

PERMITTED INVESTMENTS LIST

Private Client SIPP

This document details the permissible investments for the Private Client SIPP. For information relating to the purchase of these investments, please refer to the Private Client SIPP Guide (or Explanatory Booklet for SIPPs established before 6 April 2006). Please also refer to the Important Notes section at the end of this document.

Stocks and shares

Stocks and shares that are listed, or dealt in, on a recognised stock exchange. These must be purchased and held by a UK based Stockbroker/Investment Manager who is Financial Services Authority (FSA) regulated.

A recognised stock exchange for these purposes is either:

- The London Stock Exchange or the Alternative Investment Market (AIM), **or**
- An overseas exchange recognised by HM Revenue & Customs, **or**
- An exchange recognised by the Financial Services Authority (FSA) as either a recognised investment exchange, or a recognised overseas investment exchange, or a designated investment exchange, or a regulated market

in the European Economic Area (EEA).

This covers most transferable securities, including:

- Shares in companies (equities)
- Fixed interest securities issued by government or other bodies
- Debenture stock and other loan stock
- Permanent Interest Bearing Shares (PIBS)
- Convertible securities
- Exchange Traded Funds (ETFs).

Investment Trusts

Investment Trusts that are listed, or dealt in, on an HM Revenue & Customs or FSA recognised stock exchange as defined above. These must either be purchased and held by a UK based Stockbroker/Investment Manager who is FSA regulated or purchased and held through an Investment Trust savings scheme operated by a UK based and FSA regulated company.

UK Real Estate Investment Trusts (REITs)

REITs that are resident in the UK for tax purposes and listed on the London Stock Exchange (this

does not include the Alternative Investment Market) or any overseas exchange recognised by HM Revenue & Customs. These must either be purchased and held by a UK based Stockbroker/Investment Manager who is FSA regulated or purchased and held through an Investment Trust savings scheme operated by a UK based and FSA regulated company.

Venture Capital Trusts (VCTs)

Venture Capital Trusts (VCTs) that are listed, or dealt in, on an HM Revenue & Customs or FSA recognised stock exchange as defined above. These must be purchased and held by a UK based Stockbroker/Investment Manager who is FSA regulated. The Private Client SIPP can only buy shares in a VCT through the stock exchange and not directly through a new issue.

Depository Interests

These must be purchased and held by a UK based and FSA regulated Stockbroker/Investment Manager.

Units/Shares in Collective Investment Schemes

- Unit Trusts:
 - Authorised Unit Trusts, which are based in the UK and FSA regulated, **or**
 - Tax exempt unauthorised Unit Trusts whose gains are not chargeable by virtue of section 100(2) of the Taxation of Chargeable Gains Act 1992
 - if these invest in residential property, they must be genuine diverse commercial vehicles.
- Open Ended Investment Companies (OEICs):
 - Listed on an HM Revenue & Customs or FSA recognised stock exchange, **or**
 - Within the meaning of section 236 of the Financial Services and Markets Act 2000 (FSMA 2000), and are UK incorporated and FSA regulated, **or**
 - Constituted in an EEA member State and are recognised schemes under section 264 FSMA 2000, **or**
 - Collective Investment Schemes constituted outside the UK and EEA but satisfy the authorisation requirements under section 270 of the FSMA 2000 as being managed and authorised in a designated country or territory.

- Undertaking for Collective Investments in Transferable Securities (UCITS) which are recognised schemes within the meaning of section 264 of the FSMA 2000.

Insurance Company Managed Funds and Unit Linked Funds

The insurance company must either be:

- Based and authorised within the UK or EEA in accordance with Article 3 of Directive 92/96, **or**
- Based and authorised on the Isle of Man under the Manx Insurance Act 1986 and authorised to carry out investment business in the UK by the FSA.

Traded Endowment Policies

Traded Endowment Policies bought through a FSA regulated broker.

Deposit Accounts

Deposit accounts, other than the Santander designated bank account, or selected Cater Allen Fixed Term Deposit accounts, must be held by an investment manager in their nominee's name.

Structured Products

The structured product must either be:
(a) a deposit account with a licensed deposit taker based in the UK on

terms under which any interest or premium paid is according to a formula which involves the performance of an index or combination of indices (other than money market indices).

The term must be for a specified period with access being available during the term, albeit at possible penalties, but partial withdrawals are not allowed, **or**;

- (b) an equity based product which provides an agreed level of income or growth over a specified investment period with the return of initial capital at the end of the investment period linked by a pre-set formula to the performance of an index or a combination of indices. The underlying equity investment must itself be listed on a recognised stock exchange.

National Savings and Investments (NS&I) products – subject to the NS&I product being able to be owned by a corporate Trustee and paying out in the event of the death of the underlying pension Member.

Commercial Property

See Property Purchase Guide or speak to our Property New Business team for more details.

Santander Private Banking Products

Investment products offered or promoted by Santander Private Banking (UK) and deemed acceptable by James Hay.

Important Notes

- It is the Member/their Financial Adviser/their Investment Manager's responsibility to ensure any investments purchased are permissible. In particular, if any investment/asset purchased is deemed to be taxable property under pension legislation any subsequent tax liability incurred will be the member's responsibility.
- James Hay is not regulated to provide investment advice. The Member is responsible in conjunction with their Financial Adviser/Investment Manager for choosing investments that are suitable for their individual circumstances
- All investment transactions must be carried out on a commercial basis
- James Hay will only appoint UK based Stockbrokers/ Investment Managers who are regulated by the FSA to deal on overseas exchanges
- No investment/asset may be purchased from, or sold to, the member or anyone connected with the member by the Private Client SIPP. The only exception to this is commercial property.
- James Hay reserves the right to decline making an investment for any reason it deems appropriate, including where it may deem the asset to be a non-readily realisable investment
- The Private Client SIPP is not able to lend money to any person, organisation or company
- Borrowing by the Private Client SIPP is only permitted in connection with commercial property purchase – please refer to the Property Purchase Guide or contact our Property New Business team
- The Collect and Select range of funds, offered through the James Hay Investment Centre, are a mixture of authorised Unit Trusts and OEICs which qualify as Collective Investment Schemes and pooled pension funds which qualify as insurance company managed funds.

James Hay is able to provide literature in alternative formats. The formats available are: Large Print (as recommended by RNIB), Braille, Audio Tape and PC Disk. If you would like to receive this document in an alternative format please contact us on 0845 850 4455. For the hard of hearing and / or speech impaired, please use the Tynetalk service via 18001 0845 850 4455.

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