

Managed Portfolio Service
Costs & Charges

Fee Schedule



BROOKS MACDONALD

Overview

Brooks Macdonald's Managed Portfolio Service (MPS) is a service through which we create and manage client investment portfolios on a discretionary basis. By 'discretionary', we mean that our clients allow us to make investment decisions for them.

In this document, we have estimated the costs of our MPS over one and two years. We've done this to give you a clear picture of the costs that can be incurred, and we've shown these costs in both monetary and percentage terms.

We've based the costs and charges described in this document on the assumption that the money to be invested will be transferred to Brooks Macdonald in cash. If you transfer an in specie holding (ie assets rather than cash), you'll incur an additional initial charge of 0.5% plus VAT.

Professional adviser fees

This document only covers our investment management service. We allow access to our MPS only through professional advisers, and we haven't included advisers' own costs (also referred to as adviser charges) in the disclosure below. Please ask your professional adviser for a complete breakdown of all the costs and charges you could incur.

If you instruct us to do so in your Application Pack, we can pay your adviser's fees from your portfolio. Any fees you pay to your adviser from your portfolio will appear in your valuation.

Service costs

Service costs are the costs we charge for providing clients with an investment service.

Initial fee: This is applied if you make an *in specie* transfer (ie of assets rather than cash), at 0.5% of the investment amount plus VAT. This figure is not estimated in this disclosure.

Annual management charge (AMC): This is a percentage charge based on the portfolio assets under management. It's levied in return for Brooks Macdonald providing investment management services. The percentage stated is an annual charge, but we apply it quarterly in arrears. As a percentage, the monetary amount will vary as the value of the portfolio rises and falls.

Transaction charges: All costs and charges that are incurred for buying and selling investments.

Foreign-exchange charges: For transactions in currencies other than sterling.

Product costs

These cover the cost of manufacturing and managing underlying financial instruments such as funds. Costs are taken directly from these instruments.

One-off charges: These are fees that apply to the underlying funds when entering an investment arrangement. One-off charges will reduce the actual amount being invested. For example, £1,000 paid into a fund with a 3% entry cost will result in £970 being invested.

Ongoing charges: These are the management charges for running the underlying funds.

Transaction charges: Transaction costs are the costs of dealing in the underlying investments in the underlying fund's portfolio. Transaction costs can be explicit or implicit:

- **Explicit costs:** These are the 'direct' charges incurred when a fund manager buys or sells the underlying instruments in their funds such as stamp duty and the Panel of Takeover and Mergers levy (the cost the Panel of Takeover and Mergers automatically charges investors when they buy or sell shares with a total value of over £10,000 - currently just £1).
- **Implicit costs:** These are not directly incurred by the fund manager but represent the difference between the price of a security (eg a stock or bond) immediately before an order is placed in the market and the price at which the trade is actually executed. Implicit costs can be positive or negative, depending on market movements.

Incidental costs: These are fees that apply if certain performance levels are achieved within a set time period.

Administration charges

These are the administration charges that apply to all of our MPS accounts:

- Transfer of holdings to another institution (by CREST, electronically or into a paper share certificate) - £25 per stock + VAT
- Foreign-exchange transactions - £40 for transactions over £1,000 and the company's current banker's prevailing rate for transactions below £1,000
- CHAPS payments - £10 per transaction
- Same-day faster payments - £2.75 per transaction
- Historic valuation and probate services - 0.2% of the value of the portfolio (minimum £100/maximum £250) + VAT

Lifetime ISA-specific administration charges

- Withdrawal of funds for purchase of first house - £250 + VAT
- Other withdrawal of funds - £50 + VAT

Variations

From time to time, we may change the fees and charges set out in this document. But before we apply any changes, we'll let you know at least 30 days in advance. We'll only make changes for good reasons. These can include the following:

- to reflect legitimate increases or reductions in the cost of providing a service to you
- to provide for the introduction of new systems and services or changes in technology and products
- to reflect a change in the applicable laws or regulations

Portfolio breakdowns

In the following pages, we show how the various fees and charges would be applied to each of our MPS strategies, from 'low risk' (defensive income) to 'high risk' (growth).

We give the impact over both the first and second year of investment. This so that we can show you the cumulative effect of these costs and how they affect your investment returns over a longer period.

Low risk (defensive income)

Based on a minimum investment value of £20,000 and an annual gross return of 5.20%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£156
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£156

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.34%	0.34%	£68	£71
Transaction charges	0.11%	0.11%	£22	£23
Incidental costs	0.01%	0.01%	£1	£1
Total	0.46%	0.46%	£92	£95

Total costs and charges	1.21%	1.21%	£242	£251
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,040	5.20	22,134	10.67
What you might get back after charges	20,798	3.99	21,628	8.14
Cumulative effect of costs and charges on return	-242	-1.21	-506	-2.53

As you can see from the illustration, the return you could achieve in year one is 5.20% without charges and 3.99% after charges have been deducted. This is a reduction in your return of £242. Over two years, the return you could achieve is 10.67% without charges and 8.14% after charges have been deducted. This is a reduction in your return of £506. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Low to medium risk (income)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£159
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£159

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.40%	0.40%	£80	£85
Transaction charges	0.12%	0.12%	£25	£26
Incidental costs	0.01%	0.01%	£2	£3
Total	0.53%	0.53%	£107	£114

Total costs and charges	1.28%	1.28%	£257	£273
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,234	6.17	22,544	12.72
Cumulative effect of costs and charges on return	-256	-1.28	-547	-2.73

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.17% after charges have been deducted. This is a reduction in your return of £256. Over two years, the return you could achieve is 15.46% without charges and 12.72% after charges have been deducted. This is a reduction in your return of £547. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Low to medium risk (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£159
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£159

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.43%	0.43%	£85	£91
Transaction charges	0.11%	0.11%	£23	£24
Incidental costs	0.01%	0.01%	£2	£3
Total	0.55%	0.55%	£110	£117

Total costs and charges	1.30%	1.30%	£260	£277
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,230	6.15	22,536	12.68
Cumulative effect of costs and charges on return	-260	-1.30	-555	-2.78

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.15% after charges have been deducted. This is a reduction in your return of £260. Over two years, the return you could achieve is 15.46% without charges and 12.68% after charges have been deducted. This is a reduction in your return of £555. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Low to medium risk (passive) (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.45%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£106
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£106

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.12%	0.12%	£25	£27
Transaction charges	0.04%	0.04%	£7	£8
Incidental costs	0.00%	0.00%	£0	£0
Total	0.16%	0.16%	£32	£34

Total costs and charges	0.66%	0.66%	£132	£140
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,490	7.45	23,091	15.46
What you might get back after charges	21,358	6.79	22,808	14.04
Cumulative effect of costs and charges on return	-132	-0.66	-283	-1.41

As you can see from the illustration, the return you could achieve in year one is 7.45% without charges and 6.79% after charges have been deducted. This is a reduction in your return of £132. Over two years, the return you could achieve is 15.46% without charges and 14.04% after charges have been deducted. This is a reduction in your return of £283. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Medium risk (income)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£160
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£160

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.46%	0.46%	£91	£97
Transaction charges	0.13%	0.13%	£27	£28
Incidental costs	0.02%	0.02%	£4	£4
Total	0.61%	0.61%	£121	£129

Total costs and charges	1.36%	1.36%	£271	£289
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,306	6.53	22,697	13.48
Cumulative effect of costs and charges on return	-272	-1.36	-584	-2.92

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 6.53% after charges have been deducted. This is a reduction in your return of £272. Over two years, the return you could achieve is 16.40% without charges and 13.48% after charges have been deducted. This is a reduction in your return of £584. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Medium risk (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£160
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£160

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.52%	0.52%	£103	£110
Transaction charges	0.13%	0.13%	£26	£27
Incidental costs	0.02%	0.02%	£4	£4
Total	0.66%	0.66%	£133	£142

Total costs and charges	1.41%	1.41%	£283	£302
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,296	6.48	22,676	13.38
Cumulative effect of costs and charges on return	-282	-1.41	-605	-3.03

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 6.48% after charges have been deducted. This is a reduction in your return of £282. Over two years, the return you could achieve is 16.40% without charges and 13.38% after charges have been deducted. This is a reduction in your return of £605. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Medium risk (passive) (income and growth)

Based on a minimum investment value of £20,000 and an annual gross return of 7.89%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£107
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£107

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.12%	0.12%	£23	£25
Transaction charges	0.03%	0.03%	£6	£7
Incidental costs	0.03%	0.03%	£6	£7
Total	0.18%	0.18%	£36	£38

Total costs and charges	0.68%	0.68%	£136	£145
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,578	7.89	23,281	16.40
What you might get back after charges	21,448	7.24	23,001	15.00
Cumulative effect of costs and charges on return	-130	-0.65	-280	-1.40

As you can see from the illustration, the return you could achieve in year one is 7.89% without charges and 7.24% after charges have been deducted. This is a reduction in your return of £130. Over two years, the return you could achieve is 16.40% without charges and 15.00% after charges have been deducted. This is a reduction in your return of £280. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Medium to high risk (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 9.51%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£162
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£162

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.57%	0.57%	£115	£124
Transaction charges	0.07%	0.07%	£14	£15
Incidental costs	0.03%	0.03%	£5	£6
Total	0.67%	0.67%	£134	£145

Total costs and charges	1.42%	1.42%	£284	£308
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,902	9.51	23,985	19.92
What you might get back after charges	21,618	8.09	23,367	16.83
Cumulative effect of costs and charges on return	-284	-1.42	-618	-3.09

As you can see from the illustration, the return you could achieve in year one is 9.51% without charges and 8.09% after charges have been deducted. This is a reduction in your return of £284. Over two years, the return you could achieve is 19.92% without charges and 16.83% after charges have been deducted. This is a reduction in your return of £618. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Medium to high risk (passive) (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 9.51%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.50%	0.50%	£100	£108
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.50%	0.50%	£100	£108

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.11%	0.11%	£22	£24
Transaction charges	0.03%	0.03%	£6	£6
Incidental costs	0.00%	0.00%	£0	£0
Total	0.14%	0.14%	£28	£30

Total costs and charges	0.64%	0.64%	£128	£139
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	21,902	9.51	23,985	19.92
What you might get back after charges	21,774	8.87	23,705	18.53
Cumulative effect of costs and charges on return	-128	-0.64	-280	-1.40

As you can see from the illustration, the return you could achieve in year one is 9.51% without charges and 8.87% after charges have been deducted. This is a reduction in your return of £128. Over two years, the return you could achieve is 19.92% without charges and 18.53% after charges have been deducted. This is a reduction in your return of £280. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

High risk (growth)

Based on a minimum investment value of £20,000 and an annual gross return of 10.41%

Itemised breakdown:

	Year 1 (%)	Year 2 (%)	Year 1 (£)	Year 2 (£)
Investment service costs				
Management fees, administration charges and associated VAT				
Annual Management Charge (AMC)	0.75%	0.75%	£150	£164
Transaction costs	0.00%	0.00%	£0	£0
Foreign-exchange charges	0.00%	0.00%	£0	£0
Total	0.75%	0.75%	£150	£164

Investment product costs				
One-off costs	0.00%	0.00%	£0	£0
Ongoing charges	0.64%	0.64%	£128	£140
Transaction charges	0.09%	0.09%	£18	£20
Incidental costs	0.04%	0.04%	£7	£8
Total	0.77%	0.77%	£154	£168

Total costs and charges	1.52%	1.52%	£304	£332
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Cumulative effect of charges on your investment return

The total charges taken from your investment portfolio will reduce your investment returns. The illustration in the table below shows you the cumulative effect that costs and charges have on the return of a £20,000 portfolio and what you might expect to get back. The estimated return before costs and charges (the gross return) is calculated using historical figures from the Barclays Equity Gilt Study, which tracks asset-market performance dating back to 1900.

Investment period	First year		After two years	
	£	%	£	%
What you might get back with no charges at all (gross return)	22,082	10.41	24,381	21.90
What you might get back after charges	21,778	8.89	23,714	18.57
Cumulative effect of costs and charges on return	-304	-1.52	-667	-3.33

As you can see from the illustration, the return you could achieve in year one is 10.41% without charges and 8.89% after charges have been deducted. This is a reduction in your return of £304. Over two years, the return you could achieve is 21.90% without charges and 18.57% after charges have been deducted. This is a reduction in your return of £667. Charges will be made each year, and this illustration is a guide to how those charges might affect your returns in future years.

NB: Figures have been rounded to 2 decimal places for illustration purposes which might result in rounding differences.

Important information

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: 04402058. Registered office: 21 Lombard Street, London, EC3V 9AH.

Brooks Macdonald Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Registered in England No: 03417519. Registered office: 21 Lombard Street, London, EC3V 9AH.

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

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BROOKS MACDONALD