

## Wrap Offshore Bond Guidelines for Permitted Assets

by RL360 Insurance Company Limited (RL360)

The Wrap Offshore Bond is a policy of insurance written by RL360 Insurance Company Limited (RL360) and linked to assets held within the James Hay Wrap Service.

For an asset to be available, it must be structured and described as follows:

1. A UK authorised unit trust within the meaning of section 468 of the UK Income and Corporation Taxes Act 1988.
2. A UK investment trust within the meaning of section 842 of the UK Income and Corporation Taxes Act 1988.
3. An open-ended investment company (OEIC) within the meaning of section 236 of the UK Financial Services and Markets Act 2000.
4. An interest in a collective investment scheme which is constituted by:
  - A company, not being an open-ended investment company, which is resident outside the UK
  - A unit trust scheme where the trustees are resident outside the UK.

Any overseas arrangements which do not fall within the above but which are recognised under the law of the jurisdiction in which they are domiciled or registered as creating rights in the nature of co-ownership, **or** in a jurisdiction acceptable to RL360.

5. Cash deposits made available and agreed by RL360.

Below are some jurisdictions from which funds are considered. Listing/regulation in one of these jurisdictions will not immediately mean the fund is allowable, unless all other criteria has also been satisfied.

- A European Economic Area country
- Channel Islands
- Isle of Man
- Bermuda
- Cayman Islands
- British Virgin Islands
- New Zealand
- Australia

All assets are allowable through RL360 at its discretion.

### Please note:

- Proposed assets to be held in the Wrap Offshore Bond are reviewed to ensure that, as a company, RL360 complies with the obligations of its licence, regulations and anti-money laundering regulations etc. to which it is subject. In undertaking this process RL360 will take no account of investment potential or risk to the investor, which remains the sole responsibility of the investor or the appointed Investment Adviser. RL360 reserves the right, at its absolute discretion, to decline an asset without having to give a reason. In addition RL360 does not accept liability for loss of performance or investment opportunity as a result of any decision to decline an asset.
- Warrants, options or any other future rights to purchase shares or units and investments listed above, are not permitted under any circumstances.
- All other asset types/jurisdictions will be considered on an individual basis.

- Any UK investment trusts must be purchased and held through a savings plan provided by the Investment Trust and not through a stockbroker.
- Ownership must not be restricted in such a way to prevent it from being available to other policyholders.
- Collective investments which are structured as partnerships, limited partnerships, private funds or funds restricted to a class of investors not determined by RL360 alone are not acceptable.
- Insurance bonds issued by other life assurance companies are not acceptable.
- RL360 will confirm the acceptability of certain investments – should you have any queries please contact your Service Executive Team at James Hay Partnership.
- RL360 reserves the right to amend the Permitted Assets at any time, providing that at all times any such amendments comply with Regulation 4 of the Personal Portfolio Bond (Tax) Regulations 1999 of the United Kingdom and any subsequent amendments.
- RL360 must be able to hold the asset in its nominee name or account of the custodian.

## Additional acceptance guidelines

### Subscription frequency

It must be possible to subscribe to an asset daily, weekly, monthly, or quarterly at the least.

### Redemption frequency

Units or shares in the asset must be redeemable daily, weekly, monthly or quarterly at the least.

### Liquidity

There must be no clauses restricting dealing e.g. RL360 would not accept any fund where redemption proceeds would be payable in tranches. Additionally, a fund will not be accepted if redemptions are restricted until a buyer is located and the sale matched out.

### Units

A fund will not be acceptable if the units are only issued in bearer form. The necessary procedure is for registered non certificated stock.

## Pricing

Prices for the fund must be readily available and publicly quoted regularly.

## Mutual funds

- Funds must operate so as to avoid the Wrap Offshore Bond being classified as a Personalised Portfolio Bond under UK HM Revenue & Customs regulations.
- RL360 must be able to hold the fund/asset in James Hay Partnership's, or its custodian's, nominee name.
- Funds will not be permitted if redemption restrictions exceed five months.
- Funds must have readily available prices in line with their frequency of dealing.
- Funds must be priced at an absolute minimum of every three months.

**Please note: Funds which contain an 'in-specie' clause will be subject to a more rigorous review.**

## Hedge funds

These will be considered on an individual basis.

**Please note: We reserve the right to decline making an investment if the investment provider will not provide us with suitable monthly reconciliation data.**

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## Important

The Wrap Offshore Bond is provided by RL360 Insurance Company Limited which is authorised by the Isle of Man Financial Services Authority. Holders of policies issued by RL360 Insurance Company Limited will not be protected by the Financial Services Compensation Scheme established under the UK Financial Services and Markets Act 2000 if it is unable to meet its liabilities to them.

As an RL360 Insurance Company Limited policyholder, you receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991.

RL360 reserves the right to adjust the returns for investments to reflect any levy or charge made on it under the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 or similar legislation.

**We are able to provide literature in alternative formats. For a Braille, large print or audio 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 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); 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). JHS has its registered office at 2nd Floor, Gaspé House, 66-72 Esplanade, St Helier, Jersey, JE1 1GH. IPS, JHAC, JHPT, JHWM, JHWNC, SPTCL, SarumTL, IPS Plc, PAL, STL, UPT and UPTL 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. 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. (04/19)