nucleus platform



Cash management

The new platform uses an automated disinvestment process to raise cash to cover charges, fees and income/withdrawals. Disinvestment sequencing ensures enough cash is available to pay out to customers, advisers and the platform.

This process sells certain investments held by a customer, when there is insufficient cash. If there is not enough cash to cover a payment, then the system should create sells proportionally across all tradeable assets from those which are eligible.

Proportional disinvestment

Automated proportional disinvestment needs a minimum requirement of £25 to enact.

Processes included	Assets included	Assets excluded
Fee disinvestment	On platform MF	External stockbroker accounts
Regular withdrawal	On Platform funds	Off platform assets
Pension income	Adviser models	On platform ETIs
Bed and ISA	DIM models	Other TIPs
Regular crystallisation/ phased drawdown	Cash	Structured products
Single drawdown	Off platform assets with auto disinvestment ON	Fixed term deposits/ notice accounts
		Commercial property
		Bondsmith
		All other 1-1 assets

Adviser and DIM models include on platform ETIs which are an excluded asset class, but models are treated as an asset on their own, there are no ETI trading charges on models.

Key message

The auto disinvestment process will start at trade minus seven working days for regular income and withdrawals.

Assets can be excluded due to liquidity, high penalty costs and additional external trading costs.

Buy and sell orders

The process flow for platform orders is as follows:



Buy orders will only proceed through the order life cycle after all sell orders have a completed status.

Regular sells

Regular sells are considered prior to automatic disinvestment. If the specified assets are insufficient to raise the required cash amount, the required amount of available cash will then become "unavailable" until the proceeds of the regular sells are received.

If there are insufficient funds from the progressed regular sell order, the system will then follow the logic as per the proportional auto disinvestment process.

Key message

Cash from regular sells will be ringfenced and cannot be used for any other processes.

Matched settlement

The matched settlement logic is not based on prefunding or waiting for sells but will be a hybrid of both. For example, the cash proceeds from the sell order of a switch transaction must have been received prior to instructions for the buy order being sent to market. The buy trades are settled same day, and the trades will settle at the same time as the longest sell date.

We can prefund when we receive the sale confirmation that tells us the settlement amount.

Key message

This only applies to Managed Funds (including collectives, OEICs/Unit Trusts UTs), ETI and Models (both Adviser and DIM). All other trades are treated as a separate buy and sell instruction.

Changes to note

Sell order of 95% and above

Asset sell orders that are equal to or greater than 95% of the holding will be instructed as a complete full sell down.

Migrated customers

Once migrated, customers with existing disinvestment instructions will be processed in line with the standing instruction and cash ring fenced including expected cash. If there is no existing instruction for specific assets to be disinvested, the sequencing that will be used is 100% cash.

Regular sells

Regular sells that fail due to insufficient funds will be cancelled through a manual operations process, to ensure future disinvestment logic isn't expecting cash that will never arrive.

Model switching

It's worth highlighting that model switching may mean a period out of the market, as the platform will wait for the settlements before buying. The platform will look at model switches on an individual fund basis and will look at the longest and shortest settlement dates.

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