

## MC Trustees Limited

### SCHEDULE OF ALLOWABLE INVESTMENTS

This document sets out the types of investments which may be held in the MC Trustees Private Pension.

The legal structure means that ordinary pension benefits can be invested in a very wide range of assets. Clients, either alone or in conjunction with their advisors can construct a portfolio to meet the investor's individual circumstances comprising investments in the following broad asset classes:

- Listed shares, bonds and funds
- UK unit trusts, OEICs and investment trusts
- Offshore OEICs or similar collective investment schemes
- Exchange traded funds and exchange traded commodities
- Warrants, covered warrants, futures, options and derivatives
- Money market deposits
- Structured products
- Hedge funds
- Commercial property
- Real estate investment trusts
- Exempt property unit trusts and other types of property fund

The fully detailed list of allowable investments is shown overleaf. There are some restrictions on what you can invest in.

The wide-ranging asset classes that can be held provide extensive flexibility and choice to advisers and investment managers to meet investors' needs, now and for the future.

The following list details the allowable investments. All investments are subject to the general conditions outlined in the notes to this schedule.

Description of Security	Allowable
Listed on any stock exchange	Yes
Authorised unit trusts resident in the UK and authorised under the Financial Services and Markets Act 2000 (FSMA)	Yes
Tax-exempt unauthorised unit trusts	Yes Note 1
Investment trust shares listed on any stock exchange	Yes
Open ended investment companies (OEIC) and other similar collective investment schemes (regulated collective investment schemes) that are:	
(a) UK incorporated and authorised by the FSA	Yes
(b) Constituted in an EEA member state and authorised by the appropriate authority	Yes
(c) Constituted outside the EEA but managed in a designated country or	Yes

territory		
Undertakings for collective investments in transferable securities (UCITS) schemes falling within the EU's UCITS Directive 85/611	Yes	
Non-UCITS retail schemes	Yes	
Exchange traded funds admitted to the London Stock Exchange or another list maintained by a competent authority in another EEA state (Official List)	Yes	
Unregulated OEICs and other unregulated collective investment schemes	Yes	Note 1
Insurance company funds or policies	Yes	
With profit contracts with insurance companies	Yes	
Exchange traded funds not listed on an Official List or that do not comply with the UCITS directive	Yes	Note 1
Exchange traded commodity funds not listed on an Official List or that do not comply with the UCITS directive	Yes	
Fixed term, fixed rate deposits with an EU authorised deposit taker of no more than 1 year term and that can be broken early	Yes	
UK commercial property	Yes	
Overseas commercial property	Yes	
Quoted real estate investment trusts	Yes	
Depository Interests	Yes	
Warrants or covered warrants listed on any stock exchange	Yes	
Unquoted warrants or covered unquoted warrants	No	
Futures, options and derivatives listed on any stock exchange:		
where the liability under the contract is limited to the amount invested in that contract	Yes	
where the liability under the contract could exceed the amount invested under that contract	No	
Unquoted futures, options and derivatives	No	
Contracts for difference and spread betting	No	
Private company and unlisted public company shares	Yes	
Unquoted real estate investment trusts	No	
Unquoted fixed interest securities and loan notes	No	

Telephone calls to MC Trustees are recorded for training, monitoring and fact verification purposes.

## General conditions

### A) Liquidity requirements

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

- (a) redeemable for cash within 90 days; or
- (b) freely transferable to another person eligible to invest in that investment.

### B) Indirect holding of taxable property

Where the member has been tax resident in the UK for any time in the last five completed tax years an investment must not be purchased or held if it holds an interest in taxable

property as defined in Schedule 29A to the Finance Act 2004. This applies whether the interest in the taxable property is held directly or indirectly through another vehicle or vehicles.

In some cases, an investment may not currently hold taxable property but may not rule out doing so at some point in the future.

We will consider such investments on a case by case basis (without any obligation to accept them) and may require the investor to sign a letter before proceeding indemnifying us against any tax liabilities which might arise in the future.

### **C) Connected person transactions**

If any transaction is to be carried out between the pension scheme and the investor or any person connected with the investor, the transaction must take place at market value. For this purpose a person is connected with an investor if that person falls within the definition of a connected person as defined in Section 993 of the Income Tax Act 2007.

Note 1      These collective investment schemes are subject to a number of restrictions, in particular:

- Limited to no more than 20% of the value of any one plan; and
- Must publish its prices regularly; and
- We must look through to the assets held within the collective investment scheme to ensure that these comply with permitted links rules. For example, commodities and other non-financial assets such as wine & works of art are not permitted links.