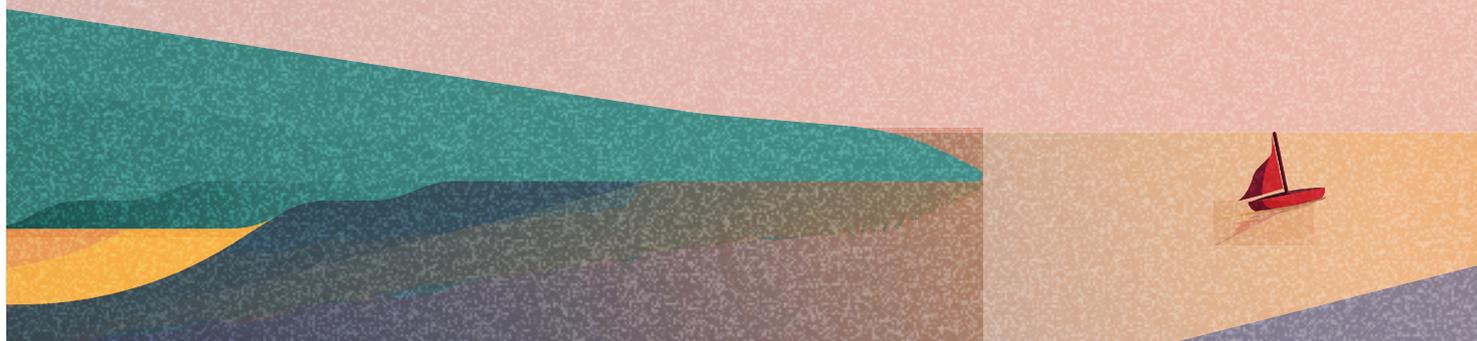


# A new owner for Parmenion

Adviser FAQs



# Frequently Asked Questions

## Who are Preservation Capital Partners (PCP)?

Preservation Capital Partners (PCP) are a private equity firm based in London who selectively invest in the asset-light financial services sector. They partner with market leading companies with proven and resilient business models to drive sustained growth over an extended time horizon.

PCP are an investment adviser to Preservation Capital Partners Fund I LP, a Guernsey based fund that has £308.6m of Limited Partner committed capital. Strictly speaking, it is that fund that has invested in Parmenion. The fund is audited by global auditor BDO.

## What are PCP's plans for Parmenion?

On completion of the sale process, PCP Fund I LP will own 100% of Parmenion. This is a standalone acquisition, and as shareholders PCP will work with Parmenion's management team to grow the business in line with the existing growth strategy.

There will be no material changes to Parmenion's operations, management or workforce and there are no integrations with another platform technology or business in the current plan.

## What attracted PCP to Parmenion?

Parmenion has a market leading reputation, a strong management team and clear ambition to drive significant future growth. The team at PCP have recognised the potential in the business. It is an exciting time for all involved.

## PCP state they will support Parmenion with “access to significant additional capital for further investment in the platform and accretive acquisitions.” What does this mean?

It means that PCP are fully supportive of Parmenion’s growth ambition and will invest where there is opportunity to create additional value and growth.

## How long will the change of control process take?

We are reliant on the ‘change of control’ process with the regulator, so it is difficult to be definitive about this. However, Parmenion has always been run as a standalone business within Standard Life Aberdeen so the separation will be relatively straightforward. We anticipate the timeline being between 3-6 months, but obviously this is subject to regulatory approval.

## Does this mean a change in strategy?

No – there will be no change in strategy alongside this change in ownership.

## Will there be any immediate changes to the proposition or the service I receive?

Delivery of our investment solutions, our proposition and our service will continue as usual. We will continue to develop and improve our offer in line with our strategic plans, but we do not anticipate any significant changes.

## Will there be any technology changes?

We will continue to develop our in-house, proprietary technology to improve the service we provide to advisers and their clients. There will be no significant technology changes or complicated integrations as a result of the sale.

## Will there be any changes to the management team?

PCP are fully supportive of the existing management team, and we do not anticipate any changes as part of this transaction.

## How will private equity ownership change Parmenion?

There will be no change in our team, our service and our commitment to doing what is right for our customers and their clients.

## I've never heard of PCP. How can I reassure my client that their money is in safe hands?

Parmenion's financial strength is still the same. Even as part of Standard Life Aberdeen, we operated as separate entity so our financial strength has always been independently rated.

Our latest AKG ratings report for both platform and DFM take our sale into account, and we have retained our **Strong B** rating.

We continue to be a separate legal entity and are regulated by the FCA as a stand-alone business. As such, we are required to meet all regulatory requirements for capital and liquidity. We comfortably exceed these, and this is reflected in our strong balance sheet. Your clients' money is as safe as it's ever been with us.

## How is the acquisition being funded?

The acquisition is fully funded by equity, with no debt involved.

While some private equity deals are part funded by loans, and the acquired business becomes responsible for that debt, this is **NOT** the case with the PCP acquisition of Parmenion. It is entirely equity backed.

Standard Life Aberdeen announced that Parmenion was sold for a consideration of up to £102m. To fund their acquisition, Preservation Capital Partners (PCP) raised finance from investors in their Preservation Capital Partners Fund I LP. Parmenion will not borrow money as part of the transaction and no capital is being taken out of the business.

## What percentage of PCP's net asset value does Parmenion represent?

PCP have raised £300m to invest in financial services businesses so the acquisition represents around one third of that funding.

# Get in touch

If you'd like to chat to us about our new ownership, please get in touch.

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Number 462085.

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