

FOR PROFESSIONAL ADVISERS ONLY

Target Market Guide

Brooks Macdonald Asset Management Limited





Introduction

We manufacture and distribute a number of products and services. By considering the characteristics of the investment solution, this guide aims to demonstrate the Target Market that the product or service has been deemed potentially suitable (and unsuitable) for.

The information in this document is intended to aid professional advisers in completing target market assessments. However, professional advisers should ensure their own target markets assessments are conducted and all their regulatory obligations, including those related to MiFID II, PROD and Consumer Duty, are adhered to.

Our approach to product governance

As a manufacturer of investment products and services, appropriate governance arrangements have been put in place to ensure products and services are designed to meet the needs and objectives of customers in the target market.

Our Governance Committees provide effective management and oversight of matters relating to the initiation, development and regular reviews of products, services, and distribution channels. The products and services that we manufacture and distribute undergo periodic reviews.

These reviews consider risks that could materially affect the identified target market and also ensure that the product or service remains consistent with the needs of its target market.

In line with the Consumer Duty requirements, we conduct value assessments for each of our discretionary investment services. For further information about our approach to value assessment and to read our conclusions, please refer to our Value Assessment Report in our online [Document Library](#).

Assessment of Financial Instruments

Where we act as a distributor of financial instruments through the inclusion of assets in portfolios, we assess the compatibility of these with the needs of end clients. Assessments include consideration of the clients' risk appetite, the impact of costs and charges, and the financial strength of any product manufacturers. We also consider manufacturers' defined target markets and the knowledge of our client base.

To help ensure that financial instruments distributed to clients are fully understood, our investment managers are required to complete detailed due diligence on investments.

For all instruments used within our Centralised Investment Proposition, this due diligence is reviewed and approved by the Asset Selection Committee.

For further information on the details of our due diligence processes for financial instruments, please refer to our [Consumer Duty toolkit online](#).

In instances where adequate information is not publicly available from the manufacturer, we undertake additional due diligence to ensure that the target market can be determined with sufficient granularity.

Funds

Brooks Macdonald Asset Management is co-manufacturer of the SVS Cornelian Risk Managed Funds and Risk Managed Passive (RMP) Funds, SVS Brooks Macdonald Blueprint Multi-Asset Funds and SVS Levitas Funds. Target market information for these funds can be found within the European MiFID Template (EMT) report on the Authorised Corporate Director (ACD) website: www.tutman.co.uk/literature.

Vulnerable clients

Across all our products and services, we have processes in place to help ensure clients with characteristics of vulnerability are not disadvantaged.

We have policies in place to ensure:

- the needs of vulnerable clients are taken into account, and that they receive fair outcomes;
- a consistent approach to consumer vulnerability is understood and embedded across all areas of the Business; and
- staff receive the required training, guidance and support to identify vulnerable clients and provide them with the additional levels of care required.

We appreciate that vulnerable clients may have needs that are challenging and complex. Where vulnerabilities are identified, our staff will respond in a considered and tailored way and facilitate the necessary arrangements to assist them. For example:

- Flexibility in the applications of our policies and procedures where appropriate.
- Flexibility around appointment locations (for example, a client's home), times of day and meeting duration. We also consider accessibility of the Group office for those clients with health conditions/disabilities.
- Providing clients with a choice of ways of communicating. This could relate to the method of communication (e.g. audio/ face-to-face/ digital) or the service delivery (e.g. agreement to talk

at a particular time of day depending on carers and medication/providing information in advance of meetings).

- Providing clients with accessible and simple communications to support the client to understand product and services.
- Offering clients, the option of having a third party to support them at a meeting.

We also have provided resources on our website to help advisers tackle the issues behind client vulnerability.

Distributor feedback

From time to time, we may request information from you as a distributor, including but not limited to:

- instances where sales outside the target market have occurred and what harm is foreseeable.
- issues identified related to the distribution arrangements.
- information related to instances where products or services are held for less than the recommended holding period.
- issues identified by, or for, customers with characteristics of vulnerability.
- complaints related to our products and services.



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	Investor Type		Knowledge & Experience		
	Retail	Minimum initial investment	Basic	Informed	Advanced
BESPOKE PORTFOLIO SERVICES (BPS)					
BPS – Core	✓	£500,000	✓	✓	✓
BPS – Responsible Investment Advance/ Avoid	✓	£250,000	✓	✓	✓
Retirement Strategies - Bespoke	✓	£500,000	✓	✓	✓
Retirement Strategies - Tailored	✓	£250,000	✓	✓	✓
Gilts Service	✓	£200,000	✓	✓	✓
AIM Portfolio Service	✓	£50,000	✓	✓	✓
Liquid Reserve Portfolio Service	✓	£500,000 (new clients) £200,000 (existing clients)	✓	✓	✓
Fund Portfolio Service	✓	£75,000 Advised clients £150,000 Direct clients	✓	✓	✓
MANAGED PORTFOLIO SERVICES (MPS)					
Platform MPS – Active and Passive	✓	Platform dependent	✓	✓	✓
Platform MPS – Global Active and Global Passive	✓	Platform dependent	✓	✓	✓
Platform MPS – Responsible Investment Advance	✓	Platform dependent	✓	✓	✓
Platform MPS – Volatility Managed Portfolio Service	✓	Platform dependent	✓	✓	✓
Platform MPS – Risk Controlled Portfolio Service	✓	Platform dependent	✓	✓	✓
Platform MPS - Retirement Strategies - Modelled	✓	£50,000**	✓	✓	✓
Platform MPS - Liquid Reserve Managed Portfolio Service	✓	Platform dependent	✓	✓	✓
Direct Custody MPS – Active and Passive	✓	£20,000	✓	✓	✓
Direct Custody MPS – Responsible Investment Advance	✓	£20,000	✓	✓	✓

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	Client Ability to Bear Losses		Risk Tolerance
	Compatible with clients who can bear capital loss	Compatible with clients who cannot bear capital loss^	Available risk level(s)
BESPOKE PORTFOLIO SERVICES (BPS)			
BPS – Core	✓	✗	Low, Low – Medium, Medium, Medium-High, High
BPS – Responsible Investment Advance/ Avoid	✓	✗	Low – Medium, Medium, Medium-High, High
Retirement Strategies - Bespoke	✓	✗	Low-Medium, Medium, Medium-High, High
Retirement Strategies - Tailored	✓	✗	Low-Medium, Medium, Medium-High
Gilts Service	✓	✗	Low
AIM Portfolio Service	✓	✗	High
Liquid Reserve Portfolio Service	✓	✗	Low
Fund Portfolio Service	✓	✗	Cornelian A, Cornelian B, Cornelian C, Cornelian D, Cornelian E Low, Low-Medium, Medium, Medium-High
MANAGED PORTFOLIO SERVICES (MPS)			
Platform MPS – Active and Passive	✓	✗	Low , Low – Medium, Medium, Medium-High, High
Platform MPS – Global Active and Global Passive	✓	✗	Low , Low – Medium, Medium, Medium-High, High
Platform MPS – Responsible Investment Advance	✓	✗	Low , Low – Medium, Medium, Medium-High, High
Platform MPS – Volatility Managed Portfolio Service	✓	✗	Dynamic Planner 3, Dynamic Planner 4, Dynamic Planner 5, Dynamic Planner 6, Dynamic Planner 7
Platform MPS – Risk Controlled Portfolio Service	✓	✗	Defaqto 3, Defaqto 4, Defaqto 5, Defaqto 6, Defaqto 7
Platform MPS - Retirement Strategies - Modelled	✓	✗	Low-Medium, Medium
Platform MPS - Liquid Reserve Managed Portfolio Service	✓	✗	Low
Direct Custody MPS – Active and Passive	✓	✗	Low , Low – Medium, Medium, Medium-High, High
Direct Custody MPS – Responsible Investment Advance	✓	✗	Low , Low – Medium, Medium, Medium-High, High

FUNDS – SVS Cornelian Risk Managed Funds, SVS Brooks Macdonald Blueprint Multi Asset Funds and SVS Levitas Funds please refer to EMT, available at: www.tutman.co.uk/literature. ^All products and services within this guide are unsuitable for clients who cannot bear any capital loss. *Under current legislation, Inheritance Tax (IHT) benefits can potentially be derived on the death of an investor if certain AIM listed assets have been held for at least two years, under the UK’s Business Relief (BR) regime. It is important to note that tax treatment depends on your individual circumstances and may be subject to change in the future. BR is not guaranteed and remains at the discretion of HMRC to be determined on the death of the individual. The individual could die before the two-year BR qualification period has been achieved. It is important to note that the BR tax regime itself could be withdrawn by the UK Government at any point in the future. Brooks Macdonald does not provide tax advice and independent professional advice should be sought. **The minimum initial investment is platform-dependent, however we recommend that the initial investment be no less than £50,000

	Client Objectives & Needs					
	Client seeking capital growth	Client seeking income	Intended compatible with clients having ESG preferences	Compatible with clients having bespoke investment requirements	Minimum recommended holding period (years)	Vulnerable clients
BESPOKE PORTFOLIO SERVICES (BPS)						
BPS – Core	✓	✓	✗	✓	5 (Low risk – 3)	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register – Specialist service available to Personal Injury/Court of Protection clients
BPS – Responsible Investment Advance/ Avoid	✓	✓	✓	✓	5	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register – Specialist service available to Personal Injury/Court of Protection clients
Retirement Strategies - Bespoke	✓	✓	✗	✓	7	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register – Specialist service available to to Personal Injury/Court of Protection clients
Retirement Strategies - Tailored	✓	✓	✗	✓	7	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register – Specialist service available to to Personal Injury/Court of Protection clients
Gilts Service	✓	✓	✗	✓	6 months	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register – Specialist service available to Personal Injury/Court of Protection clients
AIM Portfolio Service	✓	✗	✗	✗	5*	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register
Liquid Reserve Portfolio Service	✗	✓	✗	✗	6 months	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register”
Fund Portfolio Service	✓	✓	✗	✗	<1 (see fund EMT)	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register”
MANAGED PORTFOLIO SERVICES (MPS)						
Platform MPS – Active and Passive	✓	✓	✗	✗	5 (Low risk – 3)	– Accessible communication needs accommodated
Platform MPS – Global Active and Global Passive	✓	✓	✗	✗	5 (Low risk – 3)	– Accessible communication needs accommodated
Platform MPS – Responsible Investment Advance	✓	✓	✓	✗	5 (Low risk – 3)	– Accessible communication needs accommodated
Platform MPS – Volatility Managed Portfolio Service	✓	✓	✗	✗	5	– Accessible communication needs accommodated
Platform MPS – Risk Controlled Portfolio Service	✓	✓	✗	✗	5	– Accessible communication needs accommodated
Platform MPS - Retirement Strategies - Modelled	✓	✓	✗	✗	7	– Accessible communication needs accommodated
Platform MPS - Liquid Reserve Managed Portfolio Service	✗	✓	✗	✗	6 months	– Accesible communication needs accomodated
Direct Custody MPS – Active and Passive	✓	✓	✗	✗	5 (Low risk – 3)	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register
Direct Custody MPS – Responsible Investment Advance	✓	✓	✓	✗	5 (Low risk – 3)	– Accessible communication needs accommodated – Special care notes on Vulnerable Client Register

	Distribution Strategy		
	Distribution channels	Accessibility	Jurisdiction
BESPOKE PORTFOLIO SERVICES (BPS)			
BPS – Core	– Independent financial advisers – BM Investment managers (direct)	Brooks Macdonald (direct custody)	UK
BPS – Responsible Investment Advance/ Avoid	– Independent financial advisers – BM Investment managers (direct)	Brooks Macdonald (direct custody)	UK
Retirement Strategies - Bespoke	– Independent financial advisers – BM Investment managers (direct)	Brooks Macdonald (direct custody)	UK
Retirement Strategies - Tailored	– Independent financial advisers – BM Investment managers (direct)	Brooks Macdonald (direct custody)	UK
Gilts Service	– Independent financial advisers	Brooks Macdonald (direct custody)	UK
AIM Portfolio Service	– Independent financial advisers	Brooks Macdonald (direct custody)	UK
Liquid Reserve Portfolio Service	– Independent financial advisers – BM Investment managers (direct)	Brooks Macdonald (direct custody)	UK
Fund Portfolio Service	– Independent financial advisers – BM Investment managers(direct)	Brooks Macdonald (direct custody)	UK
MANAGED PORTFOLIO SERVICES (MPS)			
Platform MPS – Active and Passive	– Independent financial advisers – Restricted financial advisers	Third party platforms	UK
Platform MPS – Global Active and Global Passive	– Independent financial advisers	Third party platforms	UK
Platform MPS – Responsible Investment Advance	– Independent financial advisers	Third party platforms	UK
Platform MPS – Volatility Managed Portfolio Service	– Independent financial advisers – Restricted financial advisers	Third party platforms	UK
Platform MPS – Risk Controlled Portfolio Service	– Independent financial advisers – Restricted financial advisers	Third party platforms	UK
Platform MPS - Retirement Strategies - Modelled	– Independent financial advisers	Third party platforms	UK
Platform MPS - Liquid Reserve Managed Portfolio Service	– Independent financial advisers, restricted financial advisers (Note only Internal Brooks advisers at launch)	Third party platforms	UK
Direct Custody MPS – Active and Passive	– Independent financial advisers – Restricted financial advisers	Brooks Macdonald (direct custody)	UK
Direct Custody MPS – Responsible Investment Advance	– Independent financial advisers	Brooks Macdonald (direct custody)	UK

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Important information

This document is intended for investment professionals only and should not be relied upon by any persons who do not have professional experience in matters relating to investments. The information in this document does not constitute advice or a recommendation and investment decisions should not be made on the basis of it. The value of investments, and the income from them, may go down as well as up and neither is guaranteed. Investors could get back less than they invested.

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There is more information about the Brooks Macdonald Group on the website at **brooksmacdonald.com**