Our **new** platform

nucleus platform

Adviser charges

Adviser charges are fees or compensation that advisers charge for their services. There are six types of adviser charges that are available. These fees can be taken at different frequencies and can be taken as monetary (£) or percentage (%).

The adviser charging account will collect the adviser fees deducted from client accounts and then pay out to the advisers. Payments may be made at different dates, depending on factors such as being newly setup or specifically requesting a different payment date.

Adviser charges (initial, regular and ad hoc) will normally be paid together monthly, four business days after the BACS processing date (25th of the month). If this falls on a non-business day, the processing and payment dates will be moved forward.

Table of charging available

Charge type	Value	Frequency
Initial Adviser Charge (IAC)	£ or %	One-off
Regular Adviser Charge (RAC)	£	Monthly Quarterly Half-yearly Annually
Ongoing Adviser Charge (OAC) - head account level Ongoing Adviser Charge (OAC) - product level	% £ or %	Monthly Quarterly Half-yearly Annually
Ad Hoc Adviser Charge (AHAC)	£	One-off

Initial Adviser Charge (IAC)

The initial adviser charge can be applied to new money in, i.e. a single contribution or transfer in. Advisers can key the initial fee as part of a new business application, either as a monetary (£) amount or a percentage (%). The initial advice charge cannot be edited once submitted but can be cancelled, if required, via our admin team.

IAC basis	Charge link and payment timing
Monetary	Linked to the largest payment or transfer and then deducted once it is complete. e.g. 2 transfers in. Transfer A is £10,000 and transfer B is £100,000. IAC = £1,100. £0 is deducted from transfer A, £1,100 is deducted from transfer B.
Percentage	Linked to every individual payment or transfer and deducted from each as they are completed. e.g. 2 transfers in. Transfer A is £10,000 and transfer B is £100,000. IAC = 1%. 1% is deducted from transfer A (£100) and 1% is deducted from transfer B (£1000).



For our admin to cancel an initial fee, the associated contribution or transfer in must be outstanding and not inflight or completed.

Type of adviser charge	Decency limit
Maximum decency limit for initial fees	5%

Regular Adviser Charge (RAC)

The regular adviser charge can be applied to a regular contribution in. The RAC will be applied as a monetary amount only. The RAC can only be processed if there is an active regular contribution in, if the regular contribution is cancelled the RAC will also be cancelled. The frequency the RAC taken is dependent on the frequency of the contribution as they go hand in hand.

The total number of payments taken and the maximum amount allowed are defined by decency limits set within the network/customer rate card.



If the regular adviser charge can't be taken on an expected payment date, the system will increase the projected end date to account for the missed charge.

Ongoing Adviser Charge (OAC)

Advisers can input the OAC as part of a new business application, alternatively this can be added/amended at any point on the platform. The OAC can be charged at head account level or at individual product level.

This fee is accrued daily and posted on the selected frequency, based on the anniversary of the account creation date. Head account level charging is tiered percentage (%) based, although at product level the OAC can be either monetary (£) or percentage (%)/ percentage (%) tiered.

Key information

Any fees that have been missed or not paid will be on the new platform for 90 days. After 90 days these fees expire, cancelled and will not be paid. The adviser will receive a notification at day 30 and day 60 to disinvest into the cash account and cancellation.

Type of adviser charge	Decency limit
Maximum decency limit for initial fees	5%

Ad Hoc Adviser Charge (AHAC)

There is the option to take an ad hoc adviser charge as a monetary (£) amount, at any point in time via the fees tab. The adviser will be required to add a maximum annual consent limit that is equal to or below the client's annual decency limit, and the client will need to sign to approve.

Note: The consent amount agreed will be for a 12 month basis and will reduce as payments are taken. For example, if the consent amount agreed is £1000 and you take a fee of £100 then the remaining amount you can charge is now £900.

Key information

When an adviser requests an ad hoc adviser charge on a product for the first time, they will be required to provide an annual consent amount the client has consented to for ad hoc fees that can be deducted from the product.



An ad hoc adviser charge will trigger a disinvestment when there is insufficient cash to cover the charge levied.

Type of adviser charge	Decency limit
Maximum decency limit for ad hoc adviser charge	£10,000

Key information

Nucleus will not increase adviser charges without the customer's approval signature. Changes made on the platform to charges will trigger the generation of new customer documents. For example, Adviser Charging Conformation, Account Illustration and Costs & Charges Disclosure documents.

Costs & Charges Disclosure

The platform supports the auto generation of the Costs & Charges Disclosure document . This is a document that discloses agreed adviser charges and is produced as part of any event that triggers adviser charging.

The charges confirmation document discloses to the client each time their adviser amends existing charges or requests new adviser charges. Once generated, the document must be disclosed to the client, either electronically or paper based.



If the Adviser Charges Agreement doesn't give the adviser authority to act on behalf of the client, then all adviser charges are kept pending until the Adviser Charges Authorisation Document has been signed by the client and returned.

Adviser remuneration

The new platform provides you with a remuneration payment functionality in the form of the ACORN system. This system enables you to group adviser charges that have been deducted from client accounts to be paid to the associated adviser's network or firm bank accounts.

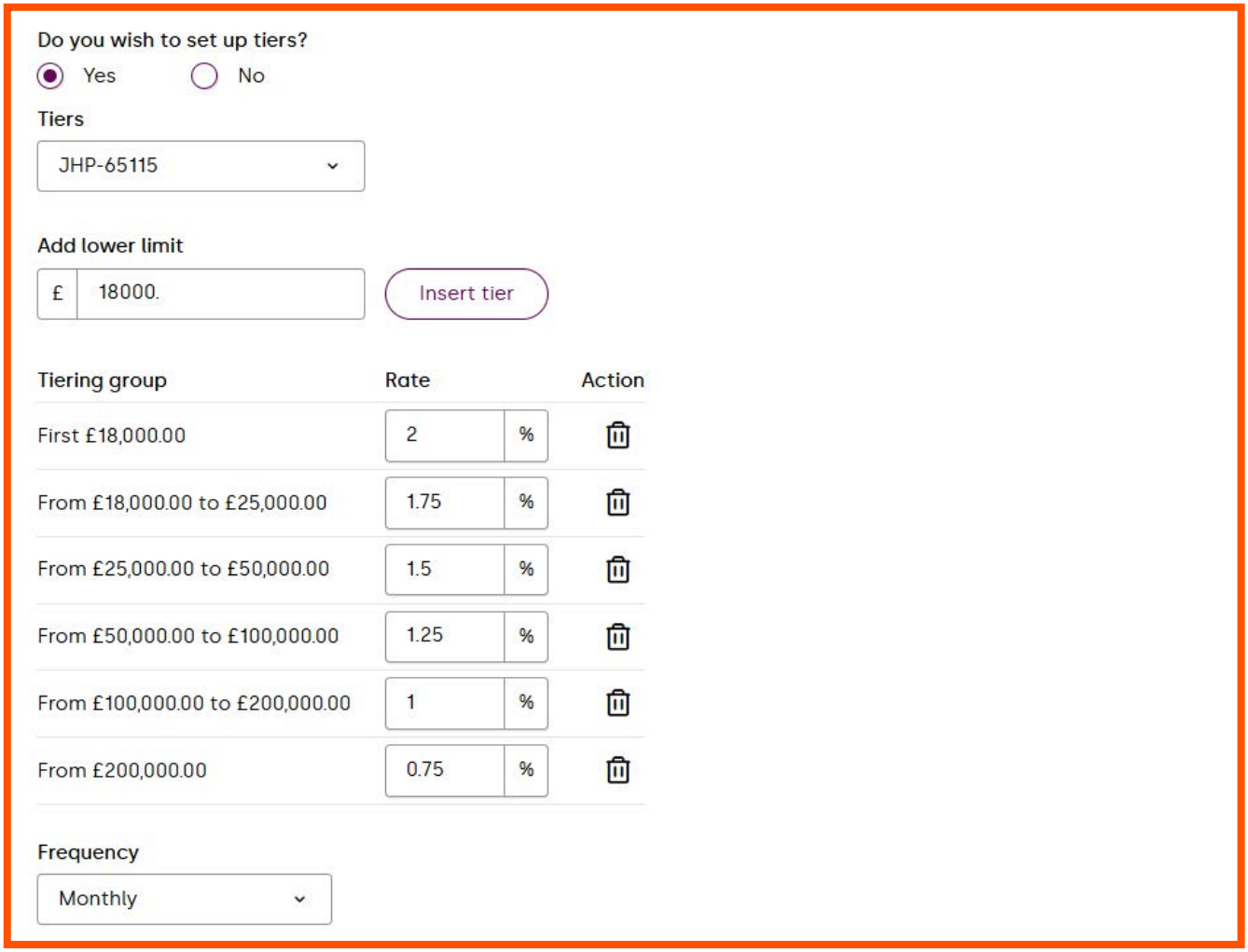
This system also enables you to reconcile remuneration payments. It provides a breakdown of all the individual charges that make up the remuneration payment and includes the details for these charges. For example, what adviser the charge relates to, what account the charge was deducted from, when it was deducted and what charge type it was.

Tiering

In a tiered fee structure, the charging will be percentage (%) based per monetary (£) bracket, this may be a way of rewarding clients with a lower fee percentage (%) when their AUA surpasses a defined level and therefore encouraging clients to invest more. The lower percentage (%) is then applied to any value over the threshold.

For example, if you had a 2% charge which dropped to 1.5% after the AUA reached £100,000. The first £100,000 would be charged at 2% and then anything over would be on the reduced rate.

Your Ongoing Adviser Charge (OAC) can be set to a tiered structure. You can have preset tiering structures saved on your network. These can be selected from the drop down or you can create a new one as part of the new business journey set up. You can have to a maximum of 11 tier groups.



Clawbacks

Clawback is a process to recall adviser charges. The clawback is posted against existing fees already deducted for an adviser within the given period. If a fee is incorrect or a pre-agreed clawback is in place, we will be able to request a clawback.

National sweeps will be conducted to move cash from the adviser account to the client's account, to reflect the fee that should've been charged. If cash is not available in the adviser account to fund the clawback, we will inform the adviser of the payment requirement.

At upgrade

Any outstanding adviser charges have been moved and are available after the upgrade (this does not include James Hay platform fees).



Any outstanding fees will have 90 days to be paid otherwise the fees will be cancelled

03455 212 414 ask@nucleusfinancial.com nucleusfinancial.com

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 nucleusfinancial.com (12/25)

0238 NU