

Brooks Macdonald: *For a clearer financial future*

Client Investing Guide



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How to use this guide

This guide provides basic information about Brooks Macdonald's investment services. It's designed to help you find out whether our services are appropriate for your needs, so that you can make informed decisions about using them.

Your professional adviser or your Brooks Macdonald investment manager can provide you with more information if you need it.

We recommend that you focus on the information most relevant to your personal investment goals.

That said, you do need to read the 'small print'. That's the Important information section, which gives you all the details of the risks, suitability and affordability of any investment that you might make with us.

About us

Brooks Macdonald was founded over 35 years ago to give clients wealth management driven by purpose and principles, and that remains as true as ever.

We work every day to protect and enhance our clients' wealth through high-quality investment management and financial planning, underpinned by excellent client service. We are dedicated to the highest professional standards, inspired by our guiding principles: we do the right thing, we are connected, we care, and we make a difference. We are proud of the powerful blend of talented people we have in Brooks Macdonald. Together, we are confident and ambitious in what we can achieve and the difference we can make for our clients.



Our business and services

We offer discretionary investment services. The discretionary service is tailored to individual clients' requirements such as tax management, succession planning, investment restrictions and management across products, with managers carefully choosing assets from our well-researched and extensive buylist. Our discretionary services are suitable for two types of client:

- inexperienced investors who want access to sophisticated investment management.
- sophisticated investors who don't want to manage their own investments.

Our clients include private individuals, companies, trusts, charities and pension funds.

When you use our discretionary investment services, you grant us the authority to manage your

investments in line with the mandate we've agreed with you. So we don't need to ask your permission every time we buy or sell assets on your behalf. Instead, our experienced investment managers apply our centralised investment process to design and construct portfolios that meet your individual needs. We monitor our clients' portfolios on an on-going basis and adjust them to ensure that they continue to meet their requirements.

We offer two core discretionary services: our Bespoke Portfolio Service (BPS) and our Managed Portfolio Service (MPS). Unless we say that something applies specifically to one of these services, you should assume that it applies to both the BPS and the MPS. Otherwise, we'll be clear about which service we mean. We also offer a number of other services, and we provide details of these later in this guide.



Our investment philosophy

We always remember that it is your money we are managing. Your investment needs drive everything we do. We take the time to understand you and your financial goals so we can build a portfolio that best achieves your financial goals.

Our investment philosophy has three key elements:



Our investment process is built on expert insights and high-quality research. We draw on the experience and skills of our Asset Allocation Committee and Investment Committee, as well as the in-depth knowledge of our specialist research teams. This combination is designed to deliver the best investment opportunities in ever-changing markets.



Risk management is central to our investment process. Our flexible investment solutions are overseen by an independent risk department and risk-management system. We have a sophisticated risk-monitoring system to make sure your portfolio remains suitable for your investment profile. If you invest with us, your investment manager will take all the necessary steps to make sure that your portfolio stays within the investment limits of your risk profile.



A continued focus on your portfolio is a core component of our service. If you invest with us in a bespoke portfolio, your investment manager will have the freedom to build an investment portfolio that suits your needs and any preferences you have requested.

Our centralised investment process

Our centralised investment process is designed to ensure that your investment portfolio draws on the broad and varied expertise of our Asset Allocation Committee, Investment Committee and specialist research teams.

It allows us to create diversified portfolios with varying risk profiles and ensures that the principles of our investment philosophy are reflected in client portfolios. Our Bespoke Portfolio Service (BPS) and Managed Portfolio Service (MPS) portfolios follow this process.

The process combines an asset-allocation strategy (a 'top-down' approach) with rigorous individual security selection (a 'bottom-up' approach). It incorporates a number of processes designed to ensure that investment portfolios are adequately diversified and that investment risk is appropriately managed. We implement these initially in the portfolio construction phase and thereafter on an on-going basis.



Asset allocation

By 'asset allocation', we mean the amounts invested in various asset classes. We provide more information on asset classes and types on pages 9 to 14, but the broad asset classes in which we invest include shares, bonds and property, as well as alternatives (such as hedge funds, infrastructure or commodities). We can also break down asset allocation by geography (e.g. UK, European or US shares) and industrial sector (e.g. financials, industrials or energy).

Different asset classes react in different ways to changes in economic and market conditions – so some asset prices will rise while others fall. This means that a portfolio's risk profile can be altered by changing how much it invests in different asset classes. For example, investing in shares has historically tended to be riskier than investing in bonds. So, if you reduce a portfolio's allocation to shares and increase its exposure to bonds, you can reduce its overall risk profile (and vice versa).

Security selection

By 'security selection', we mean choosing specific investments within a particular asset class. We have a rigorous process for this. Our investment managers are organised into sector research teams, each of which specialises in a particular area of the market (UK shares, international shares, fixed interest or property, for example). Each team produces a list of recommended investments that they see as the best available in their area of specialisation.

When combined, these lists form a central 'buy list' that consists of a range of different types of investments. Investments are added to the buy list only after adequate due diligence and approval by the Asset Selection Committee. We regularly review the investment cases of all buy-list investments.

During the portfolio-construction process, client portfolios will purchase investments on the central buy list. Under certain circumstances, client portfolios can make non-buy-list investments, but the vast majority of investments we make will be selected from our buy list.

Managing investment risk

Risk management is a key component of our investment philosophy. We have embedded controls in our investment process to ensure that sufficient diversification, or spreading of investments across a range of different asset classes, is built into client portfolios. Our asset-allocation strategy considers risk at the overall portfolio level while investment managers consider it when selecting individual investments.

On top of this, our Investment Committee has established several policies that our investment managers must follow. These policies help to ensure that portfolios reflect their agreed investment objectives. These policies include limits on allocations to specific asset classes; volatility bands; restrictions on the maximum sizes of individual investments; limits on investments in unlisted or otherwise illiquid (hard-to-sell) assets; and restrictions on the amount of each portfolio that can be invested in investments that are not on our central buy list.

Asset classes and types

As specialist discretionary investment managers, we can invest in a wide range of different asset types on behalf of our clients.

To help you understand the risks involved in investing in a Brooks Macdonald portfolio, we explain each of these asset types below. We describe their main advantages and risks, and we also rate them on a scale of low to high risk.

All of our Bespoke Portfolio Service (BPS) portfolios are likely to hold some exposure to the various types of assets listed in this section (unless a client has instructed us not to invest in a particular type of asset). However, our Managed Portfolio Service (MPS) portfolios do not buy shares or bonds directly but instead invest in funds that hold those assets.



LOW RISK

Cash and deposits

Cash deposits are generally considered to be safe investments. You may receive interest on cash held in your portfolio.

Advantages

- There is very little risk in holding cash (although cash is not risk free).
- Cash deposits are readily accessible.
- For most private investors, smaller cash deposits in the UK are protected by the Financial Services Compensation Scheme (FSCS). See Security of assets for more details.

Risks

- Cash deposits only provide a real investment return if the interest rate paid on deposits exceeds inflation.
- There is no opportunity for growth.
- You can be exposed to the risk that the financial institution holding your cash goes into liquidation.



LOW TO HIGH RISK

Bonds

Also known as fixed-interest or fixed-income securities, bonds are issued by companies, governments and other institutions to raise money.

When a bond is issued, its purchaser effectively lends money to the issuer. In return, the issuer agrees to pay fixed amounts of interest to the bond holder (normally once or twice a year) and to return the initial investment at the bond's maturity date.

Bond prices are sensitive to changes in interest rates. When interest rates rise, bond prices tend

to fall so that their interest payments become proportionately larger. And when interest rates fall, bond prices tend to rise.

Several independent agencies assess issuers' ability to make bond payments and assign them credit ratings. Bonds rated as 'investment grade' have issuers with high credit ratings and generally pay lower interest.

The bonds issued by lenders with low credit ratings are called 'high yield' bonds because they offer higher interest to compensate for the higher risks.

Advantages

- Bonds tend to pay a higher income than cash deposits.
- Bonds are attractive to investors who require a defined level of income.
- Most bonds are designed to be repaid at a particular time and price. This certainty is valuable to investors.
- In general, bonds can have less volatile performance than shares.
- It is usually quite easy to buy or sell bonds that have high credit ratings.

Risks

- If the issuer cannot repay the bond at the maturity date, the holder could lose some or all of their investment.
- Bond prices are affected by both market interest rates and the ability of the issuer to repay the bond when it matures.
- The longer the period of time to maturity, the more susceptible the bond is to price changes.
- Sometimes it can be difficult to sell a bond. Most corporate bonds are not traded on an exchange, and if a bond trades infrequently, it may be difficult to determine its current market value.
- Bond investors face reinvestment risk. When bonds mature, investors may not be able to reinvest their money at the same rate of return.



MEDIUM TO HIGH RISK

Shares

Shares (also known as equities) are units of ownership in a company. Normally, the shares in which we invest are publicly traded on a stock exchange.

Over the long run, the value of a company's shares will depend on the success of its business. At any one time, however, the value of a share can depend on the general state of the stock market and how the share prices of other companies in the same industrial sector are performing.

Some shares pay a periodic cash payment (a dividend) to their owner. Well-established, profitable companies tend to pay a dividend.

The dividend is determined by the company's board of directors and is generally paid quarterly or semi-annually.

Less-established companies that are seeking to grow their business may not pay a dividend. Instead of paying cash to shareholders, these companies tend to finance their expansion by reinvesting their profits. Their aim is to grow the value of the company and therefore the shares.

Shares can be bought in companies of different sizes and different types of business. The shares of well-established, profitable companies are likely to be less risky than the shares of new companies that intend to grow.

Advantages

- Shares provide an opportunity to grow the value of an investment portfolio. They can provide substantial investment returns over time.
- In the past, shares have proven to be better long-term investments than either bonds or cash (although past performance is not necessarily a guide to future performance).
- By buying shares in companies with a long record of paying dividends, investors can own assets that may produce an income and may grow in value.
- Shares that are traded on stock exchanges can generally be bought and sold at relatively low cost and with relative ease.

Risks

- Shares tend to be riskier than either bonds or cash. Share prices are volatile and shares are susceptible to considerable declines in value. Share prices can remain depressed for a long time and if a company goes into liquidation, its shares may prove worthless.
- There are many different reasons why the price of a share can decline. Predicting the future price of a share is very difficult.
- Shares in smaller companies are often highly volatile and may be subject to substantial price changes. It may be difficult to sell shares in smaller companies, which increases their risk.
- Shares that are not publicly traded tend to be riskier and may be even more difficult to sell.



LOW TO HIGH RISK

Property

Property investment refers to the ownership of buildings and other physical real estate assets in order to generate a regular stream of income with the potential for capital gains.

Rental income is generated through letting space to commercial, industrial or residential occupiers with the potential for capital gains over time through the capitalisation of rental growth and/or other asset management initiatives such as redevelopment, change of use or re-leasing activity.

Brooks Macdonald has a strong preference for accessing illiquid asset classes such as real estate through stock-exchange listed vehicles such as real estate investment trusts or 'REITs'. REITs are a standardised transparent corporate structure for real estate assets that has been widely adopted across the world and has the crucial advantage over traditional open-ended property funds of offering investors daily liquidity without the need to buy or sell the underlying property assets.

Advantages

- Predictable, regular income underpinned by legally binding multi-year lease agreements.
- Value underpinned by tangible assets with high replacement (capital) costs and established long term role in the economy.
- Potential for income growth over time through contractual rental uplifts or through negotiated 'open-market' rent reviews.

Risks

- Property funds invest in assets that are not regularly valued. Therefore, large price fluctuations may occur when their underlying assets are valued.
- Sensitivity to the economic cycle – occupational demand, and the resulting level of rental income and occupancy, is directly linked to the employment consumer demand and the broader economic cycle.
- Risk of obsolescence – structural changes in the economy and technology can fundamentally disrupt occupational demand e.g. working from home (offices), eCommerce (retail).
- Stock market volatility – public market valuations may diverge from the value of the underlying property assets – with share prices trading either above (a premium) or below (a discount) to the net asset value depending on investor buying and selling.



LOW TO HIGH RISK

Structured products

Structured products are investments that provide predefined returns dependent on the performance of an underlying asset, often a market index, over a set period. They are typically issued by banks and normally comprise a zero-coupon bond and an options package, which will provide gains should certain circumstances come to pass.

Structured products are designed to facilitate highly customised risk-return objectives. There are a number of different types, including 'synthetic zeros' and 'autocalls'. The main difference between these two is that synthetic zeros normally have a 6–7 year term although they can be sold in the secondary market, while autocalls have the possibility of redeeming early.

Advantages

- Structured products may increase the investment return in a portfolio at relatively little risk (compared with other types of investment).
- They can be highly customised, so they are a useful tool in constructing an investment portfolio.
- They provide a known investment return as long as relevant conditions are met.
- They have known maturities that can be tailored to an investor's time horizon.

Risks

- Structured products are complicated investments.
- Capital protection may only apply if the investment is held to maturity; if the investment is sold before maturity, the investor may lose money.
- Investors are exposed to credit risk. If the issuer cannot repay the structured note at maturity, the holder could lose their entire investment.
- If you get back only your original capital, you may have lost money in real terms because the value of your capital may have been eroded by inflation.
- In certain market conditions, it may be difficult to sell a structured note.
- Structured notes are not necessarily priced daily, so they may be difficult to value accurately.
- Investors who purchase structured notes do not normally receive income from the underlying investment. For example, where the underlying exposure of a structured note is to a share, the owner of the structured note would not normally receive any dividend income paid out by the associated share.



LOW TO HIGH RISK

Alternative investments

Alternative investments are investments that fall outside of the traditional asset classes (such as shares, bonds and cash). They include infrastructure, hedge funds and commodities.

Although alternative investments are sometimes considered risky, there are many different types of alternative investment with varying levels of risk. Investors can use alternative investments to diversify a portfolio and therefore reduce its overall risk.

Advantages

- Alternative investments can be used to profit when other asset classes are losing value.
- Some alternative investments are uncorrelated with shares and bonds; consequently, they can be used to reduce risk in a portfolio through diversification.
- Collective alternative investments can provide access to skilled investment managers that may otherwise be inaccessible to an investor.
- A vast range of alternative investments is available, and these are typically restricted to professional investors as they can be complicated to understand. Your Brooks Macdonald investment manager can access these on your behalf.

Risks

- Many types of alternative investments are not traded on a stock exchange. Determining the price of such investments may be difficult.
- Alternative investments can be difficult to sell if holding direct assets rather than through a liquid investment.
- Alternative investments can be highly complex, and a greater degree of investment sophistication may be required to properly determine their associated risks.
- Some alternative investments are unregulated, so the investor protections that apply to regulated assets may be absent.

Is investing right for you?

Whether you want to build a pension for retirement, save a deposit for a house or generate extra income to cover expenses (such as school fees), your savings may provide a bigger return if you invest them.

And even if you're an extremely cautious saver, a diversified portfolio of investments provides the opportunity to at least maintain your wealth by protecting it from inflation.

Historically, diversified investment portfolios have provided better long-term returns than cash in the bank. That said, there is no guarantee that investments will continue to perform as well as they have in the past; an investment's past performance is not a guide to its future returns.

Your investment profile

When you consider investing, you need to think about three things:



Your investment objectives

The outcome that you wish your investment portfolio to achieve. This is often a choice between protecting your wealth, growing your wealth or producing a level of income – or a combination of these.



Your risk profile

The maximum amount of risk that you are prepared to take to achieve your investment objectives. The more risk you take, the larger the potential returns. But if you take more risk, you increase both your chance of losing money and the amount of money that you could lose.



Your time horizon

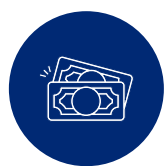
The length of time over which you plan to invest.

Together, these factors form what we call your 'investment profile'. Only you can determine your investment profile, but this part of the guide is intended to help you make an informed decision.



Investment objectives

Identifying your investment objective(s) involves assessing the relative importance of several potential investment outcomes. We set these out below:



Income

You want an investment portfolio designed to produce a regular income. Growing the value of your portfolio is less important to you than achieving a steady income.



Growth

You want to grow the value of your investment portfolio over time. Producing a level of income is less important than increasing the value of your investment portfolio.



Income and growth

You want your portfolio to both produce a level of income and increase in value over time.

You may also have some specific objectives that you want your portfolio to achieve – perhaps one of the following:

- Producing income to pay for a care home for a family member.
- Purchasing a holiday home in a few years' time.
- Providing funds for your retirement.

Risk profile

All investments involve a degree of risk. Investments that provide the potential for higher investment returns typically involve a higher risk of losses. You should never accept more risk than you are comfortable with. Your risk profile describes the amount of investment risk that you are prepared to accept, and this will affect both the overall composition of your investment portfolio and the types of investments that we purchase on your behalf.

Determining the level of risk you are prepared to accept involves weighing risk against potential return. Taking more risk increases both the possibility that you might lose money and the amount of money that you might lose.

These are among the factors that you should take into account:

- Your investment objectives.
- Your financial circumstances, including your capacity for loss.
- Your age.
- The period over which you wish to invest.

A typical BPS portfolio will include a variety of different investments. Unless you have specific requirements or preferences about your investments, your portfolio may include exposure to some of these types of investments:

- UK and international bonds
- UK and international equities
- Collective investments (funds)
- Investment trusts
- Structured notes
- Alternative investments (convertible bonds, hedge funds, commodities)
- Property
- Cash

As the level of risk you are prepared to take increases, the exposure of your portfolio to each type of investment will change. Higher risk portfolios are likely to hold greater exposure to:

- Equities
- Assets outside the UK
- Assets with historically higher volatility (e.g. certain financial stocks)
- Illiquid assets
- Investments that are exposed to emerging markets
- Investments that are not on our buy list

It should be noted that all portfolios, whatever their level of risk, may contain some exposure to each of the types of investments mentioned above.

Time horizon

As all portfolios typically hold some exposure to equities, we suggest a minimum investment horizon of three years for a low-risk portfolio and five years for portfolios of any other risk profile. If you plan to sell your investments earlier than this, our services may not be suitable for you. This said, investing over a longer time horizon does not guarantee that you will achieve your investment objectives.

In deciding your investment horizon, you must consider your personal financial circumstances. An investor aged 30 might plan to invest for a longer period than an investor close to retirement. Similarly, investing in equities would not be appropriate if you plan to use the money to buy a house in 12 months time.



Available risk profiles

Through our portfolios we offer different risk profiles, ranging from low risk to high risk. After consultation with your professional adviser or your Brooks Macdonald investment manager, we will ask you to select a risk profile that reflects the investment risk you are prepared to accept. In general, peoples' understanding of risk is very subjective; therefore, we will carefully describe each risk category in order to help you select an appropriate risk profile.

One way to assess the risk that you face as an investor is to consider how similar investments have performed in the past (although past performance is not necessarily an indication of future returns). We used data sourced from the 'Barclays Equity Gilt Study' (an authoritative survey of annual investment returns from 1900 to present) to estimate how portfolios representing each of our risk profiles would have performed in each calendar year during the period, if their asset allocation levels had been left unchanged.

For each risk profile, the following chart reflects the maximum gains and losses that would typically have been achieved in a single calendar year. To avoid distorting the results, we have excluded the most extreme annual investment gains and losses in calculating these figures. As a result, the annual investment return for each risk profile would have fallen within the shaded area of each bar 90% of the time.

For example, for a medium-risk portfolio, the maximum typical annual gain over the period would have been 34.6%, while the maximum typical loss would have been 11.1%. Because the most extreme results are excluded, this means that in 9 out of 10 years the return of a medium-risk portfolio would have been between these two levels.

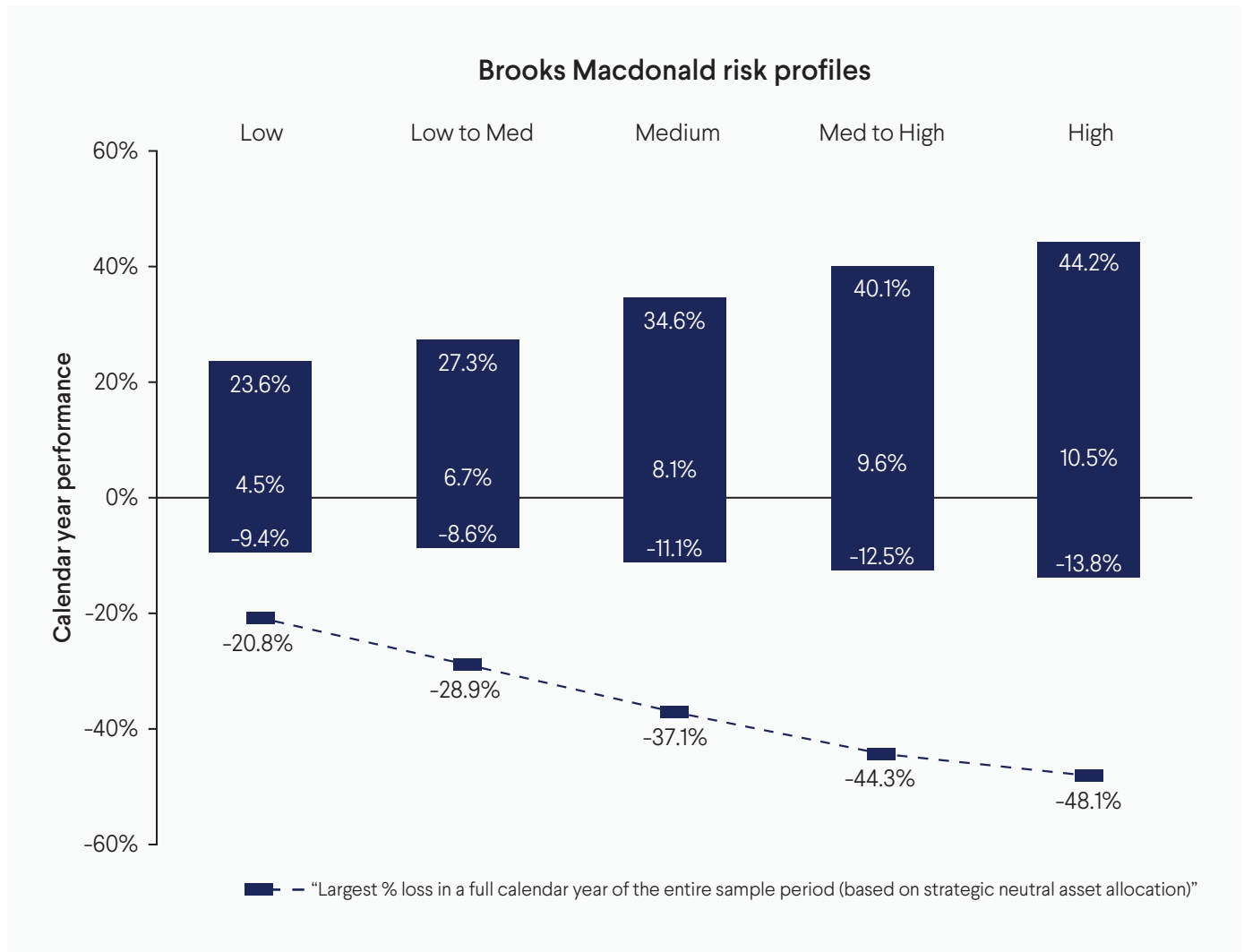
During periods of market turbulence investment portfolios can be subject to increased volatility. As a result, the chart also shows the largest loss sustained during a calendar year for each risk profile. For a medium-risk portfolio, the actual largest loss would have been 37.1%.

The chart also records the average annual investment return for each risk profile using the full sample (with the most extreme results included). For a medium-risk portfolio, this would have been 8.1% per annum. The chart provides only an estimate. Some types of investments are relatively new and did not exist throughout the period; as such, we have had to estimate their performance using investments that did exist that we consider similar.

The sole purpose of the chart is to help you to determine your risk profile. It is important to realise that the returns shown are not a record of our actual investment performance, while the figures do not provide a guarantee of future investment performance. Your investments might perform better than or worse than the figures shown.

This information is replicated in the table on the following page for portfolios reflecting each risk profile.

Calendar year returns from 1900 to 2022



For illustrative purposes only.

Past performance is not a reliable indicator of future results. The indicative returns shown above are all based on BPS portfolios designed to produce income and growth, aside from the Low Risk portfolio, which is an income focused portfolio. The performance of portfolios with different investment objectives will not be the same.

Calculated returns are gross of fees.

- 1. Based on nominal return data for UK equities, gilts and cash between 1900 and 2022.*
- 2. For each risk profile, the asset allocation is translated into UK equities, gilts and cash.*

Source: Brooks Macdonald and Barclays Equity Gilt Study May 2023.

Low Risk	<p>Estimated performance: Av. +4.5%</p> <p>Low: -9.4% loss</p> <p>High: +23.6% gain</p> <p>Worst: -20.8% loss</p>	<ul style="list-style-type: none"> - You are a cautious investor seeking to protect your wealth. - You are more interested in avoiding losing money than in maximising potential investment gains. - You are prepared to tolerate smaller fluctuations in the value of the portfolio in order to achieve greater investment returns than a bank or building society deposit. - Equity exposure is likely to range between 0-30%.
Low/Medium Risk	<p>Estimated performance: Av. +6.7%</p> <p>Low: -8.6% loss</p> <p>High: +27.3% gain</p> <p>Worst: -28.9% loss</p>	<ul style="list-style-type: none"> - You are a conservative investor seeking to maintain your capital. - You are prepared to accept a lower investment return than equity markets over the longer term in exchange for trying to minimise potential losses. - You accept that the portfolio will be subject to fluctuations in value to achieve above inflation investment returns over the longer term. - Equity exposure is likely to range from 30-55%.
Medium Risk	<p>Estimated performance: Av. +8.1%</p> <p>Low: -11.1% loss</p> <p>High: +34.6% gain</p> <p>Worst: -37.1% loss</p>	<ul style="list-style-type: none"> - You aim to achieve a greater investment return from the portfolio. - You are prepared to own a significant proportion of higher risk investments in order to try to produce a higher investment return. - You are prepared to accept that the value of the portfolio may fluctuate significantly in order to achieve potentially greater investment returns over the longer term. - Equity exposure is likely to range between 55-75%.
Medium/High Risk	<p>Estimated performance: Av. + 9.6%</p> <p>Low: -12.5% loss</p> <p>High: +40.1% gain</p> <p>Worst: -44.3% loss</p>	<ul style="list-style-type: none"> - You aim to achieve large investment gains. - You are prepared to own a very significant proportion of higher risk investments in order to try and achieve large investment gains. Most of your portfolio will be invested in risky investments. - You are willing (and can afford) to sustain significant investment losses over a prolonged period of time in order to achieve better long term investment returns. - Equity exposure is likely to range between 75-95%.
High Risk	<p>Estimated performance: Av. +10.5%</p> <p>Low: -13.8% loss</p> <p>High: +44.2% gain</p> <p>Worst: -48.1% loss</p>	<ul style="list-style-type: none"> - You aim to maximise your investment returns over the long term. - You are prepared to be fully invested in equities or other higher risk investments to achieve the highest possible investment returns. - You are willing to sustain and can afford substantial investment losses over a prolonged period of time.

Past performance is not a reliable indicator of future results. The indicative returns shown here are all based on BPS portfolios designed to produce income and growth, aside from the Low Risk portfolio, which is an income-focused portfolio. The performance of portfolios with different investment objectives will not be the same. Calculated returns are gross of fees.

If you've decided to invest, which option is best for you?

If investing is the right choice for you, we offer several options. In this section of the guide, we set those options out and explain how they could work for you.

The two main options we provide are our Bespoke Portfolio Service (BPS) and our Managed Portfolio Service (MPS), but we also offer several other options.

We explain each of these in detail in the next few pages.

Bespoke Portfolio Service (BPS)

As its name suggests, our BPS is designed for clients who want an individual investment portfolio constructed to meet their specific requirements (i.e. fully bespoke).

Our BPS portfolios are managed by investment managers, supported by their teams. This team approach ensures that we always have cover in place. Each team is led by one of our experienced investment team directors and supported by our Investment, Asset Selection and Asset Allocation Committees. The BPS portfolios are run in line with our centralised investment process.

You can access our BPS through a professional adviser authorised to give financial advice. Alternatively, you can become a direct client of Brooks Macdonald. Your professional adviser or your Brooks Macdonald investment manager will advise you about the suitability of a BPS portfolio. We provide more information on the Suitability page.

Our BPS is available to retail and professional clients and eligible counterparties of all levels of investment knowledge and experience. If you invest in our BPS, you must have the ability to sustain capital losses. The BPS offers no capital guarantees

and is not deemed suitable for investors who have no ability for capital loss or those who have a time horizon of less than three years. It offers five risk profiles for you to choose from and is available with both growth and income objectives. It can also incorporate your ethical needs if you specify them clearly (see below).

Complex investment products are generally only available to professional investors. But as our BPS portfolios are managed on a discretionary basis, they can invest in both complex and non-complex products if your investment manager judges them to be suitable in meeting your objectives.

To use our BPS, you need to be able to make a **minimum initial investment of £500,000**. The costs and charges for this service can be found in your personalised investment proposal.

Specific portfolio mandate

You may have specific requirements for your investment portfolio, such as restrictions on the asset classes in which it invests.

If your requirements result in your portfolio falling outside the asset-allocation boundaries of our standard BPS investment process, we can construct a bespoke portfolio for you with its own asset allocation. This bespoke portfolio will be designed to reflect your risk profile, investment objectives and specific requirements or restrictions.

Please speak to your professional adviser or your Brooks Macdonald investment manager for further information.

Linked accounts

If you have two or more BPS accounts, you may want us to manage them as a single portfolio. For example, you may have a BPS account in your own name and a self-invested personal pension (SIPP). Alternatively, you and your spouse may each have separate BPS accounts. We can manage the following types of account as part of a linked account:

- Individual account(s) for either spouse or civil partner.
- Joint accounts held by married couples or civil partners.
- SIPPs and offshore bonds for either spouse or civil partner.

We ask each client that participates in a linked account arrangement to agree on a single investment profile (an investment objective, risk profile and time horizon). This profile will then apply to all of the accounts, so the participating accounts won't have investment profiles of their own. Your Brooks Macdonald investment manager will be responsible for ensuring that the investments held by all of the individual accounts in aggregate are consistent with the agreed single investment profile.

Each account that participates in a combined-account arrangement may contain more higher-risk or lower-risk investments (or more illiquid investments) than would be the case if each portfolio was managed separately, as the composition of each account will differ. Consequently, investment gains and losses will not be distributed evenly across each account, and the investment performance of each account may be very different from the performance of other accounts within the combined-account arrangement.

Separate accounts that are not combined have their own investment profiles, so each portfolio would have exposure to various investment types to reflect its individual investment profile. For combined-account arrangements, we can invest the assets of each account to take full advantage of different tax treatments. For instance, growth investments (such as shares) could be purchased in a SIPP, which benefits from a degree of exemption from capital gains tax. By contrast, interest-bearing investments (such as bonds) could be purchased in the account of the client in the lowest tax bracket, thereby reducing the amount of tax paid on the interest received.

When assessing the investment performance of a combined account, you should consider the performance of all the participating accounts together. The valuation statements that we send you will show only the performance of the combined account as a whole; the performance of each participating account will not be shown.

Please note: We will automatically combine your individual portfolio and ISA account(s) unless instructed otherwise. SIPPs and Offshore Bonds can be restricted in terms of the types of assets they may purchase. These restrictions can vary by provider. Your SIPP or Offshore Bond may therefore be restricted as to the type of investments it can hold. For more information on combined accounts and how to open them, please contact your professional adviser or Brooks Macdonald investment manager.

Retirement Strategies

The Retirement income service is aimed at those clients who are looking to manage their portfolio whilst drawing an income during their retirement or who are planning to do so in the next seven years.

Taking income in retirement involves several risks that you should be aware of to ensure financial stability and well-being for you. Three of the most important risks are as follows:

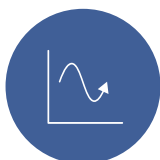
From an investment perspective, equity assets have historically proven to be the best way to combat both longevity and inflation risks. As you can see from the chart adjacent, equities have in real terms outperformed both cash and bonds by a considerable margin over the longer term.

However, the benefit of equities producing inflation-beating returns over the longer term is coupled with the characteristic of having higher levels of shorter-term volatility and this increases a portfolio's susceptibility to sequencing risk.



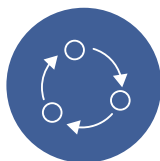
Longevity risk

The risk of outliving your savings. If retirees live longer than expected, they may exhaust their retirement funds, leading to financial hardship in later years.



Inflation risk

The risk that the purchasing power of your money will decrease over time due to inflation. The impact of this on clients is that rising prices can erode the value of fixed income sources, making it difficult to maintain the same standard of living.



Sequencing risk

Described by Nobel prize winning economist William Sharpe as “the nastiest, hardest problem in all of finance”, sequencing risk is the impact of taking withdrawals during market downturns, which can negatively impact the value of retirement savings. Poor returns early in retirement can significantly reduce the portfolio's value, making it harder to recover and sustain income.



Managed Portfolio Service (MPS)

The MPS provides a choice of investment into a number of risk-rated model portfolios, each investing in an array of different assets.

Each model portfolio is designed to achieve specific investment objectives within its agreed risk profile. Your professional adviser will help you to choose the model portfolio that best suits your goals, investment objectives and risk profile.

The MPS portfolios are managed by a dedicated team of investment managers, supported by our Investment, Asset Selection and Asset Allocation Committees, and applying our centralised investment process. As our MPS uses model portfolios, your individual portfolio will hold identical investments to the portfolios of other clients who choose the same MPS model portfolio.

Our MPS is available to clients only through professional advisers authorised to give financial advice.

The MPS is available to retail and professional clients and eligible counterparties of all levels of investment knowledge and experience. If you invest in the MPS, you must have an ability to sustain capital losses. The MPS offers no capital guarantees and is not deemed suitable for investors who have no ability for capital loss or those who have a time horizon of less than three years. It offers 14 investment-strategy models from which clients choose and is available with both growth and income objectives.

Complex investment products are generally only available to professional investors, but as our MPS portfolios are managed on a discretionary basis, they can invest in products that are deemed both complex and non-complex if your investment manager judges them to be suitable in meeting your objectives.

If you invest in our MPS, we don't ask you to provide information about your investment profile because your professional adviser will always be responsible for assessing the MPS's suitability. Your professional adviser will help you establish your investment profile. This will include information about your investment objective, risk profile and time horizon. We will only ask you to choose the MPS portfolio that meets your investment requirements.

To use our MPS, you need to be able to make a **minimum initial investment of £20,000**. The costs and charges for this service can be found in your personalised investment proposal.

AIM Portfolio Service (AIM)

Our AIM Portfolio Service (AIM) provides clients with access to a carefully selected portfolio of companies that are members of the Alternative Investment Market (AIM) on the London Stock Exchange (LSE).

AIM was set up in 1995 to provide smaller, growing companies with better access to equity capital. Companies that are members of AIM are generally more dynamic and hold higher growth potential than those traded on the LSE's main market. The daily-traded value of AIM companies is also typically much lower than their larger counterparts. As a result, their share prices can be more volatile, and they are generally less easy to sell, particularly for large transactions. They do however, trade daily and for individual portfolio transactions there is generally ample liquidity.

All share investments carry some risk. Investments in shares of AIM-listed companies are likely to carry higher risk than investments in shares traded on the LSE's main market. This is because AIM companies are smaller and less well-established.

In the AIM Service, we restrict our investments to companies that we believe qualify for business relief (BR). Essentially, BR allows a reduced value of an asset to be used when calculating inheritance tax (IHT) on its transfer. Investments in qualifying AIM-member companies are eligible for BR once they have been owned for a minimum of two years. Currently, after two years their shares fall outside the estate of the deceased for IHT purposes. If you are planning to leave an inheritance, that could be an important consideration.

If you have children or other dependants, however, you should note that BR qualification remains at the discretion of HM Revenue & Customs and is tested only upon the transfer of inheritance. So, BR is not guaranteed, and there is a risk that a holding may not ultimately qualify.

The volatile nature of the AIM market and the fact that the portfolio will remain fully invested in a single asset class and geography (i.e. shares in small and medium-sized UK companies) leads us to describe our AIM Service as 'high-risk'. Its risks include the reduced liquidity associated with the AIM market (meaning that it could be difficult to sell shares during periods of market stress) and the fact that the BR regime itself could be changed or withdrawn in the future.

The AIM Service does not follow the same centralised investment process as our BPS or MPS. Our Head of AIM has primary responsibility for the AIM investment strategy and the research that underpins it. Support is provided by other members of the team, and the service's overall investment process is monitored by our Investment Committee.

Our AIM Service is available through professional advisers authorised to give financial advice. It is available to retail and professional clients and eligible counterparties of all levels of investment knowledge and experience. If you invest in our AIM Service, you must have an ability to sustain capital losses. The AIM Service offers no capital guarantees and is not deemed suitable for investors who do not have an ability for capital loss or those who have an investment time horizon of less than five years. To invest in our AIM Service, you must have a high-risk profile, given its exposure to smaller-company shares. The AIM Services' specific objective means that it does not target any particular income requirement.

You can find the costs and charges for this service in your personalised investment proposal. To invest in our AIM Service, you need to make a minimum investment of £50,000.

Fund Portfolio Service (FPS)

For some clients, it may be appropriate to invest in our multi-asset funds. In this scenario, your Brooks Macdonald investment manager may invest your portfolio in one or more of our multi-asset funds, selected from Brooks Macdonald's Blueprint Multi-Asset Funds and Cornelian's Risk Managed Active and Passive Fund Range. This is our Fund Portfolio Service (FPS) and is available either direct or via a professional adviser.

Cornelian Risk Managed Funds

Cornelian's Risk Managed Funds are outcome-focused, unconstrained multi-asset solutions designed to help clients grow and protect their wealth in real terms over time. Launched in 2010 and built in collaboration with advisers, the funds combine flexible asset allocation with disciplined risk management, enabling the investment team to adjust positioning as market conditions change. Each fund operates with a clearly defined objective and a formal "risk budget," ensuring decisions remain aligned with long-term goals while allowing the team to de-risk when necessary.

The range includes both core and passive options across multiple risk levels, with the Managed Income fund offering a dedicated solution for clients seeking natural income. By investing across a broad spectrum of global equities, bonds, alternatives and specialist assets, the funds aim to deliver diversified, resilient outcomes. Their integration within Brooks Macdonald's Centralised Investment Proposition ensures consistent oversight, strong governance and an investment approach designed to support client confidence throughout market cycles.

Blueprint Multi-Asset Funds

The Blueprint Multi-Asset Funds provide a clear, structured approach to multi-asset investing, designed to help keep clients, advisers and investment managers aligned on risk appetite and long-term objectives. Managed within defined equity risk bands and independently risk profiled, the funds draw on Brooks Macdonald's three pillars of multi-asset investing: generating strong investment ideas, delivering robust risk-adjusted returns, and applying a disciplined, repeatable process. Each fund benefits from ongoing monitoring, rebalancing and comprehensive governance, including oversight from both internal risk committees and external parties.

The range offers four actively managed solutions, each targeting a different level of risk, alongside a suite of regular reporting that supports transparency and informed decision-making.

Execution-only Service

If you invest in our BPS, we can offer you an execution-only service as a separate facility. This involves opening a separate account that can be used to buy or sell investments based solely on your instructions. By doing this, we ensure that investments over which we hold no discretion remain distinct from investments held as part of our BPS. We will not provide any investment advice in relation to execution-only accounts even if it is requested.

Our execution-only service is most appropriate for clients who have previous investment experience and investment knowledge.

Important information

In this section, we provide important information about the risks associated with investments. We also discuss the suitability of investments and how we look after your assets when you invest with us. Finally, we explain how you can invest with us and the fees we charge for our services.

Investment-risk analysis

All investments involve a degree of risk. A wide variety of risks affects how investments perform. When you invest, you should be aware of the following key risks.

Market risk

The risk of a general decline in investment markets. Numerous factors affect the overall direction of investment markets, including the state of the global economy and political developments.

A prolonged general market decline is called a 'bear market'. Even companies that are growing and profitable may suffer declining share prices in bear markets. A prolonged period of general market rises is known as a 'bull market'. In a bull market, a company's share price may increase even if its business is not profitable.

Inflation risk

Inflation is a measure of changes in the price of goods and services over time. The purchasing power of your investments will decline if they do not increase in value by at least the rate of inflation. Although cash is often perceived as a risk-free investment, the purchasing power of a cash holder will decline unless they earn a return (interest) on it that at least matches the rate of inflation.

Liquidity risk

Being able to sell your investments quickly is important to investors, so that you can take decisive action in the event of a sudden change in market circumstances and so that you can raise cash if there is a change in your personal circumstances.

Investments that are hard to sell generally represent greater risk for two reasons; firstly, you may not be able to sell the investment immediately; secondly, a significant imbalance between buyers and sellers can cause a significant (and unfavourable) increase or decline in the price of an asset when it is traded.

Exchange-rate (currency) risk

Investments in foreign assets involve exchange-rate risk. Investment returns earned from overseas assets may be affected by currency movements. Even if the price of an overseas asset rises, it is possible that its investors will still suffer investment losses in domestic-currency terms as a result of exchange-rate movements.

Changes in exchange rates can also affect a company's profitability, especially where a company's costs and revenues are paid and earned in different currencies.

Credit (default or counterparty) risk

Credit risk generally refers to the risk that the issuer of a bond (be that a firm, government or other entity) will not pay the agreed interest amounts or return the nominal amount at the bond's maturity. If a bond issuer fails to make such a payment, it is said to be in default. Upon the issuance of a bond, the issuer and bond investor are said to be 'counterparties'.

The level of credit risk that a bond issuer is assessed to represent affects the interest rate that it must pay. An issuer that is perceived to represent greater credit risk generally has to pay higher interest rates to its investors. Holders of structured notes (securities that combine some of the features of bonds and shares) are also exposed to credit risk associated with their issuers.

Business risk

Business risk is the risk associated with a particular business. It encompasses all risks that affect a business's operations and, therefore, its future cash flows and profitability. Business risk is affected by numerous factors specific to the business. Typical business risks include competition, technological change, the economic climate and regulation, among many others. Traditionally, business risk has most heavily affected equity investments, although it can also be relevant to other investments such as bonds.

Taxation risk

This refers to the risk that the tax treatment of a particular investment may change. As well as increasing the amount of tax that an investor may have to pay, changes in the tax regime may make certain types of assets less attractive to own, which can cause their prices to decline.

Reinvestment risk

Reinvestment risk describes the risk that earnings or profits derived from an investor's existing investments cannot be reinvested in investments that generate equivalent returns.

This risk is particularly relevant to bond investors, as the holders of such assets usually receive interest income payments. The amount of interest that a bond pays is generally established when the bond is issued, and most bonds continue to pay the same interest rate throughout their term (lifetime). So if interest rates fall during the term of a bond, it may be difficult to reinvest the money received when the original bond matures.

Reinvestment risk can be reduced by purchasing investments with longer maturities. The longer the period of time that a rate of return can be guaranteed, the lesser the reinvestment risk. However, bonds with longer maturities also tend to be more volatile than bonds with short maturities. If appropriate, we may be able to purchase bonds that are aligned to your time horizon and mature at or near the time you expect to require funds from your portfolio.

Suitability

Firms that provide investment services to retail clients (such as investment advice and or discretionary investment management) are required to ensure that such services are suitable.

Assessing suitability involves understanding a client's individual investment requirements and personal circumstances. It includes the following:

- Understanding the client's investment objectives.
- Reviewing their financial circumstances to determine what level of investment risk (or potential investment losses) they can bear.
- Ensuring that they have adequate knowledge and understanding of the risks associated with the proposed service.
- Ensuring that their investment portfolio is consistent with their investment objectives and risk profile.

For clients that are introduced to us by a professional adviser, either we or the professional adviser can hold responsibility for assessing whether the service we provide them is suitable. For our direct clients, we will always be responsible for assessing suitability. When a client applies for a Bespoke Portfolio Service (BPS) account, we will clarify who holds responsibility for assessing the service's suitability (us or the client's professional adviser).

Managed Portfolio Service (MPS) clients and Fund Portfolio Service (FPS) clients referred from a professional adviser do not provide us with sufficient information to be able to complete a suitability assessment. Therefore, their professional adviser will always be responsible for carrying out their suitability assessment as far as this product is concerned.

As a discretionary investment manager, we always hold responsibility for ensuring that the investment portfolios we manage on behalf of our clients are consistent with their investment objectives and risk profile (BPS), or the investment objective and risk profile of their chosen investment portfolio (MPS) or chosen Fund Portfolio (FPS).

Affordability (capacity for loss)

Part of conducting a suitability assessment involves assessing the degree to which you are financially able to bear investment risk, consistent with your objectives. In other words, assessing the extent to which a decline in the value of your portfolio would have a detrimental effect on your standard of living.

Your capacity for loss largely depends on your time horizon and the purpose of your investment. For example, a young investor contributing to a pension is likely to have a greater capacity for loss than an individual who is close to retirement.

The purpose of your investment portfolio

Your portfolio's investment objective(s) is very important in determining whether you can afford investment losses. If you are relying on your investment portfolio to produce income to cover day-to-day expenses, you must consider how you would meet those expenses if the income from your investment portfolio was reduced.

The source and reliability of your income stream(s)

You may be more able to sustain investment losses if you consider your source of income to be secure. If your income from employment is sufficient to meet your regular outgoings and you have adequate insurance to protect your income, you may have a greater capacity to withstand investment losses.



Whether you have access to emergency funds

If there is an unexpected change in your circumstances (such as being made redundant or a long-term illness), do you have access to sufficient funds to cover your day-to-day living expenses for a prolonged period?

The period over which you wish to invest (your time horizon)

If you are seeking to invest over a longer period, you may be able to take a greater level of risk as you are more likely to be able to ride out short-term investment losses.

The amount of time before you expect to retire

If your retirement is many years away, you may be able to use your earnings to replace any investment losses. If you plan to retire soon, investment losses could have a long-term impact that is irreversible.

A typical portfolio will own a variety of investments, each with their own inherent level of risk. For example, a medium-risk portfolio may contain some low-risk, some medium-risk and some high-risk investments. All portfolios that we manage may hold some high-risk investments. The higher a portfolio's risk, the greater its potential exposure to high-risk investments. We are obliged to ensure that the level of risk you have chosen to take is reflected at the portfolio level, not necessarily in terms of each individual security. Nevertheless, you need to understand that all investments inherently carry risk, and we cannot guarantee that all of your invested capital will be returned.

Security of assets

Financial Conduct Authority Regulation

We are fully authorised and regulated by the Financial Conduct Authority (FCA). You can confirm our registration by telephoning the FCA Consumer Help Line on 0800 111 6768; writing to the FCA Consumer Help Line at 12 Endeavour Square, London, E20 1JN; or via the FCA website at [fca.org.uk](https://www.fca.org.uk)

The protection of client money is of paramount importance to investor confidence. We must comply with the FCA's comprehensive client money rules, which ensure a clear separation between our money and money that belongs to our clients. The client money rules are designed to protect the money of a firm's clients in the event of its insolvency.

Brooks Macdonald is an IFPRU Significant firm. As an IFPRU firm, we are required to hold a mandatory capital amount and have a wind-down plan in place that identifies the steps and resources that would be taken in such eventuality. We are also required to report the capital we hold to the FCA on a quarterly basis and obligated to notify it of any shortfall immediately.

More information can be found at [fca.org.uk/firms/client-money-assets](https://www.fca.org.uk/firms/client-money-assets)

How is your money held?

We are not a bank or licensed deposit taker. Unlike a bank, we are not permitted to use client money to run our business, nor are we permitted to lend client money to any other party. FCA rules require that we hold client assets entirely separately from our own assets, and our clients' assets cannot be used to satisfy our creditors in the event of the liquidation of our business.

Your cash is pooled with cash belonging to other clients. It is held in trust in accounts with a number of large banking institutions. We are required to obtain written confirmation from each bank that the

money belongs to our clients, not to us. We place client money with several banks to ensure that it is not concentrated in one place.

Our overriding priority in choosing which banks to use is security of assets. Our Treasury Committee carefully considers which banks to place client money with, taking into account their size, reputation and credit rating. We review the banks that we use on an ongoing basis to ensure their continued suitability.

Where do we hold your investments?

The majority of client assets are held in nominee company accounts in the name of "Brooks Macdonald Nominees Limited". We maintain nominee company accounts with a number of different regulated financial institutions. A nominee company is a company formed specifically to hold and administer assets, as a custodian, on behalf of their owner, under a custodial arrangement. It is a non-trading entity. Our own assets are held entirely separately to those belonging to our clients.

We undertake appropriate due diligence in the selection, appointment and periodic review of the financial institutions we choose to provide custodial services through nominee companies. Clients retain beneficial ownership of assets held by nominee companies.

Under certain restricted circumstances, client assets can be held by third-party nominee companies, which are normally owned by third-party financial institutions.

Assets may also be registered in 'own name' non-nominee form, and we may provide appropriate safekeeping for such assets, again under certain restricted circumstances.

Specific details surrounding the custody of assets are provided below:

UK shares and investment trusts

UK shares and investment trusts are held in electronic form in the Central Securities Depository for the UK, the Certificateless Registry for Electronic Share Transfer (CREST), or through Euroclear, a leading global financial services company.

Collective investments

Most investments in collective investment funds are held through Cofunds' institutional service, in an account designated as holding client assets. Cofunds is a leading UK investment platform. Some collective investment funds are held directly with their provider in nominee company accounts. Funds that cannot be held via Cofunds are held directly through the fund provider.

Overseas assets

Overseas assets are held by BNP Paribas Securities Services and AJ Bell through a local institution. BNP Paribas Securities Services is a leading global provider of securities services. AJ Bell is a leading UK investment platform.

Fixed interest and structured notes

Fixed-interest securities and structured notes issued in the UK are held in CREST. Bonds and structured notes issued outside the UK are held by AJ Bell.

Financial Services Compensation Scheme

We are covered by the Financial Services Compensation Scheme (FSCS), the UK's compensation fund of last resort for customers of authorised financial services firms. The FSCS offers protection to consumers across the spectrum of financial services, including bank account deposits, insurance, investments and mortgages.

The FSCS may pay compensation to consumers in the event that they lose money held with a financial services firm that stops trading. The FSCS is an independent body set up by the government under the Financial Services and Markets Act 2000. It is funded by financial services firms.

FSCS compensation limits

There are limits as to how much compensation the FSCS can pay. These limits vary for different types of financial products.

The FSCS protects cash deposits in current accounts and savings accounts up to the amount of £85,000 per person. Please be aware that the limit applies to eligible claimants, not to accounts. If you have a joint account with your spouse or partner, and no other accounts of your own, you could each receive up to £85,000.

The FSCS can also pay compensation in respect of investment business in the event that our business has gone into liquidation and cannot return your investments. The limit in respect of investment business is £50,000 per person.

FSCS eligibility

Individuals and small companies can claim compensation from the FSCS, but larger companies are generally excluded. The FSCS does not compensate investors for underperforming investments. More information can be found at [fscs.org.uk](https://www.fscs.org.uk)

Opening your account

Account documentation

If you are opening an account with our Bespoke Portfolio Service (BPS), either your professional adviser or your Brooks Macdonald investment manager will provide you with the documentation we require you to complete.

Our BPS application pack will clearly set out who is responsible for determining the suitability of the service. If Brooks Macdonald is assessing suitability, we will ask you to provide us with more information about your personal circumstances.

If you are opening an account with our Managed Portfolio Service (MPS), your professional adviser will provide you with the documentation that we require you to complete. They will also help you decide which MPS portfolio to invest in (you can choose to invest in multiple portfolios if you wish).

For all MPS and BPS account applications where your professional adviser is assessing suitability, they must also sign your completed application pack to confirm that they have undertaken this process.

For both BPS and MPS accounts, we also require documents that help us to verify your identity. The different types of documents we require are listed in the relevant application packs. Please read the application pack carefully and complete it with as much detail as possible.

Providing complete and accurate information is extremely important. If the information you provide is inaccurate, the investment service that we provide may not be suitable for you.

Please note that if the information we receive is incomplete, FCA rules mean that we will not be able to accept your application.

Investment proposal

For BPS clients, no matter who is assessing the suitability of our investment service, we will provide you with an investment proposal document. This will set out your key investment requirements (as

we understand them) and provide details about the investments we propose to make on your behalf.

Specifically, we will provide a breakdown of the types of assets we plan to purchase for you, as well as details of the individual investments we may buy.

If you decide to change your investment requirements after you receive your investment proposal, we will prepare another investment proposal for you based on your new requirements.

After receiving an investment proposal, you are under no obligation to proceed with any of our services. We make no charges for providing investment proposals.

For MPS clients, an investment proposal will be provided if you are transferring assets to us in-specie. Otherwise, one can be provided upon request.

Once your account is open

Once we receive your completed application pack, we will open an account for you. If you are investing in more than one portfolio, we will open multiple accounts for you. Shortly after we open your MPS or BPS account(s), we will send you communication which will confirm the key details of the account(s). Please notify us if you believe any of these details are incorrect.

You can access your portfolio online at any time should you provide us with a personal email address that belongs solely to you. If you have a professional adviser, we will provide them with access to view your account so that they can appropriately advise you on an ongoing basis. Unless you opt out, they can also authorise payments to be made to your bank account or, you can authorise another person to be able to view your account and make requests for payments to your bank account.

Our fees and charges

The charges we apply vary according to the services that we provide, as detailed in our 'fee schedule'.

We will set out our charges in the investment proposal we will provide you during the application process. We will ask you to confirm your agreement to the fee arrangement in the application pack. It is important for us to ensure that you clearly understand how much our services will cost.

Our investment management charges are fee based and are charged quarterly. They will be based upon the value of the assets in your account.

Where you invest in a Brooks Macdonald fund under our Fund Portfolio Service, the fund's annual management charge (AMC) will be levied. There is no other investment management charge. An investment-servicing fee may be charged to cover administration costs.

Professional adviser fees

You can instruct us to pay your professional adviser's fees from your Brooks Macdonald account by providing us with a written instruction. Some SIPP and Offshore Bond providers do not permit us to facilitate adviser charging. Please check with your relevant provider prior to issuing your instruction.

Ongoing service

On a quarterly basis, we will send you valuation statements that provide key information about your portfolio. This includes the following:

- A breakdown of the investments and cash balances in your portfolio.
- The investment performance of your portfolio compared with an agreed benchmark.
- Details of payments received or remitted.
- Details of purchases and sales.
- Details of any costs and charges, including fees and commissions.

To give us the best opportunity to manage your portfolio in your best interests, it's very important that you let your professional adviser or Brooks Macdonald investment manager know of any change in your circumstances.

Brooks Macdonald funds

A typical BPS or MPS account may own one or more of our in-house funds. These funds are subjected to the same rigorous investment analysis as other investments.

The fees we charge for managing client portfolios are based on a percentage of the value of their assets, including assets that are allocated to in-house funds. The management companies of collective investment funds (including Brooks Macdonald) also receive fees (as will be disclosed in the fund's prospectus). The fees paid to the collective investment fund's management company will reduce the net investment return an investor will receive. So fees are a key factor to be considered when evaluating the investment case for a collective investment fund.

We hope this guide has been helpful

If you have any questions about our investment services, please contact your professional adviser or your Brooks Macdonald investment manager.

Important information

Past performance is not a reliable indicator of future results. The price of investments, and the income from them, can go down as well as up and neither is guaranteed. You may not get back the amount you invest.

Changes in exchange rates may have a negative effect on the value, price or income of an investment.

There are extra risks of holding assets in funds that invest in emerging or developing markets.

We are committed to protecting your privacy and keep to relevant data-protection laws, including the General Data Protection Regulation (GDPR), when we process any personal information we have.

For more details on how we use your information, please see our Privacy Notice on our website at brooksmacdonald.com/privacy.

We are covered by the Financial Services Compensation Scheme (FSCS), the UK's compensation fund for customers of authorised financial-services firms who cannot meet their obligations. There are limits to how much compensation the FSCS can pay for different types of financial products. The FSCS does not compensate investors for investments that fall in value.

Brooks Macdonald is a trading name of Brooks Macdonald Group plc used by various companies in the Brooks Macdonald group of companies. Brooks Macdonald Group plc is registered in England No 04402058. Registered office: 40 Leadenhall Street, London, EC3A 2BJ.

Brooks Macdonald Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No 03417519. Registered office: 40 Leadenhall Street, London, EC3A 2BJ.

More information about the Brooks Macdonald Group can be found at brooksmacdonald.com