

An aerial photograph of London at dusk. The Shard skyscraper is the central focus, illuminated against a pink and orange sky. The Tower Bridge is visible in the lower right, and the London Eye is on the left. The city lights are beginning to glow.

November 2025

Brooks Macdonald
discretionary manager assessment report

threesixty

threesixty

Brooks Macdonald

discretionary manager assessment report

Introduction

threesixty has been conducting its annual DIM assessment on Brooks Macdonald since 2014.

This year's Brooks Macdonald assessment was managed by the Head of Sales Enablement with assistance from their colleagues.

As part of the assessment threesixty was provided with access to key individuals within Brooks Macdonald including the Co-Chief Investment Officer, Director of Cyber Security, the Head of Operational Governance and representatives from the Compliance Team and the Deputy MLRO.

Other meetings were held with Head of Talent Management, a representative from the Learning & Development Team and the Head of Enterprise Technology who were able to provide us with details of the systems and controls on their areas of responsibility to assist the completion of this year's assessment.

Overall, the firm has the systems and controls in place we would expect of a firm the size of Brooks Macdonald which includes a risk management framework which uses the three lines of defence approach.



Andy Taylor

Head of discretionary investment management team
threesixty services

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About this **discretionary manager assessment report**

Purpose of this assessment

This report is designed to assist intermediaries in carrying out their due diligence assessment prior to using the services of a Discretionary Investment Manager (DIM), and on the regular review of such arrangements.

It is important to note the aim of the work undertaken by threesixty services Ltd (threesixty), is to assess, at a high level, the adequacy of the controls and procedures the firm has established to mitigate the regulatory and business risks arising from the provision of its discretionary management service to intermediaries. The focus of the assessment is to review controls and procedures, and therefore it is only part of the overall assessment that an intermediary should carry out when looking to use the services of a DIM.

Our methodology

The assessment entails either an onsite visit or remote meetings with the DIM which generally take 2 days, and a review of various documented procedures and papers supplied by the DIM.

During the assessment our business risk consultant conduct a series of meetings with key individuals within the DIM from different areas of the business to allow them to explain in more detail how their firm operates and the controls and procedures that are in place. In general, the assessments involve meetings with senior representatives from Investment Management, Operations, Compliance, Risk Management, Human Relations, Training and Competence and I.T.

On occasions the DIM will inform us that certain documents that we request are not available due to the confidential nature of the information they contain. In cases in which this has occurred we simply note that the document could not be provided due to the confidential nature of the information.

The report format

The report that follows is divided into three areas as follows:

- Firm information
- Intermediary arrangements
- Investment Management

The aim is that the review of the combination of different areas of the DIM ensures that all the key aspects of the business are reviewed. In each section our overall focus is to attempt to explain what procedures the DIM firm has in place to control its business, and to manage the risks so as to ensure good client outcomes can be achieved.

How to use it

As noted above the threesixty report is only part of the information that you as an intermediary firm will need to gather within the overall research and due diligence process. In part it aims to provide some independent verification for you that certain key procedures and controls are in place within the DIM. However, it will also hopefully help you to construct further questions that you may wish to ask the DIM during your due diligence process.

Scope of assessment

threesixty has only reviewed those documents made available on our review. We have not investigated their efficacy and practical use. All reasonable precautions have been taken to ensure that the information contained is correct, threesixty services Ltd does not accept any responsibility for errors, inaccuracies, omissions or any inconsistencies.

This information should not be relied upon by third parties and should not be considered as an endorsement as to individual suitability of the firm for a financial advisers' clients.

The assessment report does not include any comment on the firm's procedures in respect of holding client money, or assets, in accordance with FCA rules as this is outside the scope of our assessment.



Firm name	Brooks Macdonald
Turnover	£111.6m* (year to 30 June 2025)
Established since	1991
Assets under management	£16.6bn* (as of 30 June 2025)
Investment services provided	<ul style="list-style-type: none"> • Managed Portfolio Service • Bespoke Portfolio Service • AIM Service • Responsible Investment Service • Multi Asset Funds • Brooks Macdonald Investment Solutions • Retirement Strategies
Contact details	<p>James Goward Head of Sales Enablement James.Goward@brooksmacdonald.com 020 7927 4830</p>
Useful links	www.brooksmacdonald.com

ARC performance

ARC performance is available for Brooks Macdonald upon application.

Brooks Macdonald are happy to provide potential and existing supporting IFAs with its ARC performance data upon application and as appropriate.

To request this information, please contact:

James Goward
Head of Sales Enablement

Call: 020 7927 4830

Email: James.Goward@brooksmacdonald.com

*Figures relate to Brooks Macdonald Asset Management

An aerial view of the London skyline at sunset. The Shard is the most prominent building on the left, its glass facade reflecting the orange and red light of the setting sun. Other buildings and the River Thames are visible in the background, creating a dense urban landscape.

Brooks Macdonald

Firm information

This section explains how the business is structured and managed. It seeks to explain the key procedures that control the risks within the overall business.

Brooks Macdonald **Firm information - summary**

Ref	Area	Key comments
A1	Ownership structure	A clear ownership structure is in place for the firm, the firm is a subsidiary of Brooks Macdonald Group PLC which is listed on the main FTSE index.
A2	Board	A Board of Directors is in place to oversee the firm's investment activities.
A3	Committee / Structure	There are a number of committees in place reporting into both the Group Board.
A4	Risk management framework	Documented risk management framework in place including the use of the 'three lines of defence' approach. RCSA process used with risk MI reviewed at the risk committee.
A5	Compliance framework	Separate compliance teams in place covering compliance monitoring and compliance advisory activities.
A6	Audit	A new (external) internal auditor was appointed in January 2025.
A7	Consumer Duty / Product Governance	The Product, Suitability & Conduct Risk Oversight Committee is the key oversight body responsible for overseeing the firms Consumer Duty and Product Governance arrangements.
A8	Complaints	Responsibility for the investigation of complaints has recently moved into the Compliance Team (from the Risk Team). The firm has policies and procedures in place to manage client complaints.

Ref	Area	Key comments
A9	Sustainability – Corporate arrangements	The firms approach to sustainability is documented in the corporate social responsibility section of its website which includes its objective of becoming carbon neutral by 2030.
A10	Financial crime	A specialist Financial Crime Team headed by the MLRO is in place to oversee the firm's arrangement in respect of combatting financial crime.
A11	Operational resilience	As an enhanced firm Brooks Macdonald is subject to the full scope of the FCAs Operational Resilience requirements. The Operational Resilience Committee plays a key role in ensuring the firm is meeting its regulatory requirements.
A12	Recruitment	Brooks Macdonald has a documented recruitment process in place which includes consideration of Diversity & Inclusion as part of the process.
A13	Training and competence	The firms training & competence arrangements were under review at the date of the assessment, the revised arrangements will be reviewed at the next assessment.
A14	Outsourcing / Third party platforms	Brooks Macdonald outsources a number of activities to SS&C. There is a Service Management Document in place which documents the relationship between the firms. There is extensive interaction between Brooks Macdonald and SS&C to ensure the activities being performed by SS&C on behalf of Brooks Macdonald meet requirements.

Brooks Macdonald **Firm information - report findings**

A1. Ownership structure

1. Brooks Macdonald Asset Management Limited is a 100% owned subsidiary of Brooks Macdonald Group PLC (Brooks Macdonald). This company has been a member of the Alternative Investment Market (AIM) since 2005, in January 2025 it was announced the company would move to the main stock market of the London Stock Exchange which was effective from March 2025.

A2. Board

2. The corporate governance and strategic planning within the Group is directed by the Board of Brooks Macdonald Group PLC which has several sub committees to support its work.
3. A separate Board is in place to oversee the operations of Brooks Macdonald Asset Management Limited. The Board is currently comprised of four executive directors.

A3. Committee / Structure

4. The Board is supported by the Executive Risk Management Committee (ERMC) chaired by the Group Chief Executive Officer (CEO), the Executive Committee (EXCO) and business risk management committees (chaired by the business heads) and the Investment Committee.
5. Formal terms of reference for the following Group committees can be accessed via the Investor Relations section of the firm's website. These committees are as follows: Audit, Nominations, Remuneration, Risk and Compliance and Disclosure. The committee's terms of reference were last updated in March 2025.

Audit committee

6. This committee's purpose is to assist the Board in meeting its responsibilities for matters including:
 - The effectiveness of the Group's internal financial policies
 - The integrity of the Group's financial statements
 - The independence and effectiveness of the internal and external audit processes, and
 - The Group's relationship with the external auditors

7. The Chairman of the Committee is a non-executive Director appointed by the Board; the remaining four members of the committee are also non-executive Directors. The Group Finance Director and the Chief Risk Officer and representatives of the external auditors also attend committee meetings. The committee meets once a year with the representatives of the external auditors without the management being present. The committee met six times in the last financial year ending 30 June 2024.
8. The Internal Audit function was outsourced to KPMG but has been provided by Ernst & Young since in January 2025. threesixty was advised that audits on client complaints, accessibility regarding Vulnerable clients and an audit on the MPS had taken place during 2025.
10. The committee is attended by the Chairman and four non-executive Directors. It is responsible for succession planning for directors and other senior executives, considering the challenges and opportunities facing the Group, and the skills and expertise needed on the Board in the future. An important part of this is to consider the diversity of the Group Board and senior management in all respects, including gender. The Nominations committee met three times in the last financial year ending 30 June 2024.

Nominations committee

9. This committee was established in March 2017 and responsibilities include evaluating the effectiveness of the Group Board taking into consideration its structure, size and composition (including the skills, knowledge, experience and diversity) and making recommendations to the Group Board with regard to any changes.

Remuneration committee

11. This committee is attended by five non-executive Directors, (one of whom is the Chair) and in consultation with the Chief Executive Officer determines the specific remuneration packages of each executive Director, and certain senior executives including base salary, annual bonus, long-term incentives, benefits, and terms of employment. It is also responsible for setting the broad parameters of annual salary reviews across the Group. The committee met five times in the year ended 30 June 2024.

Brooks Macdonald **Firm information – report findings**

Risk and Compliance committee

12. The Board delegates responsibility for risk, compliance and internal control systems to the Risk and Compliance committee. This committee is responsible for reviewing and approving the group's Risk Management Framework. It monitors identified risks and the effectiveness of mitigating action, keeping risk assessment processes under review, reviewing the impact of key regulatory changes on the Group, assessing material breaches of risk limits and regulations as well as reviewing client complaints. This committee met four times in the year ended 30 June 2024.
13. The Risk and Compliance committee is attended by five non-executive Directors (one of whom is the Chair). Representatives from the legal, risk and compliance functions attend committee meetings as necessary to report on compliance monitoring findings, the results of risk and control assessments and changes to the risk register.

A4. Risk management framework

14. Brooks Macdonald's approach to risk management and its overall Risk Management Framework is summarised within the Strategic Report within the Report and Accounts of Brooks Macdonald Group PLC for the year to 30 June 2024 ('Group Accounts'). More detail on the company's approach to risk is contained within the IFPR Public Disclosure 2024 for the same period. Both these documents are available on the firm's website at: www.brooksmacdonald.com.
15. The firm's Risk Management Framework is documented extensively within the Strategic Report section of the Group Report and Accounts, the Report and Accounts notes the firm's 'continues to enhance our risk management processes across the Group as we look to continue to embed risk management and deliver positive risk outcomes'. The Groups risk management framework includes a number of components, these include:
 - Risk Culture
 - Risk Governance
 - Risk Appetite
 - Risk Reporting
 - Risk identification
 - Risk Assessment
 - RCSA Process

16. Brooks Macdonald operates a control framework using the ‘Three lines of Defence’ approach. This is intended to create a clear delineation of responsibilities between:

First line: The business

In the form of the business entity management. The Business Assurance team conducts first-line oversight and reports to the managing director of investment management.

Second line: Risk and compliance

Is in the form of the Group’s independent Risk Management, Compliance and Financial Crime teams. With responsibility for setting policy, oversight of risk exposures and escalation of issues to senior management.

The Group’s Risk Management function consolidates the business unit risk register and undertakes reviews and analysis of the risks. The Risk Management function also works with individual business areas to conduct a programme of Risk and Control Self Assessments (RCSA) based on the Bottom-Up Risk Map, the Assessments are conducted across the Group on a semi-annual basis, the output from the Assessments is reviewed by the Risk Committee.

The Compliance function is responsible for oversight of regulatory compliance, including providing advice to the business and the completion of a regular routine monitoring and thematic review plan. The Financial Crime function is a dedicated team responsible for the prevention of financial crime.

Third line: Internal audit

Is made up of external advisers and auditors who can provide independent assurance of the design and effectiveness of the Group’s Risk Management Framework. Brooks Macdonald established an outsourced internal audit function in 2018.

17. An overview of the firm’s ICARA assessment process is detailed in the Group’s Investment Firm Prudential Regime Public Disclosures dated 30 June 2025. threesixty was previously advised the process involves the risk team alongside the finance team, operational delivery, and the business. EXCO, ERMC and the Board are also key stakeholders in the process with the Board ultimately responsible for approving the ICARA.

Brooks Macdonald **Firm information - report findings**

A5. Compliance framework

Compliance monitoring

18. Compliance monitoring within Brooks Macdonald is managed by the Group Compliance Monitoring Team which is part of the wider Compliance team. Compliance monitoring forms part of the Second Line of Defence.
19. A risk-based approach is taken, considering the nature, scale and complexity of the business, and the nature and range of financial services and activities undertaken. This is achieved through conducting a range of thematic reviews and undertaking regular monitoring which together form the basis of the Compliance Monitoring Plan (CMP). CASS monitoring is included in the CMP. threesixty was advised by the Head of Compliance Monitoring there were several thematic reviews in 2025, these included CASS Governance, Products & Services, Vulnerable Clients and Trading.
20. An annual assessment is undertaken by the Head of Compliance Monitoring to ensure the compliance monitoring plan remains fit for purpose and defines the frequency of monitoring. The Monitoring Team tracks progress against the compliance monitoring plan throughout the year and reports to the ERM and PSCOC. Monthly KRIs in respect of compliance monitoring is also submitted to the Risk Team.
21. The next compliance monitoring plan (for 2026) is considered with input from various stakeholders, the draft plan is then forwarded to the ERM and the Risk & Compliance Committee for approval, prior to year end.

Compliance team

22. The advisory team within the wider compliance team undertakes 'horizon scanning' on regulatory developments and implements and embeds new regulations, all regulatory projects are tracked by the ERM and EXCO. A regulatory initiatives document is used by the advisory team to track regulatory changes, recent examples of regulatory change being monitored were provided to threesixty as part of the assessment.

Policies

23. All staff are required to confirm that they have read, and understood, the appropriate Group policies. Policies are subject to review by the Policy Committee, when significant policy changes occur, these are communicated to all staff. The firm operates a tiering approach with Tier 1 policies reviewed annually, Tier 2 policies are reviewed every 18 months, the policy review process is managed by the Risk Team. All policies are stored with the Policy Hub.
24. It was noted that part way through 2025, the Policy Committee was dissolved in favour of business area committee approvals for policies.
25. Brooks Macdonald used to have a compliance manual, the firm now just uses the firm's documented policies and procedures.

SM&CR

26. Brooks Macdonald is an enhanced firm under the FCAs Senior Manager & Certification Regime (SM&CR).
27. A Senior Manager & Certification Regime (SM&CR) Working Group is in place to manage the on-going requirements of the SM&CR regime. The SM&CR Working Group includes members of the business, compliance, and HR. The SM&CR Working Group meets monthly to review on-going SM&CR matters and reports to the firm's Executive Risk Management Committee. threesixty was advised the firm has a dedicated resource to manage the firm's SM&CR processes in conjunction with the compliance team and the HR/Talent Acquisition Team.

Permissions

28. The regulatory permissions held by Brooks Macdonald are consistent with the firm's activities with the key permissions being able to hold and control client money, managing investments, arranging and making arrangements in relation to investments, dealing in investments as agent and advising on investments.

Conflict of interest

29. threesixty was advised the firm has a conflict of interest policy in place covering personal conflicts, for example, outside business interests and corporate conflicts. threesixty was advised that conflicts of interest are overseen by the compliance advisory team and the Chief Risk Officer. Annual training on conflicts of interest is provided to all staff. A summary of the Group's Conflicts of Interest policy is available on the firm's website.

A6. Audit

30. threesixty was advised Ernst & Young had been appointed as the firm's external internal auditors in January 2025.

threesixty comment (A1-A6)

There is an established risk and compliance framework in place in order to provide oversight of the firm's regulated activities.

A number of committees are in situ to ensure the firm has a strong corporate governance structure.

Brooks Macdonald **Firm information - report findings**

A7. Consumer Duty / Product Governance

Consumer Duty

31. The firm has a Conduct Risk and Consumer Duty Policy in place, threesixty was provided with a copy of the latest policy dated March 2025.
32. A Consumer Duty Dashboard is in place which contains management information for review by senior management, threesixty was advised a Consumer Duty Manager is in place who is responsible for overseeing the firm's arrangements. It was noted the firm's second Governing Body Assessment report had been approved by the Board in July.
33. A Consumer Duty toolkit is accessible via the firm's website. The toolkit includes useful resources for financial intermediaries Target Market Guides and Value Assessment Reports for each of its services.

Product Governance

34. threesixty was advised the firm's product governance and Consumer Duty arrangements are overseen by the Product, Suitability & Conduct Risk Oversight Committee (PSCROC) which meets quarterly and is governed by a terms of reference.

35. EXCO is responsible for approving any new products or services or product withdrawals as well as any material changes to its products or services. An Investment Product Governance Framework document dated July 2025 is in place which provides details of the firm's product governance arrangements.

threesixty comment (A7)

The role of the PSCROC is a key part of Brooks Macdonald being able to demonstrate compliance with Consumer Duty and Product Governance requirements.

A8. Complaints

36. Brooks Macdonald has in place a Complaints Handling Policy. threesixty was advised the latest version of the Complaints Handling Policy is dated July 2025. The firm's Complaints Handling Policy is supported by a Compensation Guide.
37. Two types of complaints are recorded by the firm: complaints and queries, complaints are formal client complaints whereas queries are where clients have expressed doubt, raised a question, or requested clarification on a specific matter. Both are recorded in the Incident Management System and then investigated and analysed by the Complaints Team and reported to Senior Management.
38. The Complaints team sit within Compliance with the responsibility of complaints investigation having moved from the Central Risk Team in the last year.
39. threesixty was advised complaints data is provided to the PSROC committee to review as part of the firm's Consumer Duty arrangements as well as to the Executive Risk Management Committee on a six-monthly basis.
40. Complaints training is provided to new joiners as part of their induction and on an annual basis thereafter. Complaints training is also provided to staff on an ad-hoc basis if the Complaints Team identify a need.
41. Details of the firm's complaints handling process and contact points are outlined in the complaints handling section of the firm's website.

threesixty comment (A8)

Policies and procedures are in place to ensure any client complaint is managed appropriately; it is beneficial to the firm's Consumer Duty arrangements that complaints MI is fed into the PSCROC.

A9. Sustainability – Corporate arrangements

42. Brooks Macdonald is a signatory to the United Nations PRI.
43. Brooks Macdonald is subject to the Task Force on Climate-related Financial Disclosures (TCFD), a copy of the firm's report for 2024 can be found on the firm's website.
44. A Responsible Investment Working Group is in place, chaired by the Responsible Investment Lead, the Group oversees the firm's approach to ESG integration as well as overseeing strategic and regulatory developments.

threesixty comment (A9)

The Group has documented its commitment to sustainable matters in its Responsible Investment Policy Statement which is available on the firm's website.

Brooks Macdonald **Firm information - report findings**

A10. Financial crime

45. Brooks Macdonald Group PLC has in place a suite of Policies and Procedures which outline the Group's approach to dealing with financial crime. These are subject to annual review with the Customer Due Diligence Procedures having been most recently updated the firm's Deputy Money Laundering Reporting Officer (DMLRO) to reflect new fraud legislation.
 46. The firm has a dedicated Financial Crime Team of three staff members responsible for ensuring there are appropriate systems and controls in place to prevent financial crime The Team is led by the Group Head of Financial Crime / MLRO and is supported by the DMLRO and a financial crime analyst.
 47. The agreement with any introducing intermediary notes that Brooks Macdonald will expect all introducing intermediaries to carry out Anti-Money Laundering (AML) verification checks on clients introduced. However, the agreement also notes that Brooks Macdonald will carry out their own additional checks.
 48. The firm's Customer Due Diligence Procedures are reviewed annually. Included within the manual are detailed procedures to identify clients and as part of this:
 - Due diligence is completed for all new business relationships including customers, third parties, partners, and suppliers. This is irrespective of whether they have been introduced by a regulated intermediary.
 49. A payment screening tool is used by the Financial Crime Team which is used for transaction monitoring purposes to monitor client transactions on an on-going basis for abnormal or suspicious behaviour.
 50. As part of the outsourcing project to SS&C, all client on-boarding is undertaken by SS&C on behalf of Brooks Macdonald. It was noted the Financial Crime Team undertake monthly Quality Assurance sampling of the on-boarding undertaken by SS&C on behalf of Brooks Macdonald. The Financial Crime Team also attend the regular service meetings held between Brooks Macdonald and SS&C.
- Due diligence includes electronic verification of identity and address, as well as checks against PEP, sanctions, and adverse media lists. Clients are screened both at take on and on an on-going basis by SS&C. Any issues that are identified are reviewed by Investment Managers with the Financial Crime Team aiding where required.
 - The Customer Due Diligence Procedures assess clients as low, medium, and high risk following the completion of the financial crime client risk assessment. Risk ratings are determined by a number of factors, including product and distribution channel, account activity, client risk (e.g. jurisdiction, source of funds and source of wealth), PEP status or adverse media. As part of Brooks Macdonald's customer due diligence checks, where a client is deemed to be high risk they are reviewed by the Client Approval Forum.
 - Source of funds and origin of wealth are obtained as part of the client take on process.

51. The Client Approval Forum meets on an ad hoc basis. The Client Approval Forum is responsible for the oversight of client specific financial crime risks. Its remit includes a review of all new high-risk clients and reviewing existing clients that have been categorised as high risk, these are clients who tend to be UK domestic PEPs. The Client Approval Forum reports into the ERM and the Risk & Compliance Committee.
52. Updates of AML policies are provided on the staff intranet system. All staff are required to confirm on an annual basis that they have read and understood the policies.
53. Training on financial crime issues including Sanctions is provided at induction when new employees start, and via the computer-based T&C system. All existing employees are required to complete AML training annually. The records of modules completed are contained within the T&C system.
54. Written procedures are in place for the recording of any gifts and hospitality received by its employees. Any gifts over a certain value must also be signed off either by a Line Manager or a Senior Manager (depending on the value of the request). An annual declaration must be signed by all staff confirming they have reported any gifts or hospitality in line with the procedures.
55. The firm has in place several financial crime policies including an Anti-Bribery & Corruption Policy, Anti-Financial Crime Policy, Sanctions Policy and an AML/CTF Policy which are reviewed annually by the MLRO and reviewed by the Chief Risk Officer.
56. Brooks Macdonald has a Data Protection Policy. This includes the firm's approach to data protection and includes detail of employees' responsibilities on this matter as well as how the processes are reviewed by Compliance and reported to management.
57. An annual MLRO report is produced and presented to the Board setting out an overall assessment of the firm's financial crime framework. The DMLRO confirmed the last MLRO report was for the year ending 30 September 2024 and had been reviewed by EXCO and the ERM.
58. In addition to the annual MLRO report an annual AML / Sanctions assessment is conducted by the DMLRO.
59. It was noted that Anti-Bribery & Corruption and fraud assessments are reviewed whenever there is a material change to these areas.

threesixty comment (A10)

The firm benefits from having a specialist Financial Crime Team in place, the team is key to ensuring the firm is not subject financial crime, the team works closely with SS&C as part of the client on-boarding process to assist in this objective.

Brooks Macdonald **Firm information - report findings**

A11. Operational resilience

Operational resilience

60. As an enhanced firm under SM&CR Brooks Macdonald are in scope for the FCA's Operational Resilience regulation. The firm has identified its Important Business Services (IBS) along with supporting important business services to meet the initial regulatory requirements which were required by March 2022 and have met the additional requirements which were required to be in place by March 2025. This is to have resiliency as a fully integrated BAU process.
61. To meet the requirements of the March 2025 deadline on-going testing of its IBS has occurred with output from the testing included in the firm's latest Operational Resilience Self-Assessment which was approved by EXCO and the Board.
62. Over the last year the firm has conducted testing with SS&C as a key supplier of services to the firm with further testing planned in November 2025.
63. As part of the ongoing oversight of the firm's Operational Resilience arrangements the firm provides management information (via dashboards) to enable oversight senior management of the firm's Operational Resilience arrangements.
64. The firm's Operational Resilience requirements are managed using a system which includes the documentation of all its IBS.
65. The firm established an Operational Resilience Committee in January 2025, chaired by the Operational Resilience Officer the Committee meets at least quarterly, a copy of the Operational Resilience Committee terms of reference dated February 2025 were provided to threesixty as part of the assessment. The Operational Resilience Committee reports into the ERMC.
66. It was noted the firm's Operational Resilience Policy was currently under review at the date of the assessment.
67. Training on Operational Resilience using Computer Based Training is provided for all staff on an annual basis, the last round of training was completed in March 2025.

Cyber Security / Information security

68. Brooks Macdonald has a dedicated Cyber Security Team to assist the firm in mitigating the impact of cybercrime on the business. The Director of Cyber Security provided threesixty with an update on the firm's strategic approach to cyber security as part of the assessment.
69. The Director of Cyber Security confirmed that the Board approved a comprehensive cyber security strategy in March 2025, built on key pillars such as Modern Security Operations, Zero Trust technology and robust security hygiene. Threesixty was advised this strategy is underpinned by an automated, defence-in-depth, and frictionless security model designed to safeguard the business against an evolving threat landscape while driving scale, efficiency, and client confidence.

70. The Cyber Security Team are responsible for monitoring both their internal and external infrastructure including phishing attacks. In addition to the Cyber Security Team other IT teams have been trained on cyber security.
71. Brooks Macdonald's data security arrangements include an element of independent penetration testing on its IT systems to ensure they are secure from external threats.
72. Brooks Macdonald has renewed their Cyber Essentials Plus accreditation for the fourth year running through IASME who partner with the National Cyber Security Centre.
73. threesixty was advised the firm is also working towards ISO27001 certification which is a significant undertaking. As a result, the Cyber Security Team are currently reviewing all their Standards and Policy documents.
74. All employees receive cyber security training as part of the new joiner induction process. All employees undergo monthly phishing testing and for those that don't pass are enrolled in training.
75. threesixty was previously advised the firm has an Information Security Policy in place as well as other policies including an Acceptable Use Policy, Information Security, Bring Your Own Device Policy and an Information Technology Policy.

Business continuity

76. Brooks Macdonald has an Operational Resilience Framework in place which encompasses Operational Resilience, Business Continuity Planning, Disaster Recovery and Crisis Management.
77. A Brooks Macdonald Group wide Crisis Management Plan (CMP) is in place which is the responsibility of the Chief Operating Officer. The Plan deals with the overarching processes and methodology to ensure that Brooks Macdonald is sufficiently prepared to access the necessary people and resources to respond to, and manage, a major incident.
78. The objectives of the CMP are to:
 - Ensure staff and client safety is managed as a priority
 - Provide an effective management response in order to limit damage and maintain business operations where possible
 - Satisfy statutory and regulatory requirements
 - Maintain the confidence of stakeholders via clear communication
79. The CMP defines the responsibilities of the Crisis Management team (CMT). It was noted that each team member has an aide memoire setting out a summary of the CMP arrangements. Each team member also carries a business card size 'Crisis Card' which contains key information for the CMT members.

Brooks Macdonald **Firm information - report findings**

80. Brooks Macdonald use a system to document their Business Impact Assessment using to ensure all their business process have been mapped. The assessment identifies the impact over time of various incidents and rating their impact as either negligible, low, moderate, or high.
81. threesixty were informed that the firm undertakes a test of its disaster recovery arrangements each year which includes a full replication test for its key system.
82. A key element of Brooks Macdonald's disaster recovery arrangements for the London office is that in the event of any disaster they would be able to move critical functions to the Edinburgh office in which spare capacity of workstations is maintained as part of the plan. It is recognised that most staff are able to work remotely / from home. threesixty were advised the firm's dealing team use both the London and Edinburgh sites remotely.
83. Brooks Macdonald has the facility to contact all staff members via a mass notification system in case of a disaster event occurring.
84. The risk of the loss of IT arising from inadequate or failed systems is noted as one of the business level principal risks recorded the Risks section of the Group Accounts.

threesixty comment (A11)

The firm has looked to embed its Operational Resilience requirements into the business with the Operational Resilience Committee providing key oversight for the firm.

Cyber Security arrangements appear robust, the move to ISO27001 certification should enhance the firm's systems and controls in this area.

A12. Recruitment

85. An overview of the recruitment process was provided by the Head of Talent Acquisition. It was noted that Brooks Macdonald historically used the Networx system to manage their recruitment process but have recently moved to the WorkDay system. The overall recruitment process includes the following:
86. Brooks Macdonald's defined process for the authorisation of recruitment involves:
- Each March/April the Heads of Business submit their recruitment plans for the financial year ahead commencing 1 July which is sent to the Executive Committee for approval or amendment.
 - Approved roles are added to the Role Tracker which is then managed by HR during the year.
87. Once a new hire is identified a job description (JD) is drafted by line management and reviewed by HR including any relevant SMCR wording. All roles are benchmarked by HR to ensure the salary is fair against the market and internal peers.
88. Once the JD has been finalised and budget agreed, all roles are added to WorkDay by the Head of Talent Acquisition. Once a role has been fully approved, it is advertised internally via an internal careers page and for roles where the firm is using external applications, they are also advertised on the firm's website and on LinkedIn.
89. threesixty was advised there is a preference to hire directly (either with an external candidate, internal candidate or a referral). If this is not possible Brooks Macdonald engages with their preferred recruitment partners.
90. The Head of Talent Acquisition (TA) is responsible for sourcing direct candidates and reviewing applications. It was noted the firm's recruitment strategy is focused on three core principles, equality and diversity, transparency and merit-based selection.
91. The Head of TA liaises with the hiring manager to define which candidates to interview. Interviews are conducted by diverse interview panels and focus on technical skills and experience, as well as competencies aligned to the Brooks Macdonald guiding principles. threesixty was advised the interview process varies according to role with line managers and their colleagues along with TA involved in the interview process. Where the role is a senior position, a Leadership interview is also carried out in addition to the stages outlined above to assess management and leadership competency. Depending on the role, candidates may also be asked to deliver a presentation, complete a technical competency or carry out a psychometric assessment.
92. Once all interviews have been completed, interviewers carry out an evaluation on candidates against the role and share notes and scoring with Head of TA. Evaluation is based on skills and competencies and behaviours agreed at the start of the process to ensure all candidates are evaluated fairly, and a robust assessment is carried out.

Brooks Macdonald **Firm information - report findings**

93. Once a preferred candidate has been identified, the Head of TA will liaise with Head of Reward to ensure the job offer / remuneration is aligned with market and internal peers based on candidate's skills and experience.
94. Where the job offer is within budget, it is approved by the Head of Talent or Chief People Officer. If offer is above budget, additional approval is required from relevant ExCo member, and CFO.
95. Once the offer has been approved, this is communicated to the candidate verbally by the Head of TA, with a follow-up email being sent outlining key details and required information/ documentation should the candidate wish to accept.
96. Once the offer has been accepted, the Head of TA sends a request to HR Operations team to send a formal offer letter and contract to the candidate and initiate the onboarding process. The employment contract is conditional on the successful completion of pre-employment screening checks including regulatory references, credit checks, and criminal record checks.
97. In relation to experienced candidates, Brooks Macdonald seeks similar characteristics as with inexperienced candidates. However, in addition the company will seek to find qualified investment managers with proven track records in managing private client portfolios, particularly, regarding asset allocation and the selection of individual investments.
98. HR provide hiring managers with a guidance document ('The Hiring Process') to assist in the recruitment process. This document includes recruitment guideline notes explaining the process, the need to define the key criteria for the role, along with helpful tips, and example interview questions. Hiring managers are also provided with interview packs to record the findings of the interviews with candidates.
99. threesixty was advised other supporting information / documentation is available on the firm's intranet
100. Following confirmation of the New Starter Contract details, HR will begin the setup of the details of the new employee on the Cascade HR system, and ensure that the formal offer letter is issued, contract drafted, and pre-employment checks completed. They will also ensure other internal functions are made aware of the new employee such as payroll, employee benefits and IT etc. The new employee is then booked on the next available quarterly in-person induction day after the start date, which is run by the HR function with input from other business areas along with a half day covering diversity / inclusivity and welcome drinks and is attended by representatives from EXCO.
101. It was noted that post COVID the firm has adopted a flexible working policy with a majority of staff working 3 days in the office and 2 days from home.

102. In relation to employees who will be Senior Managers under SM&CR before the Form A is submitted to the FCA by the Compliance Team, a pre FCA registration vetting checklist is completed by HR. This covers employment history and provides comments regarding any outstanding issues. There is an SM&CR lead who is responsible for overseeing the firm's SM&CR arrangements.
103. The HR Business Partners Team is responsible for liaising between HR and the business regarding employee matters, including recruitment and providing support to senior management.
104. Brooks Macdonald is working with 'The Brokerage' as part of its approach to recruiting from a wider range of socio-economic backgrounds.
105. Brooks Macdonald's Gender Pay Gap report for 2024 can be found on its website. The report includes the following comment from the Chief People Officer in respect of this matter:
106. 'We firmly believe that creating an authentically inclusive workplace, where new ideas and innovation are encouraged and cultivated, is fundamental to evolving our products and services and continuing to offer our clients exceptional investment, advice and service outcomes'
107. threesixty was advised that Diversity, Equity and Inclusion is embedded within the firm's recruitment process which includes ensuring that it's considered by its preferred recruitment partners.
108. The Remuneration Policy within Brooks Macdonald is governed by the Remuneration Committee which comprises at least three non-executive Directors of the Group. This committee sets the remuneration packages for executive Directors and certain senior executives. It also sets the broad parameters for the annual base salary review for all staff across the Group and reviews all awards made under long-term incentive schemes.
109. Details of the Group's Remuneration Policy can be found within the firm's 'Investment Firm Prudential Regime - Public Disclosures' for the year ending 30 June 2024 which can be found on the firm's website.
110. In general, the basis of remuneration within Brooks Macdonald is a base salary and a discretionary bonus. Within the Group Accounts there is a detailed section on the activities of the Remuneration Committee in respect of the firm.

threesixty comment (A12)

The firm has recently changed the system that it uses to manage its recruitment process, other than that the process remains largely unchanged from previous assessments.

The relationship with The Brokerage to encourage new joiners to the financial services industry will benefit both the individuals in the programme and encourage diversity within the firm.

Brooks Macdonald **Firm information - report findings**

A13. Training & Competence

111. threesixty was advised the firm's T&C Scheme Overview document and T&C Scheme were under review at the date of the assessment. The T&C Scheme Overview has historically provided an overview of the firms T&C arrangements with further details within the T&C Scheme document itself.
112. The T&C scheme covers all regulated employees in the UK including Investment Managers, Investment Wealth Advisers and Supervisors. It was noted that the current supervisory process was under review at the date of the assessment, with the revised approach to be reviewed at the next assessment.
113. The T&C scheme includes details on how newly appointed Investment Managers (IMs) are on a 'Journey to Competence' to achieve the required level of competence required for their role. The 'Journey considers knowledge, skills, and behaviours as part of each individual's assessment. Following appointment each new IM is subject to a gap analysis currently performed by their T&C supervisor which documents any gaps in knowledge or experience along with the required activities to be undertaken to achieve the required level of competence. All new IMs are required to undertake initial training which includes firm specific procedures on risk management and client servicing as well as training on AML, Vulnerable Clients, and Complaints.
114. The process for each new IM is documented. Each new IM is currently directly supervised by their T&C Supervisor until competence status has been achieved. Experienced new IMs typically achieve competence status within two months with inexperienced new IMs it can take up to six months. After the initial period a formal assessment is undertaken which will consider several areas including file review feedback, results of 1 to 1 meeting's and CPD progress. Subject to a successful assessment the Training Needs Record is currently passed from the T&C Supervisor to a Senior Certified Manager for approval which is then forwarded to HR to update the FCA Directory.
115. One competence has been achieved each IM is required to maintain their level of competence, this is regularly assessed by their current T&C Supervisor at least quarterly using feedback from client meeting's, performance against KPIs and a review of training undertaken.
116. Levels of supervision for competent IM's are dependent upon a risk assessment undertaken by their Supervisor, based on that assessment IMs are graded either green, amber, or blue according to the level of supervision required. Quarterly meetings are held between all IM's and their current T&C Supervisor.
117. It was noted Brooks Macdonald currently uses a computer-based training system, Learning Pool but were moving to the WorkDay system. This will be used to record all training activity and assist in the delivery of online training and testing.

118. All information including qualifications both general and investment specific, training gap analysis and development plan, meeting notes with the line manager, Learning Pool records showing completion of Computer Based Training, details of Certificate of Statement of Professional Standing (SPS), and competency assessment sign off are recorded on each IM's T&C file.
119. Brooks Macdonald require all employees providing advice to obtain an SPS from an accredited body. Therefore, all are required to complete a minimum of 35 hours CPD of which a minimum of 21 hours must be structured and the rest unstructured activity.
120. CPD is logged with the appropriate accredited body and the firm tracks the progress of CPD for each individual. Quality checks are then undertaken typically on a sample basis and CPD will only count if certain criteria are met. Records of CPD attained are then recorded on the Learning Pool system. Oversight of employees CPD is the responsibility of the individuals line manager.
121. Reviews are undertaken for each IM throughout the year with regular one to one meetings with their current line manager / supervisor. These assessments are recorded in the Cascade system.
122. All IMs are qualified to at least the required standard and are encouraged to study further as part of their ongoing development.

threesixty comment (A13)

The firms T&C arrangements were under review at the date of the assessment. The revised arrangements will be reviewed at the next assessment.

A14. Outsourcing / Third party platforms

123. Brooks Macdonald have a number of arrangements with third parties in relation to financial and non-financial issues and have developed systems and procedures to mitigate the risks of these arrangements. In relation to financial issues Brooks Macdonald has arrangements with firms such as custodians and banks which are considered critical outsourcing arrangements.
124. To mitigate the risks of outsourcing due diligence takes place prior to the commencement of any outsourcing arrangement. For any potential suppliers of services to Brooks Macdonald a prequalification questionnaire is required to be completed by the third party as part of its tender for services. The questionnaire focuses on key questions about the provider and covers areas like criminal records, public liability, service issues and financials. The questionnaire is used as an initial screening document before a deeper dive is conducted on the third party.

Brooks Macdonald **Firm information - report findings**

125. Due diligence is reassessed on an ongoing basis with quarterly reviews with third-party Custodians and Credit Institutions by the Third-Party Service Procurement Team.
126. There are detailed service level agreements (SLAs) in place with third parties who provide key services to Brooks Macdonald, and there is a process of monitoring performance by way of regular meetings with the third party. The SLAs with third parties are reviewed on an annual basis.
127. The firm has an Outsourcing & Third Party Supplier Policy dated July 2024 which was provided to threesixty as part of the assessment. The Outsourcing & Third Party Supplier Policy is used by the firm to manage risks associated with outsourced and third party service providers and ensure that providers are subject to the required levels of due diligence, the policy owner is the Chief Operating Officer supported by the Chief Risk Officer.
128. Brooks Macdonald use SS&C Technologies, a provider of software and technology services for certain operational activities. The Head of Operations oversees the relationship with SS&C.
129. threesixty were previously advised there are daily, weekly, and monthly meetings with SS&C as well as senior management governance meetings to ensure the services being provided to Brooks Macdonald by SS&C meet requirements. Oversight within Brooks Macdonald is provided by the Operational Oversight Team. The monthly service review meeting is a key meeting between the two firms to review the SS&C service provision.
130. As part of the Brooks Macdonald governance oversight framework there are also quarterly meetings between senior representatives from Brooks Macdonald and SS&C.
131. A Service Management Document is in place between Brooks Macdonald and SS&C, threesixty was advised it was last reviewed, updated and signed off in May 2025.
132. The CASS Oversight Committee reviews the reports and findings produced by the CASS Oversight and Control function on the banks used by the company considering the bank's size, reputation, and credit rating. The overriding principle being that money is held in several banks and not concentrated in one place. An annual CASS audit is conducted by PWC. The firm is categorised as a CASS medium firm under the FCA rules. A Senior Manager is responsible for the firm's CASS obligations. All outsourced IT services with a CASS impact are included in the CASS Resolution Pack.
133. A Financial Risk Committee is in place which is chaired by the Group Finance Director with other attendees including the Chief Operating Officer and the Chief Risk Officer. The committee is tasked with oversight of internal financial risks and counterparty risk.
134. The Service Management Team monitors third party IT outsourced relationships. The monitoring involves monthly service review meetings, and daily operational calls. IT contracts include data security testing and annual penetration tests conducted by independent firms. All providers are located in the UK and can be readily visited if required.

135. The Design Authority Committee (DAC) is the key oversight committee in relation to IT within the firm, it was noted the DAC had been paused following recent acquisitions to review the firms IT infrastructure with a view to consolidation, once completed the DAC will re-commence.
136. Brooks Macdonald requires that IT service providers agree contracts that would enable the service to be novated immediately to Brooks Macdonald in the event of a business failure of the outsourced service provider.
137. Training in IT is provided to all new joiners as part of the induction process, this is provided to new joiners directly not via computer-based training.

threesixty comment (A14)

The firm has a key outsourced relationship with SS&C, based on discussions with representatives from the firm there appeared to be a clear oversight of the activities that had been outsourced to SS&C.



An aerial photograph of London at dusk, featuring The Shard skyscraper prominently on the left. The city skyline is visible in the background, with the River Thames and the London Eye partially visible in the lower portion of the image. The sky is a mix of purple and orange hues.

Brooks Macdonald

Intermediary arrangements

This section looks at how the DIM deals with clients and what are the legal and procedural arrangements with introducing intermediaries. It looks at the contracts and on boarding procedure and what checks they will do on the intermediary business. It seeks to identify whether or not the process, and the responsibilities of all parties are clear.

Ref	Area	Key comments
B1	Investment management services	<ul style="list-style-type: none"> • Managed Portfolio Service • Bespoke Portfolio Service • AIM Service • Responsible Investment Service • Multi Asset Funds • Brooks Macdonald Investment Solutions • Retirement Strategies
B2	Roles & responsibilities of the Investment Manager and the Intermediary Firm	The roles and responsibilities between Brooks Macdonald and intermediaries when using both the bespoke portfolio service and the managed portfolio service are clearly documented in the relevant Agreements signed by the parties for each investment management service.
B3	Intermediary support	Brooks Macdonald has a wider range of supporting literature for intermediary firms including a due diligence questionnaire and a Consumer Duty toolkit section on the firm's website.

Brooks Macdonald **Intermediary arrangements - report findings**

B1. List of services

1. Managed Portfolio Service (MPS): a suite of risk rated model portfolios covering a range of objectives, available exclusively to clients of intermediaries. The suite consists of active portfolios, active income portfolios, passive portfolios, responsible investing portfolios and a global range of portfolios. The portfolios are widely available across third party platforms and direct through Brooks Macdonald where the minimum investment is £20,000. Factsheets and an on-line proposal generator are available to assist intermediaries in their use of the MPS.
2. Bespoke Portfolio Service (BPS): this service is available to clients with a minimum of £250,000 to invest who are looking for a portfolio to suit their specific investment needs, it was noted the minimum level of investment is due to increase to £500,000 in January 2026. Each client is allocated a dedicated Investment Manager to manage their portfolio who will meet with the client and his intermediary on a regular basis to review their portfolio. The BPS service is available using both accumulation and decumulation strategies.
3. There are five risk levels to choose from based on investors risk profiles across three investment strategy options:
 - Low
 - Low to Medium
 - Medium
 - Medium to High
 - High
4. AIM Service: launched in 2011 this service is available to clients with a minimum of £50,000 to invest who are interested in the benefits of accessing investments that benefit from Business Property Relief.
5. Responsible Investment Service ('RIS'): this service offers clients access to two different RIS strategies, 'Advance', which looks to invest in companies in providing sustainability solutions or who have strong ESG credentials and 'Avoid', which avoids investments in companies associated with gambling, tobacco, pornography, armaments, and alcohol. Both RIS strategies are available via the BPS service with 'Advance' accessible to MPS clients via five external platforms.
6. Multi Asset Funds: the Blueprint multi asset funds are available offering either income, growth or both investment objectives and are available in different currencies, the minimum investment amount is £1,000 direct with Brooks Macdonald. The minimum investment amount via platforms varies according to the platform. The four multi asset funds are based on the core Centralised Investment Proposition.
7. Following the acquisition of Cornelian Asset Managers by Brooks Macdonald the range of multi-asset range now includes an additional eleven funds, the SVS Cornelian Funds. The SVS Cornelian Fund range is available using two approaches, either Risk Managed Funds or Risk Managed Passive Funds.
8. Brooks Macdonald Investment Solutions (BMIS): the service is available to intermediary clients is available as either a platform MPS solution, or via a range of multi asset funds. BMIS is viewed as a partnership between Brooks Macdonald

and intermediary firms. Brooks Macdonald will work with firms to create an investment solution for each firm using the Brooks Macdonald centralised investment proposition. Details of the BMIS service including details of the process, a flyer and a case study are available on the firm's website.

9. Retirement Strategies: this relatively new service is available to intermediaries and their clients and offers three retirement solutions, Bespoke Strategy, Tailored Strategy or Modelled Strategy.

B2. Roles and responsibilities of Investment Manager and Intermediary

10. Brooks Macdonald have a clearly developed approach defining the responsibilities between the introducing intermediary and Brooks Macdonald as the investment manager. This is outlined in the client application pack and terms & conditions and agreement that is signed by the client and the introducing intermediary. It is also explained within the Introducer Agreement that the intermediary is required to complete before potential clients are introduced to the firm.
11. Where the client is referred to Brooks Macdonald via an intermediary for either the bespoke portfolio service or if accessing the Managed Portfolio Service directly with Brooks Macdonald then Brooks Macdonald will agree with the intermediary as to how suitability responsibilities (initial and ongoing) are apportioned. Either the intermediary will be responsible for assessing the client's suitability, or Brooks Macdonald will be responsible. Brooks Macdonald contacts

all intermediary firms annually where the intermediary firm is responsible for the suitability of either the bespoke portfolio service or if accessing the Managed Portfolio Service directly to remind them of their suitability obligations.

12. In relation to the Managed Portfolio Service (MPS) where the Platform Managed Portfolio Service is accessed via assets held on an external third-party platform, the intermediary will be required to enter into an Investment Management Agreement appointing Brooks Macdonald as the discretionary manager and confirming that the intermediary is the 'permitted adviser', as agent, of their individual investor client in the operation of the Platform MPS service on an 'agent as client' basis. Brooks Macdonald will categorise the intermediary as a *per se* professional in this arrangement in accordance with FCA rules. The roles and responsibilities of both parties in this arrangement are documented in the Investment Management Agreement (Agent as Client) signed by the intermediary and Brooks Macdonald. A copy of the Investment Management Agreement (Agent as Client) was provided to threesixty during the assessment. Where clients access the MPS service directly with Brooks Macdonald the relationship between the intermediary and Brooks Macdonald is based on the 'reliance on others' arrangement.

Brooks Macdonald **Intermediary arrangements - report findings**

13. In relation to the Bespoke Portfolio Service (BPS) the client can agree that either, the intermediary, or Brooks Macdonald will be responsible for suitability. The preferred approach is that the intermediary is responsible for the professional advice to their client, and in such cases the division of responsibilities is noted within the application pack details as follows:
 - The introducing intermediary/professional adviser is responsible for collecting information about the client's financial position, assessing suitability of the service and advising the client on their investment objectives and risk profile.
 - Brooks Macdonald is responsible for creating and managing an investment portfolio on a discretionary basis in accordance with the client's investment objectives and risk profile.
 - The introducer's agreement that is completed with the intermediary confirms the basic details of the intermediary, regulatory status, adviser charge details, confirmation of suitability arrangements, confirmation that the intermediary has carried out client verification procedures, but that Brooks Macdonald will also carry out its own additional anti-money laundering checks. In particular, it notes the intermediary will warrant that on an ongoing basis they will ensure that the client understands the respective roles of both the intermediary and Brooks Macdonald.
14. There are different application forms depending on what type of agreement is applicable for the client and whether the intermediary or Brooks Macdonald is taking responsibility for suitability.
15. The client application form includes a declaration that the intermediary must complete which confirms the following:
 - That the intermediary has completed the Anti-Money Laundering checks
 - That the intermediary has confirmed the purpose of the investment is not to evade or avoid tax
 - That the intermediary has been appointed as the client's professional adviser
 - That the intermediary has carried out a suitability assessment
 - That the intermediary has advised the client on either the MPS or BPS based on the client's objectives and risk profile
 - That the intermediary has full and continuing authority from the client to give instructions to Brooks Macdonald
16. Brooks Macdonald is always responsible for the content of the client's portfolio. In the case of the MPS services, the centralised MPS investment team is responsible for ensuring that each MPS portfolio is invested according to the relevant investment mandate.
17. For the Bespoke Portfolio Service (BPS), the Investment Managers are required to ensure that portfolios managed on a discretionary basis are suitable, considering the clients investments profile and the defined mandate.

18. Where a direct instruction is received from the client to amend their investment profile and the suitability obligation lies with the intermediary, written confirmation is requested from the intermediary that the updated investment profile is suitable.
19. In view of the ongoing responsibility which Brooks Macdonald has to ensure that the data it holds in relation to mutual clients of intermediaries is accurate and relevant it requires biennial attestations by the Professional Adviser (Professional Adviser Ongoing Suitability Attestation) of the following:
 - a. That it has reviewed the list of current clients on the Brooks Macdonald Adviser Portal
 - b. Is the appointed adviser of each of the clients as their Professional Adviser
 - c. Has continuing authority from each client in respect of any instructions given to Brooks Macdonald
 - d. Has carried out an assessment of suitability of the Bespoke Portfolio Service or Model Portfolio Service as relevant in accordance with requirements

threesixty comment (B2)

The contractual arrangements between each of the parties for both the bespoke portfolio service and the managed portfolio service are clearly documented in terms of the roles and responsibilities of each the parties, in particular the role of the intermediary firm and Brooks Macdonald as the discretionary investment manager.

B3. Intermediary support / Client support / General information

20. Brooks Macdonald has a due diligence questionnaire information document dated February 2025 which was provided to threesixty as part of the assessment and is available on the firm's website which covers a wide range of areas including:
 - Company Information
 - Investment philosophy & approach
 - Investment products and services
21. Intermediaries are able to access their client's information using the online Portal, 'InvestBM' via the firm's website. A mobile app has also recently been launched for clients.
22. It was also noted that the Brooks Macdonald website is a useful source of information for intermediaries and their clients.
23. The firm's Consumer Duty Toolkit on the firm's website which provides documents to assist intermediaries with their obligations to undertake due diligence on a discretionary investment manager prior to introducing clients to such services.
24. A Target Market Guide dated March 2025 which is available for intermediaries in the firm's 'Consumer Duty toolkit' section of the firm's website which documents the firm's assessment of its services. A Value Assessment is also available.

An aerial view of the London skyline at dusk. The Shard is the central focus, illuminated from below. Other buildings and the River Thames are visible in the background.

Brooks Macdonald

Investment management

This section looks at the procedures and controls the DIM has put in place to carry out the DIM service. It aims to assess how they arrive at decisions when managing funds, and how do they record and monitor the process. It looks at the structure of the process including the firm's investment philosophy, investment committees, research, how decisions are implemented and the controls in place to minimise the risk of errors and loss to clients.

Brooks Macdonald **Investment management - report summary** threesixty

Ref	Area	Key comments
C1	Investment Governance	There are a number of investment committees in place to oversee and manage the firm's discretionary investment management services including the Investment Committee, Asset Allocation Committee and the Asset Selection Committee.
C2	Investment Philosophy / Process	<p>The firm's investment philosophy is based on three clear principles.</p> <p>The firm's stated investment philosophy is supported by a investment philosophy document produced by the Co-CIO which is available to firms upon request.</p>
C3	Sustainability / Investment process	Sustainability is embedded with the firm's investment management process, particularly in light of the firm's Responsible Investment Service offering.
C4	Stewardship	Details of the firm's approach to Stewardship is available in the Stewardship section of the firm's website.
C5	Investment operations	Certain operational activities are undertaken by SS&C on behalf of Brooks Macdonald, the Operational Oversight Team is responsible for ensuring the services provided to Brooks Macdonald clients meet regulatory requirements.

Brooks Macdonald **Investment management - report findings**

C1. Investment Governance

1. The Investment Committee is responsible for Brooks Macdonald's investment process, and it oversees its delegation to the Asset Allocation Committee (AAC), Asset Selection Committee, and Brooks Macdonald's research process. The committees meet monthly, or more frequently if circumstances require.
2. The Investment Committee includes the Co-Chief Investment Officers, Interim Chief Risk Officer, Senior Advisor to the Investment Committee, Head of Risk Managed Funds, Head of Portfolio Management, Senior Investment Director and an Independent Consultant (Chair) who was an External Advisor to the Investment Committee. In addition to the members there are attendees who attend each Investment Committee meeting, these are a Non-Executive Director, a Research Analyst and the Head of Investment Risk.
3. threesixty was advised the Terms of Reference of the Investment Committee was scheduled to be reviewed again before the end of the year.
4. Minutes are taken for each meeting and e-mailed to all members of the Investment Committee. Once conclusions have been agreed these are communicated to the relevant Investment Managers. Due to the confidentiality of information contained threesixty were not provided with copies of the minutes of the Investment Committee. Delivery expectations are in place both for the issue of minutes and the provision of papers in advance of meetings.
5. The Investment Committee is accountable to the Brooks Macdonald Board and either Co-CIO provides an update at each Brooks Macdonald Board meeting. A report is also produced by the Co-CIO's following each Investment Committee meeting which is circulated to the Executive Risk Management Committee and the Executive Committee.
6. The Investment Committee has delegated the responsibility for setting the asset allocation strategy to the AAC which currently meets every 6 weeks. threesixty were informed the AAC is chaired by the Co-CIOs and includes other experienced investment professionals.
7. An Ideas Forum is in place to review alternative ideas and concepts to assess if they can benefit the firm's investment process. The Forum is an open-format meeting without a fixed agenda, although Managers are encouraged to propose topics in advance to ensure they are addressed. It is intentionally not minuted so as to foster a safe and open environment where participants feel comfortable raising any issues, particularly to support more junior attendees in speaking freely. The Forum is chaired by the Head of Research.
8. There are Monday Morning Meetings which provide an overview of the sectors along with commentary from the Head of Research where any changes to the firm's buy list are discussed.

C2. Investment philosophy / process

9. The firm's investment philosophy and approach is based on three key principles;
 - Navigating market inefficiencies with a contrarian perspective
 - Optimising returns through diversified asset allocation
 - Combining realism and research for client success
10. Investment Managers are members of a sector team that specialise in an individual sector of the market in relation to research. Each sector team is headed by a Senior Investment Manager and each team reports to the Asset Selection Committee with buy and sell recommendations. Research involves a combination of quantitative screening, and qualitative reviews of those investments deemed most attractive. The initial analysis would be carried out using tools such as Refinitiv, Morningstar, Financial Express and Bloomberg. This is followed up with qualitative analysis in a process Brooks Macdonald describe as an analysis of the 'Seven Ps' i.e.
 - The fund's investment Philosophy
 - It's investment Process
 - The People, and resources, involved in its management
 - It's Performance (understanding how it has generated returns in the past and what to expect in the future)
11. It's current Positioning (understanding the risks it is undertaking and how the manager is positioned – i.e., under what circumstances it is likely to perform well or poorly)
12. It's Price (we ensure that any costs we bear in relation to the investments we make are minimised)
13. Our ability to Partner with them over time (by building strong relationships with fund managers we are able to leverage their resources and benefit our clients further)
11. The Asset Selection Committee (ASC) is a weekly meeting typically chaired by the Head of Research (who is also one of the Co-CIOs) and approves the research outputs and buy and sell recommendations before these are issued to the investment teams. Each buy and sell recommendation that is submitted for approval must be supported by a detailed due diligence questionnaire which includes information obtained using Asset Q.
12. Buy and sell lists are regularly reviewed by sector teams. All Investment Managers have access to the research from each of the sector teams.
13. In relation to bespoke portfolios, Investment Managers are responsible for construction of the client's portfolio in accordance with the client's investment profile and using the defined investment process. The firm's policy is that Investment Managers are granted a degree of discretion in constructing client portfolios. This discretion is in the form of tolerance levels around the asset allocation set out by the Asset Allocation Committee.

Brooks Macdonald **Investment management - report findings**

14. Investment Managers are also responsible for selecting the individual securities that are purchased within each asset class (normally, from investments listed on the central buy list approved by the Investment Committee). However, they must also abide by the investment policies established by the Investment Committee regarding managing investment risk. The use of discretion by an Investment Manager is documented and is then system monitored daily, and action taken as and when required. Investment Managers have the discretion to invest up to a maximum of 5% of the portfolio outside the buy list, these assets outside the buy list are typically legacy assets.
15. If an Investment Manager has a strong conviction to use a new investment there is a rigorous pre-approval process which is documented in the Investment Guide (the Investment Guide is the responsibility of the Investment Committee which is reviewed and updated on a regular basis). The new investment would only be permitted once the process and oversight are completed which would include a review by the ASC.
16. Each investment team has a team / office model. All teams use the same buy list. Models are reviewed on an on-going basis using the BITA system and formally quarterly by the Research Team against the house model to review any dispersion / against tolerance, any outliers tend to be due to client specific requirements.
17. In relation to new investment mandates utilising the Bespoke Portfolio Service an Investment Manager will have a period of six months in which to fully invest the portfolio in line with the set tolerance of the guidance portfolio set out by the AAC. In relation to Managed Portfolio Service there is no phasing of investment, and all funds are invested in the respective model as soon as possible.
18. The firm uses Asset Q analysis, proprietary quantitative analysis including performance against peers and benchmark and a Sustainalytics report. threesixty was advised the firm was looking to increase investment analytics in this area.
19. Brooks Macdonald use a Risk Monitoring System (BITA – Better Intelligence Through Analysis) to monitor the construction and ongoing rebalancing of portfolios to ensure they are compliant with the mandate and the defined investment policies of the firm. This includes a traffic light report system flagging any breaches to both the Investment Team and the Business Assurance team daily. The system is overseen by the Business Assurance team which reports to the Managing Director monthly.
20. threesixty was advised an in-house proprietary risk system has recently been built by the research team using a combination of AI and Python Code to supplement the firms use of BITA, the new system currently provides additional investment risk data to Investment Managers and Portfolio Managers to aid their management of client portfolios.

21. Where an in-house fund is to be included within a discretionary portfolio certain policies and criteria are in place to ensure the conflicts of interest are managed. The total exposure to in-house funds is limited to 5% of assets under management.
22. The level of involvement between the investment manager, intermediary and client will be agreed as part of the initial take on process. However, Brooks Macdonald note that the organisation of investment managers into teams ensures that clients and their intermediaries will always have access to an investment manager, either a lead investment manager or a designated deputy. Generally, an investment manager at Brooks Macdonald will hold a meeting with each client and their intermediary on at least a 6 monthly or annual basis.
23. Investment managers are supported by a team of portfolio managers; investment managers typically are engaged in client contact with portfolio managers responsible for investment research and portfolio construction. It was noted that in order to improve efficiency and continuity across the portfolio management team, portfolio managers now report into the Head of Portfolio Management, who in turn reports into the Co-CIOs.
24. Investment manager teams are arranged in pods to ensure there is sufficient coverage and understanding of client portfolios.

C3. Sustainability – Investment process

25. The Responsible Investment Service ('RIS') uses the central Brooks Macdonald asset allocation and research process. In addition, a quantitative analysis report is used from Morningstar as well as qualitative analysis using eight in house sustainability themes for the Advance RIS strategy which includes cleaner energy, resource efficiency, water and waste management and sustainable transport.
26. The Responsible Investment Service Oversight Committee focuses on the firm's compliance with its RIS Policy.

C4. Stewardship

27. Although not a signatory to the UK Stewardship Code its approach is outlined in the Stewardship section of the firm's website. The firm's approach to shareholder engagement is documented in its Voting Policy and an overview is provided in the firm's due diligence document.

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C5. Investment operations

28. Brooks Macdonald has procedures in place for preparing past performance data. A member of the investment team is responsible for reviewing performance data and providing the data to Asset Risk Consultants (ARC) which enables the firm to provide comparisons with average performance against their peers. Performance data is overseen by the Co-CIO's and is reviewed by the Investment Committee.
29. Transaction reporting is conducted by SS&C on behalf of the firm. A Transaction Reporting Committee is in place, attended by stakeholders to ensure there is appropriate oversight of the firm's responsibilities.
30. Brooks Macdonald issue periodic reports quarterly and threesixty were provided with an example to review. Ad hoc valuation reports are provided at all review meetings, and on request, and a year-end tax report is also sent annually.
31. There is an order execution policy in place which is the responsibility of the Best Execution Oversight Committee. The Best Execution Oversight Committee ('BEOC') is responsible for the oversight of the effectiveness of the Best Execution activities of the firm.
32. Brooks Macdonald uses Liquid Metrix to assist the firm's analysis of best execution. Weekly analysis is undertaken by the Operational Oversight Team in respect of best execution.
33. Any breaches, errors or near misses are reported to the Risk Team for investigation and analysis.

threesixty services Limited

The Royals, Altrincham Road, Manchester, M22 4BJ

Telephone **03707 360 360**

Email **talktous@threesixtyservices.co.uk**

Web **www.threesixtyservices.co.uk**