

# IVCM (Gibraltar) Retirement Annuity Trust

## Investment Guide

1 November 2019

This document sets out IVCM Gibraltar QROPS policy on standard and non-standard investments. It also sets out the types of investments which may and may not be held in your IVCM Gibraltar QROPS, subject to the general conditions and notes listed in the pages which follow. Please be aware our policy may be subject to change and we reserve the right to decline an investment at any time even where it may be deemed acceptable.

In broad terms, the aspects we consider when reviewing an investment are:

- i. HMRC Taxable Property Rules - we do not allow investments that will result in unauthorised payment tax charges
- ii. Regulatory requirements
- iii. Practical administration requirements - e.g. asset valuations
- iv. Liquidity of investments

In order to assess acceptability we may request additional information from the investment provider, connected parties and/or third parties.

### INVESTMENT CLASSIFICATION

The following lists detail the types of investments which are classified as standard or non-standard investments as well as those which are prohibited. All lists are comprehensive but are not exhaustive and could be subject to change at the discretion of the trustees. Please contact us if you have a question relating to the classification of an investment which does not appear on any of the lists below.

### Permitted Investments classified as Standard Investments

- Stock and Shares listed on any recognised Stock Exchange including company shares
- Fixed Interest Securities, Loan Notes & UK Government Treasury Bills
- Depository Interests (including CREST depository interests)
- Investment Trust shares & ETFs listed on any recognised Stock Exchange
- Collective Investment Schemes authorised by the FCA
- Collective Investment Schemes constituted in an EEA member state and authorised by the appropriate authority and is an FCA recognised scheme under Section 264 of FSMA 2000
- Bank Deposit Accounts within the EEA
- Structured Deposits protected by the FSCS or equivalent EEA compensation scheme
- Structured Capital Protected Products where there is more than one counterparty

There is no percentage holding restriction in relation to Standard Investments however, they remain subject to the general diversification provision noted below.

### Permitted Investments classified as Non-Standard Investments

- Unregulated Collective Investment Schemes or Qualifying/Sophisticated Investor Funds
- Collective Investment Schemes which are only intended for 'Well-Informed', 'Experienced', 'Sophisticated', or 'Professional' investors. Specialised Investor Funds are also not available to retail clients.
- Property Development Schemes where the legal documents are pre-prepared by a promoter (i.e. storage units, car parks, land schemes, hotel developments etc.)
- Structured Capital Protected Products/Notes where there is one counterparty
- Structured Capital at Risk Products/Notes
- 3rd Party loan notes
- Unregulated Special Purpose Vehicles where the underlying assets are illiquid
- Unregulated Genuinely Diverse Commercial Vehicles
- Unlisted shares (Brooklands Pensions does not permit unlisted share purchases from connected parties)

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Investments classified as Non-Standard Investments are only available to Professional Clients as defined in our Professional Client Declaration. When investing in any Non-Standard Investment(s) via the Brooklands Gibraltar QROPS; the IVCM Gibraltar QROPS Professional Client Declaration must be signed by the member and their financial adviser.

While IVCM Trustees only accept business introduced by suitably licensed professionals, it would still have to be demonstrable that specific advice had been given in relation to an investment into an asset which is classified as nonstandard.

Where the Trustees consider assets not to be sufficiently liquid, we may insist that a cash balance equal to seven years' worth of annual administration fees be kept in the QROPS operating bank account.

There is no percentage holding restriction in relation to Non-Standard Investments however, they remain subject to the general diversification provision noted below.

### **Prohibited Investments**

- Residential Property (including but not restricted to; timeshare, buy-to-let and guest houses)
- Taxable Moveable Property
- Warrants, Futures, Options and other derivatives listed on any exchange
- Any Loan which may be directly or indirectly beneficial to a member (e.g. pension reciprocation loan)
- Direct investment into Carbon Credits or Carbon Credit Funds
- Contracts for Difference and Spread Betting
- Unlisted shares from a connected party

### **Structured Products**

For all investment into structured products, we require the IVCM's Structured Product Declaration to be completed by the member and their adviser.

There is no percentage holding restriction in relation to structured products however, they remain subject to the general diversification provision noted below.

### **GENERAL INVESTMENT PROVISIONS**

Liquidity requirement

Investments (with the exception of direct property investments) must be:

- (a) Redeemable for cash within one year; or
- (b) Freely transferable to another person eligible to invest in that investment.

### **General Diversification Provision**

Where an investment instruction has been received placing the member's portfolio into less than three asset classes or unique holdings (excluding cash), we will contact the financial adviser and request written confirmation from the member that they understand the risks of not diversifying their portfolio.

### **Processing of Investment Instructions**

Please be aware that investment transactions may be delayed until we receive clarification on any of the points raised in this policy. Including but not restricted to, receiving written confirmation from the member that they understand the risks of not diversifying their portfolio.

IVCM Trustees (Gibraltar) Limited and any other company under the IVCM brand cannot be held liable for any losses due to a delay caused as a result of seeking clarification on any of the points raised in this policy. Including but not restricted to, receiving written confirmation from the member that they understand the risks of not sufficiently diversifying their portfolio.