



Charting your course

Investment services



BROOKS MACDONALD

Our approach

Brooks Macdonald was formed in 1991 with the desire to do things differently, an ethos that continues to influence the way we do business today.

It is our mission to build robust personal relationships that allow us to provide a high level of service, and deliver risk-adjusted investment returns, to all of our partners and clients, both in the UK and internationally. We have ten offices across the UK and two within the Channel Islands.

Our investment management services

At Brooks Macdonald, our aim is to enhance our clients' wealth through the provision of our investment solutions.

Our investment process enables us to create active investment portfolios with varying risk profiles on behalf of a wide range of clients. These include private investors, trusts, charities, pension funds and institutions.

Our investment process is centralised to ensure that the principles of our investment philosophy are reflected in all client portfolios. Its design allows each investment manager to fully leverage the broad expertise of our asset allocation and investment committees, as well as the in-depth knowledge of our specialist sector research teams.



Our investment philosophy

Our investment philosophy and approach is founded on three key investment principles:

Utilise a proven, active investment process

Our well-established, centralised investment process combines strategic and tactical approaches to asset allocation with vigorous individual security selection. It allows us to leverage the broad expertise of our asset allocation and investment committees, as well as the in-depth knowledge of our specialist sector research teams. It is designed to identify the best investments amid the ever-changing investment environment and has been proven to add value for our clients.

Integrate effective risk management

Risk management is central to our investment philosophy. We seek to produce strong 'risk-adjusted' returns; this means that we do not only seek to

generate profits, but simultaneously endeavour to limit the potential for losses. To accomplish this we have embedded qualitative and quantitative risk controls into our investment process, while ensuring that adequate portfolio diversification is achieved by investing in a wide range of traditional and alternative asset classes.

Maintain a portfolio focus

To enable us to implement suitable and effective investment strategies for all of our clients, we grant our individual investment managers a level of discretion in managing client portfolios to their individual mandates. This discretion is limited within defined boundaries established by our investment and asset allocation committees, thereby ensuring that the influence of our centralised investment process is maintained. As our sector research teams are comprised of investment managers, we ensure that the managers of client portfolios are at the centre of our investment process.

Our investment process

Our investment process allows us to create active investment portfolios with varying risk profiles. It also ensures that the principles of our investment philosophy are reflected in all client portfolios.

The process combines strategic and tactical approaches to asset allocation (a 'top-down' approach) with vigorous individual security selection (a 'bottom-up' approach). It is designed to simultaneously determine which areas of the market to invest in and which individual investments to make within these areas. The range of investments

include exchange-traded funds, unit trusts, open-ended investment companies, investment trusts and cash.

The process also incorporates a number of controls that are designed to provide an additional layer of risk management. For example, they help to ensure that client portfolios are adequately diversified. We have developed a risk management and portfolio monitoring system that tests portfolio compliance with our investment guidelines, such as buy list, asset allocation, holding size and asset approval.



Bespoke Portfolio Service (BPS)

Private clients

Our Bespoke Portfolio Service (BPS) is designed for clients who want an individual investment portfolio constructed to meet their specific requirements.

We maintain a detailed knowledge of our clients' investment requirements at all times. This allows our investment managers to construct focused, efficient portfolios on their behalf, in order to facilitate the delivery of risk-adjusted investment returns appropriate to their needs.

BPS portfolios are managed by dedicated investment managers operating within teams. Each team is led by an investment team director and supported by our investment and asset allocation committees.

Our BPS portfolios are run in line with our centralised investment process.

Charities

Our BPS for charities is individually constructed and fine-tuned to reflect the ethical considerations, attitude to risk, charitable investment objectives and time horizon of our charity clients.

By choosing our BPS, trustees are able to delegate the day-to-day investment decisions and ongoing management of their portfolio to a dedicated investment manager operating within a specialist charities team, whose actions reflect the investment objectives

and circumstances of each charity. The team of investment managers understands the unique requirements of our charity clients and the importance of balancing ethical considerations with sound investment decisions.

AIM Portfolio Service (APS)

Our AIM (Alternative Investment Market) Portfolio Service (APS) provides clients with access to a carefully selected portfolio of AIM-listed companies. Preference is given to companies that we judge to have attractive long-term investment potential. We then restrict our investment universe to companies that we believe qualify for Business Property Relief (BPR). BPR allows investors to benefit from Inheritance Tax (IHT) exemptions by investing in qualifying AIM-listed shares. As with any tax benefits, exemptions or arrangements, BPR is subject to change by the government and any tax benefits received is dependent on personal circumstances.

As APS portfolios will typically be fully invested in a concentrated group of small-to-medium sized UK companies, we consider our APS to be 'high risk'.

The APS does not follow our centralised investment process. Primary responsibility for the APS investment strategy and the research that underpins it lies with the head of our equity research team. Support is provided by other members of the team and the service's overall investment process is monitored by our investment committee.

Managed Portfolio Service (MPS)

Our Managed Portfolio Service (MPS) provides a choice of investment into a number of risk-managed model portfolios, each investing in an array of different assets. Each model portfolio is designed to achieve specific investment objectives within a specific risk profile.

MPS portfolios are managed by a dedicated team of investment managers, supported by our investment and asset allocation committees, and apply our centralised investment process.

Strategy	Investing for	
	Income	Growth
Low	✓	
Low-to-Medium	✓	
Low-to-Medium	✓	✓
Low-to-Medium (Passive)	✓	✓
Medium	✓	
Medium	✓	✓
Medium (Passive)	✓	✓
Medium-to-High		✓
Medium-to-High (Passive)		✓
High		✓

Multi-Asset Funds (MAF)

Our Multi-Asset Fund (MAF) range allows investors to gain access to our discretionary management expertise and proven centralised investment process through a pooled fund solution, otherwise known as a collective investment scheme.

By differing their levels of equity exposure, our range of four risk-managed multi-asset funds caters for both investors seeking capital growth and more cautious investors looking to generate income while preserving their capital.

Each fund in our Multi-Asset Fund range has a set investment objective and holds a variety of investments that are actively managed to take advantage of market opportunities as they arise.

The four multi-asset funds are sub-funds of the IFSL Brooks Macdonald Fund and are provided by Investment Fund Services Limited.

Fund	Investing for	
	Income	Growth
Defensive Income	✓	
Cautious Growth	✓	✓
Balanced	✓	✓
Strategic Growth		✓

Our Multi-Asset Fund range is managed and distributed by Brooks Macdonald Asset Management Limited.

Why Brooks Macdonald?

Investment management experience

- We use a centralised investment process that provides consistency across all our regions and investment managers.
- We also invest in a wide range of asset classes, via a variety of investment vehicles, to achieve a greater spread of investment risk for our clients.
- We were one of the first firms to manage Self-Invested Personal Pensions (SIPPs), which now account for over 35% of our Funds Under Management (FUM). All of our investment managers have had specific training in this regard.

Adviser relationships

- We believe professional advisers are best placed to conduct suitability assessments with prospective clients, therefore we do not conduct assessments on their behalf.
- We are protective of the client-adviser relationship, as over 85% of FUM are introduced by professional advisers. Consequently, we will always inform a professional adviser of any direct client communication and encourage advisers to attend client review meetings.

Service to advisers

- We offer professional advisers IT integration via daily valuation feeds to major back-office CRM systems, which can be used as part of their comprehensive client reporting, providing significant time and cost savings.
- Professional advisers are able to benefit from our expertise with compliance and regulatory issues facing clients.
- All our portfolios and funds are managed within a transparent charging structure and simple administration.





Service to clients

- We provide clients with a highly personalised service which is available via our twelve offices around the UK and the Channel Islands.
- We offer clients a competitive fee structure that is clear and transparent.
- We are used to dealing with clients in conjunction with their other professional advisers (e.g. accountants, solicitors or immigration advisers).

Security of assets

- Unlike a bank, we cannot use client monies to run our business, nor are we permitted to lend said monies to other clients. Instead, Financial Conduct Authority (FCA) rules require that we keep our funds entirely separate from our clients’.
- We have invested heavily in our compliance and back-office systems, including implementing a risk monitoring system that ensures each client portfolio is monitored daily so that it continues to meet the client’s required investment objective.

Awards and ratings

- Our expertise has been recognised through a number of industry awards and ratings.
- We were the first discretionary fund manager to achieve the highest level of Defaqto Star and Diamond Ratings in all four categories of discretionary management.



Past performance is not a reliable indicator of future results.

Important information

The value of your investments and the income from them may go down as well as up. You may get back less than you invested. Past performance is not a reliable indicator of future results. Tax treatment depends on your individual circumstances and may be subject to change in the future and may be subject to change in the future. Brooks Macdonald does not give advice and independent professional advice should be sought.

Investment Fund Services Limited (IFSL) is the Authorised Corporate Director for the IFSL Brooks Macdonald Fund. IFSL is registered in England No. 06110770 and is authorised and regulated by the Financial Conduct Authority. Registered office: Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP. Copies of the Prospectus and Key Investor Information Documents are available from www.ifslfunds.com or can be requested as a paper copy by calling 0808 178 9321 or writing to IFSL, Marlborough House, 59 Chorley New Road, Bolton, BL1 4QP.

Brooks Macdonald is a trading name of Brooks Macdonald Group plc used by various companies in the Brooks Macdonald group of companies.

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