keyfacts®

Nucleus wrap

Key features

25 minute read

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 wrap is right for you. You should read this document carefully so that you understand what you are entering into and then keep it safe for future reference.

You should note that the terms and conditions of the Nucleus wrap and a signed declaration constitute a legally binding contract between you and Nucleus Financial Services Limited. This document should be read in conjunction with the Nucleus terms and conditions and the key features of the account you have chosen.

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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 Wrap

The Nucleus wrap is an online service that allows you and your adviser to manage your portfolio of assets in an efficient and transparent manner. According to your circumstances and the decisions you reach with your adviser you may be able to hold your entire portfolio within your Nucleus wrap.


Save more


Be flexible


Stay in control

Opening a Nucleus wrap account



1. Talk to your adviser

Agree you are happy with the information in this document and the terms and conditions of the Nucleus Wrap you received with it.



2. Fill out your application

Please see page six for more information.

Your commitment

You must also abide by the Nucleus terms and conditions and make sure that you hold at least 2% of each account in cash at all times.

2. Risks

Please take time to consider the risks associated to your account

The Nucleus wrap allows you to invest in a broad range of assets such as unit trusts, open-ended investment company shares (OEICS) and equities (including investment trusts) and you should therefore be aware of the following risks:

- The figures reflected in any personal illustration are not guaranteed and you may get more or less than the amount shown. Illustrations are based on statutory assumptions and you should consider factors which will affect the final value of your account(s).
- The value of the accounts within your Nucleus wrap can fall as well as rise so 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 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.
- The tax treatment of your Nucleus wrap may change at any time and any tax benefits associated with any of the accounts within your Nucleus wrap may depend on your personal circumstances and may not always be sustained.
- The charges, Nucleus terms and conditions and ultimately the value of your Nucleus wrap may be affected by changes in tax and VAT legislation.
- 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.
- Contract notes will be issued according to your correspondence preferences for the platform. By post, if you've chosen a paper preference and online at Nucleus Go, if your choice is for paperless correspondence. A contract note is a summary of any buy or sell transactions 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 account 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 account, 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 account, 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 account will fluctuate in line with movements in the value of the underlying assets.
- 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 wrap. Further information is available from your adviser and the Nucleus terms and conditions.

What wrap services are provided by Nucleus?

This is a broad outline of the wrap services Nucleus will provide, however please refer to the Nucleus terms and conditions for more detail.

- Managing all inflows and outflows of client money for example regular contributions, monthly withdrawals and natural income payments.
- Accepting, executing and settling investment instructions.
- Managing corporate actions such as income payments, distributions and interest payments.
- Deducting all fees and charges and crediting any asset management rebate as units or cash.
- Maintaining records.
- Undertaking regulatory and tax reporting.

We are not permitted to provide investment advice and we cannot provide any advice to you on the merits of using the service. If you have any queries regarding whether you should use the Nucleus wrap service, you should speak to your adviser.



The Nucleus Wrap is for UK residents only. Non-UK residents and US Persons (irrespective of country of residence) are not permitted. Crown Servants based overseas (in the UK's armed forces, diplomatic service or overseas civil service, for example) are permitted. Spouses or civil partners of Crown Servants based overseas are also permitted. Where a Nucleus account is opened on behalf of a child, the child must be a UK resident.



How do I open a Nucleus wrap?

You should note that Nucleus does not provide financial advice and therefore to maintain your Nucleus wrap you need to have an authorised and regulated adviser who has an agreed terms of business contract with Nucleus.

Firstly, you should not open a Nucleus wrap until you have read and understood the Nucleus terms and conditions, these key features, and the key features of any accounts you plan to open, and have consulted your adviser. Once you have done so, and you and your adviser have agreed that a Nucleus wrap is suitable for you, your adviser will ask you to fill in the application form for the relevant account(s). This will start the process of opening your Nucleus wrap. The forms you need to fill in will depend on the account(s) you and adviser have decided are suitable and the details of your own portfolio.

What happens next?

Once we receive your application form(s) we will open up one or more accounts on your behalf to reflect the way your Nucleus wrap will operate. Each of these accounts will have a different tax treatment and may have different rules on how much or how little you can pay in, what level of income you may take and when you may take it. For estate planning purposes you should discuss what will happen to the assets in your accounts with your adviser.

The characteristics of each of the different accounts you may be able to open are detailed in the relevant key feature documents. The accounts currently available are listed below:

- Nucleus General account: this is not subject to any upper limit on how much you can invest or withdraw and is not subject to any beneficial tax treatment.
- Nucleus Isa account: this is a stocks and shares Isa with an annual investment allowance as determined by HM Revenue & Customs (HMRC).
- Nucleus Pension account: this is a self-invested personal pension and is subject to contribution and withdrawal limits as prescribed by relevant legislation.
- Nucleus Onshore Bond account: this is not subject to any upper limit on how much you can invest or withdraw, but you will only be entitled to tax benefits on a certain level of withdrawals.
- Nucleus Offshore Bond: this is not subject to any upper limit on how much can be invest but there is a minimum limit of £50,000. You will only be entitled to tax benefits on a certain level of withdrawals. Withdrawal limitations apply as follows

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

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.

The minimum top-up amount is £5,000.

How do I manage my Nucleus wrap?

If you and your adviser decide to open a new account, create any buy or sell transactions or change any other aspect of your Nucleus wrap (such as the level of income you want to receive), your adviser should be able to log in to the Nucleus website and initiate the instruction on your behalf.

Subject to certain legislative restrictions for each account, your Nucleus wrap can invest in a wide range of underlying assets including cash, unit trusts, OEICS, equities (including investment trusts) and other securities such as gilts and exchange traded funds. You are free to invest in a wide range of assets made available through the Nucleus wrap as you and your adviser decide, provided you keep at least 2% of each account in cash to ensure there is sufficient money to meet any charges that may arise. Should this limit be breached, Nucleus may sell assets at its discretion to restore the position.

How can I follow the progress of my portfolio?

You will receive quarterly statements of your Nucleus wrap. If you want to receive more frequent updates you should contact your adviser. 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.

Can I receive income payments or make withdrawals?

Although some funds or securities generate 'income' in the form of distributions, dividends or interest this will not be paid directly to you, but into the cash element within each of your accounts. Depending on the income and withdrawal restrictions of each account type you can then take income from your Nucleus wrap by setting up a regular withdrawal facility. Subject to the minimum cash requirement in each account, withdrawals can be made monthly, quarterly, six monthly or annually. Payments will be made directly to the bank account details provided by you, and recorded on the platform.

What is my tax position?

The tax treatment of an investment or savings product depends on your individual circumstances and may be subject to change in future.

It is your responsibility to notify Nucleus and HMRC, of any change in your tax status.



What happens if I die?

We will suspend all pending instructions on your account(s) such as regular withdrawals (with the exception of any pending buys or sells which will continue through to settlement) and your account will remain invested until we receive explicit instructions from your representatives.

For the Nucleus Pension account we recommend that you keep us updated with your expression of wishes to ensure that the pension administrator can take these into consideration when paying any pension death benefits.

For the Nucleus Onshore Bond and the Nucleus Offshore Bond, details regarding the death of life(s) assured are provided in the key features document for each account.

We will always require sight of the death certificate, grant of probate or confirmation to allow us to carry out the instructions of your representatives.

What if I change my mind?

You have 30 days from opening your Nucleus wrap 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. A refund of Adviser charges may be possible direct from your Adviser firm; entitlement will depend upon the terms and conditions you agreed with your Adviser firm. 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.

What are the charges?

A full breakdown of our charges are shown in the 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 wrap 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 whereupon 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 the Nucleus terms and conditions.

For more detail on Nucleus' chosen stockbroker please read our Order Execution Policy (0403) which is available to view and download from the library.

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, Nucleus reserves 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 when you make a new investment and all annual charges are accrued daily and deducted monthly.

For the Nucleus Onshore Bond and the Nucleus Offshore Bond, please be aware that all adviser and discretionary fund manager fees are treated as withdrawals and therefore count towards the total 5% withdrawal allowance.

4. Further information

For further information you should contact your adviser in the first instance. If you're unable to get in touch with them, please contact Nucleus by writing to Nucleus client relations, Nucleus HQ, Greenside,12 Blenheim Place, Edinburgh, EH7 5JH.

Law

The Nucleus wrap is governed by the laws of England and Wales.

Regulation

The Nucleus wrap service, Nucleus Isa, Nucleus General account and Nucleus Pension account are provided by Nucleus Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). The FCA register number is 456117. As an Isa Manager, Nucleus Financial Services Limited is also regulated by HMRC.

The nucleus Onshore Bond account is provided by Countrywide Assured plc, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Their FCA registration number is 141916.

The Nucleus Onshore Bond account is provided by Sanlam Life & Pensions UK Limited, which is authorised and regulated by the Financial Conduct Authority. Their FCA register number is 110397.

You can check these on the Financial Services register by visiting their website: www.fca.org.uk/register or by calling them on 0800 111 6768.

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

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the FSCS if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. Please refer to our Investor Protection document for further information. This is available on our website. Further information about compensation arrangements is available from the FSCS. For further details about the FSCS, their contact address is PO Box 300, Mitcheldean, GL17 1DY. Their telephone number is 0800 678 1100, and more information is available on their website at www.fscs.org.uk.

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, PO Box 26968, Glasgow, G2 9DY

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 acknowledgement 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

If you remain unhappy with the outcome of your complaint you have the right to refer the complaint to the Financial Ombudsman Service (FOS) free of charge. Their contact details are: Financial Ombudsman Service, Exchange Tower, London E14 9SR. Phone: 0300 123 9123 or 0800 023 4567. Email: complaint.info@financial-ombudsman.org.uk. Website: www.financial-ombudsman.org.uk.

Please contact us if you'd like to receive a hard copy of the Ombudsman's consumer leaflet.

If your complaint concerns the administration of a personal pension plan, your complaint may be more appropriately referred to the Pensions Ombudsman. Where applicable, we will provide appropriate referral rights when sending our complaint response. Their contact details are: The Office of the Pensions Ombudsman, 10 South Colonnade, Canary Wharf, London E14 4PU.

For literature in alternative formats, such as Braille, large print, audio or E-text, please call us on 0131 226 9535, or via the Typetalk service on 18001 0131 226 9535.

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