

Wrap SIPP

Permitted Investments List

This document details the permissible investments for the Wrap SIPP. Please also read the Important Notes section at the end of this document.

Permitted investments

Stocks and Shares

Stocks and shares listed on, or dealt in a recognised stock exchange. These must be purchased and held by a UK based stockbroker/investment manager that is regulated by the Financial Conduct Authority (FCA).

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 on an HMRC or FCA recognised stock exchange as defined above. 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

Venture Capital Trusts (VCTs) that are listed or dealt 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. The SIPP can only buy shares in a VCT through the stock exchange and not directly through a new issue.

Futures and Options¹

Futures and options, relating to stocks and shares, traded on an HMRC or FCA recognised future exchange. This is subject to James Hay Partnership's liability being limited at all times to the value of the member's fund and to James Hay Partnership having a full indemnity from the broker for any shortfall for which it could otherwise be liable.

¹ These investment types could be 'Complex Products' and where they are, we will only allow clients to invest in them if they have received financial advice. Please see the section on Complex Products.

Depository Interests¹

These must be purchased and held by a UK based and FCA regulated stockbroker/investment manager.

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.

Units/Shares in Collective Investment Schemes¹

Unit Trusts:

- Authorised Unit Trusts which are based in the UK and FCA regulated.

Open Ended Investment Companies (OEICs):

- 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 Scheme constituted outside the UK and EEA but satisfies the authorisation requirements under section 270 of the FSMA 2000 as being managed and authorised in a designated country or territory.

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

Managed Portfolios of collective investments¹

Managed portfolio arrangements provided by an FCA regulated company which invests in collective investment schemes that qualify as permissible investments in accordance with the Unit/Shares in Collective Investment Schemes section of this document.

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.

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 with a licensed deposit taker based in the UK and held by an investment manager in their nominee's name.

Structured Products¹

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 or a basket of listed shares. The underlying equity investment must itself be listed on a recognised stock exchange.

National Savings and Investments

National Savings & 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.

¹These investment types could be 'Complex Products' and where they are, we will only allow clients to invest in them if they have received financial advice. Please see the section on Complex Products.

Commercial Property

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

Annuity based Investments ¹

Investment plans provided by an FCA regulated company which are designed to be held by the trustees of a registered pension scheme.

Income bonds provided by an insurance company that is based and authorised within the UK or EEA in accordance with Article 3 of Directive 92/96. This is provided that the insurance company is able to accept an investment made by the trustee of a UK registered pension scheme and can confirm that any benefits from the investment (including death benefits in the event of the death of the pension scheme member) will be paid to the trustee.

¹ These investment types could be 'Complex Products' and where they are, we will only allow clients to invest in them if they have received financial advice. Please see the section on Complex Products.

Investments permitted under certain circumstances

If you already hold one of the below types of investments in your Wrap SIPP, you may be able to make additional investments (top ups) into the same investment, subject to our due diligence review and requirements in place at the time the investment is requested.

If you wish to top up an existing investment, please read our Specialist Investments (also known as Non-Standard Investments) Guide for Clients and Advisers which is available from our website at www.jameshay.co.uk.

- Non-Mainstream Pooled Investments (NMPs) - this includes Unregulated Collective Investment Schemes (including Offshore funds) and similar vehicles
- Second Hand/Traded Endowment Policies

Complex Products

We will only allow clients to invest in Complex Products if they have received advice from a financial adviser in respect of the proposed investment.

Under regulations, there is no definition of Complex Products. However, the regulations do 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 Non-Complex 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 the above definition of Non-Complex. Specifically, Complex Products are anything involving derivatives or where the opportunity to sell is infrequent. This will include:

- Structured Products;
- Units/shares in some Non-UCITS Retail Schemes (NURS) (this will depend on the individual fund); and
- Futures and Options.

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

If you are investing in a Non-Complex Product without having received financial advice, please note that we will not assess whether the proposed investment is appropriate for you.

Important notes

- James Hay Partnership will only appoint UK based investment managers/stockbrokers regulated by the FCA to deal on overseas exchanges.
- James Hay Partnership 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.
- We reserve the right to decline making an investment if the investment provider will not provide us with suitable monthly reconciliation data.
- James Hay Partnership is not regulated to give financial advice and will not assess whether any investment is appropriate for the client. The client is responsible, in conjunction with their financial adviser/investment manager, for choosing investments that are suitable for their personal circumstances.
- We will confirm the acceptability of certain investments – should you have any queries please contact us.
- The Wrap SIPP is not able to lend money to any person, organisation or company.
- The Wrap Investment Centre consists of a mixture of authorised Unit Trusts and OEICs which qualify as Collective Investment Schemes.

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 Typetalk service on 18001 03455 212 414).

James Hay Partnership is the trading name of James Hay Partnership Management Limited (JHPM) (registered in England number 02538532); James Hay Services Limited (JHS) (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); Sarum Trustees Limited (SarumTL) (registered in England number 1003681); The IPS Partnership Plc (IPS Plc) (registered in England number 1458445); Union Pension Trustees Limited (UPT) (registered in England number 2634371). JHS has its registered office at Aztec Group House, 11-15 Seaton Place, St Helier, Jersey, JE4 0QH. JHPM, IPS, JHAC, JHPT, JHWM, JHWNC, PAL, SarumTL, IPS Plc, and UPT have their registered office at Dunn's House, St Paul's Road, Salisbury, SP2 7BF. JHAC, JHWM, IPS and IPS Plc are authorised and regulated by the Financial Conduct Authority. (3/21)