

Modular ISA

Permitted Investments List

(For Modular ISAs applied for on or after 16 October 2014)

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 ISA. 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.

The information in this document is based on our current understanding of HM Revenue & Customs (HMRC) guidelines for ISAs which may be subject to change in the future.

Investments Guidance

The Modular ISA is split into two investment modules: the Core Module and the Whole of Market Module. Any cash held in the ISA Bank Account, cash deposits with a Cash Panel provider, units or shares in funds held on our Investment Centre and any investments held by a Stockbroker are held in the Core Module. All other permissible investments will be held in the Whole of Market Module. Please note that due to HMRC reporting requirements, under the Whole of Market Module, we are unable to offer access to Investment Managers and Stockbrokers not on our Panel.

SHARES

Shares issued by a company that is incorporated anywhere in the world, and that are either officially listed on an HMRC recognised stock exchange or traded on any market of a recognised stock exchange in the EEA.*

Please Note: If the shares were acquired by the ISA before 1 July 2014 there is a further requirement that within five years of the date of investment the investor should not be certain or near certain, of the return of 95% or more of their initial investment (the '5% test').

For shares in qualifying Investment Trusts, please see separate section.

SECURITIES

Securities issued by a company that is incorporated anywhere in the world, and where either the securities themselves or the shares of the issuing company are listed on an HMRC recognised stock exchange. Securities include loans, loan stocks (secured or unsecured), debentures and eurobonds.

Please Note: If the security was acquired before 1 July 2014 then the security must have at least five years to run until redemption from when it was first acquired for the ISA.

CORE CAPITAL DEFERRED SHARES (CCDS)

Core Capital Deferred Shares (as defined in the Building Societies (Core Capital Deferred Shares) Regulations SI 460/2013) issued by a UK Building Society can be purchased within an ISA on or after 1 July 2014.

* For a list of current HMRC recognised stock exchanges go to www.hmrc.gov.uk/fid/rse.htm

GOVERNMENT SECURITIES

Gilts and gilt strips plus government securities issued by governments of other European Economic Area (EEA) countries, and their strips.

Please Note: If acquired by the ISA before 1 July 2014 then the securities and their strips must have at least five years to run until redemption from when they were purchased for the ISA.

UNITS OR SHARES IN A UK UCITS

A UK UCITS is a collective investment scheme authorised under section 31(1)(a) of the FSMA 2000 that complies with the requirements to be a UCITS scheme for the purposes of the Collective Investment Schemes Sourcebook. Collective Investment Scheme is as defined by section 235 of the FSMA 2000. Please note that a Qualified Investor Scheme (QIS) does not qualify as an investment for an ISA.

Please Note : If acquired by the ISA before 1 July 2014 there is a further requirement that within five years of the date of investment the investor should not be certain, or near certain, of the return of 95% or more of their initial investment (the '5% test').

UNITS OR SHARES IN QUALIFYING NON-UCITS RETAIL SCHEME (NURS)

A NURS is either a collective investment scheme to which Collective Investment Schemes Sourcebook 5.1, 5.4 and 5.6 apply or a non-UK scheme that is recognised by the FCA under section 270 or 272 of the FSMA 2000 that would be such a scheme if it were a UK scheme. In addition, the NURS must allow for redemptions at least fortnightly.

Please Note : If acquired by the ISA before 1 July 2014 there is a further requirement that within five years of the date of investment the investor should not be certain, or near certain, of the return of 95% or more of their initial investment (the '5% test').

SHARES IN QUALIFYING INVESTMENT TRUSTS

Investment trust is as defined in section 1158 of the Corporation and Taxes Act 2010. The shares in the Investment Trust must be listed on the Official List of the Stock Exchange.

The Investment Trust must satisfy the requirements for investment defined by HMRC, in that not more than 50% in value of the investments held by the investment trust are securities that are not qualifying securities or government securities, as defined by HMRC guidance. There is no requirement that any securities held by the Investment Trust be otherwise eligible for a stocks and shares ISA.

UNITS OR SHARES IN A RECOGNISED UCITS

A recognised UCITS is a collective investment scheme that is constituted in an EEA state other than the UK and is a recognised scheme under section 264 of the FSMA 2000 and complies with the requirements to be a UCITS scheme for the purposes of the Collective Investment Scheme Sourcebook.

Please note: If acquired by the ISA before 1 July 2014 there is a further requirement that within five years of the date of investment the investor should not be certain, or near certain, of the return of 95% or more of their initial investment (the '5% test').

SHARES EMERGING FROM SCHEDULE 3 SAYE OPTION SCHEMES OR SCHEDULE 2 SHARE INCENTIVE PLANS

Shares acquired by employees which have emerged from a Schedule 3 SAYE option scheme or a Schedule 2 Share Incentive Plan.

UNITS IN COLLECTIVE INVESTMENT SCHEMES SPECIFIED AS STAKEHOLDER PRODUCTS

The collective investment scheme must be specified as a stakeholder product under regulation 5 of the FSMA 2000 (Stakeholder Products) Regulations 2004. These must be recognised schemes within the meaning of Section 235 of the Financial Services and Markets Act 2000 (FSMA 2000).

Please Note: If acquired by the ISA before 1 July 2014 there is a further requirement that within five years of the date of investment the investor should not be certain, or near certain, of the return of 95% or more of their initial investment (the '5% test').

DEPOSITARY INTERESTS

Depositary Interests are investments where one person holds relevant investments, or rights to those investments, on behalf of the investor. They are qualifying investments only where all relevant investments are themselves qualifying investments. For further information on the criteria for Depositary Interests to be held in the ISA, please contact us.

CASH

Any cash must be held in sterling and held in either the ISA Bank Account or with a provider on the Cash Panel.

Important Notes

- It is your responsibility in conjunction with your Financial Adviser to ensure any investments purchased are permissible.
- 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 for choosing investments that are suitable for your individual circumstances.
- We reserve the right to decline making an investment for any reason deemed appropriate.
- The ISA is not able to lend money to any person, organisation or company.
- Please contact us if you are unsure whether a particular investment is acceptable.

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 Typetalk 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)