

Sanlam Partnerships

OVERVIEW OF OUR FEE STRUCTURE AND BUSINESS VALUATION CRITERIA

The Sanlam Partnerships network prides itself on the fair and transparent business model that we apply, with a fixed monthly fee structure for our appointed representatives (AR). Below you will find an example fee structure as well as the criteria we use to determine the valuation of a business.

Fee structure

As an AR, you will be charged the following fees:

- Up to £1m turnover - 5%
- Between £1m-£2m turnover - 4%
- Between £2m-£3m turnover - 3%
- Between £3m-£5m turnover - 2%
- Over £5m turnover - 1%
- PI insurance - approx 1%
- FCA fees - approx 1%
- Paraplanning service (paid for as used)
- Recruitment and acquisition support (free)

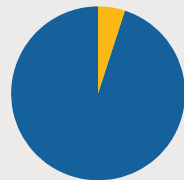
Example

Current AR revenue
£1,350,000

Sanlam service cost
£64,000

AR revenue NET
£1,286,000

AR revenue split



■ **AR revenue**
■ **AR fee**
including FCA fee and PI

Business valuation example

Valuation based on 6 core criteria

- 1 Quality of compliance and T&C
- 2 Annual new business – minimum 30% of turnover
- 3 Complaints history and risk assessment
- 4 Profit of at least 20%
- 5 FUM alignment
- 6 Advice process and CIP alignment

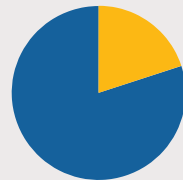
Example purchase offer

Business valuation*
£2,250,000

Sanlam 20% purchase
£450,000

IFA 80% ownership
£1,800,000

Business ownership



■ **IFA 80%**
■ **Sanlam 20%**

* Valuation based on an initial 20% purchase into a business. Sanlam will consider buying 20%, 51% or 100% of a business depending on the succession strategy and alignment to the core criteria.

* Valuation is approximate and subject to full due diligence before formal agreement.

* Based on approximate: 5% network fee + 1% FCA fee + 1% PI insurance fee.

AR offer – example

	Projected			
	Year 1	Year 2	Year 3	Year 4
Turnover/trail	£ 750,000 *	£ 900,000 **	£ 1,150,000 ***	£ 1,500,000 ****
New business	£ 600,000	£ 750,000	£ 1,000,000	£ 1,000,000
Total turnover	£ 1,350,000	£ 1,650,000	£ 2,150,000	£ 2,500,000
AR income 95%*	£ 2,443,500	£ 2,688,000	£ 2,976,000	£ 3,360,000
Business valuation 80%	£ 1,800,000	£ 2,160,000	£ 2,760,000	£ 3,600,000

* **Year 1** The recurring revenue is £750,000

*** **Year 3** The recurring revenue is £1,150,000

** **Year 2** The recurring revenue is £900,000

**** **Year 4** The recurring revenue is £1,500,000

Next steps

If you would like to find out more about this service, please use the contact details below

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