

Mark Reeve runs Reeve-Sims; a Sheffield based financial planning and investment advisory firm dealing with mid to high net worth individuals. He runs the business with his wife providing administrative support. Mark is a Chartered and Certified Financial Planner.

“I saw my main business challenge in making the transition to new model adviser”



The background

Having used Co Funds and Fidelity for some years, I selected Nucleus three years ago after a full review of the platform and wrap market. I needed a coherent client service proposition and felt that Nucleus was the best partner for this.

Expectations and benefits

I saw my main business challenge as making the transition to new model adviser. Initially only 40 to 50 per cent of my income derived from renewals. Now 100 per cent of my business revenue is recurring generated from client assets under management. To keep client costs within acceptable levels and to avoid active manager risk, I am now almost 100 per cent into passive fund management with Dimensional Fund Management sourced and administered on the Nucleus platform. This I feel gives me more confidence to deal with the post RDR world.

An area where I see real and unexpected benefit is in the Nucleus matrix of networking and user events. The quarterly IFA Advisory Board allows me the opportunity to have real impact on the Nucleus operation as a whole. I am surprised that not all Nucleus IFAs take the opportunity to attend such events, I am however very comfortable with the professional quality of fellow Nucleus investing IFA firms.

A further unanticipated benefit has emerged in the area of business contingency planning. The FSA are keen to see that smaller IFAs have arrangements in place to ensure no client detriment in their absence. I have formed mutual agreements with other Nucleus IFAs to ensure that my clients would continue to be supported no matter what happened to me, and that a ready buyer would be found for my practice.

Challenges and responses

Particularly since the global financial crisis, clients are anxious to know who is looking after their capital. As Nucleus is not a consumer brand this creates some hurdles. My approach to cope with this is to suggest a gradual migration onto the platform, helped by the facility to allow clients direct access to their own platform page so they can “see for themselves”.

I also found difficulties in managing the re registration process involving the requirement to crystallise assets before reapplying. In minimising the problems associated with this I have found my Nucleus account manager highly supportive.

Next steps

I have no plans to expand my business headcount, preferring to maintain end to end control. I do however see huge opportunities in increased co-operation with local Nucleus IFAs – namely skill sharing on particular cases.

Advice to those considering a wrap partner

I believe that IFA firms will get much more out of Nucleus if they appreciate and share its commitment to transparency and if they are prepared to get fully involved in the various IFA led management teams, user events and seminars.

For more information on how Nucleus can make a difference to your company, contact Mark on mark@reeve-sims.co.uk
