until the investment is passed onto the child.

## SELF-INVESTED PERSONAL PENSIONS (SIPPS)

As with all pension contributions, the investment is made net of tax and the pension provider will reclaim basic rate tax from HM Revenue and Customs on your behalf, meaning 20% tax relief is added. This will change as the basic tax rate changes.

While investing for retirement from such an early age may reduce pressure in later life, the main disadvantage of contributing to a SIPP is that the funds cannot currently be accessed until the beneficiary is aged 55 (57 from 2028). This means that the funds cannot be used before the child reaches this age.

Please note that tax treatment depends on the specific circumstances of each individual and may be subject to change in the future.



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## A proud past, *an exciting future*

Redmayne Bentley was established in 1875 by bank clerk John Redmayne, whose aim was to provide an excellent service to his clients. Today, over 145 years later, we are one of the UK's largest independent investment management and stockbroking firms.

As an independently-owned partnership, we aren't beholden to short-term shareholder demands. Instead we are aligned with our clients and focused on the long term, and this sets us apart from many of our competitors.

As might be expected from a firm with such heritage, we are proud that we continue to enjoy both low staff turnover and high levels of client loyalty – something which speaks volumes about our approach to business.



Our priorities remain much as they did when John Redmayne first set foot inside the Stock Exchange. While we may have grown, we are still resolutely focused on what we do best, providing a tailored and personal service for our clients.

Our purpose is a simple one, to let our clients focus on enjoying life while we help them achieve financial prosperity and security.



## *Our services*

### DISCRETIONARY INVESTMENT MANAGEMENT

If you would prefer to focus on enjoying life and have one of our trusted and experienced investment managers take care of everything, then our discretionary investment management service may be right for you.

You will not have to make decisions on where and how best to invest, or be concerned with when to time your purchases and sales. Your investment manager will do all this for you.

You will have direct access to the person who manages your money and we will report regularly to you on both how your portfolio is performing and any changes that have been made.

### MANAGED PORTFOLIO SERVICE

The Managed Portfolio Service offers a range of model portfolios, managed on a discretionary basis. However, unlike many of our competitors, our dedicated asset allocation and research committees will utilise their investment expertise to invest in individual equities, bonds, etc. as well as collective funds.

Each portfolio has a specific underlying investment strategy to accommodate the different levels of risk that you are willing to take, ranging from 'cautious' to 'adventurous'.

The model portfolios aim to deliver long-term growth over five years, driven by capital appreciation and income.

### INHERITANCE TAX PORTFOLIO SERVICE

If you are concerned about the potential impact of inheritance tax on your estate, our Inheritance Tax Portfolio Service provides the potential to mitigate inheritance tax by investing in a portfolio of Business Relief-qualifying shares traded on the AIM index. The portfolio is managed on a discretionary basis.

## ADVISORY INVESTMENT MANAGEMENT

In contrast to the discretionary service, our advisory investment management service may be suitable for you if you have the time and wish to be actively involved with your investments, but would benefit from the skill and expertise that direct access to an experienced investment manager can provide.

Your investment manager will initially work with you to understand your needs and objectives and appetite for risk. They will then provide you with expert guidance on the construction and ongoing maintenance of your portfolio in order to suit these requirements. However, the decision to act on all or part of any recommendations rests with you.

We provide advice on all types of stock market investments that might be suitable for our clients, but not a universal financial planning service. We offer focused independent advice.

## EXECUTION-ONLY STOCKBROKING

The service is particularly suited to experienced investors or those looking for a high-quality personal service with the ability to have an ongoing relationship with a qualified and experienced stockbroker.

You can access global markets and a wide range of asset classes, as well as receive up-to-date market news and information. Our stockbrokers have expertise in being able to assist with large value orders as well as trading across the spectrum of investment instruments.

# Investment expertise, *throughout the UK*

With offices nationwide, we are always there when you need us.

The process of investing cash or transferring an existing portfolio to us is very straightforward.

We would welcome the opportunity to speak to you or your advisor to understand your needs and how we can help you achieve financial prosperity and security.

To find out more about our services or arrange a meeting, please get in touch.

Details of our offices can be found at [www.redmayne.co.uk](http://www.redmayne.co.uk)







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For individual office details, visit [redmayne.co.uk](https://www.redmayne.co.uk)

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