

Our SIPP Permitted Investments List

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Introduction

This document sets out the types of investments that may be held in our two UK SIPP products:

Your Simple SIPP

Your Premier SIPP

This document is **not** a list of investments that we guarantee will make money or a list of investments approved by our regulator, the Financial Conduct Authority ('FCA'). It is simply a list of the types of investment asset classes that may be held within our above two SIPP products.

If you are unsure whether we will allow a particular investment then please call our investments team on 0330 124 1505 or email enquiries@optionspensions.com and they will be happy to help you.

Be pension scam alert – see the FCA's 'Don't let a scammer enjoy your retirement' leaflet' linked [here](#).

What types of investment may be held within Your Simple SIPP?

Your Simple SIPP is a low-cost product with a simple investment choice.

Under Your Simple SIPP you may only hold **one** of the following (as well as your SIPP bank account):

1. one savings or deposit account with a UK bank or building society;
2. one National savings & investment ('NS&I') savings investment product; or
3. one investment account with a UK regulated investment platform, stockbroker or discretionary fund manager or held through a trustee investment plan ('TIP')

Any provider or manager of the investment account you want to open must be UK based and accepted by us and sign up to our terms of investment.

Most investment accounts offer you the choice of hundreds of individual funds, shares and other investments to choose from. You may hold as many investments as you want within that account.

In addition to cash, you may hold the following investments within that investment account:

- funds that are regulated by the FCA and can be marketed to the general public set up as:
 - open ended investment companies ('OEICs')
 - unit trusts
- the following investments that are listed or available on a 'recognised' stock exchange (**note 1**):
 - stocks and shares (including AIM)
 - corporate bonds (**see note 2**)
 - investment trusts
 - exchange traded commodities ('ETCs')
 - money market instruments
 - exchange traded funds ('ETFs')
 - real estate investment trusts ('REITs')
 - government bonds/gilts (**see note 2**)
- any of the following investments (subject in some cases to conditions and limitations):
 - insurance company managed funds
 - structured products (**see note 4**)
 - traded futures and options (**see note 3**)

note 1: these are stock exchanges that HM Revenue & Customs ('HMRC') accept as 'recognised'; more overleaf

note 2: we only permit UK bonds and they must have a credit rating of BBB – or higher by Standard & Poor's (or equivalent)

note 3: accepted on a case-by-case basis for sophisticated investors only through a regulated online platform

note 4: accepted on a case-by-case basis; only 25% of your SIPP funds can be invested this way

No investments that would be treated as 'non-standard' by the FCA must be held at any point in Your Simple SIPP. What we mean by this is explained further on in this document.

What types of investments may be held within Your Premier SIPP?

In Your Premier SIPP you may hold as many investments and investment accounts as you wish.

As well as all the investments listed above you may also hold the following investment classes:

- depositary interests
- investment plans and Investment bonds
- gold bullion account (with the Royal Mint only)
- UK commercial property and land

We also allow (and specialise in) syndicated commercial property investments.

You may open more than one investment account with a regulated investment platform, stockbroker or discretionary fund manager or trustee investment plan ('TIP'). The investment provider must be acceptable to us and sign up to our standard terms of investment.

We will also **consider** accepting the following investments (subject to review and limitations):

- unquoted shares (**arm's length only - see below**)
- offshore life assurance bonds (**see note 5**)

note 5: accepted on a case-by-case basis; we need to understand and accept the underlying investments

Your Premier SIPP may borrow money from a bank or building society to help facilitate property purchase or development (up to the HMRC limit of 50% of the net market value of your SIPP).

Unquoted shares

We will only consider these in Your Premier SIPP on a case-by-case basis.

We do not normally allow new investments in companies connected with a SIPP member (or where the combined interest after acquisition will be 10% or more interest in the company).

We also will not acquire shares from a member or party connected to them (due to the difficulty in establishing a robust market value).

You may only invest up to 50% of your SIPP fund in unquoted shares (in total).

Other investments

There are certain types of investments that we will not accept in any circumstances (see the 'What investments do you not allow?' section on the next page).

However, we may consider accepting an investment into Your Premier SIPP that is not listed as allowed above provided it is not listed on our 'not allowed' list overleaf.

We do, however, reserve the right to decline an investment no matter what the circumstances.

We may only permit an investment on the condition that either you are:

- being positively advised on the investment by a FCA authorised adviser; or
- are a 'sophisticated investor' or 'professional investor' as defined by the FCA.

The FCA classifies SIPP investments as being either a 'standard' or 'non-standard' investment.

If an investment (either listed above or not) is treated as 'non-standard' we will need to review the investment documentation before considering accepting the investment into Your Premier SIPP. We may charge for doing this review.

There may be extra costs in buying and holding the investment or certain restrictions we impose.

What is a 'recognised' stock exchange?

HMRC produce lists of 'recognised stock exchanges' (or equivalents). The most common are:

- the London Stock Exchange
- the New York Stock Exchange ('NYSE')
- NASDAQ
- the Tokyo Stock Exchange

We reserve the right to not allow investments listed on other smaller less regulated overseas 'recognised stock exchanges' (for example, the Bermuda or Cayman Islands stock exchanges).

What investments do you not allow?

We will **not** accept the following investments into any of our SIPP products in any circumstance:

- carbon credits
- (direct holdings of) commodities (including gold)
- contracts for difference ('CFDs')
- low rated corporate or government bonds*
- cryptocurrency investments
- goodwill
- hotel rooms
- intellectual property (including brands and trademarks)
- land banking schemes
- life settlements
- loans (including third-party and loan notes)
- off-plan property and development land plots
- overseas property
- (direct investment in) partnerships
- peer to peer ('P2P') lending
- physical assets (art, cars, wine, plant & machinery etc)
- residential property (including holiday and buy-to-let)
- self-storage units

* this is any bond with a credit rating of BBB – or below by Standard & Poor's (or equivalent).

We will also not normally accept any investment that is not regulated (or only lightly regulated) where it is being marketed to third-party investors.

We are unlikely to accept the following land investments because of the risk of there being tax consequences due to personal advantage outside the SIPP or of being linked to 'residential property':

- land next to or near your (or relative's) house
- woodland

We do not permit the above investments for a number of good reasons.

These reasons include the risk of poor consumer outcomes, the imposition of heavy tax charges (if held within a SIPP), a difficulty in valuing the investment and a risk to us of future liability.

Status of this permitted investment list

This list of permitted investments is correct at the time of publication, but we regularly review the contents and may change the permitted (and not allowed) lists without prior notice.

Important notes

Our discretion to decline an investment

We reserve the right to decline an investment if:

- it does not fall under one of the categories listed in this document;
- there is insufficient money available in your SIPP bank account to make the investment;
- it is contrary to our internal risk policies;
- (in our view) we are unable to value the investment accurately or regularly;
- it could expose us to a liability greater than the value of your SIPP;
- it conflicts with the scheme trustee's duties imposed by trust law (in particular the duty to act in the best interests of beneficiaries); or
- it is a complicated investment and expensive to administer.

Important notes (continued)

'Standard' and 'non-standard' investments

The FCA classifies SIPP investments as being either 'standard' or 'non-standard' investments.

These classifications are to show the differences in responsibilities we have as a SIPP operator with different types of investments.

This classification isn't an indication of the potential risk or reward of an investment. However, whilst both 'standard' and 'non-standard' investments may be high risk it is more likely that a 'non-standard' investment will be complicated to understand and more risky.

A 'standard' investment is usually easy to value and can be easily sold within 30 days.

Examples of 'standard' investments are listed shares, FCA authorised funds and most UK commercial property.

The FCA has produced a list of what they consider 'standard' investments. Any asset not on that list will be treated as 'non-standard'. However, any investment that whilst on the 'standard' list that cannot in our view be easily valued or sold within 30 days will also be treated as 'non-standard'.

If you have any questions regarding if an asset is 'standard' or 'non-standard', please call our investments team on 0330 124 1505 or email enquiries@optionspensions.com.

General information

We will not provide you with any investment advice or act as investment manager for your SIPP nor accept any liability for the performance or choice of investments or investment manager for your SIPP.

You must only make investments that are in the best interests of your SIPP with the aim of providing retirement benefits.

We may restrict access to some investments where you have not received advice or not appointed an investment manager to make decisions on your behalf.

If you wish to purchase a 'non-standard' investment without obtaining advice then we will only consider this if you are an experienced and sophisticated investor. We will ask for further information before proceeding and reserve the right to decline any investment.

If you are directly placing and managing your own investment trades in your SIPP without advice from an adviser or investment manager, please read this document carefully. If you have any questions, or if you don't understand any point or the content is unclear, please contact your adviser or our investments team.

We will not allow any investment where the loss could be greater than the amount originally invested.

We are always happy to answer your questions but we are unable to offer any advice about the suitability of an investment. If you have any doubts about an investment we recommend that you seek advice from an appropriately authorised financial adviser.

In addition to this document, please read associated literature and documentation including:

- your SIPP key features document;
- your SIPP terms and conditions;
- any investment trader agreement; and
- any Investment literature supplied by your selected investment provider.

Always consider very carefully any investments you may make and remember that:

- past performance is not a guide to future returns;
- exchange rate fluctuations can and do affect the value of investments;
- inflation can and will affect the future worth of the capital value of an investment and any income paid.

If you, your adviser or investment manager purchase an investment that falls outside of our Permitted Investment List without our knowledge, we will exercise our right to sell the investment. In doing so, you may sustain a financial loss for which we will accept no liability.

We may apply additional initial and annual fees for some investments - further details about the additional fees that may apply can be found in your SIPP Fee Schedule, which is available on our website. Alternatively, please call us and we can provide a copy to you directly.

Certain investments may not be as easy to sell as others. Where this is the case, we may request that a minimum cash balance is held on your designated SIPP bank account, or in investments which are easier to sell.

Details of the minimum balance and additional fees (if applicable) for a given investment type are available upon request



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FOR MORE INFORMATION PLEASE CONTACT

[OPTIONS UK PERSONAL PENSIONS LLP](mailto:enquiries@optionspensions.com)

1st Floor Lakeside House,
Shirwell Crescent, Furzton Lake,
Milton Keynes, Buckinghamshire, MK4 1GA.

T: +44 (0) 330 124 1505

optionspensions.co.uk
enquiries@optionspensions.com