

# The M&G Junior ISA

## Target Market Information

M&G has designed The M&G Junior ISA to facilitate tax-efficient savings by, or on behalf of, children under the age of 18 through M&G investment funds. The target market here however, and the person we refer to as the investor, is the parent or legal guardian who is the prospective Registered Contact for the account; who is making the investment decision on behalf of the child, and who prefers to deal over the phone and receive statements by post.

### What is The M&G Junior ISA?

The M&G Junior ISA is a Stocks and Shares Junior Individual Savings Account (ISA) provided by M&G Securities Limited. It enables lump sum and regular investments to be made directly by or on behalf of children under the age of 18 via the bank account of the Registered Contact for the account. It also supports transfers from existing Junior ISAs or Child Trust Funds. Any growth achieved in The M&G Junior ISA is free of Income Tax and Capital Gains Tax. The investments can only be accessed by the child when they reach the age of 18.

The M&G Junior ISA provides access to a range of M&G Open-Ended Investment Company (OEIC) funds, including actively and passively managed options.

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#### What type of clients/investors is this designed for?

- ✓ Retail client/investor
  - ✗ Professional client/investor (eg trustees/corporates)
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### Target market – investor’s knowledge and experience

Investor type	Description	Appropriate for target customer?
Basic	<ul style="list-style-type: none"><li>• Basic knowledge of relevant financial products and the features of this specific product.</li><li>• Can make an informed investment decision, perhaps based on the advice/recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer.</li><li>• Basic financial industry experience.</li></ul>	✓
Informed	<ul style="list-style-type: none"><li>• Reasonable knowledge of relevant financial products and the features of this specific product.</li><li>• Can make an informed investment decision, perhaps based on the advice/recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer.</li><li>• Some financial industry experience.</li></ul>	✓
Advanced	<ul style="list-style-type: none"><li>• Good knowledge and experience of relevant financial products and the features of this specific product.</li><li>• Can make an informed investment decision, perhaps based on the advice/recommendation of a regulated intermediary, supported by appropriate information and documentation from the product manufacturer.</li></ul>	✓

Key: ✓ Yes ✗ No — In some circumstances

## Target market – investor’s age

Investor’s age	Description	Appropriate for target customer?
Under 18	The Registered Contact must be over the age of 16. NB The child beneficiary of The M&G Junior ISA must be under 18 years of age.	—
18-40	The Registered Contact will often be in this age range.	✓
41-85	The Registered Contact will often be in this age range. It is possible for someone with parental responsibility or legal guardianship to be towards the upper age range (eg grandparent).	✓
Over 85	Not the main target market as any Registered Contact less likely to be in this age range.	—

## Target market – investor’s financial situation

Registered Contact’s financial situation	Description	Appropriate for target customer?
<b>Constrained</b> (No funds to invest)	Not suitable for their needs.	✗
<b>Limited</b> (Less than 3-6 months’ income in savings)	May be suitable as the investor has limited savings and/or is able to make a fair level of ongoing contributions with the potential to build a moderate investment holding for the child beneficiary.	✓
<b>Good</b> (At least 3-6 months’ income in savings)	<ul style="list-style-type: none"> <li>• May be suitable if the child beneficiary has remaining Junior ISA Allowance and/or existing Child Trust Fund or Junior ISA funds to transfer to The M&amp;G Junior ISA.</li> <li>• Not suitable if the child beneficiary has no remaining Junior ISA Allowance and/or no existing Child Trust Fund or Junior ISA funds to transfer to The M&amp;G Junior ISA.</li> </ul>	<p>✓</p> <p>✗</p>

## Target market – investor’s risk tolerance

Risk tolerance	Description	Appropriate for target customer?
Zero	The M&G Junior ISA isn’t a Cash ISA and doesn’t offer any funds that protect against capital loss.	✗
Low to Medium Medium Medium to High	The M&G Junior ISA offers access to M&G’s range of active and passive OEIC funds. The funds span a range of risk levels, for use in a diversified portfolio according to the investor’s attitude to investment risk on behalf of the child beneficiary. None of the investment funds are designed to reduce investment risk as the child reaches age 18.	✓
Very High	The available fund choice doesn’t extend to the highest risk rating, but concentrations of high-risk investments may be suitable as part of a wider diversified portfolio.	—

## Target market – investor’s needs and objectives

Need/Objective	Description	Appropriate for target customer?
Traditional servicing	The investor prefers to deal over the phone and receive paper statements by post.	✓
General savings	The investor is looking to build a tax efficient investment holding on behalf of the child beneficiary, and the child has sufficient Junior ISA allowance to support contributions and/or has existing Junior ISA funds or Child Trust Funds to transfer in.	✓
Junior ISA consolidation	The investor is looking to consolidate the child beneficiary's Junior ISA assets together into one place for economies of scale and efficient management.	✓
Tax-efficient investment growth	The investor, on behalf of the child beneficiary, is looking for investment returns in excess of those available from cash, in a tax-efficient manner and suited to the level of risk they are comfortable with.	✓
Medium-long term investment horizon (normally at least 5-10 yrs)	The investor is looking to invest for the medium to long term as part of long-term income planning.	✓
Building savings for the future	The investor is looking to build a investment holding for the child, to help with future costs say, and is comfortable that the beneficiary can do with the proceeds as they wish when they reach age 18.	✓

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

Need/Objective	Description	Appropriate for target customer?
Digital service	The product is not suitable for an investor who prefers to engage with the product digitally for lower charges (eg deal online and pick up their documents in their online document store).	✗
Short-term investment horizon	The product is not suitable for those looking to invest only for a very short period, ie, less than 5 years.	✗
Capital preservation	The product is not suitable for those primarily looking for preservation of existing capital in all circumstances (ie they have no tolerance for investment risk).	✗
Very high investment risk	The product is not suitable for those looking for very high risk investments.	✗
Guarantees	The product is not suitable for those looking for a guaranteed return of at least your money back or a level of guaranteed return on their investments.	✗
Flexible access to investments	The product is not suitable if the child will need access to the investments before the age of 18, nor if the Registered Contact thinks they might need access to the investments themselves in the future (they are solely for the benefit of the child); nor if the Registered Contact would like control over how the proceeds from the Junior ISA are used by the child beneficiary when they reach age 18.	✗

## How can you invest in this product?

Initial sale		Appropriate for target customer?
Execution-Only*	The M&G Junior ISA is available on an execution-only basis.	✓
Non-Advised	The M&G Junior ISA is available on a non-advised basis.	✓
Advised	The M&G ISA is available on a direct advised basis. No adviser charging is facilitated.	✓

Top-ups		Appropriate for target customer?
Execution-Only*	Single and/or regular contribution top-ups and additional transfers-in can be made by customers on an execution-only basis.	✓
Non-Advised	Single and/or regular contribution top-ups and additional transfers-in can be made by customers on a non-advised basis.	✓
Advised	Single and/or regular contribution top-ups and additional transfers-in can be made on a direct advised basis. No adviser charging is facilitated.	✓

\* Execution-only covers situations where the customer has an adviser but is transacting without advice.