M&G Platform

REFERENCE

# Junior ISA

## Target Market Statement

For financial professionals only



# What is the M&G Platform Junior ISA?

## A Stocks and Shares Junior Individual Savings Account (Junior ISA) is designed for advised customers and is only available to an Eligible Child.

**The Eligible Child is:**

- under 16 – a person who is 18 or over and has Parental Responsibility for the child can apply to open an account.
- aged 16 or over – either the child or a person who is aged 18 or over with Parental Responsibility for the child can apply to open an account.

**Customers can:**

- Pay in as and when they choose, subject to the annual subscription limit for a Junior ISA
- Accumulate tax-efficient savings with no tax to pay when taking money out of a Junior ISA
- Transfer in existing Junior ISAs and/or Child Trust Funds from other providers
- Choose from a wide choice of assets in which to invest and to be able to benefit from active investment management, for example, model portfolio management
- Benefit from the Family Group feature allowing for intergenerational wealth planning and/or family wealth consolidation

**Distribution Strategy**

This product is designed for retail customers, to be accessed via a financial adviser.

### Key

| | |
|---|---|
| Yes | ✓ |
| No | ✗ |
| Maybe | / |



## Customer's knowledge and experience

| Investor Type | Description | Target Market |
|---|---|---|
| **Basic** | • Basic knowledge of relevant financial products and the features and complexities of this specific product.<br>• Can make an informed investment decision based on the advice/recommendation of a regulated financial adviser, supported by appropriate information and documentation from the product manufacturer.<br>• Basic financial industry experience. |  |
| **Informed** | • Reasonable knowledge of relevant financial products and the features and complexities of this specific product.<br>• Can make an informed investment decision based on the advice/recommendation of a regulated financial adviser, supported by appropriate information and documentation from the product manufacturer.<br>• Some financial industry experience. |  |
| **Advanced** | • Good knowledge and experience of relevant financial products and the features and complexities of this specific product.<br>• Significant financial industry experience.<br>• Still subject to advice at the point of sale from a regulated financial adviser. |  |

## Customer's age

| Age Group | Description | Target Market |
|---|---|---|
| **Under 16** | Customers under the age of 16 cannot open a Junior ISA on their own behalf. |  |
| **16-17** | Customers aged 16 or 17 can open and invest in a Junior ISA. This is a niche scenario and customers in this age group are not the main target market for the M&G Platform Junior ISA. |  |
| **18-85** | This age group is the main target market for those with parental responsibilities looking to invest for their children, for capital growth in a tax-efficient plan. |  |
| **Over 85** | Not in the main target market as less likely to have parental responsibilities for under 16 year olds. |  |

## Customer's financial situation

| Financial Situation | Description | Target Market |
|---|---|---|
| **Limited** (savings less than £60,000) | Unlikely to be suitable if held outside of a Family Group, due to the typically low value of Junior ISAs deriving from their subscription limit. | ✗ |
| | Suitable if held as part of a wider Family Group totalling over £60,000, to avoid a disproportionate minimum charge. | ✓ |
| **Good** (savings of at least £60,000 and/or good level of ongoing funds to invest) | Suitable if customer has remaining Junior ISA Allowance and/or existing ISA funds to transfer to the M&G Platform Junior ISA. | ✓ |
| | Not suitable for new business if customer has no remaining Junior ISA Allowance and/or no existing Junior ISA funds to transfer to the M&G Platform Junior ISA. | ✗ |

## Customer's risk tolerance

| Risk Tolerance | Description | Target Market |
|---|---|---|
| **Zero to low** | The M&G Platform Junior ISA isn't a Cash ISA and doesn't offer any assets that guarantee no capital loss therefore won't be suitable for a customer who isn't able to accept any risk of a fall in capital. | ✗ |
| **Low to medium** | The M&G Platform Junior ISA offers a wide range of risk profiled assets and an option to benefit from a range of active investment management, for example, model portfolio management. | ✓ |
| **Medium** | | ✓ |
| **Medium to high** | | ✓ |
| **Very high** | The M&G Platform Junior ISA does not offer access to high risk investments as defined by the FCA, such as peer-to-peer lending, crypto assets etc. | ✗ |

## Customer's needs and objectives

| Need/Objective | Description | Target Market |
|---|---|---|
| **General, tax-efficient savings** | Customer is looking to build a tax efficient savings pot for their children (or themselves if aged 16 or 17) and has sufficient Junior ISA allowance to contribute to and/or has existing Junior ISA funds to transfer in. |  |
| **Family grouping** | Customer has, or may have in future, intergenerational wealth planning and/or family wealth consolidation needs. |  |
| **Capital growth** | Customer wishes to invest for capital growth in a tax-efficient plan. |  |
| **Access to wide choice of assets** | Customer is looking to choose from a wide choice of assets in which to invest. |  |
| **Active investment management** | Customer is looking to benefit from active investment management, including model portfolio management. |  |
| **Frequent trading** | The financial adviser's recommended investment for the customer may require frequent trading, such as re-balancing of model portfolios, without incurring extra costs.<br><br>Please note frequent trading **does not** mean intra-day trading. |  |
| **Online access** | Customer is looking to be able to view their investments online and may wish to carry out their own trades (as per mutual agreement with their financial adviser).<br><br>Customers who are unable or less able to access the product online and engage digitally, can still use the product with their financial adviser. However, there may be more suitable options for these customers. |  |
| **Medium-long term investment horizon** (normally over 5 years) | Customer is looking to invest for the medium to long term as part of long-term financial planning. |  |
| **Consolidating wealth** | Customer may be looking to consolidate personal and/or family wealth through a range of products. |  |
| **Additional needs** | M&G Platform is committed to supporting customers with additional needs. This includes offering communications in braille, audio or large print, using a nominated third party or other contact preferences and other reasonable adjustments for those in vulnerable circumstances. Whilst every effort is made to make the M&G Platform accessible to all customers, it is designed to be used primarily with a financial adviser, and there may be other products which are more suitable for some customers. |  |

## How do customers invest in this product?

| Initial Application | Description | Target Market |
|---|---|---|
| **Execution-only*** | The M&G Platform Junior ISA cannot be opened on an execution-only basis. | ✗ |
| **Advised** | The M&G Platform Junior ISA is available on an advised basis. | ✓ |
| **Top-Ups** | | |
| **Execution-only*** | Single and/or regular contribution top-ups and additional transfers-in can be made by customers on an execution-only basis. | ✓ |
| **Advised** | Single and/or regular contribution top-ups and additional transfers-in can be made on an advised basis. | ✓ |

*Execution-only covers situations where the customer has a financial adviser but is transacting without advice as per mutual agreement.

## Who is the M&G Platform Junior ISA not suitable for?

| Customer Characteristics | Description | Target Market |
|---|---|---|
| **Customer without a financial adviser** | The M&G Platform is aimed at advised customers, therefore, the product is not suitable for customers without an authorised financial adviser. | ✗ |
| **Money access** | Customer is looking for ability to access money held in Junior ISA at any time. | ✗ |
| **Short-term investment horizon** | The product is not suitable for customers looking to invest only for a very short period; typically less than 5 years. | ✗ |
| **Large cash holdings** | The product is not suitable for customers who plan to hold a large proportion of their Account in cash for a prolonged period. | ✗ |
| **Risk tolerance** | The product is not suitable for customers who have zero risk tolerance or who want to invest in very high risk investments. | ✗ |
| **Outside of Family Group** | Customer wants to hold a Junior ISA in isolation outside of a Family Group on the platform, that is less than £60,000. | / |
| **Beneficiary aged 18 years old and over** | The M&G Platform Junior ISA cannot be held in the name of an individual of 18 years old or older. A Junior ISA must be converted into an ISA once the beneficiary turns 18. | ✗ |
| **US persons and EEA residents** | A US Person or EEA Resident may not open a Client Portfolio or any Account. | ✗ |

M&G Platform

## Contact us

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Our lines are open 8:30am to 5:30pm Monday to Friday.
Telephone calls may be recorded for training and security purposes.

You will be asked security questions about the account, so please have information to hand. If you are unable to pass security, we will be unable to assist over the phone.

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