

## Private Client 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 James Hay Private Client 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 we believe the asset to be to be a non-readily realisable investment 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 subsequent tax liability incurred will be your responsibility.

You should also read:

- **The SIPP Technical Guide:** A guide which explains how this product works 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 [www.jameshay.co.uk](http://www.jameshay.co.uk) in order to access the most up-to-date information.



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## What investments can I make in the Private Client 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:

- **Stocks and shares**
- **Investment trusts**
- **UK Real Estate Investment Trusts**
- **Insurance company managed funds and unit linked funds**
- **Venture Capital Trusts**
- **National Savings and Investments (NS&I) products**
- **Fixed Term Deposits and notice accounts with providers on our cash panel**
- **Commercial property**

Please note that borrowing by the Private Client 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.

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

- **Unit trusts and OEICS**
- **Trustee Investment Plans**
- **Depository interests**
- **Structured products**
- **Managed portfolios of collective investments**



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.

## 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 (NMPs) including Unregulated Collective Investment Schemes (including Overseas UCIS) and similar vehicles
- Second hand/Traded endowment policies



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

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

<b>Unit trusts and OEICs</b>	<p>The following may be permitted to be held within the James Hay Private Client SIPP:</p> <ul style="list-style-type: none"> <li>• Open Ended Investment Companies (OEICs) that are: <ul style="list-style-type: none"> <li>- within the meaning of section 236 of the Financial Services and Markets Act 2000 (FSMA 2000) and are UK incorporated and FCA regulated, or</li> <li>- constituted outside the UK and are recognised schemes for the purposes of Part 17 of FSMA 2000.</li> </ul> </li> <li>• Authorised unit trusts which are based in the UK and FCA regulated.</li> </ul>
<b>Stocks and shares</b>	<p>Stocks and Shares that are listed, or dealt in, on a recognised stock exchange. These must be purchased and held by a UK based investment manager/stockbroker who is regulated by the FCA.</p> <p>A recognised stock exchange for these purposes is either:</p> <ul style="list-style-type: none"> <li>• The London Stock Exchange or the Alternative Investment Market (AIM), or:</li> <li>• an overseas exchange recognised by HMRC, or</li> <li>• 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).</li> </ul> <p>This covers most transferable securities, including:</p> <ul style="list-style-type: none"> <li>• shares in companies (equities)</li> <li>• fixed interest securities issued by government or other bodies</li> <li>• debenture stock and other loan stock</li> <li>• warrants (for equities)</li> <li>• Permanent Interest Bearing Shares (PIBS)</li> <li>• convertible securities</li> <li>• Exchange Traded Funds (ETFs).</li> </ul>
<b>Investment trusts</b>	<p>Investment Trusts 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 investment manager/stockbroker who is FCA regulated.</p>
<b>UK Real Estate Investment Trusts (REITS)</b>	<p>REITs that are resident in the UK for tax purposes and listed on the London Stock Exchange (this does not include the AIM) or any overseas exchange recognised by HMRC. These must be purchased and held by a UK based investment manager/stockbroker who is FCA regulated.</p>
<b>Depository interests</b>	<p>These must be purchased and held by a UK based and FCA regulated investment manager/stockbroker.</p>
<b>Fixed Term Deposits and notice accounts with providers on our cash panel</b>	<p>Fixed term and notice cash deposit accounts opened with the deposit account provider on our Cash Panel. Interest is paid at the rate set on the day that your cash is received by the deposit taker. Accounts are subject to the deposit taker's terms, which may include restrictions on withdrawals during any fixed term or notice period. Please visit the Cash Deposit Accounts page of our website <a href="http://www.jameshay.co.uk">www.jameshay.co.uk</a> for availability and further information.</p>

## Permitted investment definitions (continued)

Structured products	<p>The structured product must either be:</p> <ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul>
National Savings and Investments (NS&I) products	<p>The NS&amp;I product must be able to be owned by a corporate trustee and must pay out in the event of the death of the underlying pension scheme member.</p>
Insurance Company Managed Funds and Unit Linked Funds	<p>The insurance company must be based and regulated by its local financial services regulatory authority within the UK, European Union or Isle of Man.</p>
Managed Portfolios Of Collective Investments	<p>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.</p>
Venture Capital Trusts (VCTs)	<p>Venture Capital Trusts (VCTs) that are listed, or dealt, on an HMRC or FCA recognised stock exchange. These must be purchased and held by a UK based investment manager/stockbroker who is FCA regulated.</p> <p>The James Hay Private Client SIPP can only buy shares in a VCT through the stock exchange and not directly through a new issue.</p>
Trustee Investment Plans	<p>Insurance Company investment plans provided by an FCA regulated company which are designed to be held by the trustees of a registered pension scheme.</p>
Commercial property	<p>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 the James Hay Private Client SIPP. Please read the <a href="#">Commercial Property Purchase and Maintenance Guide</a> on our website for further information.</p>
Investments held by an investment manager/ stockbroker not on our panel	<p>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.</p>

## 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](http://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 Typetalk service on 18001 03455 212 414).

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