

## Client grouping for tiered adviser charging

Our new client grouping functionality, which builds on the success of our tiered adviser charging feature, is designed to help you manage client groups and communicate your charges effectively, in line with your business needs and Consumer Duty.

- **Group clients effortlessly** – any selection of two or more clients can be grouped for charging purposes.
- **Seamlessly administer group charging** – for your firm’s group adviser charge arrangements, for assets on our platform.
- **View, download, and report on charges with ease** – through a dedicated client group section within the adviser charges area of the platform.

### What’s client grouping?

Client grouping combines the total portfolio values of multiple clients, calculates tiered adviser charging based on that value, then applies it proportionally to each client in the group based on their individual asset amounts.

### What’s an effective blended adviser charge rate?

The effective blended rate is a weighted average charge based on how much of the total group value falls into each tier.

Here’s a simplified example that assumes portfolio values remain static over the year.

You have an adviser charge with two tiers:

1. £0 - £50,000 = 0.95%
2. £50,001 and above = 0.85%

And a group of three clients with the following assets with Parmenion:

1. Client A has £25,000
2. Client B has £50,000
3. Client C has £100,000

Total assets in the group = £175,000

Total charges for group are £475 (0.95% × £50k) + £1,062.5 (0.85% × £125k) = £1,537.5.

Therefore, the **effective blended charge** rate is  $£1,537.5 \div £175,000 = 0.879\%$ .

This is then applied across each client in the group based on their individual asset amounts.

So each client would pay the following total annual adviser charge:

1. Client A would pay £219.64 (vs £237.5 ungrouped)
2. Client B would pay £439.29 (vs £475 ungrouped)
3. Client C would pay £878.57 (vs £900 ungrouped)

## Setting up is simple

First make sure tiered adviser charging is set up. Then email [clientservices@parmenion.co.uk](mailto:clientservices@parmenion.co.uk) and let us know which clients you'd like grouped – please include their full name and client reference.

Then we'll take care of the rest. Because linking is at client level, all portfolios under a client will be included in any grouping request.

You can also amend or update client groups by emailing [clientservices@parmenion.co.uk](mailto:clientservices@parmenion.co.uk).

## Who can be grouped together?

- Any selection of two or more clients under the same adviser firm can be grouped together.
- All clients being grouped together must use the same tiered adviser charging structure.
- There aren't any restrictions with the total assets under management or relationship between clients to be linked. A client can only be linked to one group.

## Can I report on this?

Yes, head over to the **Adviser Charges** section of the platform. Here you'll find a new **Client Groups** tab. It's searchable by client name or reference and offers the option to download the entire list of groups as a CSV file.

The screenshot displays the 'Adviser charges' section of a web application. On the left is a navigation menu with items like 'Welcome', 'Business overview', 'Advisory models', 'New money pending', 'Adviser charges' (highlighted), 'ISA allowances', and 'Online advice overview'. The main content area is titled 'Adviser charges' and includes tabs for 'Pending charge payments', 'Charge statements', 'Ongoing charge overview', and 'Client groups' (selected). Below the tabs is a 'Client grouping' section with a search bar. A table lists client groups with columns for 'Client Name', 'Group Valuation', and 'Tiered Adviser Charge'. The table shows three clients grouped together with a total valuation of £1,147,398.06. A sub-table details the 'Tiered Adviser Charge' structure for 'Name: Unlocked Charge 1'.

Client Name	Group Valuation	Tiered Adviser Charge									
<ul style="list-style-type: none"><li>• Mr Clarissa Barnett - FIA21307; PCP101542</li><li>• Mrs Isaac Bernard - PCP84695; PIA34842</li><li>• Mrs Cory Bonilla - FIA21308; PCP101543</li></ul>	£1,147,398.06	Name: Unlocked Charge 1									
		<table border="1"><thead><tr><th>From</th><th>To</th><th>Rate</th></tr></thead><tbody><tr><td>£0</td><td>£50,000</td><td>0.95%</td></tr><tr><td>£50,000</td><td>and above</td><td>0.85%</td></tr></tbody></table>	From	To	Rate	£0	£50,000	0.95%	£50,000	and above	0.85%
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£0	£50,000	0.95%									
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You can also see grouped charging for individual clients by using the **charges tool**, like this:

**Adviser Annual Charge**

Your Adviser Annual Charge is based on the total value of all your portfolios (or the value of your linked group where applicable). Charges depend on the value of assets in each of the tiers shown below.

**Unlocked Charge 1**

From	To	Charge
£0	£50,000	0.95%
£50,000	and above	0.85%

**Initial Charges**

**Default Initial Adviser Charge** Your adviser's charge for their advice, taken before investment. **1.00%**

Your Adviser has set a default Initial Adviser Charge as stated above. This will be charged on all new money received, unless your Adviser has agreed a different charge with you for a transaction. The actual charge will be reflected in your application and in the 'Summary of Charges' section below.

**Other Charges**

These charges are taken directly from funds by the fund managers on an ad hoc basis and may change in the future. We've taken the cost for each fund in your portfolio and applied this to the proportion they're held.

<b>Fund One-Off Costs</b>	Entry or exit charges for investing in or disinvesting from funds in your portfolio.	<b>0.00%</b>
<b>Fund Incidental Costs</b>	Usually performance fees, but may also be taken under other specific conditions.	<b>0.00%</b>

## How are the charges calculated and paid?

Tiered adviser charges are calculated at the end of each month and paid on the 1<sup>st</sup> working day of the next month – just like standard ongoing and individual tiered adviser charges.

Any clients moved into a client group during the month (up to the 28<sup>th</sup> of the month cutoff), will be charged on the basis that they have been in that group for the whole of the month.

## Can we make bulk requests?

Our tool has been designed to move clients individually. This was based on adviser feedback that moving clients to tiered charging would typically be handled on a case-by-case basis (usually around the time of a client's annual review).

If you'd like to move clients across to client grouping in bulk, please speak to your usual sales or customer success representative and we'll be happy to discuss ways we can potentially help.

# Get in touch

If you'd like to chat to us about client grouping, please get in touch.

Phone:

03300 945 900

Email:

mail@parmenion.co.uk

## Parmenion

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