

Modular GIA

Permitted Investments List

IMPORTANT NOTE

For all applications for James Hay products made on or after 9 January 2017, the option to invest in Non-Standard Investments is no longer available. Please see our website at www.jameshay.co.uk/NSI for further details.

This document details the permissible investments for the Modular GIA. For information relating to the purchase of these investments, please refer to the Modular iPlan Technical Guide. Please also refer to the Important Notes section at the end of this document.

Permitted Investment Categories

Core GIA

GIA Bank Account
Cash deposits from our Non SIPP Cash Panel
Unit trusts and OEICs held on the Investment Centre platform
Investments traded via a Panel Stockbroker, including: <ul style="list-style-type: none"> - stocks and shares traded on the London Stock Exchange or AIM - stocks and shares traded on a recognised overseas stock exchange - Investment Trusts - UK REITs (Real Estate Investment Trusts) - Government Securities, loan stocks and other securities traded on a recognised stock exchange

Specialist Investments Module

Non-Mainstream Pooled Investments (NMPIs) - this includes Unregulated Collective Investment Schemes (including Overseas UCIS) and similar vehicles. (Only available if you are taking financial advice. Please see page 4 for further details)
Shares in unquoted private companies – both UK and overseas ¹
Investment grade gold bullion. ¹

¹ Should you wish to invest in this asset type please ensure that you have read our Specialist Investments (also known as Non- Standard Investments) Guide for Clients and Advisers (a copy of which can be obtained from our website at www.jameshay.co.uk or by using the contact details at the end of this document) before applying to purchase this type of investment.

Whole of Market Module

FCA regulated OEICs, unit trusts and units/shares in other collective investment schemes not held on the Investment Centre
Insurance company managed funds
Second hand/traded endowment policies
Structured products
Managed portfolios of collective investments

Investment plans and income bonds
Investments held by a third party Investment Manager or Stockbroker not on our Panel (please refer to the chosen Investment Manager/Stockbroker for full details). The Investment Manager/Stockbroker must be UK based and FCA regulated and agree to our operational requirements.

Non-Permitted Investments

Direct purchase of residential or commercial property
Direct purchase of tangible, moveable property
Commodities
Loans
Wasting assets (defined as having an expected life span of 50 years or less)

Property limited liability partnerships
Premium bonds
Residential ground rents
US mutual funds

Investments Guidance

The following are general guidance notes. For further information please refer to your Financial Adviser.

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 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.

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 that is FCA regulated.

The Modular GIA can only buy shares in a VCT through the stock exchange and not directly through a new issue.

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 genuinely 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.

- Closed Ended Investment Funds.
- Undertaking 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 INVESTMENTS

Managed portfolio arrangements provided by an FCA regulated company which invests in collective investment schemes that qualify as permissible investments in accordance with the Units/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.

TRADED ENDOWMENT POLICIES

Second hand or Traded Endowment Policies bought through an FCA regulated broker.

DEPOSIT ACCOUNTS

Other than the GIA Bank Account held with Santander and selected Cash Deposit accounts on our Cash Panel, any other deposit account must be held by an Investment Manager in their nominee's name.

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 partial withdrawals are 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 PLANS AND INCOME BONDS

Investment Plans provided by an FCA regulated company.

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.

Restrictions and requirements for investments into Non-Mainstream Pooled Investments (NMPs)

NMPs are defined by the FCA and cover unregulated collective investments scheme (UCIS) and close substitutes.

Where an NMPI is a permitted investment under one of the above categories, the following restrictions will apply to new investments into NMPs.

1. You must receive financial advice from an authorised Financial Adviser, advising you to invest in an NMPI before we carry out your investment instruction. This includes additional investments into NMPs in which you have already invested.
2. Your Financial Adviser must submit a completed "Confirmation of Promotion and Recommendation to Invest in NMPI" form confirming that they have promoted the NMPI to you; and advised you to invest in the NMPI.
3. We cannot carry out your instruction to invest in an NMPI unless you appoint a Financial Adviser for the transaction and your appointed Financial Adviser complies with the above requirements.
4. A Collective Investment Scheme listed on a recognised exchange, but still recognised as an Unregulated Collective Investment Scheme, will be classified as an NMPI and will be subject to the above requirements.
5. We do not accept cases where a Financial Adviser confirms that they have advised on the investment, but did not promote the investment to you.
6. Overseas undertakings for the collective investment of transferable securities (UCITS) which have not applied for recognition in the United Kingdom must comply with the above requirements.
7. Officers or employees of an NMPI must be advised as above if investing in an NMPI.

Important Notes

- Investments within the Specialist Investments Module must be assessed by us prior to purchase. We reserve the right to decline making an investment for any reason deemed appropriate.
- We reserve the right to decline making an investment if the investment provider will not provide us with suitable monthly reconciliation data.
- We are not regulated to provide investment advice. You are responsible in conjunction with your Financial Adviser and/or Investment Manager (if applicable) for choosing investments that are suitable for your individual circumstances.
- We will only appoint UK based Stockbrokers/Investment Managers who are regulated by the FCA and who agree to our operational requirements.
- The Investment Centre range of funds for the Modular GIA are a mixture of authorised Unit Trusts and OEICs, which qualify as Collective Investment Schemes.

If you need help or information please visit our website at www.jameshay.co.uk, call us on 03455 212 414, or write to us at James Hay Partnership, Dunn's House, St. Paul's Road, Salisbury, SP2 7BF.

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 Tynetalk service on 18001 03455 212 414).

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)