

For professional advisers only

August 2023

Target Market Guide

Brooks Macdonald Asset Management

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BROOKS MACDONALD

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 new Consumer Duty requirements, we publish value assessment reports for each of our discretionary investment services.

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 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 Process, 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 Standard Due Diligence Questionnaire.

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, SVS Brooks Macdonald Defensive Capital Fund 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.evelyn.com/services/fund-solutions/funds

Vulnerable clients

Across all our products and services, we have processes in place to 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 more challenging and complex than the average client. 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.

Target Market Guide

	Investor Type		Knowledge & Experience			Client Ability to Bear Losses		Risk Tolerance	Client Objectives & Needs						Distribution Strategy			AoV
	Retail	Minimum Initial Investment	Basic	Informed	Advanced	Compatible with clients who can bear capital loss	Compatible with clients who can not bear capital loss^	Available Risk Level(s)	Client Seeking Capital Growth	Client Seeking Income	Minimum Recommended Holding Period (Years)	Intended Compatible With Clients Having ESG Preferences	Compatible With Clients Having Bespoke Investment Requirements	Vulnerable Clients	Distribution Channels	Accessibility	Jurisdiction	Assessment of Value Produced
BESPOKE PORTFOLIO SERVICES (BPS)																		
BPS - Core	Y	£250,000	Y	Y	Y	Y	N	Low Low - Medium Medium Medium-High High	Y	Y	5 (Low risk - 3)	N	Y	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register Specialist service available to Personal Injury /Court of Protection clients 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers and investment managers 	Direct Custody	UK	Y
BPS - Responsible Investment Advance/ Avoid	Y	£250,000	Y	Y	Y	Y	N	Low - Medium Medium Medium-High High	Y	Y	5	Y	Y	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register Specialist service available to Personal Injury /Court of Protection clients 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers and investment managers 	Direct Custody	UK	Y
Decumulation Service	Y	£500,000	Y	Y	Y	Y	N	Low - Medium Medium Medium-High High	Y	Y	5	N	Y	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register Specialist service available to Personal Injury /Court of Protection clients 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Direct Custody	UK	Y
AIM Portfolio Service	Y	£100,000	Y	Y	Y	Y	N	High	Y	N	5*	N	N	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Direct Custody	UK	Y
MANAGED PORTFOLIO SERVICES (MPS)																		
Platform MPS - Active/ Passive	Y	Platform dependent	Y	Y	Y	Y	N	Low Low - Medium Medium Medium-High High	Y	Y	5 (Low risk - 3)	N	N	<ul style="list-style-type: none"> Accessible communication needs accommodated 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Third party platforms	UK	Y
Platform MPS - Responsible Investment Advance	Y	Platform dependent	Y	Y	Y	Y	N	Low Low - Medium Medium Medium-High High	Y	Y	5 (Low risk - 3)	Y	N	<ul style="list-style-type: none"> Accessible communication needs accommodated 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Third party platforms	UK	Y
Platform MPS - Volatility Managed Portfolio Service	Y	Platform dependent	Y	Y	Y	Y	N	Dynamic Planner 3 Dynamic Planner 4 Dynamic Planner 5 Dynamic Planner 6 Dynamic Planner 7	Y	Y	5	N	N	<ul style="list-style-type: none"> Accessible communication needs accommodated 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Third party platforms	UK	Y
Direct Custody MPS - Active/ Passive	Y	£20,000	Y	Y	Y	Y	N	Low Low - Medium Medium Medium-High High	Y	Y	5 (Low risk - 3)	N	N	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Direct Custody	UK	Y
Direct Custody MPS - Responsible Investment Advance	Y	£20,000	Y	Y	Y	Y	N	Low Low - Medium Medium Medium-High High	Y	Y	5	Y	N	<ul style="list-style-type: none"> Accessible communication needs accommodated (accessible communication) Special Care notes on Vulnerable Client Register 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers 	Direct Custody	UK	Y
Fund Portfolio Service	Y	£75,000	Y	Y	Y	Y	N	Cornelian A Cornelian B Cornelian C Cornelian D Cornelian E	Y	Y	<1 (see fund EMT)	N	N	<ul style="list-style-type: none"> Accessible communication needs accommodated Special Care notes on Vulnerable Client Register 	<ul style="list-style-type: none"> Independent financial advisers Restricted financial advisers and investment managers 	Direct Custody	UK	Y

FUNDS - SVS Cornelian Risk Managed Funds, SVS Brooks Macdonald Blueprint Multi Asset Funds, SVS Brooks Macdonald Defensive Capital Fund and SVS Levitas Funds please refer to EMT, available at: www.evelyn.com/services/fund-solutions/funds

^{*}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.

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The price of investments and the income from them can go down as well as up and that neither is guaranteed. Past performance is not a reliable indicator of future results. Investors may not get back the amount invested. Changes in rates of exchange may have an adverse affect on the value, price or income of an investment. Investors should be aware of the additional risks associated with funds investing in emerging or developing markets. Tax treatment depends on individual circumstances and may be subject to change in the future. Brooks Macdonald does not provide tax advice and independent professional advice should be sought.

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Brooks Macdonald is a trading name of Brooks Macdonald Group plc used by various companies in the Brooks Macdonald group of companies. Brooks Macdonald Group plc is registered in England No 4402058. Registered office: 21 Lombard Street London EC3V 9AH.

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

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