IPS SIPP / IPS (2008) SIPP / IPS Pension Builder SIPP / IPS Family SIPP

Permitted Investments List

Closed to new business

What is this document about?

- This document sets out the types of investments you may and may not hold in your IPS SIPP, IPS (2008) SIPP, IPS Pension Builder SIPP and IPS Family SIPP. Please note that the inclusion of any type of investments does not mean that we endorse or recommend them, and returns on your investments are not guaranteed.
- As we are not regulated to provide advice, you should read and discuss this information with your Financial Conduct Authority (FCA) regulated financial adviser so they can help you choose the right investments to suit your circumstances.
- All investment transactions must be carried out on a commercial basis. Please note that we reserve the right to decline making an investment if the provider will not provide us with suitable monthly reconciliation data, or for any other reason we deem appropriate.
- The information in this document is based on our current understanding of HM Revenue & Customs (HMRC) guidelines and our own policies, both of which may be subject to change in the future. In particular, if any investment purchased is deemed to be taxable under pension legislation and/or HMRC rules, any tax liability incurred will be your responsibility.

Please refer to the Permitted investment definitions section at the end of this document for descriptions of the investment terms used.

You should also read:

- **The SIPP Technical Guide:** A guide which explains how these products work and how investments can be purchased.
- **How your Money and Investments are held within James Hay Products:** This document provides details of how your assets are held, as well as the protections provided under UK regulations .

Please ensure that you always access our documents from our website jameshay.co.uk in order to access the most up-to-date information.

What investments can I make in the IPS SIPP / IPS (2008) SIPP / IPS Pension Builder SIPP / IPS Family SIPP?

Any investment types detailed in this document that are traded on a stock exchange must be purchased and held by an investment manager/stockbroker on behalf of your SIPP. If you are unsure which investment types this applies to, please contact us.

The investment types named below are the allowable holdings within the SIPP:

- **Investments held by an investment manager/ stockbroker**
- **Fixed deposit accounts**
- **Insurance company managed funds and unit linked funds**
- **Investment grade gold bullion**

Please note that these types of investments may require you to be following financial advice in order to purchase them. Please see the Complex Products section below for more information.

- **Unit trusts and OEICS**
- **Trustee Investment Plans**
- **Structured products**

Commercial property

Please note that borrowing by the SIPP is only permitted in connection with a commercial property purchase. Please read the commercial property guides on our website or contact our **Property Team** for further information on holding commercial property within your SIPP.

Specialist investments

Please note that **new** Specialist Investments purchases are not allowed, only top-ups. Please see the 'Investments allowed under certain circumstances' section for details.



Please check the investment definitions section of this document to help you and your adviser to consider which of these investment types would be suitable for you.

Non-permitted investments

Please note that this list is not exhaustive and does not cover all non-permissible investment types for the IPS SIPP/ IPS (2008) SIPP / IPS Pension Builder SIPP / IPS Family SIPP. If you are unsure about the permissibility of a certain investment, please contact us.

- Direct purchase of residential property (UK or overseas) or overseas commercial property
- Direct purchase of tangible, moveable property (such as art or antiques)
- Indirect investment in tangible or residential property with a majority shareholding/control
- Property limited liability partnerships
- Residential ground rents
- Intellectual property
- Premium bonds
- Loans to connected parties (broadly speaking, these are close relatives or business partners)
- National Savings and Investments products (NS&I)
- US mutual funds
- Land banking (as defined by the FCA)
- Direct holdings in commodities
- Wasting assets
- Direct investment in cryptocurrency or cryptoasset derivatives and cryptoasset exchange traded notes
- Crowdfunding
- New investments into Contracts for Difference (CFD) or Futures and Options (as defined by the FCA)
- New investments into second hand/traded endowment policies
- Fixed Term Deposit Accounts from the Cash Panel

Please note that you cannot use the SIPP to acquire listed shares from a connected party.

Investments allowed under certain circumstances

If you already hold one of these types of investments in your SIPP, you may be able to make additional investments (top ups) into the same investment. This would be allowed subject to our review and requirements in place at the time you request to top up your investment.

New investments (other than top ups) are no longer permitted into these types of specialist investments.

- Non-Mainstream Pooled Investments (NMPIs) including Unregulated Collective Investment Schemes (including Overseas UCIS) and similar vehicles
- Pooled investment vehicles and syndicates that invest directly or indirectly in taxable property (being residential property or tangible moveable property) where the member cannot influence or control the investment (known as 'Genuinely Diverse Commercial Vehicles').
- Shares in unquoted private companies (both UK and overseas)
- External bank accounts with no fixed term or fixed rate, such as current accounts or access accounts (not technically defined as specialist investments)



If you wish to top up an existing specialist investment, please read our Specialist Investments (Non-Standard Investments) Guide, available from our website at jameshay.co.uk.

Complex Products

We will only allow you to invest in Complex Products if you have received advice from a regulated financial adviser in respect of the proposed investment and you are following that advice.

Under regulations, there is no definition of Complex Products. However, the regulations define Non-Complex Products as follows:

- Units/shares in a UCITS qualifying Collective Investment Scheme;
- Shares, bonds and other forms of securitised debt admitted to trading on a trading venue;
- Structured deposits;
- Money market instruments; and
- Other products that meet certain criteria, including:
  - having frequent opportunities to trade at publicly available prices,
  - do not involve potential liability that exceeds the original investment,
  - do not include exit charges that have the effect of making the investment illiquid, and
  - where adequate comprehensive information on the investment is publicly available and likely to be readily understood by the average retail client.

Complex Products are therefore anything that is outside of this definition of Non-Complex products. Broadly speaking, Complex Products are investments involving derivatives or where the opportunity to sell is infrequent.

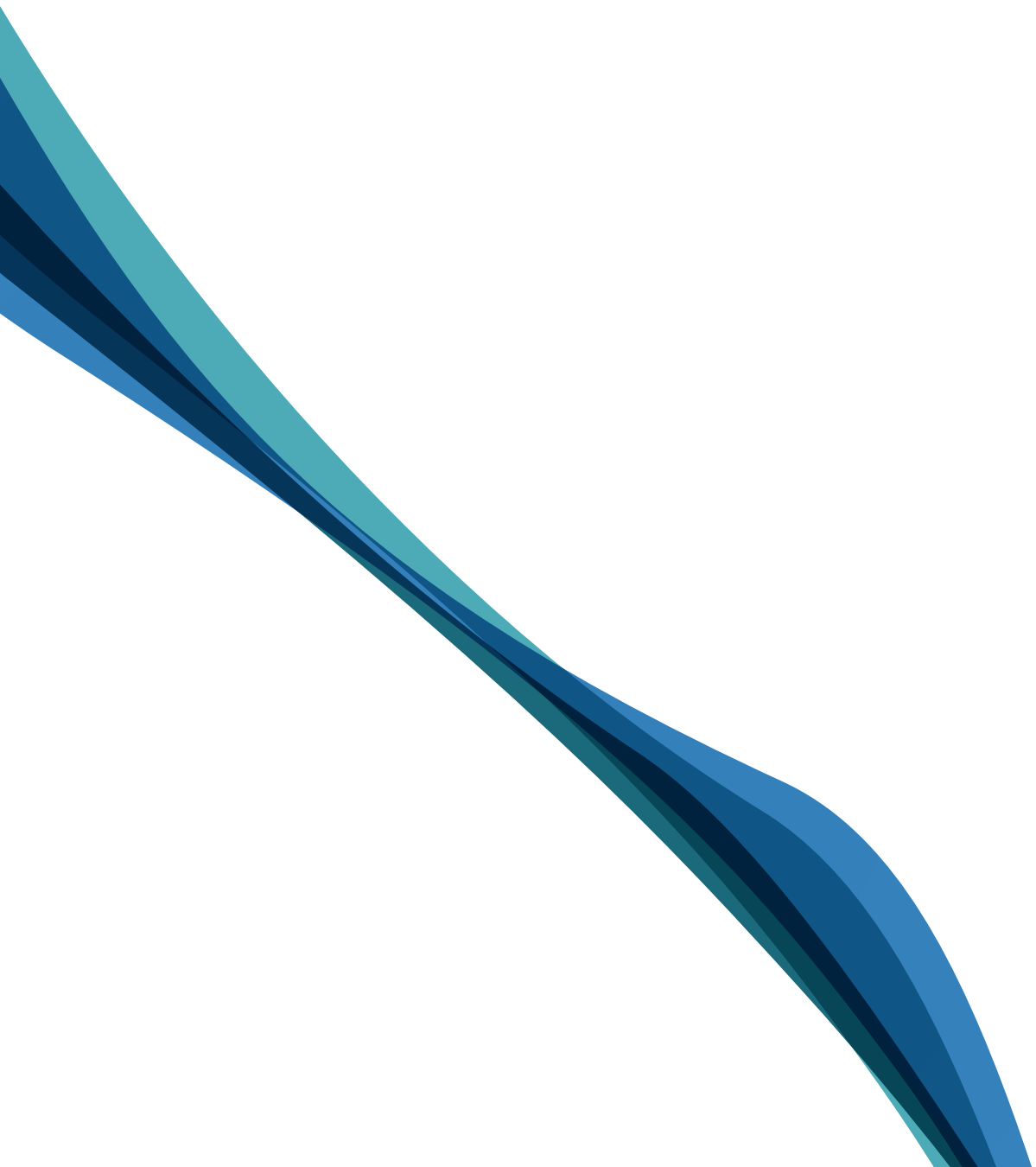
If you are investing without having received financial advice and are unsure if your proposed investment is a Complex Product, please ask the investment provider.

Permitted investment definitions

Unit trusts and OEICs	The following may be permitted to be held within the SIPP: • Open Ended Investment Companies (OEICs) that are: – 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 outside the UK and are recognised schemes for the purposes of Part 17 of FSMA 2000. • Authorised unit trusts which are based in the UK and FCA regulated.
Investments held by an investment manager/ stockbroker	Stocks and shares can be purchased and held via an investment manager/ stockbroker account, including those traded on the London Stock Exchange, Alternative Investment Market (AIM), an HMRC recognised stock exchange or FCA recognised investment exchange. This covers most transferable securities, including investment trusts, Closed Ended Investment Funds, UK REITs (Real Estate Investment Trusts), government securities, debenture and loan stocks, depositary interests and depositary receipts, shares in companies (equities), fixed interest securities issued by government or other bodies, warrants (for equities), Permanent Interest Bearing Shares (PIBS), convertible securities and Exchange Traded Funds (ETFs). The investment manager/stockbroker must be UK based and FCA regulated, and agree to our operational requirements. This also applies to third party platforms. Please visit our website for a list of the third parties with whom we currently have agreements, and refer to your chosen investment manager/stockbroker for further information.
Fixed deposit accounts	Other than the SIPP bank account held with our banking provider(s), any third party deposit account must be with a UK authorised deposit taker, such as a UK bank or building society, and must be for a fixed term with a fixed rate.
Trustee investment plans	Investment plans provided by an FCA regulated company which are designed to be held by the trustees of a registered pension scheme.
Insurance company managed funds and unit linked funds	The insurance company must be based and regulated by home financial services regulatory authority within the UK, European Union or Isle of Man.
Structured products	The structured product must either be: • 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 with partial withdrawals not allowed; or • 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 or a 'basket' of listed shares. The underlying equity investment must itself be listed on a recognised stock exchange.
Investment grade gold bullion	Gold of a purity not less than 995 thousandths that is in a form of a bar or a wafer, of a weight accepted by the bullion markets, and purchased via a gold bullion provider which has met our requirements and holds the gold bullion in a safe storage facility.

Permitted investment definitions (continued)

Commercial property	Direct purchase of commercial property in the UK (including agricultural land, hotels, nursing homes, and public houses). Please note that the direct purchase of residential property (wherever located), or commercial property overseas, is not permitted within an IPS SIPP. Please read the **Commercial Property Purchase and Maintenance Guide** on our website for further information.



What do I do next?

Please note: We do not provide financial advice. Any questions about investment selection should be directed to your financial adviser.

If you are unsure whether a particular investment is permitted, or you have questions about your James Hay product, please contact us via secure message or write to us at:

James Hay, Suite 202 Warner House,
123 Castle Street, Salisbury, SP1 3TB

You can call us on the number below:

03455 212 414
Lines are open from 8.30am to 5.30pm Monday to Friday. To help us improve our service, we may record or monitor calls.

When you have decided on your investment options, you can tell us how you would like to invest by completing the relevant form(s), which can be found on:

www.jameshay.co.uk

We are able to provide literature in alternative formats. For a Braille, large print, audio or E-text version of this document call us on 03455 212 414 (or via the Relay UK service on 18001 03455 212 414).

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