

nucleus
platform

RL360

Key features of the Nucleus Modular Offshore Bond

Provided by RL360 Insurance Company Limited (RL360)

 20 minute read

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 Modular 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

What is the purpose of this document?

This Key Features Document, along with your Key Features Illustration and Key Information Document provided by your financial adviser, gives you a summary of information to help you decide if you want to invest in the Modular Offshore Bond, referred to in this document as the Modular Offshore Bond, and whether it's right for you.

What is the Modular Offshore Bond?

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

- 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 of 99 years after the start date.

What is the relationship between Nucleus and RL360?

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

- acts as an insurance intermediary in relation to the Offshore Bond
- distributes the Offshore Bond provided by RL360
- arranges the Offshore Bond with RL360 on your behalf
- doesn't 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.

Your commitment

With the help of your financial adviser (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'll need to:

- make at least one payment into your Modular Offshore Bond of at least £100,000
- consider this type of investment as a medium to long term commitment
- 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.

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.

For more information, please refer to the **Platform Services Terms and Conditions**, a copy of which is available on our website nucleusfinancial.com.





Understanding the risks

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

- the amount you put in
- the investments you select
- when you choose to take withdrawals, and how often.

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 amount of tax you pay on your investments.

Your right to cancel

If you open a Modular 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.

Please refer to the **Platform Services Terms and Conditions** for more information. This is available on our website nucleusfinancial.com.



Transferring in

If you transfer existing investments into your Modular Offshore Bond, they may need to be transferred as cash. At this point, you'll be 'out of the market' and may not get the benefit of any asset growth whilst the transfer is being processed.

Investing your money

The value of your investments can fluctuate up and down and it's 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 more information on the risks that are specific to different types of investments, please read our **Guide to Investment Risk** available on our website nucleusfinancial.com, and speak to your adviser.



If the returns on your Offshore Bond investments are poor, they may not cover the level of charges applied and the value of your Offshore Bond could significantly reduce in value over time. You should regularly review the performance of your chosen investments to check that they remain suitable for providing you with the benefits you want in the future.

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 scheme) of RL360's liability where it's unable to meet its financial obligations.

However, the Isle of Man scheme is only in relation to RL360 becoming insolvent and doesn't relate to specific underlying investments chosen by you with the assistance of your adviser.

All underlying investments are made and held in the name of RL360. This means you won't 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.

In addition, owners of policies issued by RL360 aren't 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.

To understand how this may affect your Offshore Bond, please see the 'Other useful information' section later in this document.



Withdrawals

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

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

The amount you can withdraw will depend on:

- the value of your Modular Offshore Bond
- whether you're able to sell your investments
- your liability to tax.

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.

For information on the taxation of withdrawals, please refer to the relevant **Technical Guide** which is available on our website at [nucleusfinancial.com](https://www.nucleusfinancial.com).



Questions and answers

Is the Modular Offshore Bond the right product for me?

The Modular Offshore Bond may be right for you if you:

- have an FCA regulated financial 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
- have maximised your ISA and SIPP contributions, or
- if you are looking at trust and estate planning.

Should you decide the Modular Offshore Bond is right for you, please note that Nucleus don't 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 a Modular Offshore Bond?

With the help of an adviser, you can open a Modular Offshore Bond as:

- an individual aged between 18 and 80, who is 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 the sole or majority of the trustees are resident in the UK and the trust deed gives appropriate investment powers.

Can the Modular Offshore Bond be shared with someone else?

You normally won't be able to share ownership of your Offshore Bond with anyone else. However, if the investment is an investment of trust assets, all the trustees will share ownership.

In addition, if the investment is an investment of corporate assets, the company will own the assets.



Questions and answers - continued

How much can I pay in?

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

Some investments available under the Offshore Bond may have a minimum or maximum investment amount. Please speak to your adviser for further details.

Following your initial investment, you can make additional ad hoc or top up payments in at any time.

What tax will I pay?

There's no liability to tax on the income or capital gains of the assets within your Modular 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 or domicile and 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.

Please note that when you create a chargeable event, full details of the chargeable event will be provided to HM Revenue & Customs (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. The tax treatment depends on your individual circumstances, which may change. There are also separate tax provisions governing trusts and corporate entities, details of which 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's possible to pay any adviser charges from your Offshore Bond, up to certain limits. However, such payments are treated as a partial surrender, utilising some of the 5% tax deferred allowance, and may also have tax consequences.

Can I have an illustration?

Your adviser will provide you with an illustration before for submit an application.

Questions and answers - continued

What can I invest in?

Through the Modular Offshore Bond, you can invest in a wide range of investments, including collective investment funds (such as unit trusts and OEICs), investment trusts and fixed term deposits.

You can change investments at any time, unless an investment has restrictions. These will be covered in the literature or terms and conditions for the investment you or your adviser have chosen.

For more information on the investments available to you under the Modular Offshore Bond, please see the product's **Permitted Investments List** which is available on our website [nucleusfinancial.com](https://www.nucleusfinancial.com).

What are the charges?

Full details of our charges are given in the product's **Charges Schedule**. You may pay charges to other parties depending on the investments you select, and you may also pay charges to your adviser. Charges can be paid out of your Modular Offshore Bond.

Our charges are normally deducted from your Modular GIA's cash account. If there is insufficient money available there, we'll ask you to sell some investments within your Offshore Bond to settle any charges owed.

When can I make withdrawals?

You can make withdrawals from your Offshore Bond at any time by giving one month's notice. These can be single or regular withdrawals.

Withdrawals are made by BACS to an account in your name that you nominate.

The minimum regular withdrawal amount is £200. The minimum single withdrawal is £500. After any withdrawal there must still be a minimum amount of £10,000 remaining in your policy.

Please note payments cannot be made to third parties, and the payment currency for your Modular Offshore Bond is £ sterling only.

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

What happens to my Offshore Bond when I die?

In the event of your death, your Modular Offshore Bond will form part of your estate and may be subject to inheritance tax.

Life assurance version

If you're the sole life assured, a death benefit which is 101% (if under 75 at date of death) or 100.1% (if 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 is made 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

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 product's **Technical Guide** and the **Platform Services Terms and Conditions**. Copies of these documents can be found on our website [nucleusfinancial.com](https://www.nucleusfinancial.com).

Can I change my mind?

You have the right to cancel your Modular Offshore Bond. On receipt of your Modular Offshore Bond application, we'll send you a cancellation notice.

You'll then have 30 days from receipt of this notice to tell us that you have changed your mind and wish to cancel your application. For more details, please see the cancellation section of the **Platform Services Terms and Conditions**.

Questions and answers - continued

What correspondence will I receive?

We'll issue:

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

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

All written correspondence regarding your Nucleus products will be saved in your online account, with a notification sent to you/your adviser. We may also contact you directly, for example when issuing a cancellation notice.

We don't 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 Modular Offshore Bond.

What other documents should I read?

You should also read the:

- **Key Features Illustration** provided by your adviser prior to your application
- relevant **Charges Schedule**
- **Modular Offshore Bond Permitted Investments List**
- **Platform Services Terms and Conditions** and **RL360s Offshore Bond Terms and Conditions**, and
- relevant **Technical Guide**.

These documents provide you with more detailed information on the Modular Offshore Bond, and are available from our document library at nucleusfinancial.com.

If after reading the documentation you're unclear about any aspect of the Modular Offshore Bond, or you are unsure whether it's right for you, we strongly suggest you speak to your adviser.

Other information

Law



Your Modular 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.

Making a complaint



If you wish to complain about an aspect of our service, please contact the Complaints Manager using the 'How to contact us' section on the following page.

Complaints about this product that we can't 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.

For details of our formal complaints procedure or contact information for the organisations named above, please see our **Guide to our Complaint Procedure**, a copy of which can be found on our website nucleusfinancial.com.

Making a complaint won't affect your right to take legal proceedings.

Compensation



The investments linked to your Modular Offshore Bond are owned by RL360, and therefore as a corporate investor, they won't be eligible for compensation under any investment compensation schemes.

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 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 scheme) of RL360's liability where it's 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 can't provide financial advice, and 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 Modular Offshore Bond, you can contact us via the following:



Nucleus

Suite 202 Warner House
123 Castle Street
Salisbury
SP1 3TB



Website: nucleusfinancial.com



Telephone: 03455 212 414
Lines are open from 8:30am to 5:30pm
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.

"Nucleus" is the trading name for Nucleus Financial Platforms Limited (NFPL) (registered in England, number 06033126), Nucleus Group Services Limited (NGSL) (registered in England, number 02538532); James Hay Services Limited (JHS) (registered in Jersey, number 77318); James Hay Administration Company Limited (JHAC) (registered in England, number 04068398); James Hay Pension Trustees Limited (JHPT) (registered in England, number 01435887); James Hay Wrap Managers Limited (JHWM) (registered in England, number 04773695); James Hay Wrap Nominee Company Limited (JHWNC) (registered in England, number 07259308); Nucleus Financial Services Limited (NFS) (registered in England, number 05629686). NFPL, NFS, NGSL, JHAC, JHPT, JHWM, JHWNC have their registered office at Suite B & C, First Floor, Milford House, 43-55 Milford Street, Salisbury, SP1 2BP. JHS has its registered office at Aztec Group House, IFC6, The Esplanade, St Helier, Jersey, JE4 0QH. JHAC, JHWM and NFS are authorised and regulated by the Financial Conduct Authority. NFPL, NGSL, NFS, JHWM, JHPT, JHAC and JHS are members of a VAT group with VAT registration number 514 0358 80. All companies are wholly owned subsidiaries of NFPL. Further details of the Nucleus Group can be found at nucleusfinancial.com (12/25)