



in partnership with



# Nucleus Modular Offshore Bond guidelines for permitted assets

 7 minute read

## What is this document about?

- This document sets out the types of investments you may hold in your Modular Offshore Bond. Please note that the inclusion of any asset types on this list does not mean that we endorse or recommend them, and returns on your investments are not guaranteed.
- The assets proposed to be held in the Modular Offshore Bond are reviewed by RL360 Insurance Company Limited (RL360) to ensure that they comply with the obligations of its licence and all regulations to which are applicable.
- 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.
- Please note that RL360 reserve the right to decline making an investment if the provider will not provide us with suitable monthly reconciliation data, or for any other reason RL360 deem appropriate.

You should also read:



- **Our Product Technical Guide** which explains how the product works and how these types of assets can be purchased.
- **Our Guide to How your Money and Investments are Held** which provides details of how your assets are held and the protections provided under UK regulations.

Please ensure that you always access our documents from our website [nucleusfinancial.com](https://nucleusfinancial.com) in order to access the most up-to-date information.

## Information about RL360

The Modular Offshore Bond is a policy of insurance written by RL360 Insurance Company Limited (RL360) and linked to assets held within Nucleus. RL360 is authorised by the Isle of Man Financial Services Authority.

Holders of policies issued by RL360 will not be protected by the Financial Services Compensation Scheme (FSCS) established under the UK Financial Services and Markets Act 2000 if it is unable to meet its liabilities to them. As a policyholder, you receive the protection of the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991. However, assets that you have chosen to invest in and which are held within the RL360 product may be protected by the FSCS, if they qualify.



The Modular Offshore Bond is provided by RL360 for applicants who are UK residents. For more information, please see our Platform Services Terms and Conditions and RL360's Offshore Bond Terms and Conditions, available from our website [nucleusfinancial.com](https://nucleusfinancial.com).

## Investing with RL360

- RL360 must be able to hold the asset in its nominee name or custodian account.
- Ownership of an asset must not be restricted in such a way as to prevent it from being available to other policyholders.
- Any UK investment trusts must be purchased and held through a savings plan provided by the Investment Trust and not through a stockbroker.
- RL360 does not accept liability for loss of performance or investment opportunity as a result of any decision it makes to decline an asset.
- RL360 reserves the right to amend the permitted assets at any time, providing that at all times any such amendments comply with Regulation 4 of the Personal Portfolio Bond (Tax) Regulations 1999 of the United Kingdom (and any subsequent amendments).
- RL360 reserves the right to adjust the returns for investments to reflect any levy or charge made on it under the Isle of Man Life Assurance (Compensation of Policyholders) Regulations 1991 or similar legislation.
- Insurance bonds issued by other life assurance companies are not acceptable.

## What can I hold in the Modular Offshore Bond?

For an asset to be available for investment, it must be structured and described as follows:

- A UK authorised unit trust within the meaning of section 468 of the UK Income and Corporation Taxes Act 1988.
- A UK investment trust within the meaning of section 842 of the UK Income and Corporation Taxes Act 1988.
- An open-ended investment company (OEIC) within the meaning of section 236 of the UK Financial Services and Markets Act 2000.
- Cash deposits made available and agreed by RL360.
- An interest in a collective investment scheme which is constituted by:
  - A company, not being an open-ended investment company, which is resident outside the UK
  - A unit trust scheme where the trustees are resident outside the UK.

Any overseas arrangements which do not fall within the above criteria but which are recognised under the law of the jurisdiction in which they are domiciled or registered as creating rights in the nature of co-ownership, or in a jurisdiction acceptable to RL360 are also permissible.

All other asset types/jurisdictions will be considered by RL360 on an individual basis.

## Jurisdictions from which funds will be considered

Listing/regulation in one of these jurisdictions will not immediately mean the fund is allowable, unless all other criteria have also been satisfied.


- A European Economic Area (EEA) country
- Channel Islands
- Isle of Man
- Bermuda
- Cayman Islands
- British Virgin Islands
- New Zealand
- Australia

## Non-permitted investments

- Warrants, options or any other future rights to purchase shares or units and investments listed in this document are not permitted under any circumstances.
- Collective investments which are structured as partnerships, limited partnerships, private funds or funds restricted to a class of investors not determined by RL360 alone are not acceptable.

## Additional acceptance guidelines

Subscription frequency	It must be possible to subscribe to an asset daily, weekly, monthly or quarterly.
Redemption frequency	Units or shares in the asset must be redeemable daily, weekly, monthly or quarterly at the least.
Liquidity	There must be no clauses restricting dealing for example, RL360 will not accept any fund where redemption proceeds would be payable in tranches. Additionally, a fund will not be accepted if redemptions are restricted until a buyer is located and the sale matched out.
Units	A fund will only be an acceptable investment if non certified shares in the fund are issued and registered by the fund manager. A fund will not be acceptable if the units are only issued in bearer form.
Pricing	Prices for the fund must be readily available and publicly quoted regularly.
Hedge funds	These will be considered on an individual basis.
Mutual funds	<ul style="list-style-type: none"> <li>Funds must operate so as to avoid the Modular Offshore Bond being classified as a Personalised Portfolio Bond under UK HM Revenue and Customs regulations.</li> <li>RL360 must be able to hold the fund/asset in Nucleus', or its custodian's, nominee name.</li> <li>Funds will not be permitted if redemption restrictions exceed five months.</li> <li>Funds must have readily available prices in line with their frequency of dealing.</li> <li>Funds must be priced at an absolute minimum of every three months.</li> </ul> <p>Please note: Funds which contain an 'in-specie' clause will be subject to a more rigorous review.</p>

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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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