

Meet Ethan and Chloe



Ethan has recently inherited £3m pounds from his grandmother. Ethan's affairs are relatively simple, and he wants the money to be invested tax-efficiently, in a conventional manner. Ethan doesn't want to place this windfall at risk.

Chloe is a successful entrepreneur and has recently sold one of her three businesses. The after-tax proceeds are £3m. Chloe's affairs are complex. Her partner Adelmo is Brazilian and has two teenage children from a previous marriage. He holds assets in an offshore trust, based in Jersey. Chloe owns two other companies. She has significant investments, not all of which are liquid including; Seed EIS, EIS and Venture Capital Trusts. Chloe's portfolio includes several Buy-to-Let properties and the commercial properties from her business. The personal financial affairs of Chloe and Adelmo are, in reality, shambolic and without structure.



The Capital Way

Chloe and Ethan both have a meeting independently with the same financial adviser. They each have £3m to invest. If the service fee is based solely on the money to be invested, under the old traditional method of percentage-of-assets they may well be charged the same amount.

However, Capital sees things very differently. Chloe, Adelmo, and Ethan are the focus of the service, not the money being invested. Ethan needs expert help but will require relatively less involvement. Chloe and Adelmo on the other hand will require considerably more involvement. Their affairs are complex and will involve meetings with their solicitor and accountant. It will take time to unravel, unpick and understand their financial status. A lot of research and due diligence needs to be undertaken.

The subscription fee charged to Chloe could be three to four times more than Ethan's fee.