

PERMITTED INVESTMENTS LIST

This document details the permissible investments for the Select SIPP. For information relating to the purchase of these investments, please refer to the James Hay SIPP Technical Product Guide. 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 Conduct Authority (FCA) 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 (HMRC), **or**
- An exchange recognised by the FCA 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
- Warrants (for equities)
- Permanent Interest Bearing Shares (PIBS)
- Convertible securities
- Exchange Traded Funds (ETFs).

Investment Trusts

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

a UK based Stockbroker/Investment Manager that is FCA regulated or purchased and held through an Investment Trust savings scheme operated by a UK based and FCA regulated company.

Venture Capital Trusts (VCTs)

Venture Capital Trusts (VCTs) that are listed, or dealt in, on an HMRC or FCA recognised stock exchange as defined above. These must be purchased and held by a UK based Stockbroker/Investment Manager who is FCA regulated. The Select 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 FCA regulated Stockbroker/Investment Manager.

Units/Shares in Collective Investment Schemes

- Unit Trusts:
 - Authorised Unit Trusts which are based in the UK and FCA 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 HMRC or FCA 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 FCA 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 FCA.

Traded Endowment Policies

Traded Endowment Policies bought through an FCA regulated broker.

Deposit Accounts

Deposit accounts, other than the SIPP Bank account held with Santander, or selected Fixed Term Deposit accounts on the James Hay Cash Panel, 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)

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 the Commercial Property Purchase Guide or speak to our Property team for more details.

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 and/or HMRC rules, any subsequent tax liability incurred will be the member's responsibility.

- James Hay Partnership is not regulated to provide investment advice and 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 Partnership will only appoint UK based Stockbrokers/Investment Managers who are regulated by the FCA 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 Select SIPP. The only exception to this is commercial property.
- James Hay Partnership reserves the right to decline making an investment for any reason it deems appropriate, including where we may deem the asset to be a non-readily realisable investment.
- The Select SIPP is not able to lend money to any person, organisation or company.
- Borrowing by the Select SIPP is only permitted in connection with commercial property purchase – please refer to the Commercial Property Purchase Guide or contact our Property team.
- The Select range of funds offered through the James Hay Investment Centre is a mixture of authorised Unit Trusts and OEICs that qualify as Collective Investment Schemes and pooled pension funds that qualify as insurance company managed funds.

James Hay Partnership 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 03455 212 414. For the hard of hearing and / or speech impaired, please use the Typetalk service via 18001 03455 212 414.

James Hay Partnership, Dunn's House, St Paul's Road, Salisbury SP2 7BF.

James Hay Partnership is the trading name of James Hay Insurance Company Limited (JHIC) (registered in Jersey number 77318); IPS Pensions Limited (IPS) (registered in England number 2601833); James Hay Administration Company Limited (JHAC) (registered in England number 4068398); James Hay Pension Trustees Limited (JHPT) (registered in England number 1435887); James Hay Wrap Managers Limited (JHWM) (registered in England number 4773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England number 7259308); PAL Trustees Limited (PAL) (registered in England number 1666419); Santhouse Pensioner Trustee Company Limited (SPTCL) (registered in England number 1670940); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); Sealgrove Trustees Limited (STL) (registered in England number 1444964); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371) and Union Pensions Trustees (London) Limited (UPTL) (registered in England number 1739546). JHIC has its registered office at 3rd Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL and IPS Plc have their registered office at Trinity House, Buckingham Business Park, Anderson Road, Swavesey, Cambs CB24 4UQ. PAL, STL, UPT and UPTL have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHIC is regulated by the Jersey Financial Services Commission and JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. The provision of Small Self Administered Schemes (SSAS) and trustee and/or administration services for SSAS are not regulated by the FCA. Therefore, IPS and IPS Plc are not regulated by the FCA in relation to these schemes or services.(01/14)