

Press information

08 December 2010

IFAs put forward proposal for one page platform disclosure document

The IFA firms that own and control the Nucleus wrap have devised a proposal for a one page disclosure document they believe should set the standard for the platform industry.

The proposal is part of a wider-reaching White Paper - Fit for Purpose Platforms...in Black and White – prepared by the Nucleus IFA Advisory Board with the intention of informing the debate around some of the more contentious issues regarding the development of the platform market and in particular those issues covered in FSA papers DP10/2 and CP10/29.

The Board, chaired by John Moore, director of Aberdeen-based Central Investments, believes the proposed disclosure document it has set out strikes an appropriate balance between providing relevant information and ensuring data accessibility. What is more it fits onto one page (see notes).

Entitled 'Key facts: what you absolutely need to know', the proposed one pager has been designed to make it absolutely clear to consumers what they can and cannot do and also includes an explanation and summary of the charges the client would be expected to pay.

Commenting John Moore said:

“The Nucleus IFA Advisory Board believes that the Retail Distribution Review (RDR) presents a remarkable opportunity for the retail financial services sector to embark on a new relationship with the UK population.

“Partly due to the disclosure of advice charges demanded by the FSA and partly due to the requirement for more tailored financial solutions, it appears widely accepted that platforms will provide much of the infrastructure to support the execution of the RDR.

“We believe that by combining transparency with the significant advances in technology that we have witnessed over the last few years platforms will be able to deliver a proposition that places the client firmly centre stage, and which in turn will help the FSA deliver on its RDR objectives. The one page disclosure document we have put forward is a small, but hugely important, step in this process.”

-Ends-

For further information please visit www.nucleusfinancial.com or contact:

Andrew Appleyard, MRM – 020 3326 9908 / 07909 684 468

Katy Moore, MRM – 020 3326 9904 / 07584 235 806

Notes to editors:

Key facts: what you absolutely need to know

You have decided to invest £100,000 with Nucleus and have elected to split this investment between our general account (£25,000) and our pension account (£75,000). If you do not wish to proceed please return the cancellation form included in this pack.

Important note

The money you invest in each account will be subject to different tax treatment and there are certain restrictions on when the money you hold in the pension account may be withdrawn. You should also note that depending on how you plan to run your portfolio there may be some restrictions regarding the investment choices you can make.

Charges

The charges that you will need to pay may vary over time depending on how your portfolio is invested and how your it performs but based on how your money is going to be invested on day one and the agreement you have with your financial adviser, your charges will be as follows:

	Initial charges	Initial cost	Annual charges	Annual cost	Notes
Platform charge	Nil	Nil	0.35%	£350	Paid to Nucleus for running the online wrap platform where your assets are held.
Advice fee	Nil	Nil	0.75%	£750	Paid to your financial adviser for the advice you have and will receive.
Portfolio costs	Nil	Nil	0.60%	£600	Represents the management costs of the funds or other assets you have chosen to invest in at this time.
Total	Nil	Nil	1.70%	£1,700	

You can view a real-time up-to-date version of this table by logging into your account or by contacting your financial adviser.

The annual platform charge includes any margin deducted from the cash elements of your portfolio and our best estimate of the costs you might incur as a result of trading activity across your portfolio. Please note that all charges will be met from the cash you hold in your Nucleus wrap and that you may be required to sell assets to meet charges due should the amount of available cash be insufficient.

Portfolio restrictions

The Nucleus platform allows you to invest in an asset universe of more than 4,000 funds, securities and cash facilities. The primary restriction on the growth of this universe is that assets must be denominated in UK Sterling. Nucleus does not charge fund managers to make their funds available on the platform.

About Nucleus

Nucleus Financial Group is an online wrap based business platform.

Nucleus was founded in 2006 by a number of high quality IFAs who shared a commitment to create a market where advisors have the infrastructure and desire to place the client centre stage.

Since foundation Nucleus has established itself as a major force for change in the market. It is now a community of IFA businesses who through ownership and control of the business process seek to create a better customer experience.

The management team is led by David Ferguson chief executive, and offers extensive experience across all areas of the UK retail financial services market.

The company was rewarded for its ground-breaking approach at the Scottish Financial Enterprise (SFE) Innovators Awards held in Edinburgh on 29 November 2007.

Nucleus Financial was rewarded for bringing something new to the wrap platform sector and won best new platform at the 2008 Adnitor Awards in October.

Nucleus won the 'Best online wrap or fund supermarket' accolade at the 2008 Online Finance awards in November, 2008.