

Saga Share Direct

Trading Guide

- Trading Account
- Stocks and Shares ISA
- Investment Clubs Trading Account



Welcome

Thank you for choosing to open a Saga Share Direct share dealing account. However you choose to trade, we are sure you will be pleased with what the service has to offer.

This guide has been written to help you use and manage your account effectively. Before you can gain access to full account privileges you may be required to send us documents to help us prove your identity. If you have been asked to send us further documentation, please do so as soon as possible. If you are unsure whether you have full account privileges, or what documents you need to send, please call our Customer Service Team on 0845 900 3002*.

Please note that the Saga Share Dealing service is execution-only, which means we do not offer advice. Shares are high-risk investments. Share prices and the income from them can fall as well as rise and you may not get back the full amount invested. This service is not suitable for everyone. If you have any doubt whether it is suitable for you, you should obtain expert advice.

The information contained on the website should not be taken as recommendation.

Any information provided is solely for the purposes of helping you to make your own investment decisions.

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How to contact us

Share Dealing Team:0845 900 3001*

Customer Service Team:0845 900 3002*

e-mail:enquiries@sagasharedirect.co.uk

Alternatively, write to us at: Customer Service Department, Saga Share Direct, PO Box 15172, Tay House, 300 Bath Street, Glasgow G2 4LH.

Quick Quotes – Share Prices 24 hours a day

Share prices can be obtained via our Share Dealing Team during opening hours, but you can also access share prices 24 hours a day, 365 days a year:

Via our website **www.sagasharedirect.co.uk**

Via our automated 'Quick Quotes' facility on **0845 300 2512***.

*With the exception of the Quick Quotes service, which is available 24 hours a day, lines are open from 7.30am to 6pm Mondays to Friday, excluding Bank Holidays.

Calls made to 0845 numbers are free for BT residential customers as part of their inclusive call package; otherwise calls will cost no more than 4p per minute plus an 8p call set-up fee (correct as at August 2009). The price on non-BT lines may vary; please check with your service provider. You can only use these numbers if you are calling from within the UK.

For your protection and ours, to check instructions, to maintain high quality service standards and for security purposes, we may record and monitor calls made to or from Saga Share Direct.

Trading via the telephone

Step 1

Telephone our Share Dealing Team on 0845 900 3001*. You will be asked for your User ID reference and two characters from your password.

Important: do not reveal the whole password.

During Market Hours (8am to 4.30pm) you will be able to place a live trade. Outside of these hours you can place orders to be actioned at a later date (see page 6 for details of the order types available).

Step 2

Once we have confirmed your identity, you need to tell us what shares you want to buy, and how many, or the amount you want to invest.

Initially you will have a dealing limit of £50,000 and this will be adjusted by us dependent upon the value of stock and cash held on your account. However, if this limit restricts your dealing plans you may request an increase, which we may be able to arrange subject to certain conditions (please call for details).

Step 3

We will tell you the 'indicative price' of the shares available to us and ask you if you want to proceed. If you decide to proceed we will confirm the 'live price' plus the amount of commission payable to us. You will then be asked if you want to accept the quote and execute the trade. If you accept the quote the agent will then read back the details of the trade to confirm your instructions and confirm any gains you may have made via our Price Improver® feature.

IMPORTANT: Please ensure you are happy with the values being quoted by the agent before confirming that you wish to execute the trade, as this decision cannot be reversed once processed.

Step 4

We will then send you a 'contract note' by post, which you should receive within three business days (subject to any delay caused by postal delivery service or other third party industrial action).

The contract note confirms the details of your transaction, the number and price of your shares and the settlement date. You should retain the contract note for tax purposes.

Step 5

On the settlement date, payment will be taken from the cash held on your share dealing account.

Please ensure that sufficient funds are available in your account before settlement is due – you can add funds by debit card, either by telephone or online. If there are insufficient funds in your account, and you have a Direct Debit in place, we will collect any shortfall from your chosen bank account.

Selling shares

To sell shares held in your account, the process is identical to that illustrated above, except that you will give instructions for what stock you wish to sell and the number of shares or amount you want to raise. Proceeds will be paid to the cash balance of your share dealing account. You can also request a withdrawal of funds to your chosen bank account following settlement. We will only be able to credit funds to your chosen bank account once your chosen bank account has been verified. Please speak to our Customer Service Team on 0845 900 3002* for further details.

Chosen bank account

Remember that we must verify your chosen bank account to fully open your account. Until this is completed you will not be able to withdraw any cash or stock. This forms part of our anti money laundering checks.

Agreement to our Terms and Conditions

If you have registered by telephone you will be asked to return a 'Two Way Agreement' which confirms you agree to our Terms and Conditions. If you do not return this to us your account may be closed or suspended, depending on other outstanding documentation.

Trading online

Step 1

Visit the website www.sagasharedirect.co.uk and select 'Login' from the left hand side of the screen.

Step 2

Login to your account by entering your User ID, Account Surname and two characters from your password.

Step 3

Click on the 'Deal' tab at the top of the screen. You will then be presented with a dealing window:

Enter the company name or stock symbol and click 'search'. You will then be presented with either an indicative price or a list of companies to choose from.

Step 4

Once an indicative price for the share you are interested in has been shown you can then choose how you would like to trade and the number or value of shares you wish to trade in.

Alongside each of the Order Types are orange question marks. Clicking on these question marks will bring up a new window that explains how each type of order works with examples of how they could be used.

For the purposes of simplicity, the following steps are for Quote & Deal orders...

Step 5

When you've finished entering the details of your trade, click the 'Next' button. A quote will then be obtained from the market and you will have 15 seconds in which to accept the quote before it expires.

To accept the quote, click the 'Deal' button. A confirmation screen will appear, which will also show any gains you may have made via our Price Improver® feature, and the deal will be complete.

Step 6

A contract note will be dispatched to you by post to reach you within three days (subject to any delay caused by the postal delivery service or other third party industrial action), showing the details of the trade.

The settlement period is three business days. This means that money will be paid to your account or taken from your account on the third business day after the trade.

Important note regarding online trading limitations

Please note that not all trades can be executed online. This could be for a number of reasons, which apply across the market and are not specific to Saga Share Direct. For example, the company may be about to announce a corporate action such as a capital reorganisation, which could cause the allocation of shares to change between the date on which you place the trade and the date on which the trade is settled.

If the trade you wish to make cannot be carried out online, a help message will appear at the top of the screen. In this case, to place the trade you should telephone our Share Dealing Team on 0845 900 3001*. These trades cannot be executed electronically and involve additional manual processing so will be charged at your account's rate for telephone trades.

Online trading demo

To view an interactive online demo of how to place a trade, visit www.sagasharedirect.co.uk and select 'Demo' from the left hand side of the screen.

Trading order types

Quote & Deal orders

Quote & Deal is the standard type of deal used during market hours. It allows you to receive a real-time price and decide whether to place your order based on this price, so you know the price before you deal. Quote & Deal orders can only be placed during market hours.

At Best orders

At Best orders give you the opportunity of obtaining the best price available to us at the time your order is dealt. This order type can be placed at any time regardless of whether the market is open or closed but will only be executed during market hours.

Please note: an At Best order does not guarantee the price at which your order will be carried out.

When to use At Best orders

Dealing 'At Best' is particularly useful when the market is closed and you want to ensure that your order is dealt as soon as the market re-opens.

Limit orders

Limit orders allow you to specify the minimum price at which you want to sell, or the maximum price at which you want to buy shares, and tell us how long you want the limit order to stay open (up to a maximum of 30 business days). We will hold the order and place the deal if the price meets or exceeds your limit price within the period you specified.

This order type can be placed at any time regardless of whether the market is open or closed.

When to use Limit orders

Limit orders, when buying, are suited to situations where you believe the price will fall to a level you consider good value. When selling, a Limit order is suitable when you believe the price will rise to a level at which you are happy to take a profit. A Limit order is not a Stop order.

Advanced order types – Stop Orders and Trailing Stop Orders

A Stop Order to sell, otherwise known as a Stop Loss order, is an instruction to sell shares at the prevailing market price but only if a price specified by you, your 'stop price', has been reached or passed.

To gain added protection over the price at which your order is dealt you can also specify a Limit price as part of your Stop Order to sell, in which case shares will only be sold at a price which is between your Stop and Limit price, inclusive.

The price at which a Stop Order is actually dealt may differ from the Stop price you provided. A Stop order is not a Limit order.

When to use a Stop order

A Stop Order to sell is commonly used to minimise a loss or protect a gain on an existing holding.

We also offer more complex Trailing Stop Orders. Please visit www.sagasharedirect.co.uk or call our Customer Service Team on 0845 900 3002* for further details.

Learning more about order types

The Saga Share Direct website contains more detailed explanations about each of the order types available, plus examples of how they can be used. Just visit www.sagasharedirect.co.uk, login to your account via the 'Login' link on the left hand side of the screen and then select the 'Education Centre' tab at the top of the screen.

Funding your account**

For your convenience, you can fund your account in a number of different ways:

Direct Debit – by completing an appropriate Direct Debit Instruction form. You can also arrange to make regular contributions into your account. If you have not received a Direct Debit Instruction form, please call our Customer Service Team on 0845 900 3002*.

Debit Card – by giving your details to our Customer Service Team on 0845 900 3002* or by selecting the 'Deposit Cash' option on the website.

Cheque (minimum £50) – by making it payable to Barclays Stockbrokers Limited and sending it to: Saga Share Direct, PO Box 15172, Tay House, 300 Bath Street, Glasgow G2 4LH. On the reverse of the cheque you should write the account number you wish the funds to be paid into, together with "Account Deposit".

Electronic payment (BACS, CHAPS or faster payment) – by calling our Customer Service Team on 0845 900 3002* and setting up the payment via your bank.

Share Certificates – by depositing existing share certificates (registered in the same name) into an individual or joint Trading Account. To do this you will need to complete the appropriate Stock Lodgement and/or CREST Transfer Forms. These are available to download from our website sagasharedirect.co.uk or by calling our Customer Service Team on 0845 900 3002*. Please note that shares can only be directly transferred into an ISA if they have been acquired through a savings related share option scheme, an approved profit-sharing scheme or a share incentive plan. Other shares will have to be sold and re-purchased into your ISA.

**As part of our anti money laundering checks we require you to provide an original bank statement to verify your chosen bank account. Your first payment must also be made by cheque, BACS, Faster Payment or by Direct Debit from this account.

Diversifying your portfolio

Saga Share Direct does not offer advice, however it is generally considered good practice to spread your investments across a variety of investment types in order to minimise your risk. This is often referred to as Portfolio Diversification.

Your Trading or ISA account has access to a variety of investment types and therefore enables you to manage your own portfolio diversification. These investment types are listed below, in order of risk (from lowest to highest), together with a brief description of what each is. For further information please visit the Education Centre on our website or call our Customer Service Team on 0845 900 3002*.

Fixed Income Investments

Gilts

Gilts are UK Government bonds and are generally regarded as very low risk 'gilt edged' investments. They offer investors a fixed annual interest until a fixed date in the future. Gilts cannot be cashed before their maturity date but are readily traded on the stock market. Gilts are dealt in nominal value form and prices are quoted in pounds per 100 nominal. Because Gilts are traded on the stock market prices may fall as well as rise.

Permanent Interest Bearing shares (PIBs)

PIBs are issued by building societies and offer a fixed annual interest rate. As with Gilts and Bonds, PIBs are traded on the stock market and therefore their price can vary.

UK Corporate Bonds

Bonds are issued by banks, corporates or other organisations for a specified redemption value at a fixed date in the future and provide the holder with regular interest payments until that time. The value of a bond will generally depend upon the outlook for inflation and interest rates, as well as the underlying security of the issuer.

Risk-based investments

Funds (Unit Trusts and OEICs)

Funds can be a great place to start your portfolio diversification because the investment decisions are made by experts. When you invest in a fund your money is 'pooled' together with that of other investors and usually spread across a wide range of investments, some of which you might not normally be able to access easily – such as those outside the UK.

Saga's Funds Market provides access to hundreds of funds. The standard initial charges on funds are usually around 4% to 5.5%, however our Funds Market offers generous discounts and we cap the initial charge at a maximum of just 1.5% whether you choose to buy online or over the telephone.

We can also facilitate trades in funds not in our Funds Market. Please call our Customer Service Team on 0845 900 3002* for details.

Exchange Traded Funds (ETFs)

Exchange Traded Funds, such as iShares, allow investors to access entire markets from around the world with the ease of buying a single share. These can range from the FTSE 100 to Far Eastern markets.

ETF trades attract the same low commission rates as share dealing, and are not subject to stamp duty.

Shares

Shares are the most common and well-known form of investment in the world. In simple terms, buying stocks (or equity) gives you part ownership or a 'share' in a business. The more shares you buy, the greater the stake of the business you own, and the more influence you can have in how it's run. In return for investing in the business, you can receive dividends and share in the growth of the company. If the value of the company increases so will your share in the company, if the value of the company decreases so will the share value.

There are two main types of shares: ordinary and preference. Ordinary shares usually entitle you to vote at shareholder meetings and receive dividends, which are a proportion of the company's post-tax profits. Preference shares have priority for repayment over ordinary shares when it comes to dividends and entitlement.

Warrants

A company may issue warrants to their shareholders, as part of a change in their share capital. They are not shares.

Warrants give you the right, but not the obligation to buy shares in the company issuing the warrants, on a fixed date(s), at a fixed price. You can sell your warrants at any time before the fixed date.

Warrants generally do not entitle you to dividends or voting rights.

How to trade

Once you have fully opened your account you will be able to trade both online and via the telephone. However, some investment types are only available over the telephone.

Investment Type	Online	Telephone
LSE-listed stocks	✓	✓
AIM-listed stocks	✓	✓
Funds Market Unit Trusts and OEICs	✓	✓
Non-Funds Market Unit Trusts and OEICs	✗	✓
Gilts	✗	✓
Bonds	✗	✓
ETFs	✓	✓
PIBs	✗	✓
Warrants	✓	✓

Online dealing: www.sagasharedirect.co.uk

Telephone dealing: 0845 900 3001*

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Any information provided is solely for the purposes of helping you to make your own investment decisions.

Online education and research centres

The Saga Share Direct website contains a wealth of knowledge and tools to help you learn about the stock market and to make your own investment decisions.

Education Centre

The Education Centre is designed primarily for novice to intermediate investors and is there to help you improve your knowledge and confidence. From making your first trade to setting up watchlists and placing advanced orders, we are sure you will find it a useful companion in building your expertise. Particularly useful features include:

- Interactive demos – a step by step guide to trading
- Glossary of terms – a useful guide to the most commonly used terms
- Virtual portfolios – so you can practice your trading ideas before investing your money for real.

To use the Education Centre

visit www.sagasharedirect.co.uk and click on the 'Education Centre' tab at the top of the screen.

Research Centre

Having the right information is crucial if you want to make the best investment decisions and Saga Share Direct provides just that.

We offer the latest research, reports and information all completely free of charge, provided by industry leaders such as Digital Look and Financial Express.

You can access our full range of company reports and expert recommendations, daily market news and commentary, share tips and profit warnings and even Saga's top 10 trades.

Our research and charting tools can help you pin-point investment opportunities suited to your chosen investment criteria or even identify areas of weakness to avoid.

We offer research from Barclays' Analysts on over 200 top UK companies, with buy, hold or sell recommendations – and can tell you via email if their opinion changes.

There's even a Share of the Week.

To access the Research Centre tools and information:

- Visit www.sagasharedirect.co.uk
- Select 'login' from the left hand menu
- Login using your User ID and password
- Select the 'Research Centre' tab at the top of the screen.

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Frequently asked questions

Why do I need to send a bank statement?

We need this to satisfy anti-money laundering requirements before we can fully open your account.

Can I transfer my existing sharedealing account or ISA from another broker to Saga Share Direct?

Yes. You will need to complete a Transfer from your Current Broker Form or an ISA Transfer Form. Both are available from our Customer Service Team by calling 0845 900 3002*. We will do the rest.

Please note that this process can take up to six weeks, depending on your existing broker.

Subscriptions to a Stocks and Shares ISA can only be transferred to another Stocks and Shares ISA. However subscriptions to a Cash ISA can be transferred either to another Cash ISA, or to a Stocks and Shares ISA.

When I transfer my existing shares into a Saga Share Direct Nominee Account, how long does it take?

Once we have received your signed Transfer Forms, it usually takes no more than ten business days for your shares to appear in your account (non-CREST stocks may take longer). However, if you are transferring from another broker the process can take up to six weeks.

Sometimes it takes a long time to get a price quote online. Why is this?

The internet is a volatile medium and at times the speed with which your command reaches our system may be delayed. This is normally due to a high volume of traffic on the internet, which makes the lines that your message uses to travel from your personal computer to our systems very busy. This may cause online quotes to 'time out' before you have had the chance to accept them. In this situation you can simply ask for another quote by selecting the green 'Re-quote' option.

Do you provide information for my tax return?

Yes, except for the Stocks and Shares ISA, as shares held in this carry no tax liability. We issue our Consolidated Tax Certificate (CTC) after 5 April every year. It summarises all the dividends that you have received through your sharedealing account in the tax year just ended, as well as interest on cash balances held in your account. However, it does not include capital gains tax.

Do I get shareholder perks?

If you would like more information on the availability of shareholder perks on shares held in your account, or would like to attend and/or vote at an AGM, please call our Customer Service Team on 0845 900 3002*.

What do I do if any of my personal details change?

If any of your details change, please let us know as soon as possible. You can do this by writing, phoning or using the 'Contact Us' link when logged on to our website. If you change your bank account details we will need confirmation from your bank, or a recent bank statement, before we can amend our records or you can use this account.

Whenever you write to us at the following address, please always quote your sharedealing account number:
Account Maintenance Department, Saga Share Direct, PO Box 15172, Tay House, 300 Bath Street, Glasgow G2 4LH.

If I have a complaint, what should I do?

It is very important that you tell us if you are unhappy about our products or services and we welcome the opportunity to put things right. You can tell us your concerns by phone, email or letter.

Telephone: 0845 900 3002*

e-mail: enquiries@sagasharedirect.co.uk

Alternatively, write to us at:
Customer Service Department
Saga Share Direct
PO Box 15172
Tay House
300 Bath Street
Glasgow G2 4LH.

The Financial Services Compensation Scheme (FSCS) can pay compensation if an authorised firm is unable to meet its financial obligations. Most depositors, including most individuals and small businesses, are covered by the scheme.

For further information about the scheme (including amounts covered and eligibility to claim) refer to the FSCS website www.FSCS.org.uk or call 0800 678 1100.

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Saga Share Direct is a registered trading name of Saga Personal Finance Limited, which is authorised and regulated by the Financial Services Authority. Saga Personal Finance Limited is registered in England and Wales (Company No: 3023493) and is a wholly owned subsidiary of Saga Group Limited. Registered Office: Enbrook Park, Sandgate, Folkestone, Kent CT20 3SE. The Saga Share Direct service is operated for Saga Personal Finance Limited by Barclays Stockbrokers Limited (BSL), which is authorised and regulated by the Financial Services Authority and is a member of the London Stock Exchange and PLUS. Barclays Stockbrokers Limited is registered in England (Company No: 1986161). Registered Office: 1 Churchill Place, London E14 5HP.

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