

keyfacts[®]

Nucleus Offshore Bond account

Key features







The Financial Conduct Authority (FCA) is the financial services regulator. It requires us, Nucleus Financial Services Limited (Nucleus), to give you this important information to help you to decide whether the Nucleus Offshore Bond is right for you. **You should read this document carefully so that you understand what you are investing in and then keep it safe for future reference.**

This document has been approved by Nucleus Financial Services Limited, an authorised firm under the UK Financial Services and Markets Act 2000

You should note that the terms and conditions of the Nucleus Offshore Bond and a signed declaration constitute a legally binding contract between you, Nucleus Financial Services Limited as provider of the Nucleus wrap, and RL360 Insurance Company Limited (RL360) as the provider of the Nucleus Offshore Bond. This document should be read in conjunction with the Nucleus terms and conditions, the terms and conditions of RL360 and the key features of the Nucleus wrap.

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How to use this guide



Things to consider

Key decisions and risks you should keep in mind. Sections in this format are designed to draw attention to important considerations, in addition to risks or costs you need to be aware of.



Most people want to know

Sections in this format answer some of the more frequently asked questions you are likely to have.



Discuss with your adviser

Information within this format draws attention to the decisions that we strongly suggest should be discussed with your adviser.

1. The aims of the Nucleus Offshore Bond account

- ✓ To enable you to save in a tax-efficient way through a single lump sum contribution of £50,000, or more, and any additional top up contributions of £5,000 or more thereafter.
- ✓ To allow you and your adviser to make investment decisions in accordance with the rules of the Nucleus wrap.



Save more



Be flexible



Stay in control

Your commitment

- ✓ You commit to make a one-off contribution of at least £50,000.
- ✓ There is no commitment on your part to make any further contributions.
- ✓ With most investments you should normally plan to hold the investments in your bond for the medium to long term (five or more years).
- ✓ You must abide by the terms and conditions of both Nucleus and RL360, and accept that you must hold at least 2% of your account in cash at all times.
- ✓ You are obliged to inform us or RL360 about any changes to your address, country of residence, citizenship or domicile as soon as possible after any change. You must do this for the lives assured.

2. Risks

Please take time to consider the risks associated to your account

- The value of your Nucleus Offshore Bond can fall as well as rise and you may not get back the amount you invest.
- There may be initial and ongoing charges associated with your Nucleus wrap and these will have an impact on the value of your investment. These charges may vary through time and you should be aware that any increase in charges would have an adverse impact on the value of your investment.
- The level of any income you receive from your Nucleus wrap may fluctuate both in terms of the amount and the percentage of your investment that you receive.



- **Past investment performance is not a guide to the returns you may receive in future.**

- Trading instructions may be aggregated which means that the price you pay for assets may rise or fall in the period between Nucleus receiving your instruction and the time the instruction is actioned. There may be situations where you are disadvantaged by aggregation.
- If you invest in an income fund that charges some of its expenses to capital in order to boost the income level, your capital will be more at risk and your scope for growth will be correspondingly reduced.
- Where your Nucleus wrap holds assets that invest in non-sterling denominated assets, the value of your Nucleus wrap will be affected by movements in currency rates as well as movements in the value of the underlying assets.
- Where you want to sell an asset and this is not immediately possible, the delay in trading may result in lower proceeds than you might have expected.
- We will send you a contract note, which is a summary of any buy or sell transaction instructed on your account, and it is important that you check all contract notes. If you have any queries in relation to the contract note please discuss this with your adviser or contact Nucleus. It is important that you highlight any errors or discrepancies at the earliest opportunity and no more than 30 days after receipt. Please note that any liability in respect of errors or omissions may be limited to 30 days by Nucleus.
- What you get back is not guaranteed. It may be worth less than reflected on your personal illustration:
 - if you cash in your Nucleus Offshore Bond earlier than assumed in your illustration;
 - if you do not make the investment assumed in the illustration;
 - if the charges for your investment are higher than those assumed in the illustration;
 - if the underlying investment performance is lower than the figures assumed in the illustration;
 - if you choose to take withdrawals which exceed the growth of your Nucleus Offshore Bond, your capital will be eroded; or
 - if you invest in a fund which holds property, you should note this can be difficult to sell and we may have to delay acting on your instructions.



- If you exercise your right to cancel your Nucleus Offshore Bond, you may find that the value of your investment falls between the date of your investment and the date of cancellation and that you may receive back less than you initially invested.

- The various assets in which you can choose to invest have different levels of risk attached to them.
- The value of your Nucleus Offshore Bond will fluctuate in line with movements in the value of the underlying assets.
- Tax treatment depends on the individual circumstances of each client and may be subject to change in the future. Please consult your adviser for how the tax regulation affects you.
- As a UK resident investor, the favourable tax treatment of withdrawals may not be maintained in the future. Please consult your adviser for a full understanding of how the tax regulations affect you.
- Nucleus and RL360 will not assess your personal tax position or suitability of the policy to your personal tax circumstances.
- Please note that Nucleus reserves the right to correct any administrative errors that may occur on your account. This means that you may see adjustment transactions processed through your account which you may not have instructed or discussed with your adviser.
- You should be aware that in certain circumstances Nucleus may require you to sell one or more assets within your Nucleus wrap and that such transactions may occur at a disadvantageous time. For more information please refer to the Nucleus terms and conditions or discuss with your adviser.

3. Frequently asked questions

This section seeks to answer all of the questions you may have regarding the establishment and the maintenance of your Nucleus Offshore Bond. Further information is available from your adviser and the Nucleus terms and conditions.

What is the Nucleus Offshore Bond account?

The Nucleus Offshore Bond is an offshore life assurance contract consisting of 100 identical segments issued in the Isle of Man by RL360 whose registered office is at International House, Douglas, Isle of Man IM2 2SP. The contract has no specified term.



How do I open a Nucleus Offshore Bond account?

You will need to select a life assured whose death will bring the bond contract to an end. You can select more than one life assured and if you do so the bond contract will come to an end on the death of the last life assured. Please consult your adviser as to selection of lives assured. You should not open an account until you have read and understood the terms and conditions of Nucleus and RL360, along with these key features and the key information document. Once you have done so, and you and your adviser have consulted and agreed that a Nucleus Offshore Bond is suitable for you, your adviser will ask you to fill in the application form. This will start the process of opening your account.

What happens next?

Once your application and paperwork for the Nucleus Offshore Bond have been received and accepted, Nucleus will be able to accept and process investment instructions from you or your adviser.

Where will my money be invested?

You and your adviser should determine how your money should be invested across the range of assets available through the Nucleus wrap. You should note that certain legislative restrictions may mean that not all Nucleus wrap assets are available for investment through your Nucleus Offshore Bond. Your adviser will be able to provide you with more details. RL360 will be the legal owner of the selected assets.

How can I follow the progress of my portfolio?

Your adviser will have full online access to your account. If you have an email account and internet facilities you can also access your Nucleus wrap online 24 hours a day, seven days a week. Please contact your adviser or Nucleus if you wish to set up this facility, and you will be sent a username and password.

Who is eligible?

The Nucleus Offshore Bond is for UK residents for tax whose primary address is in the UK and UK based Corporations or Trusts (all Trustees must also be UK residents). Crown Servants who carry out duties that are treated as performed in the UK or the spouse or civil partner of a person who performs such duties may also open a Nucleus Offshore Bond. In all cases the customer must not be a US person – irrespective of country of residence.

Can I encash part or all of my Nucleus Offshore Bond?

Your Nucleus Offshore Bond can be surrendered in full at any time.

One-off or regular withdrawals (monthly, quarterly, half yearly and yearly) can be taken at any time. The withdrawal amount is deducted across all segments equally. In addition to withdrawals, whole segments may also be surrendered. The tax treatment of encashments differs between withdrawals and segment surrenders. You should consult your adviser as to which method is most suitable before a withdrawal or surrender is requested. If the bond holds any suspended assets a surrender of individual segments is not possible.

For withdrawals we use the processed date, not the payment date for chargeable event calculations. The processed date is typically nine working days prior to the payment date to allow for the sell-down of assets to cash. It may be earlier if your payment date falls on a bank holiday or weekend. If the payment date chosen is on, or close to, the policy anniversary date this may lead to a chargeable event gain as you may receive 13 withdrawals in a single policy year.

If you encash part of your Nucleus Offshore Bond, the remaining value must not be brought below £10,000.

Is there a minimum or maximum withdrawal amount?

A one-off withdrawal is subject to a minimum of £500. A regular withdrawal is subject to a minimum amount of £200. There is no maximum withdrawal amount.

Is there a minimum top-up amount?

The minimum top-up amount is £5,000.



Can segments be assigned?

You may assign your policy, in full, to another party. You must provide a notification in writing to RL360 via Nucleus of the assignment. You may assign some of your policy segments to another party. When you choose to do this, the segments you assign must be surrendered immediately. Surrender of the assigned segments may lead to a chargeable event for the assignee(s) and any chargeable gain will be assessed at their highest marginal rate of UK income tax. Please note that all assignees must be at least 18 years of age and the retained segments must have a minimum value of £10,000. To retain segments, the assignee must be a UK resident or a Crown servant based overseas. Assignments can be made by gift only.



What is the tax position of my Nucleus Offshore Bond?

As an international life assurance company resident in the Isle of Man RL360 does not pay tax on the income or gains arising on its funds (with the exception of any withholding tax deducted by some countries on investment income paid to "foreign" investors).

As a UK resident you have no UK tax liability in respect of any growth in value of the Nucleus Offshore Bond until a "chargeable event" arises. A chargeable event happens when

- you fully surrender your bond (or a segment)
- the last (or only) life assured dies
- you take withdrawals in excess of a cumulative annual 5% of your original investment until it has been fully withdrawn.

Please be aware that all adviser and discretionary fund manager fees are treated as withdrawals and therefore count towards the total 5% withdrawal allowance.

The gain made on the happening of a chargeable event will be liable to income tax at your marginal rate (including the starting rate for savings).

The gain is treated as savings income so the personal savings allowance will be available.

Other reliefs may be available depending on your personal circumstances.

Nucleus will advise you of the gain within three months of the event. RL360 will advise HM Revenue & Customs (HMRC) should the gain exceed specified limits.

The tax treatment of transactions in respect of the bond depends on individual circumstances and may change. Your adviser can provide further details.

The tax information in this document is based on RL360's and Nucleus' understanding of UK tax legislation and HMRC practice as at 30 March 2021.



What happens to my account if I die?

If the account is held in your sole name and there are surviving lives assured at the time of your death, your policy will continue to operate as it has in the past, until we receive instruction from your personal representative. If the account is held in joint names and there is a surviving owner, it will pass into their sole ownership.

When the last life assured dies, your policy will end. RL360, via your adviser, will then require written notification of death along with satisfactory documentation before the death benefit can be paid out. The amount paid out will be 100% of the surrender value and can only be paid once all documentation has been provided to RL360.

Can the lives assured be changed or added?

You are only able to change or add lives assured if you become a non-UK resident.

What are the charges?

A full breakdown of our charges are shown in your Nucleus terms and conditions.

The charges you will pay are set out in your personal illustration as provided by your adviser. Typically, your Nucleus wrap will be subject to three distinct types of charge: the Nucleus wrap charge, charges for the management of assets, and fees for the provision of financial advice.

Your Nucleus Offshore Bond may be subject to initial and ongoing charges in respect of asset management. The amount you pay in asset management charges will depend entirely on your circumstances and what assets you choose to invest in. You should note that in some cases the funds you invest in may be available to Nucleus at a lower price than that assumed in the pricing of the fund where you will be entitled to a partial annual management charge rebate. In such circumstances the rebate amount will be calculated and credited quarterly, as units or cash, to the relevant account in the proportion in which it arose.

For exchange traded assets Nucleus use an online trading stockbroker that currently applies a charge, which is shown in your Nucleus terms and conditions.

For more detail on Nucleus' chosen stockbroker please contact your adviser.

The charge for financial advice will be determined according to the agreement you reach with your adviser and although Nucleus may facilitate advice payments for your convenience, Nucleus will only pay your adviser in accordance with your instructions. Should the relationship between you and your adviser terminate or your adviser ceases to have an agreed terms of business contract with Nucleus, we reserve the right to make additional charges to maintain your wrap.

You should note that initial charges in relation to asset management and financial advice are deducted after you make a new investment and all annual charges are accrued daily and deducted monthly.



What if I change my mind?

You have 30 days from opening your Nucleus Offshore Bond to cancel it if you change your mind. However, you must send us your cancellation notice within 30 days of receiving your 'right to cancel' notice. After we've received your cancellation notice, you will receive a full refund of all the assets within your account plus any charges already deducted. You should note that if the value of any underlying investment falls before we receive your cancellation notice, you may receive less than you invested.

4. Further information

For further information you should contact your adviser in the first instance. Should you be unable to make contact with your adviser or you require further information please contact Nucleus by writing to Nucleus client relations, Nucleus HQ, Greenside, 12 Blenheim Place, Edinburgh, EH7 5JH or by calling 0131 226 9535.

Law

The Nucleus Offshore Bond is governed by Isle of Man law. Both Nucleus and RL360 will always write and speak to you in English.

Regulation

Nucleus acts as an insurance intermediary on behalf of RL360 in distributing the Nucleus Offshore Bond. The Nucleus Offshore Bond is provided by RL360 Insurance Company Limited.

RL360 Insurance Company Limited is authorised by the Isle of Man Financial Services Authority. Registered in the Isle of Man number 053002C.

Client categorisation

Your adviser is required to categorise all their clients and this determines the level of detail and information that you will receive. If your adviser categorises you as a retail client in respect of the services provided to you, this means that you will benefit from the highest level of client protection. For further information on categorisation or should you wish to request a different categorisation please contact your adviser.



Compensation

Owners of policies issued by RL360 Insurance Company Limited receive the protection of the Isle of Man Compensation of Policyholders Protection Scheme, which covers an amount equal to 90% (subject to the provisions of the Act) of the liability should RL360 not be able to meet its financial obligations. Holders of policies issued by RL360 will not be protected by the Financial Services Compensation Scheme established under the UK Financial Services and Markets Act 2000 should RL360 be unable to meet its liabilities to them.

Complaints

We always aim to provide the best service possible, however if you are unhappy and you wish to complain, please let us know immediately so we can fairly and impartially resolve any issues for you as quickly as we can.

You can reach us by:



Phone 0131 226 9535



Email complaints@nucleusfinancial.com



Mail Nucleus, Suite 202 Warner House, 123 Castle Street, Salisbury, SP1 3TB

We aim to resolve any complaint as soon as possible. Some complaints require a detailed investigation and/or a dialogue with third parties and may therefore take longer to resolve.

We will issue written acknowledgment of your complaint promptly by email or by letter. If a final response has not been issued within four weeks of receipt of your complaint, we will write to let you know and will indicate when we will make further contact. This further contact will be within eight weeks of receipt of the complaint.

By the end of eight weeks, we must send you either a final response or a response which explains we are still investigating your complaint and the details of how you can refer your complaint to the Financial Ombudsman Service if you are dissatisfied with the outcome of your complaint and/or the length of time it has taken.

The Financial Ombudsman Service/Financial Services Ombudsman Scheme for the Isle of Man

If you are not satisfied with the response, you have the right to refer your complaint to the Financial Services Ombudsman Scheme for the Isle of Man or Financial Ombudsman Service in the UK, depending on the parties involved.

Financial Ombudsman Service

Exchange Tower, London, E14 9SR

Tel: 0300 123 9123

Email: complaint.info@financial-ombudsman.org.uk

Financial Services Ombudsman Scheme for the Isle of Man

Thie Slieau Whallian, Foxdale Road, St John's, Isle of Man, IM4 3AS

Tel: +44 (0)1624 686500



0131 226 9535



client.relations@nucleusfinancial.com



www.nucleusfinancial.com

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