

nucleus[®]
platform

RL360[®]

Key features of the Nucleus Platform Offshore Bond

Provided by RL360 Insurance Company Limited (RL360)

 20 minute read

Important information

The Financial Conduct Authority (FCA) is a financial services regulator. It requires us, Nucleus Financial Platforms group, to give you this important information to help you to decide whether our Nucleus Platform Offshore Bond is right for you. You should read this document carefully so that you understand what you are buying, and then keep it safe for future reference.

What you should know before you invest

This document, along with your **Key Features Illustration** and **Key Information Document** provided by your FCA regulated financial adviser (adviser), gives you a summary of information to help you decide if investing in the Nucleus Platform Offshore Bond is right for you.

What is the Nucleus Platform Offshore Bond?

The Offshore Bond is an investment linked policy of insurance. It can be set up as either:

- a whole of life assurance policy, meaning it continues until the death of the last life assured, or
- a capital redemption policy, with no lives assured and a maturity date 99 years after the start date.

The relationship between Nucleus and RL360

RL360 is part of International Financial Group Limited and is based on the Isle of Man. It provides offshore savings, protection and investment for customers in 170 different countries.

Nucleus acts as co-manufacturer and insurance intermediary in relation to the Offshore Bond, and distributes the bond provided by RL360. Nucleus also arranges the Offshore Bond with RL360 on your behalf.

Nucleus does not receive any payment from RL360 for doing this.

Key features

Its aims

The aim of the Offshore Bond is to allow you to invest a cash lump sum in a tax-efficient way over the medium to long term, to produce capital growth while retaining the ability to make withdrawals.

The bond allows you to invest in a wide range of investments to suit your objectives and risk profile.

For flexibility, the Offshore Bond may be divided up into a number of equal and identical sub-policies. For example, if your Bond is held in a trust and the trust makes provision for your assets to be divided equally between three beneficiaries, you may wish to choose a total number of sub-policies that are a multiple of three. This option is available to your adviser when they are completing your application.

You may also be able to assign your policy to another party, at the discretion of RL360 as the bond provider.

Your commitment

Before opening a Nucleus Platform Offshore Bond, in conjunction with your UK regulated adviser, you should consider whether you have sufficient investment experience and are prepared to be responsible for making decisions about how your money is invested during the time that your Offshore Bond is open.

You will need to:

- make a single payment into your Offshore Bond of at least £100,000
- pay the charges set out in the relevant Charges Schedule, as well as any third party charges that may arise
- regularly review your investments and financial goals, and manage your product's assets accordingly.
- consider this type of investment as a medium to long term commitment.

Nucleus products are designed to be managed with the support of an adviser. If you remove your adviser from your plan, or end your relationship with them, your service experience with Nucleus may vary due to the different ways we must interact with direct customers. Please note that you must have an adviser appointed at all times during the period you hold the Offshore Bond.

Understanding the risks

Below are some of the risks associated with investing your money via an Offshore Bond, which could affect its value in the future. You may be able to reduce the impact of some of the risks, as you are able to control:

- the amount you put in.
- the investments you select.
- if you choose to take withdrawals.

However, there may be other risk factors outside of your control. For example, the Government may change the tax rules applicable to Offshore Bonds and this could affect the tax treatment of your Nucleus Platform Offshore Bond.

You should be aware that any payments into your Offshore Bond must be on an advised basis. If you do not have an adviser appointed, you will not be able to top-up your Bond.

Your right to cancel

If you open an Offshore Bond and later change your mind, you may choose to cancel your application. Doing so could mean you get back less than you paid in if your asset values have fallen during this time.

For further information, please refer to the **Platform Services Terms and Conditions** which is available on our website literature.nucleusfinancial.com.

Investing your money

The value of your investment can fluctuate up and down and it is possible that you may get back less than the amount you originally invested.

Depending on the type of assets you choose to hold, there will be different risks that will affect their value. For example:

- foreign investments are affected by changes in the rate of currency exchange.
- investments in stocks and shares, or funds that invest in stocks and shares, are affected by fluctuations in the stock market.
- cash deposits are affected by changes in interest rates, especially once their fixed term is up.

For further information on the risks that are specific to different types of investments, please read the **Guide to Investment Risk** available on our website or speak to your adviser.

Charges

If the returns on your Offshore Bond investments are poor, they may not cover the level of charges you are paying and the value of your Offshore Bond could significantly reduce in value over time.

You should regularly review the performance of your chosen assets to check that they remain suitable for providing you with the benefits you require in the future.

There may also be other simpler and less costly products to consider that may meet your needs. For more information about what charges are applied to the Nucleus Platform Offshore Bond, please visit our website literature.nucleusfinancial.com.

Compensation

Owners of policies issued by RL360 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 scheme) of RL360's liability where it is unable to meet its financial obligations. However, the Isle of Man scheme is only in relation to RL360 becoming insolvent and does not relate to specific underlying investments chosen by you.

To understand how this may affect your Offshore Bond, please see the 'Other Information' section of this document.

Withdrawals

The value of your Offshore Bond is not guaranteed. Its value will depend on a number of factors including:

- what you have paid in.
- how your investments have performed.
- the charges that have been deducted.

The amount you can withdraw from your Offshore Bond will depend on the value of your Offshore Bond, and whether you are able to sell your investments.

As with any investment, if inflation is higher than the growth on the investment returns, this could affect what you receive back in real terms. This is why investment bonds are medium to long term investments.

We need one month's notice in writing to start or amend any regular withdrawals.

Withdrawals and adviser fees in excess of 5% of the total premiums paid into an Offshore Bond in any policy year will give rise to a chargeable event and may result in a tax charge.

You should be aware that when you create a chargeable event, the full details of it will be provided to HM Revenue & Customs (HMRC) if the value of the gain is in excess of half the basic rate tax threshold.

You should speak with your adviser for guidance prior to making any withdrawals.

? Questions and answers

Is the Offshore Bond the correct product for me?

The Offshore Bond may be right for you if you:

- have a UK regulated adviser
- are looking to build capital growth
- want to save money in a tax efficient investment environment
- want access to a wide variety of investments
- want the ability to make withdrawals at any time
- are willing to accept a degree of risk with your capital
- if you have maximised your ISA and SIPP contributions, or
- if you are looking at trust and estate planning.

Should you decide the Offshore Bond is right for you, please note that Nucleus does not carry out periodic suitability checks to ensure the product continues to be right for you. These may be completed by your adviser.

Who can take out an Offshore Bond?

You can take out an Offshore Bond as:

- an individual aged between 18 and 80, resident in the UK for tax purposes and not a US citizen. The maximum age for the youngest life assured is 75 years old.
- a company investment, if the company is resident in the UK and the Memorandum and Articles of Association give appropriate investment powers.
- a trustee investment, if all of the trustees are resident in the UK and the trust deed gives appropriate investment powers.

Can the Offshore Bond be shared with someone else?

Normally you will not be able to share ownership of your individual Offshore Bond with anyone else.

However, if the investment is of trust assets, all the trustees will share ownership.

If the investment is of corporate assets, the company will own the assets.

Should you decide the Offshore Bond is right for you, please note that Nucleus does not carry out periodic suitability checks to ensure the product continues to be right for you. These may be completed by your adviser.

? Questions and answers - continued

How much can I pay in?

The minimum investment required to open your Offshore Bond is £100,000. There is no maximum amount.

Some investments available under the Offshore Bond may have a minimum or maximum investment amount, so you may need to check with the provider, or your adviser.

Following your initial investment, your adviser can make additional top up payments at any time on your behalf, subject to a £5,000 minimum.

What tax will I pay?

There is no liability to tax on the income or capital gains of the assets within your Offshore Bond while invested, other than any withholding tax deducted at source on income from assets held in some countries.

The tax treatment of benefits you take from your Offshore Bond will depend on your country of residence, citizenship and your personal circumstances at the time. For example, UK resident policyholders will have a possible income tax liability on a chargeable event (such as a surrender or withdrawal exceeding the cumulative 5% tax deferred allowance) which they would have to report on their Self-Assessment Tax Return. Please note there are other actions that lead to a chargeable event, which could cause income tax implications. You should speak to your adviser about how these might affect you.

If you move overseas/ become a US person, you should notify us immediately in accordance with the Platform Services Terms and Conditions.

Please note, that when you create a chargeable event, full details of the chargeable event will be provided to HMRC if the value of the gain is in excess of half the basic rate threshold.

This information is based upon our current understanding and application of legislation and HMRC practice, and the tax treatment depends on your individual circumstances; both of which may change. There are also separate tax provisions governing trusts and corporate entities, and further information on this can be provided on request.

If you become a US taxpayer, your Offshore Bond will not qualify as a life insurance contract for US tax purposes. As a result, increases in the cash value would be subject to current federal income taxation and death benefit proceeds would not be excludable from the recipient's income.

It is possible to pay any adviser charges from your Offshore Bond up to certain limits. However, any such payments are treated as a partial surrender, utilising some of the 5% tax deferred allowance, and may also have tax consequences.

How can I pay premiums into my Offshore Bond?

Premiums can be paid by bank transfer. You may also be able to transfer cash from your Nucleus GIA into your Offshore Bond.

? Questions and answers - continued

What happens to the Offshore Bond when I die?

In the event of your death, your Nucleus Platform Offshore Bond will form part of your estate and may be subject to inheritance tax unless the bond is subject to a trust.

Life assurance version

If you are the sole life assured, a death benefit of 101% (if under age 75 at date of death) or 100.1% (if aged 75 or over at date of death) of the surrender value of your Offshore Bond, will be paid to:

- your personal representatives, if you were the policy owner.
- the trustees, if it was a trustee investment.
- the company, if it was a corporate investment.

After this payment, your Offshore Bond will be closed.

Where there are multiple surviving lives assured, the policy does not have to come to an end and the bond can continue until the last life assured dies.

The personal representatives will have a choice on how they distribute the value of the bond to the beneficiaries of the estate. They can either:

- surrender the bond and pay the proceeds to the beneficiary, or
- assign the bond to the beneficiary

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.

For trustees, the bond can continue and distributions be made, as per the trust deed or at their discretion, depending on the type of trust. This can again be done by surrender or assignment.

Tax advice should be sought before distributions are made to any trust or estate beneficiary.

Capital redemption version

No payment will be made on your death and your Offshore Bond will continue until the maturity date.

Unless you represent a company or a trust, your personal representatives may take over the ownership on your death.

For more details on what happens if you die, please refer to the relevant **Product Technical Guide** and **Terms and Conditions**. Copies of these documents can be obtained from our website.

What happens at the maturity date?

Capital redemption version only

At the maturity date, which is 99 years after the start date, we will pay out the surrender value plus a guaranteed amount of £100.

? Questions and answers - continued

Can I change my mind?

You have the right to change your mind and cancel your Offshore Bond. On receipt of your Offshore Bond application form, we will send you a cancellation notice.

You will have 30 days from receipt of this notice to tell us that you have changed your mind and wish to cancel your application. For further details, please see the **Platform Terms and Conditions**.

What correspondence will I receive?

We will issue:

- a cancellation notice that gives you the right to change your mind and cancel your Offshore Bond (unless you have waived these rights in your application)
- regular valuation statements for your Offshore Bond, and
- other necessary correspondence depending on the day-to-day operation of your Offshore Bond.

We'll speak directly with your adviser in most instances, unless we need to confirm something with you. This may be via the platform's online messaging system or by telephone.

All written correspondence regarding your Nucleus products will be saved in your online account, and you/your adviser will be notified when a document needs your attention. We do not consider standard email to be secure and so we will not normally communicate in this way if the communication includes personal information or instructions relating to your Offshore Bond.

What other documents should I read?

You should read the:

- **Key Features Illustration** provided by your adviser.
- relevant **Offshore Bond Key Information Document**.
- relevant **Charges Schedule**.
- **Offshore Bond Permitted Investments List**.
- **Platform Terms and Conditions**.
- relevant **Product Technical Guide**.

These documents provide you with more detailed information on the Offshore Bond.

If after reading the documentation you are unclear about any aspect of the Offshore Bond, or you are unsure whether the product is right for you, please speak to your adviser.

Other information

Making a complaint

If you wish to complain about any aspect of our service, please contact the Complaints Manager using the 'How to contact us' section below.

Complaints about this product that we cannot address may be referred to the Financial Services Ombudsman Scheme in the Isle of Man or the Financial Ombudsman Service in the UK, depending on the parties involved. They can be contacted via the following:

The Financial Services Ombudsman for the Isle of Man

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

Telephone: 0162 468 6500

The Financial Ombudsman Service

Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567

Calls to this number are normally free from a fixed line, but charges may apply from a mobile phone.

Telephone: 0300 123 9123

Call to this number are charged at the same rate as 01 or 02 numbers on mobile phone tariffs.

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

Website: financial-ombudsman.org.uk

Making a complaint will not affect your right to take legal proceedings.

Law

Your Offshore Bond is subject to the law of the Isle of Man, as stated in the Offshore Bond Terms and Conditions issued by RL360 Insurance Company Limited.

Compensation

All underlying investments are made and held in the name of RL360 and therefore you will not be eligible to take advantage of any investor compensation scheme or the Depositors Compensation Scheme, which you may otherwise have been able to apply to if you had directly invested with the underlying fund manager, bank or building society.

If you link your Offshore Bond to any cash deposit account, your investment may not be covered in full by any depositors compensation scheme (DCS), should the deposit account provider become insolvent. The amount (if any) which is recovered under the scheme could be substantially less than the amount you might have been able to recover had you owned the cash deposit account(s) yourself.

This situation is likely to be the same for any investment or deposit account held in any jurisdiction as RL360 are a corporate client and are unlikely to be eligible to claim under any available compensation scheme.

Owners of policies issued by RL360 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 scheme) of RL360's liability where it is unable to meet its financial obligations.

RL360 reserves the right to adjust the returns to cater for any levy or charge made on it under the regulations or similar legislation. 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.

How to contact us

We don't provide financial advice, so your adviser will normally be your first point of contact.

However, if you need help or information regarding the administration or features of your Nucleus Platform Offshore Bond, please contact us using the following details.



Nucleus

Suite 202 Warner House
123 Castle Street
Salisbury
SP1 3TB



Website: nucleusfinancial.com



Telephone: **03455 212 414**

Our lines are open from 8:30am to 5:30pm
Monday to Friday. To help us improve our service,
we may record or monitor calls.

For literature in alternative formats, such as Braille, large print, audio or E-text, please call us on 03455 212 414, or via the Typetalk service on 18001 03455 212 414.

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