

# Due Diligence

Shining a light on our business

**For professional use only**





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# Parmenion

## Welcome to Parmenion, one of the UK's best investment platforms

Parmenion is built from the ground up to be the home for your investment proposition.



### We'll do it for you

Use **Parmenion Investment Management's** professionally managed Defaqto Diamond rated investment solutions. Our inhouse experts are amongst the best in the business. We're Gold Service Rated by Defaqto, and have more 5 Diamond rated MPS solutions than any other DFM (source: Defaqto).



### We'll do it with you

Work with our investment team to build your own model portfolios, that we manage on your behalf via our **Affinity** partnership. Our exclusive Affinity partnership offers exceptional adviser firms the opportunity to work with Parmenion Investment Management as our appointed Investment Adviser.



### We'll add it for you

Access a range of other **DFM providers** on our technology. We'll add new options for you, on demand. We're proud of our multi-award winning inhouse DFM, but we recognise advisers want choice. That's why we also provide access to a range of other DFM providers on our technology.



### We'll help you do it yourself

Build and run your own advisory model portfolios with **Advisory Models<sup>PRO</sup>**. Have your own **DFM permissions**? You can build and run them on a discretionary basis too. Running your own model portfolios has never been easier. We've reduced the admin burden, simplified data gathering and streamlined reporting, so you've got more time to focus on your clients.

£2.74bn+ in ESG portfolios\*



### Expert Investment Management

#### Inhouse or 3rd party

- Over 300 DFM and MPS funds
- 13 of our portfolio solutions given a 5 Diamond rating
- ESG portfolios to suit most client views and values



### Intuitive Technology

#### Agile development for continuous improvement

- Inhouse, exclusive technology
- New enhancements delivered every two weeks
- No reliance on outsourced technology companies



### Outstanding Service

#### Increased efficiency through service and support

- Over 50 industry awards
- No wasted time: 90% of calls answered in 20 seconds or less
- Almost all queries solved in just one call
- 4.8/5 live chat rating from advisers



### Financial Strength

- £8.7bn Assets under management
- 69,221 End clients
- 782 Active firm partnerships
- £3bn held in ESG portfolios\*

Information from 31st December 2023

All solutions with the word ethical, ESG, responsible, climate, positive impact or sustainable in the solution name

\*includes ebi



# 1. About us

We're an investment platform that just works. We support financial advice firms with the creation, operation, and support of their Investment Proposition.

Our proposition is founded on the seamless integration of three key disciplines:

- Supporting your Investment Proposition
- Award-winning service
- Intuitive technology

These enable us to reduce operational risk for your advice firm and improve your profitability through greater efficiencies.

In turn, you'll be able to deliver a streamlined client experience, enhanced by our easy-to-use technology.

When you join us, you will gain access to our broad suite of investment solutions, each aligned to our proven risk management framework through our inhouse discretionary managed portfolios. So, whatever your client's needs and preferences, we have a suitable portfolio option. All the heavy lifting of managing your Investment Proposition is handled by us and our service model is award-winning - testimony to the quality of our support.

As the world changes and customer needs evolve, advice firms need to adapt. With a long track record for innovation, we've been a pioneer in the development of helping you run your own model portfolios, access to third party DFMs, online advice services and ESG investments. We're able to support advice firms by giving you the investment management choice that's right for you. However you want to run your Investment Proposition, you're in the right place.



## 2. Ownership

Parmenion is jointly owned by Preservation Capital Partners, AssetCo and Parmenion staff.

Our majority stakeholders, Preservation Capital Partners are a private equity firm who specialise in financial services, supporting market-leading companies and teams to achieve their growth ambitions.

Minority stakeholders AssetCo focus on making strategic acquisitions and building organic activities in areas of the asset and wealth management sector where structural shifts have the potential to deliver exceptional growth opportunities.

## 3. Award winning service

Proud winners of Moneyfacts Best Wrap/Platform 2023, and Schroders UK Platform of the Year in 2019 and 2022, our award winning investment capability has helped ambitious financial advice firms to build their own investment proposition since 2007.

What makes Parmenion such a special business for our customers is a relentless focus on service quality. We're happy to be judged on delivering the best customer service in the adviser platform world – a position that's confirmed by our consistent ranking of 1st or 2nd in the Investment Trends UK Adviser Technology & Business Report for five years running, and our average adviser feedback ratings of 4.8/5. We free advisers, paraplanners and administrators from the frustration of no one answering the phone, being kept on hold or their queries being passed from pillar to post. Whether you contact us by live chat, email or phone, we'll do our utmost to answer fast and, wherever possible, resolve it on the spot. In 2023, 90% of all phone calls were answered in 20 seconds or less and 99.89% of work was processed right first time.

We've had a lot to celebrate over the years. Judging by the industry recognition we receive, what we do really makes a difference. In addition to Schroders UK Platform of the Year for 2019 and 2022, we're also proud holders of over 50 awards and ratings, including 20 Defaqto ratings, Moneyfacts Investment Life & Pensions Best Wrap/Platform 2023 and Moneyfacts Investment Life & Pensions Best Online Service 2021, and Professional Adviser's Platform of the Year 2021 (under £25bn AUA).



Defaqto Star Ratings are one of the most trusted expert assessments of UK financial products as they're based on tested facts, not subjective opinions. Based on scoring a detailed matrix of propositional features and updated annually following industry consultation and Defaqto's own market research, they give advisers and their clients an objective and transparent view of our platform and service.

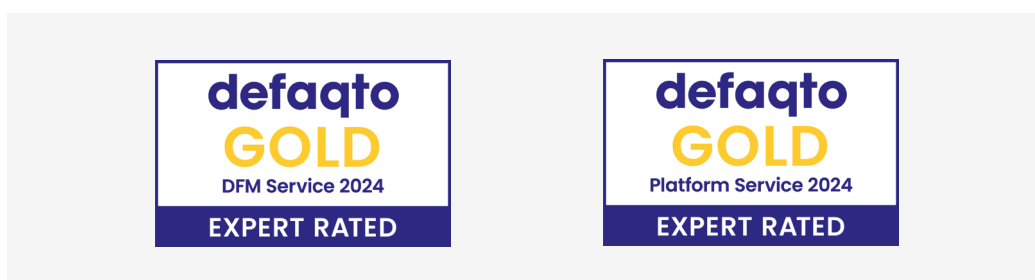
By providing an accurate benchmark, Star Ratings help consumers, advisers and brokers see, at a glance, how financial products compare. This gives them a choice based on quality, rather than price alone. The distinctive Star Rating logos are highly recognised by consumers and inspire confidence in adviser recommendations.

Including our latest Defaqto ratings in firm due diligence records can play a valuable role in fulfilling your regulatory requirement of keeping provider due diligence up to date.

Our 2024 Defaqto star ratings:



Our 2024 Defaqto service ratings:





## Defaqto 5 Diamond Rated

Defaqto Diamond ratings reflect investment outcomes and are based on a consistent, researched scoring methodology called Data Numerical Analysis (DNA).

We're proud to have been rated 5 Diamonds by Defaqto for 13 of our portfolio solutions for performance, cost effectiveness and consistency. This puts us at the very top among platform managed investment solutions.



Other current awards:



## Previous awards:

- **Moneyfacts Investment Life & Pensions 2022**
  - Best Wrap/Platform - winner
- **Moneyfacts Investment Life & Pensions 2021**
  - Best Ethical DFM – commended
- **Moneyfacts Investment Life & Pensions 2020-21**
  - Best Online Service – winner
- **Moneyfacts Investment Life & Pensions 2018-19**
  - Best Ethical DFM – winner
- **Professional Adviser Awards 2021**
  - Best Platform for Advisers (AUA below £25bn)
- **Financial Adviser Service Awards 2020**
  - 5 star DFM Service
- **Schroders – UK Platform of the Year 2019**
  - winner



## 4. Financial strength

Advisers can access a wide range of resources to assess and evidence our financial strength.

Key sources of information include:

- Companies House website [beta.companieshouse.gov.uk/company/OC322243](https://beta.companieshouse.gov.uk/company/OC322243)
- Our Annual Report which can be found on the Reports and Documents section of our website

### 4.1. MIFIDPRU disclosures

MIFIDPRU is the FCA's Prudential Sourcebook for MIFID Investment Firms. Parmenion is classed as a non-SNI MIFIDPRU Investment Firm under the regime and is therefore required to make certain public disclosures regarding:

1. Risk management
2. Governance arrangements
3. Own funds requirements
4. Remuneration

These will be published on at least an annual basis in conjunction with Parmenion's annual reports and accounts.

## 5. Our market positioning

Since 2007, our award winning investment capability and diverse range of investment solutions have helped ambitious financial advice firms to build their own investment propositions.

The beauty of our platform is that it was purpose built to support efficient, effective management of your clients' investment portfolios, however you want to run them.

**Use Parmenion Investment Management** – Our inhouse experts are amongst the best in the business. We're Gold Service Rated by Defaqto, and have more 5 Diamond rated MPS solutions than any other DFM (source: Defaqto).

**Become an Affinity partner** – Our exclusive Affinity partnership offers exceptional adviser firms the opportunity to work with Parmenion Investment Management as our appointed Investment Adviser.

**Use Advisory Models PRO** – Running your own model portfolios has never been easier. We've reduced the admin burden, simplified data gathering and streamlined reporting, so you've got more time to focus on your clients.



Building investment solutions and our own technology means we deliver the service that meets, and often exceeds, yours and your clients' expectations. Our platform is a joy to use – and evolves quickly in a process of constant, continuous improvement.

**Use another Discretionary Fund Manager** – We're proud of our multi-award winning inhouse DFM, but we recognise advisers want choice. That's why we also provide access to a constantly growing range of other DFM providers on our platform.

### 5.1. Your business. Your brand

We know the importance of brand when building confidence with your customers. That's why we've built a suite of white labelling options into our platform, keeping your brand front and centre.

These include:

- Your logo will be visible on all platform pages as well as system generated reports and forms
- A personalised subdomain e.g. yourfirmname.parmenion.co.uk
- Your main brand colour (specified as a single HEX value) will be visible across the platform and any system generated reports and forms

We'll also provide, on request, a client facing Simply Investing brochure. It's designed to help your clients understand the basics of investing and has been externally approved by the Plain English Campaign with the Crystal Mark accreditation. It can be fully white labelled and provided as a PDF, ready for you to share digitally, or we can produce a version prepared for commercial printing.

Our firm belief is that online and traditional services should work in harmony to enable advice firms to make professional investment services accessible to a much wider audience.

We've developed an intuitive, online process which allows you to risk profile clients and arrange for the investment of client assets within a precise risk mandate. Within any given level of risk, we offer a variety of investment solutions across a range of different investment styles and underlying philosophies, to meet different client and adviser needs and preferences. We know flexibility is key - that's why all of our investment solutions can be tailored to meet your individual clients' needs by adjusting the asset allocation weightings and by blending active and passive investments styles. Importantly, the investment service itself is whitelabelled to your adviser firm.



## 6. Our services

### 6.1. Introduction

Here's how we can help you:

#### 1. Investment management

- Flexible options to support your investment proposition
- Fully integrated DFM services
- Ability to build your own investment solutions

#### 2. Financial planning

- Ongoing portfolio management
- Dealing and custody administration
- Bespoke investment management report for each client
- Client reporting

#### 3. Adviser and client servicing

- Adviser and client app
- Your own branding with varying degrees of customisation
- New business portfolio construction and application
- Simplified online technology
- Vantage: Multi-level management information and system access

### 6.2. Overview of key features

#### 6.2.1. Platform key features



**Portfolio Builder** – an online step-by-step process enabling risk assessment, portfolio construction, client facing reports and application. This is central to our service and vastly simplifies the process of building and managing your client's portfolios. We have a drawdown helper to build the drawdown application for you.



**Portfolio wrappers** – we offer our own General Investment Account (GIA), Individual Savings Account (ISA) and inhouse Self Invested Personal Pension (SIPP). We also offer a Junior ISA (JISA) and Junior SIPP (JSIPP) and have relationships with many leading SIPP, Small Self-Administered Scheme (SSAS), offshore and onshore bond providers.

**PRO**

**Advisory Models PRO (AM PRO)** - Built with advisers, for advisers so you can manage your portfolios in a data-driven way. We've taken the admin burden away by letting you gather client consent digitally online or on the Parmenion app. Once your client accepts the change, we'll move them to the latest suitable version and take care of all the trades automatically. If we don't get their consent, we'll give them a nudge on your behalf. And we offer dynamic reporting at both adviser and client levels as well as ongoing tracking of their investment performance.





**Client facing reports** – we provide you with an automated and personalised client facing Investment Management Report to support the investment strategy and risk mandates you’ve agreed with your clients.



**Online application** – through our technology, you can apply and complete GIA, ISA, JISA, JSIPP and Parmenion SIPP applications and transfer authorities online. We use DocuSign eSignature so new applications (and other instructions) can be signed electronically.



**Parmenion client app** – we designed our app specifically for clients and use multi-factor authentication (MFA) to give an extra layer of security. Once logged in, clients can view:

- their latest valuations
- portfolio details
- regular transactions
- performance information
- documents and statements
- personal details
- confirmation requests (e.g. Direct Debit confirmations and model change consent)



**Parmenion adviser app** – our app is specifically designed for secure login with MFA built in.



**Supporting your brand** – successful businesses know the importance of establishing a strong and credible brand that clients come to know and trust. You can personalise the online experience and client facing documents to match your business identity.



**Ongoing management** – our technology puts all the information you need in one place so you can provide:

- online valuations and transactional history.
- a suite of online portfolio management tools
- new business tracking.
- weekly adviser charge payment reports.
- regular client reporting.
- annual tax statements.
- automatic rebalancing of your clients’ portfolios.



**Simplified online technology** – we offer advice firms an automated advice service called Interact, which allows them to provide cost effective advice and investment services to a broader range of clients. The technology can be delivered in a number of ways, giving firms the ability to adopt the solution in a manner which best fits their client needs and distribution strategy.

## 6.2.2. Added benefits of using Parmenion Investment Management



**Assessing client suitability** – our intuitive risk profiler, endorsed by Edgecumbe Consulting, helps you to determine a client’s individual attitude to risk and agree their risk mandate. However, you’re not limited to our proprietary Edgecumbe risk profiler. You can also adopt



your own, or any other third-party risk profiling solution. We have direct relationships with Distribution Technology, Morningstar and Finametrica, and provide mapping guidance for Oxford Risk.

More detailed information on the IMT can be found in our document 'An introduction to the Income Manager Tool'.



**Select from our range of available investments** – we offer a range of risk-graded investment solutions with the choice of an optimal asset allocation as recommended by our investment managers, individual tailoring to achieve your clients' investment strategies.



**Portfolio blending** – our range of investment solutions can be blended by investment style and strategy on an individual portfolio basis, while still being managed within a consistent risk framework.

### 6.3. Parmenion's Investment Accounts

- We offer full custodial services with valuations, transaction reporting and regulatory disclosures provided either online or in paper format.

#### 6.3.1. Account types

We offer four account types:

- Single
- Joint
- Company
- Trust

#### 6.3.2. Available wrappers

Our solutions are available via wrappers including:

- **General Investment Account (GIA)**
- **Individual Savings Account (ISA, JISA)**
- **Self-Invested Personal Pension (SIPP, JSIPP)**

Includes the accumulation Pension Investment Account and the Flexi Access drawdown option via the Flexible Income Account.

- **3rd Party SIPP option with the following providers:**

AJ Bell, Alltrust, Baker Tilley (Isle of Man), Berkeley Burke, Boal & Co, Bourse Pensions, Cabot Trustees, City Private Pensions, City Trustees, Curtis Banks, D.A. Phillips, Dentons Pension Management, EBS, Gaudi Trustees, Guardian Pension Consultants, Hartley Pensions, Heritage, Hornbuckle Mitchell, Intelligent Money, Invest Centre, InvestACC, IPM SIPP Admin, James Hay, LV=, Mattioli Woods, MC Trustees, Minerva SIPP, MJF Trustees, Options SIPP, Odyssey Pensions, Organon, Phoenix,



Premier Pension Services, Pensions Partnership, Pointon York SIPP, Rowanmoor Pensions, SIPP Choice, Standard Life, Suffolk Life, Talbot Muir, Westerby, XPS, YORSIPP and @SIPP.

— **Self-Administered Schemes (SSAS)**

Providers: AJ Bell, Barnett Waddingham, Beechwood Trustees, Berkeley Burke, Bespoke Pension Services, Brunell SSAS, Cantwell Grove LTD, Channock Ross, Cranfords, Curtis Banks, Day Cooper Day, Dentons Pension Management, Foden Baynes, Friends Life, Hanover, Harsant Pensioner Trustees, Hartsfield, Hazell Carr, Investaac, James Hay, MJF Trustees Ltd, MW Pensions, Odyssey Pensions, Organon, Pension Partnership, Peter Wylie & Co, Premier Pension Services, Rowanmoor Pensions, Sancerre, Smart Trustees Ltd, Talbot & Muir, Scottish Widows, SSAS Co, SSAS Solutions, SSAS Practitioner, WBR SSAS, Whitehall Group and YORSSAS.

— **Offshore bonds**

Providers: Canada Life International, IOMA Offshore Bond, RL360 (former CMI policies), Standard Life and Utmost International.

— **Onshore bond**

Providers: Countrywide Assured Onshore Bond.

### 6.3.3. Minimum investment amount

Discretionary investment management is available to clients with as little as £500 to invest. We accept investments from £50 per month regular savings or a £500 lump sum.

**Please note:** Some of our investment solutions, product wrappers and investment managers have a higher minimum investment requirement. Full details are available on request.

The Pension Investment Account on our inhouse SIPP has no minimum investment amount.

### 6.3.4. Client income payment options

#### SIPP

Within our SIPP, we offer a full range of At Retirement income choices including:

- Pension Commencement Lump Sum (PCLS), Uncrystallised Lump Sum (UFPLS), Taxable Income from the Flexible Income Account and tailored withdrawals which include PCLS and Taxable Income.

All of these withdrawal options are available as one-off lump sums or on a regular basis on your client's chosen day.



## ISAs and GIAs

- Reinvest income: Any income received on behalf of your clients will be reinvested.
- Fixed income: Your client can choose to have a fixed monthly monetary value paid out. This will use income and capital to meet the requirement.
- All income paid to client: Any dividends and interest that are received can be paid out each month.

Income payments are sent by electronic payment only. Payments are sent to your client's bank account within 15 days of month end.

## JISAs and JSIPPs

- Reinvest income only

### 6.3.5. Investment options

- *In specie* and cash transfers from other providers
- Lump sum cash investments
- Regular monthly savings by Direct Debit











Payments can be made by cheque or electronic payment (BACS, Faster Payments or CHAPS).

## 6.4. Platform functionality

Our platform software is fully developed inhouse and offers a range of online tools, reports and dashboards to provide you with a central area for managing your business. The primary objective is to enable a simple, efficient, consistent and compliant investment process.

### 6.4.1. Investment tools







Our suite of investment tools make it easy to manage all aspects of your client's money quickly and efficiently:

- |  |   |
|--|---|
|  Start a new investment application |  Transfer between internal investments   |
|  Top up investments                 |  Update risk mandate/investment solution |
|  Update income instructions         |  Update advice charges                   |
|  Withdraw from investments          |  Configure automatic Bed & ISA           |
|  Manage Direct Debit contributions  |  APS application                         |



### 6.4.2. SIPP tools

Our SIPP includes a rich set of tools for managing your client's retirement savings and income:

-  Transfer to Parmenion SIPP
-  Create SIPP illustration
-  Manage SIPP expression of wish
-  Single withdrawal from SIPP
-  Manage regular SIPP withdrawals
-  Drawdown helper to complete client applications for you

### 6.4.3. Adviser Dashboard

The Adviser Dashboard is the main navigation page for advisers, providing easy access to MI, individual client accounts, tools, reporting, contact details, key personnel and alerts.

### 6.4.4. New business tracking

You have access to an 'Applications in Progress' Dashboard which lets you track the status of any applications that have been submitted to us.

Here you'll find the details of any applications that are either in progress or have been completed and are awaiting a signed application form. The system also details any new monies pending, such as GIA, ISA and SIPP transfers, along with detailed notes on progress. The system is updated during our regular monitoring of outstanding transfers.

### 6.4.5. Charges summary

Whenever a payment in respect of charges is made, the platform is updated with the information your firm needs so your revenue can be reconciled. The platform also includes pending payments, details of processed payments and those about to be paid in the next weekly run. Complete transaction history can be downloaded as a CSV file.

### 6.4.6. ISA subscriptions

The platform provides easy access to a summary of underlying ISA portfolios so you can determine if your clients have utilised their ISA allowance for the current tax year. The platform can also be configured with an automatic ISA request, so funds are automatically transferred from a client's GIA to fund the current year's ISA subscription. Previous tax year subscriptions are available and can be downloaded as a CSV file.

### 6.4.7. Portfolio Builder

The technology and processes that enable you to create a client's investment strategy is known as the Portfolio Builder. This process creates a professional, client facing report (the Investment Management Report,



or IMR) that can be used to complement suitability letters. The whole process can be completed in a matter of minutes. The Portfolio Builder contains the following functionality:

- Multiple applicants
- Risk profiling
- Tax wrapper selection
- Confirmation of investment amounts
- Multiple investment solution selection (some solutions have multiple DFM options)
- Ability to make changes to asset allocation to suit individual client needs
- Adviser charge options
- Forms and reports
- Integrated SIPP illustrations for the Parmenion SIPP
- Online application process (includes the production of ISA, Parmenion SIPP and GIA transfer paperwork)
- Automatic bed and ISA
- Auto bank details validation
- Auto upload of client details from Intelligent Office (IO) into Parmenion portfolio builder

#### **6.4.8. Manage risk profiling**

As well as supporting industry standard risk profiling tools, such as Dynamic Planner and Finametrika, an Edgcumbe risk profile assessment questionnaire link can be emailed directly to your client through the platform's Portfolio Builder process, which they can complete before a face to face meeting.

#### **6.4.9. Client management tools**

We have a range of tools to assist you when dealing with your clients:









- Online valuations
- Transaction history for investments and cash
- Portfolio identification of risk mandates and asset allocation
- Portfolio to portfolio transfers (ability to move money between accounts)
- Withdraw money (you can request money to be paid to your client or third-party wrapper)
- Change of risk mandate
- Summary of portfolio injections
- Summary of income and capital withdrawals
- Online document store
- Dynamic portfolio calculators (volatility/yield and client annual charges)
- Capital gains tax report (detailing realised and unrealised gains)

Parmenion is committed to providing continuous improvements to its services and technology. Significant resource has been allocated to continually review and enhance the client management tools and interface.



### 6.4.10. Reporting

Our online reporting module produces reports including:

-  Current valuations
-  Current actual performance report
-  Historic/back dated valuations
-  Historic actual performance report
-  Acquisitions and disposals
-  Cash, income schedules and payment statements
-  Lifetime performance
-  ISA subscriptions

Both advisers and clients can access these reports.

### 6.4.11. Management Information (Vantage)

Vantage is a powerful management information dashboard that displays rich, comprehensive data about your business.

It's broken down into three key areas:

#### 1. My Business

My Business lets you explore your AUM and flows over time, broken down by:

- Wrapper
- Risk Grade
- Investment solution

#### 2. My Clients

My Clients gives you a better understanding of your client base, made up of:

- Active clients
- Wrapper
- Risk Grade

#### 3. My Team

My Team gives an overall view of your team, and also lets selected individuals (named advisers) see their total AUM broken down by:

- Wrapper
- Investment solution
- Risk Grade & age group

## 6.5. Data integrations

We've successfully integrated with a number of software providers to complete valuations and, for some providers, submit bulk transaction history data.

This functionality will automatically update any Parmenion portfolio values within an adviser firm's back and front office systems.

Current integrations include: Intelligent Office, True Potential, Iress, Dynamic Planner (previously Distribution Technology), MoneyInfo, Wealthcraft,



Time4Advice, MoneyHub, Morningstar, Prestwood, JCS, Creative Technologies, Assyst and BlueCoat/Finplan. You can see the full list of our integration partners on our [website](#).

We also offer a data feed for adviser charge statements, supported by: Wealthcraft, Time4Advice, JCS, Creative Technologies and BlueCoat/Finplan. Firms using Intelligent Office (IO) can easily import their client's data from IO directly into the Parmenion portfolio builder for new applications.

## 6.6. Parmenion's technology

- We own the full end-to-end technology for core platform functionality, giving us complete control of how we build and use it.
- We integrate with satellite services to bring in expertise we don't have inhouse, for example open banking, and ID and verification.

### 6.6.1. Agile delivery

- We use professional scrum to manage our change process - helping us to adapt our priorities and make incremental changes.
- We deliver fortnightly releases of platform improvements.
- We work with our customers using our Customer Advisory Board to get direct feedback on our updates and to make sure we're prioritising the right things.

## 6.7. System automation

We continually invest in technology and process design to streamline key investment administration procedures such as dealing, settlement, portfolio construction and rebalancing. Our goal is to achieve the highest possible levels of automation and straight through processing.

We use automated dealing software vendors to process the majority of the orders that are generated by our key operating systems. Calastone and Euroclear provide us with sufficient market coverage to have 98% automated dealing. The performance of the vendor is checked each day to make sure all orders have been routed successfully.

## 6.8. Access levels

### 6.8.1. Network access

Network level access can be used to prescribe settings to any of the firms within the network. This includes available wrappers, investment solutions, pending and historic charge payments along with commission statements. It can disable certain website functionality to maintain network control and branding can also be set at network level.

### 6.8.2. Partner/firm access

A Partner login gives control over the management information for a firm - including funds under management, charges data and transactions.



For directly authorised partners, the available wrappers and investment solutions are controlled here. Access can also be given to a partner to upload documents for use by its advisers. This is useful for any internal compliance documents or sales aids.

### **6.8.3. Adviser access**

The adviser login includes access to all the information you would expect from the online platform such as client valuations and full transaction history for cash and holdings. Access is also provided to the Portfolio Builder for the new business report and form generation. Existing client tools include management information, new business tracking, ISA subscription monitoring, charges and transactions.

### **6.8.4. Paraplanner access**

Our systems can permit full paraplanner access to single or specified advisers. This would allow the paraplanner to select any of the advisers they work with to complete work or process business. All the functionality that exists for an adviser is available to the paraplanner.

### **6.8.5. Client access**

In addition to the standard Platform reporting and tools, clients can review model change information, including reviewing adviser uploaded model change information, and provide their consent to model updates.

### **6.8.6. Model owner access**

Model owner access gives access to the Investment Management Module and allows Discretionary Investment Managers (DIM), Appointed Investment Advisers (AIA) and Advisory Models PRO (AM PRO) users to manage their portfolios. This is how they send fund level changes to us for approval.

### **6.8.7 Adviser/Paraplanner AMP Access**

In addition to the standard Platform reporting and tools, advisers and paraplanners can consent on behalf of clients where needed and access information on current client consent statuses, client consent audit histories, configure or exclude clients from consent reminders and view model change information.

## **6.9. Business continuity**

Our Business Continuity Plan (BCP) is reviewed and tested regularly. We have an established Crisis Management Team (CMT) that's responsible for maintaining, testing and monitoring the BCP.

Priority Service Level Agreements (PSLA) are in place with all third-party software vendors to make sure all critical applications are available within 24 hours in the event of a major incident.



All business-critical data is encrypted and incrementally backed up each evening. This results in the production of off-site copies being maintained and distributed to a remote processing site. In the event that our primary site is unavailable, processing can be resumed from an alternative location.

Our platform is normally available 24 hours a day, seven days a week. Wherever possible, periodic updates and essential maintenance are communicated in advance.

## 7. Key regulatory considerations

### 7.1. Data security

Appropriate safeguards are in place to protect all personal data. Parmenion's Information Security approach is multi-layered and based on the ISO 27001/27002 frameworks, NIST standards and vendor best practice guidelines (e.g. Microsoft) and map to all controls, with a comprehensive suite of company-wide controls focused on our People, Processes and Technology. Examples of the controls include embedding a series of physical and technical protections, including the likes of:

- Clear segregation of duties
- Multi-factor authentication access
- Centrally controlled single sign-on and software permissions
- Mandatory training and security awareness program
- Phishing exercises
- Strict access controls
- A series of systems and networks
- Pro-active vulnerability management
- Security incident and event monitoring

The platform is located in a secure data centre with restricted smartcard access. Access is by appointment only. Platform data is protected by front and back end firewalls as well as internal firewalls. Automatic intrusion detection alerts are configured to protect the website and databases.

The website connection is protected by 256-bit AES encryption, digital certificates and HTTPS. We engage with cyber security experts annually to complete web application penetration testing to ensure we remain secure and can provide a very high level of protection for the client data that's stored by the website.

### 7.2. Third-party data

Where we enter into contracts with third parties which may involve access to data, we adhere to our Supplier policy, which requires all third-parties to



undergo a risk assessment and appropriate due diligence during supplier onboarding and thereafter.

Third-party contracts have relevant clauses specifying data confidentiality and, specifically, that all data may only be used in the proper performance of the services being offered.

### **7.3. Information security**

We work hard to maintain our information security across the business by doing the following:

- Covering information security in the staff induction process and across all staff via the network security.
- All employees are subject to background checks as a condition of employment.
- Regular briefing notes and training sessions for staff to make sure they're aware of their data security obligations.
- Policies are in place for a number of security measures like Single Sign On, MFA and password complexity requirements, update requirements, automatic workstation locking and remote access, and enforcing file and network security.

### **7.4. Stress testing**

#### **7.4.1. Objective**

The objective of stress testing is to determine if our platform has the capacity to cope with future volumes. It helps us to predict what the maximum capability is before we need to make any hardware or software upgrades. This is important because it enables us to allocate development and IT resource efficiently.

#### **7.4.2. Summary**

Our approach to stress testing is based on modelling our current performance with predicted growth to understand how it scales with that predicted growth.

We then identify key performance metrics (KPM) that have the potential to become bottlenecks - e.g. time taken to generate quarterly report packs.

These KPMs are then analysed to:

- measure current performance
- identify any constraints
- determine how they can be modelled

In the 'time taken to generate quarterly report packs' example, we may find that it scales in a linear pattern based on number of clients (assuming their average portfolio holdings remain in line with their existing profile).



Once we've identified all of the KPMs, we'll model them forward for at least the next five years. This modelling will be based on our projected natural growth and any anticipated step changes.

Finally, when analysing the KPMs during stress testing, we factor in an additional layer of safety by flagging anything that breaches 50% capacity. This gives us early notice of future bottlenecks if no improvements are made.

We use this analysis to decide what action to take, which could include improved hardware or an optimisation of the software or process. As we develop our own Platform technology, we can implement the required improvements as and when needed.

This testing is updated every six months or in anticipation of any step change in growth to ensure it remains current and gives enough notice to implement improvements should the need arise.

## **7.5. Development infrastructure**

### **7.5.1. Development controls**

We use an agile delivery framework (Scrum) to manage product and system development. This encourages strong collaboration across all our business subject matter experts and provides ongoing mechanisms to feedback and improve. Development work is prioritised and approved by our internal Run The Business and Product Forum committees, and our Customer Advisory Board ensures the voice of our customers is heard throughout.

We pride ourselves on a very low number of production incidents, a testament to our high quality testing. Our testing goes through several phases, starting in sprint with development teams, and complemented with manual and automated regression testing of the whole infrastructure before every production release. As we own, build and support our technology inhouse, in the rare case that there's an issue, we react very quickly to ensure the highest quality standards are maintained.

### **7.5.2. Regular enhancements**

Some platform providers will release large updates all in one go, with big projects concentrating the risk and the benefits to the point of launch.

We're different. Using our agile approach, we develop our technology in small, low-risk increments, releasing to production every two weeks. This enables the business to flex to the demands of the market and our customers, it also means we're able to quickly prioritise any urgent development work every couple of weeks. Additionally, we look at staff scaling to predict areas that may benefit from increased automation.



## 8. Governance

### 8.1. Staff levels

Our total staff levels as of December 2023 are 221. The table shows the staff numbers broken down by department.

Department	Headcount
Admin & Management	22
Client Engagement	16
Customer Service	9
Delivery	48
Executive	9
Investment Management	12
IT and Architecture	18
Marketing	12
Operations	47
Risk and Compliance	8
Sales	20
<b>Total</b>	<b>221</b>

### 8.2. Detailed staff biographies



#### Martin Jennings - Chief Executive Officer

Martin has been providing the inspiration and leadership that drives Parmenion from strength to strength since 2016. Having built and supplied investment platform services right across the globe, he is perfectly placed to guide our development of innovative products and marketleading services that delight current and future customers.



#### Matt Puttick - Chief Financial Officer

Matt is a chartered accountant and experienced Head of Finance with a practice and industry background. In his role as Chief Financial Officer, he has responsibility for all financial aspects of the firm. In addition, Matt manages Procurement, Legal, HR and the Operations areas.



**Mike Morrow - Chief Commercial Officer**

Mike is responsible for growing mutually beneficial relationships with existing and new customers, and for strategic mergers and acquisitions. A Board member of PIMFA, the trade body for the financial advice profession in the UK, he has over 30 years' experience in distribution management and proposition development at AXA, HSBC, Ascentric and Openwork.

**Peter Dalgliesh - Chief Investment Officer,  
Parmenion Investment Management**

Peter has led Parmenion's search for investment opportunities that enhance client risk adjusted returns since 2012. He oversees investment strategy, product design, regulatory framework and portfolio implementation, and champions the unwavering focus on risk, importance of diversification, and need to be committed and patient that characterises our investment philosophy.

**Chris Falconer - Chief Architect**

Chris built the Parmenion platform and has been part of the business since 2007, constructing, testing and delivering solutions that solve problems for advice businesses. Before joining Parmenion, Chris established businesses in engineering, healthcare, education and finance transform ideas into established products. In his role as Chief Architect, Chris is responsible for all aspects of IT, Cyber Security, business continuity and capability management.

**Sarah Lyons - Chief Marketing & Product Officer**

Sarah sets the tone for our business, making sure we think customer first and that what we do makes a real difference to advisers and their clients. Her financial services career has spanned everything from developing propositions to supporting distribution and delivery. In her current role, Sarah is responsible for all aspects of the marketing, product and proposition management lifecycle, as well as delivering enterprise wide business change.

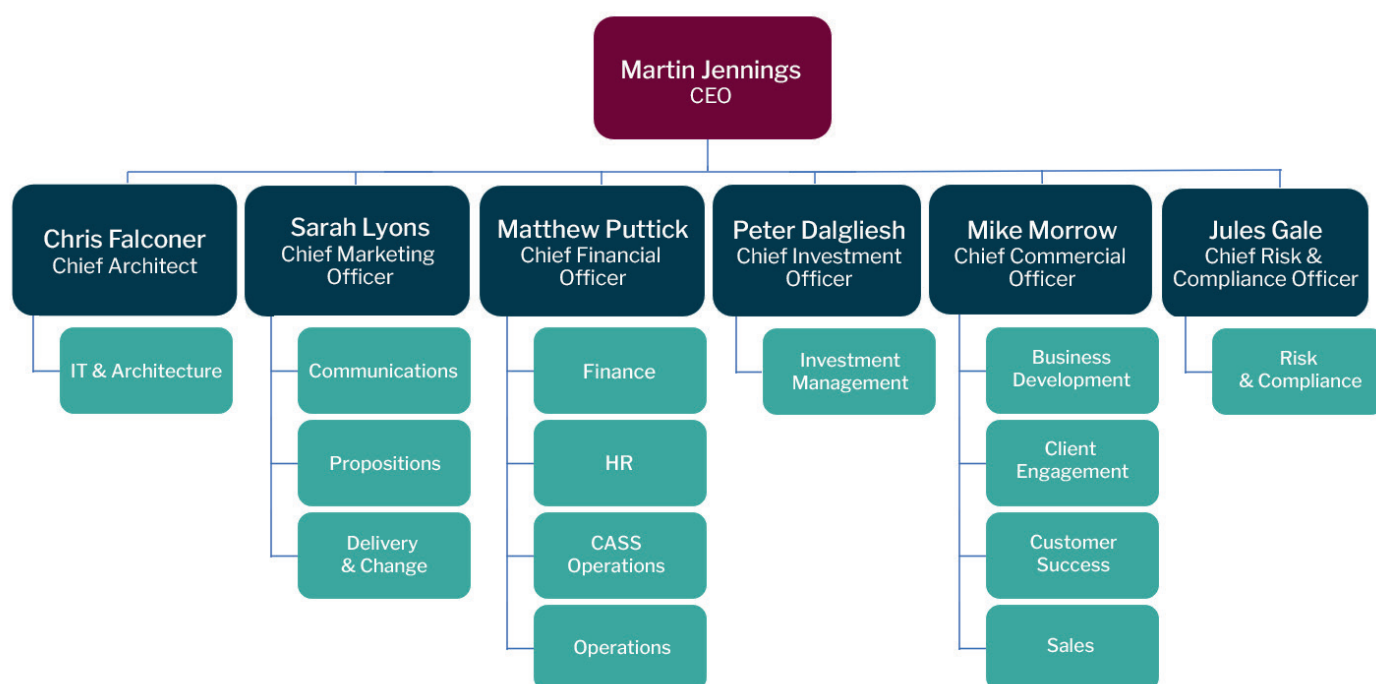




### Jules Gale - Chief Risk & Compliance Officer

Jules joined Parmenion in 2019, bringing with her a wealth of experience in managing compliance functions and implementing regulatory change across the financial services industry. She has an outstanding track record in delivering significant propositional, operational and regulatory change

## 8.3. Organisational chart



## 9. Financial Conduct Authority regulation

### 9.1. General

Parmenion is authorised and regulated by the Financial Conduct Authority (FCA).

Our FCA number is 462085. We're not authorised to provide investment advice. We've never been the subject of any regulatory or legal investigation and our financial statements have never been qualified by our auditors.

Our current FCA permissions are:

- agreeing to carry out a regulated activity
- arranging (bringing about) deals in investments
- arranging safeguarding and administration of assets
- dealing in investments as the agent



- dealing in investments as principal
- establishing/operating/winding up a personal pension scheme
- making arrangements with a view to transactions in investments
- managing investments
- safeguarding and administration of assets (without arranging)

Full details of our authorisation and activities can be found by visiting the FCA register website.

## **9.2. Senior Managers & Certification Regime (SM&CR)**

As an FCA solo-regulated firm we're subject to the SM&CR and are currently classed as an enhanced firm under the regime. The individuals currently holding Senior Manager Functions (SMFs) within Parmenion can be viewed on the FCA Register.

We have a number of staff who perform roles falling under the certification regime. This includes those who are performing the Client Dealing Function (for example, our Investment Managers in Parmenion Investment Management) and other roles deemed to carry significant risk.

These include:

- Additional mandatory training, both face-to-face and via e-learning
- Ongoing training and competence requirements
- Regular financial and criminal record checks
- Regular formal fitness and propriety assessments

## **9.3. FCA returns**

Information that's requested from us in respect of regulatory returns from the FCA is confidential. If however, a firm wishes to ask specific questions in relation to further information required for due diligence purposes, we'll be happy to assist.

## **9.4. Financial Services Compensation Scheme (FSCS)**

Parmenion is a contributor to the Financial Services Compensation Scheme (FSCS). Full details of protection afforded by the FSCS are given on their website at: [fscs.org.uk](https://www.fscs.org.uk)

## **9.5. Client Money & Assets (CASS)**

### **9.5.1. Client money**

Parmenion is authorised to hold and control client money and does so under the rules set out in the Client Assets Sourcebook (CASS). All client money is held separately from money belonging to Parmenion and is held on statutory trust in segregated client bank accounts. In the unlikely event of our administration or insolvency, money held on behalf of clients wouldn't ordinarily be available to an administrator or liquidator.



### 9.5.2. Banking systems and controls

Our primary banking partner is National Westminster Bank PLC (NatWest). We also use a range of additional banking partners, each with strong credit ratings and strict monitoring processes, to reduce the risk of relying on a single bank. We regularly review and conduct due diligence on these banking arrangements to ensure they remain appropriate.

We use the NatWest Bankline encrypted payments system and have a strict segregation of duty policy to ensure client money withdrawals are dual authorised before they are processed.

### 9.5.3. Custody assets

Custody assets are registered in a manner which makes them clearly identifiable as belonging to clients and separate from Parmenion's business. The majority of assets are registered in the name of a separate nominee company (Parmenion Nominees Ltd), which ensures these are offered the maximum protection available in the unlikely event of our failure.

Where we're required to appoint a sub-custodian to hold assets, we follow a robust due diligence process to make sure these assets are registered in a manner which gives an equivalent level of protection, and that appropriate arrangements are in place as required by the rules set out in CASS.

We've appointed Winterflood Business Services to provide custody and stockbroking services for certain assets.

### 9.5.4. Reconciliations

Detailed records of all client holdings are maintained and reconciled on a regular basis. We conduct reconciliations of all client money and custody assets across both internal and external records, as per the CASS requirements.






### 9.5.5. CASS governance

We have a dedicated CASS working group who meet regularly to review our CASS arrangements across the business and to identify areas for improvement. This working group reports into a senior CASS committee, which in turn provides reporting into our executive committee. Our Compliance team conducts regular internal monitoring to make sure that our agreed processes and controls are operating as expected, and as a CASS firm we are required to appoint an external auditor on an annual basis to review our systems and controls. We also have an Internal Audit function, outsourced to Grant Thornton, which offer an independent review of the CASS arrangements across the business and Compliance monitoring.



## 9.6. MiFID II

Following MiFID II we made updates to our propositional approach, covering:

-  Quarterly reporting
-  Costs and charges (pre and post sale)
-  Transaction reporting
-  Client identification (NINO & LEI)
-  Knowledge and competence

### 9.6.1. Quarterly reporting

In line with MiFID II, these are sent on a quarterly basis, in line with your client's delivery preferences (digital or post).

### 9.6.2. Costs and charges (pre- and post-sale)

#### Pre-sale

Our Investment Management Report (IMR) provides all pre-sale costs and charges as part of the New Application and Top-up Application stages of the new client journey.

It also provides a detailed breakdown of the underlying fund costs to include:

- Ongoing Charge Figure (OCF)
- Fund trading costs
- Fund one off costs
- Fund incidental costs

Effects of costs and charges are displayed for 1, 2, 5 and 10 years to show the cumulative effects of charges on your clients' money. Investment growth isn't considered in these illustrations to make sure it's easy for clients to understand, and consistent with other providers to make like for like comparisons easier.

The IMR is also generated for these processes:

- Transfer between internal investments
- Update risk mandate/investment solution
- Update investment charges
- Add Direct Debit
- SIPP Transfer to new Parmenion SIPP
- SIPP Transfer to Parmenion SIPP
- Utilise APS allowance
- APS top up
- APS internal transfer



## Post-sale

MiFID II requires firms that have provided an investment recommendation to give their clients clear information on the total costs and charges they incur on an annual basis.

We support advisers in meeting this obligation in two ways:

1. By sending an annual statement of costs and charges to your clients.  
This statement gives your clients a clear breakdown of exactly how much they have paid in charges - in total - during the previous year on each of their portfolios (including SIPP). It includes all adviser, administration and investment charges, in both monetary terms and percentages.
2. An ad hoc reporting tool showing a client's portfolio charges between two dates of your choice. This is output as a CSV so that you can merge the data into your own templates.

### 9.6.3. Transaction Reporting

We report all transactions in reportable instruments to the FCA, the day after they are executed. Within these reports, we include details of the trade, the underlying client as well as the decision maker for the transaction and the executing party.

### 9.6.4. Client identification (NINO & LEI)

National Insurance Numbers are a mandatory requirement during the client onboarding process for all clients who are UK nationals. For non-UK nationals we're required to report them under the unique identifier for their country.

Legal Entity Identifiers (LEI) will also be required for corporate clients, e.g. a Trust or a SSAS, who are trading in reportable assets.

For clients under the age of 18, the platform will automatically produce a CONCAT number from the combination of information given. A CONCAT will be the unique identifier of the client for transaction reporting purposes. This consists of the client's name, date of birth, and nationality.

### 9.6.5. Knowledge and competence

We have internal protocols in place to ensure that all staff are competent to fulfil their obligations and continue to regularly train, educate and assess our team. This makes sure that everyone who comes into contact with us speaks to someone knowledgeable and competent.

There are designated members of the Client Services team who've got appropriate industry experience, expertise and qualifications. These individuals act as supervisors for new starters and colleagues.



## 9.7. Insurance

We have insurance cover through Lloyds of London syndicates to cover professional and cyber liability. Confirmation letters are available on request.

## 9.8. Financial crime/anti-money laundering (AML)

We take a proportional risk-based approach to AML that is reviewed at least annually. Our terms of business with UK FCA regulated advisers, and declarations obtained with each submitted customer application, means we can rely on these advisers to apply customer due diligence measures (specifically, customer identity verification measures), in accordance with UK Money Laundering Regulations.

We always retain responsibility for compliance with Money Laundering Regulations, including where reliance is placed on adviser firms to verify a customer's identity. Advisers are therefore obliged to make copies of the evidence of the verification of identity available to us immediately on request.





We perform Politically Exposed Persons (PEP) and Sanctions screening on all new and existing clients, as well as ongoing due diligence account monitoring. If necessary, we also have the capability to perform our own identification verification checks on customers directly.

We provide AML training to all staff when they initially join and on a regular basis thereafter. This includes supplementary training for identifying and reporting suspicious activity to our Nominated Officer, who in turn will consider reporting to the National Crime Agency where appropriate.

Finally, we retain customer information, transactional information, AML reports and other relevant AML related records in accordance with the DPA 2018, ML Regulations and FCA SYSC requirements.

## 9.9 Consumer Duty

The FCA is seeking to build increased trust in the financial services sector. Consumer Duty sets higher and clearer standards for reporting and communicating with individuals in the sector, with demonstrable evidence of how they've acted to deliver good outcomes for their clients. The four outcomes are:

-  Consumer understanding
-  Price and value
-  Consumer support
-  Products and services

Visit our **Consumer Duty hub** to find out more about what we're doing, and visit our **Vulnerable Customers hub** to find out how we're supporting customers who need additional help.



## 9.10 Other policies and registers

**Anti-Bribery and Corruption** - We operate a zero-tolerance policy to bribery and corruption. We have a full policy available on our website. We also have an internal Gifts and Hospitality Policy describing our internal arrangements.

**Conflicts of Interest** - We have a full Conflicts of Interest policy and register. Our policy can be viewed via our website.

**Order Execution** - We have a full Order Execution Policy on our website.

**Data Protection** - We have an internal Data Protection policy that details how Parmenion complies with its obligations under the DPA 2018 / UK GDPR and PECR. We publish a Privacy Policy notice on our website that incorporates our Cookie Policy.

**Remuneration** - We comply with the requirements of the FCA Remuneration Code of Practice and are subject to the FCA rules. We have a full Remuneration Policy available on our website.

**Market conduct** - We have internal policies in place to ensure that all staff observe a high standard of market conduct, including our Conduct Risk and Personal Account Dealing Policies. These ensure we manage our conduct risk through our behaviours, strategies, decisions and actions, and places clients at the heart of what we do.

**Responsible investing** - We are a responsible investment business, celebrating the 12th anniversary of our industry-leading, award-winning active Ethical Solution and the launch of our Passive ESG Solution. Further information can be found in our '**Responsibility Matters**' and our '**Climate-Related Financial Disclosures**' documents available on our website.

## 10. Implementation support

We recognise the importance of giving advisers a comprehensive support structure when it comes to assisting in the design, implementation and operation of a centralised investment proposition. Our Distribution and Client Services team is structured to do that. Headed up by Mike Morrow, Chief Commercial Officer, (see **section 8.2**) the team is broken down into three core areas:

- Intermediary Sales
- Customer Success
- Client Services



### 10.1. Intermediary Sales team

The Intermediary Sales team is led by a Head of Intermediary Distribution, **Ryan Bagnall**. The team's responsibility is to build new adviser relationships as well as maintain and grow our existing relationships. They also help firms with their evaluation of Parmenion when they're looking to adopt us as their investment proposition partner.

The team is further broken down as follows:

- **Regional Sales Directors and Managers (field based)** - responsible for development and maintenance of existing partners, as well as acquisition of new partners. They hold regular review meetings to look at how a partnership is working and discuss feedback so we can act on opportunities for improvement.
- **Business Development Consultants (office based)** – responsible for outbound development and inbound triage of new opportunities.
- **Intermediary Partnership team** - reports into the Chief Commercial Officer and is responsible for engagement and representation of best advice systems, negotiation of panel positions and identification of trends in advice and the potential opportunities (or threats) they create. They're also responsible for supporting field based sales with technical demonstrations of systems and tools, as well as ongoing training and onboarding for new and existing partners. This will include additional training as and when our technology and services are updated.
- **Head of Sales Delivery** – responsible for using the sales data, insight and MI we hold to ensure resources are channelled in the right way, as well as developing the capability of our CRM.
- **Head of Distribution Development** - works with our third party DFM and integration partners to create and grow our market access.

### 10.2. Customer Service support

A key component of a firm's journey with us is providing confidence that we can onboard your business effectively and efficiently, and that we demonstrate your decision to use Parmenion was the right one. To achieve this, we have a dedicated Customer Success team, led by the Head of Customer Success.

This team comprises of:

- **Customer Success Managers/Consultants (office based)** – as with the field-based Intermediary Partnership team, this team is responsible for the ongoing training and onboarding of new and existing partners. They help with the training plan and support for new business cases for advisers and support teams, which can be provided in person or online. They're also



responsible for the administrative side of setting up new firms and users on our platform, including access to selected investment solutions.

- **Technical Specialists** – The team help advisers and colleagues with complex technical queries. They also keep on top of regulatory change to ensure our systems and processes remain compliant.

### 10.3. Client Services team

Our client services team is responsible for the day to day customer service needs and case management of our partner firms. Led by the Head of Client Services, this award-winning team delivers value through live chat, knowledgebase, cobrowsing, telephone and email case management.

Almost all queries are resolved in just one call and 90% of calls are answered in less than 20 seconds (2023).

### 10.4 Live chat

We offer live chat functionality as an alternative way to get in touch with us. This is available to advisers from any screen on the platform. Live chat responses are answered within 30 seconds or less and advisers rated us 4.8/5 (2023).

### 10.5 Cobrowsing

We have cobrowsing functionality on our platform so you can get the help you need from our Client Services team quickly. Cobrowsing allows them to see the platform as it appears on your screen in real time.

They can use an on-screen pointer to direct you to highlight specific areas on the platform and emphasise buttons, to help guide you through the process in a more interactive and responsive way.

With cobrowsing, we can only see what you do on the platform, no other websites or your desktop. Cobrowsing recognises fields that contain sensitive data and masks them to our Client Services team for enhanced privacy.

### 10.6 Knowledgebase

We offer a knowledgebase that's regularly updated with frequently asked questions and useful content to help you get the most out of our platform. As with live chat, it's available to advisers from any screen on the platform.

### 10.7 Keeping you informed

- **Keeping you updated** - Our fortnightly Adviser Insight newsletter keeps you up to date on all things Parmenion. We also have weekly investment insights, a fortnightly ESG insights and a monthly progress updates newsletter - we've got you covered to support your conversations with clients.



- **Investment reporting** - With our quarterly factsheets, quarterly solution reports, macro outlooks and asset allocation updates, you can be confident you're always in the loop.
- **Supporting documents and material** - On top of our investment reporting, we also provide you with a raft of material to support your technical knowledge and the financial planning process. From market insight to guides and reporting.
- **CPD events and webinars** - Our regular CPD accredited events help keep you on top of your required 35 hours. Featuring our investment team, inhouse experts, and sometimes special guests, they cover everything from investment to financial planning and retirement planning, and even information security.



**ⓘ Important information:**

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