



# Focused approach

Managed portfolio service

**BM**

BROOKS MACDONALD

# Our approach



**Brooks Macdonald was originally formed 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 to all of our partners and clients, both in the UK and internationally.**

We are dedicated to the highest professional standards and believe in acting with honesty, fairness and clarity in everything we do. Collectively, we endeavour to create solutions that will consistently meet our clients' needs in an increasingly complex and ever-changing world.

## Our Managed Portfolio Service (MPS)

Our Managed Portfolio Service (MPS) is a discretionary investment management service that provides investors with a choice of ten risk-managed, diversified portfolios. It covers a wide range of investment objectives and risk profiles, and includes both active and passive investment strategies.

Investors in our MPS benefit from our established centralised investment process, which utilises a wide range of asset classes beyond the traditional combination of equities, bonds and cash. It also incorporates alternative classes such as hedge funds and commodities.

By incorporating these additional asset classes, we ensure greater diversification for each portfolio, while also facilitating our clients' access to an increased variety of investments than might otherwise be available to them.

Our MPS is managed by a dedicated team of investment managers, researchers and client services personnel, whose aim is to meet the investment objectives of each portfolio within the range and service the needs of each client. The team is augmented by our extensive internal investment resources and governance committees.

Our MPS allows the efficient consolidation of assets to maximise the potential for returns and simplified administration. Individual Savings Accounts (ISAs), pensions, onshore and offshore bonds, as well as personal investment accounts held outside a tax wrapper, can all be managed within our MPS.

### Other benefits include:

- The choice of income withdrawals monthly, quarterly, annually or as arising.
- Potential use of your annual Capital Gains Tax (CGT) allowance.
- Access to our research process and institutional buying power.
- No dealing charges and the use of more efficient (lower-cost) share classes.







# Choosing your portfolio

We have created 10 portfolios that cover a wide range of investment objectives and risk profiles.

Investments within each portfolio are actively managed to take advantage of market opportunities as they arise.

Together with your professional adviser, who will assess the suitability of this service for your circumstances, you will identify the portfolio which best suits your investment objectives, attitude to risk, capacity for loss and time horizon.

Strategy	Typical equity exposure	Income	Investing for Income & Growth	Growth
Low Risk	0-30%	✓		
Low-to-Medium Risk	30-55%	✓	✓	
Low-to-Medium Risk (Passive)	30-55%		✓	
Medium Risk	55-75%	✓	✓	
Medium Risk (Passive)	55-75%		✓	
Medium-to-High Risk	75-95%			✓
Medium-to-High Risk (Passive)	75-95%			✓
High Risk	90-100%			✓

#### MPS Low Risk (Defensive Income)

##### Time horizon 3 years +

The primary objective of this portfolio is to produce a higher level of income than the Bank of England base rate over the longer term by investing in a range of relatively defensive diversified UK and international investments. Equity exposure is likely to range between 0-30% and is likely to be limited to shares in companies paying higher than average dividends.

#### MPS Low-to-Medium Risk (Income)

##### Time horizon 5 years +

The primary objective of this portfolio is to produce a higher level of income than inflation. The portfolio gives limited exposure to capital markets through a diversified range of UK and international investments. Equity exposure is likely to range between 30-55% with limited exposure to international investments.

#### MPS Low-to-Medium Risk (Income & Growth)

##### Time horizon 5 years +

The objective of this portfolio is to provide a combination of income and capital growth. The portfolio gives limited exposure to capital markets through a diversified range of UK and international investments and aims to achieve above inflation investment returns over the longer term. Equity exposure is likely to range between 30-55% with limited exposure to international investments.

#### MPS Low-to-Medium Risk (Passive) (Income & Growth)

##### Time horizon 5 years +

The objective of this portfolio is to provide a combination of income and capital growth. The portfolio gives limited exposure to capital markets through a diversified range of UK and international investments and aims to achieve above inflation investment returns over the longer term. Equity exposure is likely to range between 30-55% with limited exposure to international investments.

#### MPS Medium Risk (Income)

##### Time horizon 5 years +

The primary objective of this portfolio is to produce a higher level of income than the broad UK equity market. The portfolio is designed to produce a regular income with the potential to grow its capital value over the longer term. The portfolio will primarily seek income-producing investments which may reduce the scope for capital growth. Equity exposure is likely to range between 55-75%.

#### MPS Medium Risk (Income & Growth)

##### Time horizon 5 years +

The primary objective of this portfolio is to generate income and capital growth over the longer term. The portfolio will give significant exposure to a range of UK and international investments. Equity exposure is likely to range between 55-75%.

#### MPS Medium Risk (Passive) (Income & Growth)

##### Time horizon 5 years +

The primary objective of this portfolio is to generate income and capital growth over the longer term. The portfolio will give significant exposure to a range of UK and international investments. Equity exposure is likely to range between 55-75%..

#### MPS Medium-to-High Risk (Growth)

##### Time horizon 5 years +

The objective of this portfolio is to generate capital growth primarily from equity markets. The portfolio will be very significantly exposed to UK and international equity investments. Equity exposure is likely to range between 75-95%. The majority of the portfolio will be invested in risky investments offering the potential for large gains or losses.

#### MPS Medium-to-High Risk (Passive) (Growth)

##### Time horizon 5 years +

The objective of this portfolio is to generate capital growth primarily from equity markets. The portfolio will be very significantly exposed to UK and international equity investments. Equity exposure is likely to range between 75-95%. The majority of the portfolio will be invested in risky investments offering the potential for large gains or losses.

#### MPS High Risk (Growth)

##### Time horizon 5 years +

The objective of the portfolio is to grow its value, primarily by investing in equity markets. Equity exposure is likely to range between 90-100%. The portfolio is likely to be fully invested at all times in equities that produce capital growth, with particular emphasis on international equities and on investments that borrow money (leverage) in order to achieve a higher potential investment return. Investing in international equities, which exposes the portfolio to currency fluctuations, and investment techniques that involve borrowing money, both substantially increase the risk that the portfolio represents.

## How to access our MPS

As well as being used as a stand-alone service, our MPS can be held within a range of tax structures, which will provide tax-efficient advantages. Your professional adviser will be able to provide you with guidance on these.

They include:

- Self-Invested Personal Pensions (SIPPs)
- Small Self-Administered Pension Schemes (SSAS)
- Individual trusts and charity accounts
- Onshore / offshore bond accounts
- Individual Savings Accounts (ISA)

## Monitoring your investments

Every quarter you will receive; hard-copy itemised valuations, a performance report, a transaction schedule and an income and capital statement. As a private client, you will receive a comprehensive tax pack that includes the information needed to complete your tax return. For all other accounts, this is sent directly to trustees.

You and your professional adviser can also view an up-to-date picture of your investments securely via our website at any time.







TO OPERATE  
LONG RANGE BINOCULARS  
↑  
1. DROP COIN IN SLOT.  
2. PULL HANDLE DOWN  
ALL THE WAY-LET GO  
3. TO CLEAR VISION - TURN RED  
KNOB.



## Our fees

The fees we charge in relation to our MPS are based on a percentage of the value of your portfolio.

The passive portfolios have a reduced annual management charge, as they only hold passive, market-tracking investments and the time spent identifying and monitoring investment opportunities is reduced.

There are no dealing fees, although underlying fund charges may apply and will vary. These charges are common for this type of service. For example, any collective funds (unit trusts, open-ended investment companies and investment trusts) held within your portfolio may incur initial and annual management charges.

Our long-standing aim is to take a clear, fair and honest approach in everything we do. This is reflected in our fees and charges.

**Please see the separate MPS 'Fee Schedule' and the appropriate portfolio 'factsheet' for full details.**

## The application process

Our MPS is exclusively available through professional advisers authorised to give financial advice who can assess whether the portfolio is suitable for you.

- 1 Your professional adviser will assist you in completing the appropriate MPS Application Pack, as well as any additional forms that may be required.
- 2 Please return the forms along with your identity-verification documents to Brooks Macdonald.
- 3 We will confirm receipt of your application in writing, by post.
- 4 Where applicable, we will arrange an orderly transfer of your assets by contacting your current investment manager on your behalf.
- 5 On completion of the transfer, you will receive a second letter confirming that your funds have been invested. The letter will also contain login details through which you can access your online portfolio valuations.

## Becoming a client

If you require further details or wish to discuss your portfolio please contact your professional adviser. For more information on Brooks Macdonald and our Managed Portfolio Service please visit our website [www.brooksmacdonald.com](http://www.brooksmacdonald.com).

## 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.

Changes in rates of exchange may have an adverse effect on the value of an investment. Changes in interest rates may impact the value of fixed interest investments within the fund. The value of your investment may be impacted if the issuers of underlying fixed interest holdings default, or market perception of their credit risk changes. There are additional risks associated with investments in emerging or developing markets.

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

Brooks Macdonald Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No 3417519. Registered office: 21 Lombard Street, London EC3V 9AH.

More information about the Brooks Macdonald Group can be found at [www.brooksmacdonald.com](http://www.brooksmacdonald.com)