

FOR PROFESSIONAL ADVISERS ONLY

Retirement Income Solutions

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A solution for the long term

For the past ten years, regulatory, economic, and technological forces have rocked the UK pension sector, triggering major changes. The introduction of pension freedoms and auto-enrolment has significantly transformed the retirement backdrop, creating a more complex and challenging environment for retirement planning. The requirement to purchase an annuity has gone, while a new option now exists to withdraw a lump sum.

With fewer retirees now having defined benefit pensions, an increasing proportion rely on their savings and pension pots built up over their lifetime to sustain them through retirement.

With the new pension flexibility, the role as an adviser in guiding individuals towards sound financial decisions has become more crucial than ever. Individuals are now more responsible for making decisions about their financial future.

Advisers play a key role in ensuring these decisions are well-informed and beneficial.

A changing landscape

These pension changes coincided with a rapidly evolving macroeconomic environment, creating considerable uncertainty for consumers and companies in the UK retirement market. In the near term, inflation poses significant challenges for UK households and is likely to reduce further the real value of total savings and the savings rate.

Investment choices have never been more complex for prospective retirees.

The changing retirement phases

There are many stages to retirement, and as a result, your clients' income needs are very rarely steady.

Your clients may well need a high income at the initial stages of retirement as they have more time to spend on hobbies and travel. With time passing retirees' income needs often slows down as they move through a transitional phase and into the passive phase where spending on health becomes more important.

Regular reviews ensure that the developing income needs of clients are fully reflected in retirement planning.

A good decumulation strategy should flexibly accommodate a client's evolving requirements. Such as:

- Tailoring risk appropriateness
- Providing inflation-beating return
- Growing the pension pot
- Changing income needs
- Preserving capital
- Avoiding sequencing risk

It is good practise to review income requirements regularly to make sure needs have not changed.



Andrew Lewis
Senior Investment Director and
Head of Wales & South West

“

The evolution of the UK retirement market brings *new opportunities and challenges* for advisers to consider as they help clients achieve their retirement objectives. Mounting regulatory pressure, driven by the thematic review on Retirement Income Advice, *demand*s a more considered, data-led evaluation of decumulation advice.”

Brooks Macdonald income solutions

We understand that you will have many different types of clients with varying needs and amounts invested. That's why we have developed a range of products and services to help clients manage their income needs throughout their retirement.

All of our services use the same centralised investment philosophy, process, and risk control systems, so you can expect a consistent outcome for your clients whichever solution is chosen. This allows us to create diversified investment portfolios with varying risk profiles. It also ensures that the principles of our investment philosophy are reflected in all client portfolios.

Our well-established centralised investment process

Our income investment solutions leverage our well-established centralised investment process. This involves the implementation of an asset allocation strategy and the evaluation and selection of individual investments, operating within the boundaries of defined risk controls.

It is designed to identify the best investments amid the everchanging investment environment and has been proven to add value for our clients.

Our investment solutions are underpinned by the three key principles of our investment philosophy:

- Using a proven active investment process
- Integrating effective risk management
- Maintaining portfolio focus

Breadth and depth of expertise

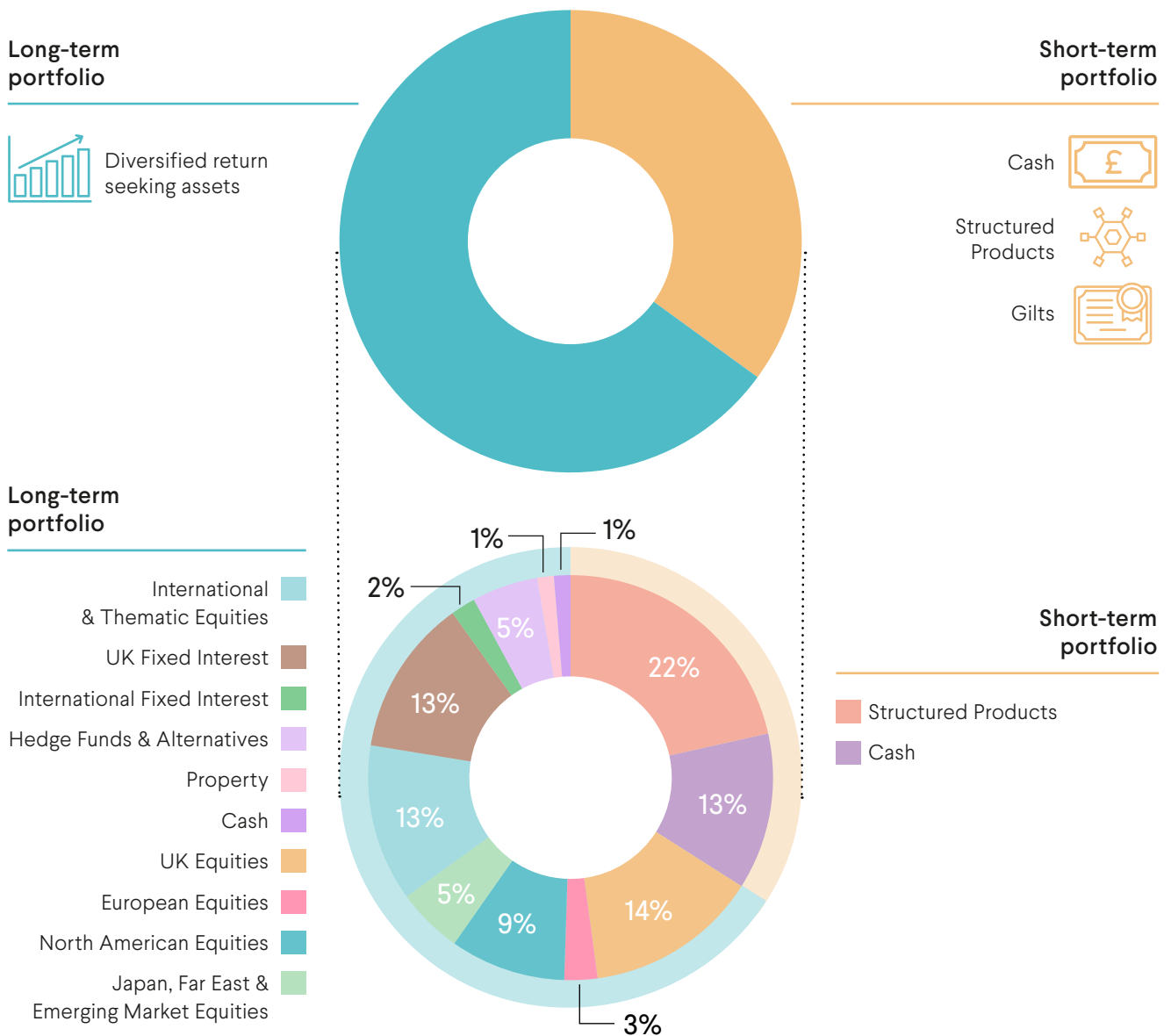
Our in-house research teams and experienced investment managers form the backbone of our centralised investment process with 60+ investment professionals contributing to asset allocation and underlying investment research. This breadth and depth of expertise are key advantages of our solutions, ensuring that your client's investments are always in capable hands.

Our Bespoke Portfolio Service

Our Bespoke Portfolio Service consists of a portfolio divided into short-term and longer-term components, ensuring a tailored income stream for your clients.

The short-term pot mitigates sequencing risk by targeting the first seven years of income requirements.

The long-term pot invests in assets which are aligned with the client's highest acceptable risk mandate with the aim of producing inflation beating returns. These will ultimately be used to meet longer-term income requirements.



Disclaimer: Breakdown is for illustrative purposes only. Due to rounding, the figures shown may not add up to 100%.

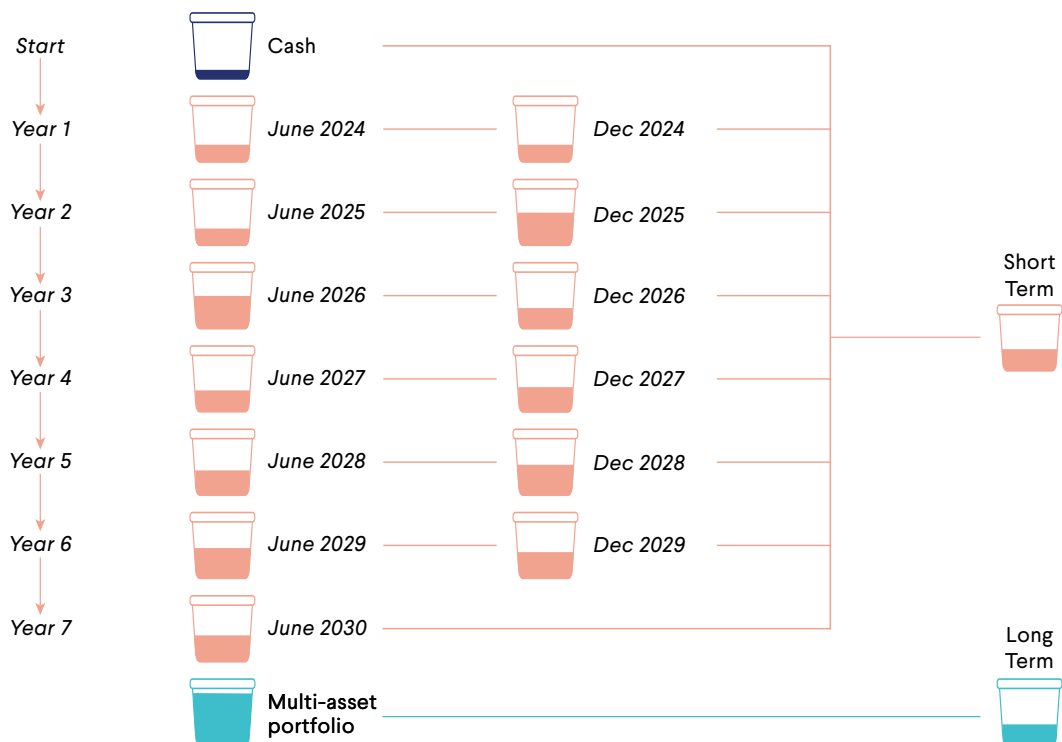
The benefits to advisers and clients

Liability matching

Working with you, we assess your client's income requirements for the next seven years and match these liabilities as and when they become due with assets that have similar durations. Through our extensive knowledge of the structured product market and intensive due diligence, we have devised a 'bucket solution' that allows us to meet these income requirements in an efficient and cost effective manner.

The 'bucket approach'

This involves dividing a retirement portfolio into different 'buckets' based on the time horizon of the investments. However, it is more complex than one short-term and long-term bucket. At any one time, we have fifteen buckets, and we do it specifically for each six months of income required through the first seven years. Within the short-term bucket, you have fourteen additional buckets, each with its own specific purpose and investment strategy.



Transparency regarding fees

We believe in being clear and transparent about our client fees. We review portfolios on an ongoing basis, providing personal reporting every three months, investment objectives tax wrapper management and capital gains management. This bespoke service ensures that the client understands the value they are receiving for the fees they are paying.

Addressing the thematic review

Our decumulation service is devised to reduce worries about client suitability. All we will need is to know about any changes in income to align the investment solution to the client's needs.

Peace of mind

Our bespoke decumulation service is designed for complex retirement needs. Knowing that your client has seven years of income already mapped out removes the concerns about market movements. This reassurance can help advisers feel confident in the solution's ability to meet their clients' needs.

Reducing sequencing risks

Income withdrawals and adverse investment returns can seriously impact a client's income. Our decumulation service aims to map out seven years of income, and the best thing is it is not prescriptive – we do not buy or sell when markets are volatile. This approach helps mitigate the 'sequencing risks' ensuring a more stable income for our clients.

Our decumulation solution allows clients to draw down a certain level of their capital immediately while allowing the remainder to grow over time, ensuring a steady and reliable income stream.

How can we support you and your clients?

With more people staying invested during retirement and drawing down income as required, clients require investment growth coupled with the reassurance that their income has the potential to last as long as needed.

Uncertainty around delivering this income has led to a demand for investment strategies to help mitigate the different risks drawdown investors face and aim to deliver opportunities for long-term growth and sustainability of income withdrawals.

An actively managed, bespoke solution

Who can we help?

Clients either withdrawing income from their portfolio or plan to do so within the next seven years.

Type

Segregated bespoke discretionary portfolio.

What about risk?

Our Decumulation service is bespoke and can be tailored to clients across a range of risk profiles.

How much do clients need to invest?

Minimum £500,000.

How is the service accessed?

Through our Bespoke Portfolio Service, we are aligned with cashflow planning systems and regular reporting.

Two portfolios can be better than one

We have developed an innovative two-portfolio structure to address the risks of decumulation and help your clients meet their long-term income needs.



Our Managed Portfolio Services

Our Managed Portfolio Service (MPS) is a discretionary portfolio management service which covers a range of risk profiles and investment objectives. It is available on 21 platforms and directly with Brooks Macdonald. Our MPS solution has five investment strategies: Active, Passive, Responsible Investment, Volatility Managed, and Risk Controlled.

What about risk?

Each portfolio is managed to remain within their specific equity risk bands. However, they are also independently risk profiled by a range of providers Dynamic Planner, EValue, FinaMetrica, Oxford Risk and Synaptic.

Our Volatility Managed range is managed in line with Dynamic Planner 3-7 and our Risk Controlled range is managed in alignment with Defaqto risk levels 3-7.

Our MPS portfolios are managed to five different risk profiles:

- Low
- Low to medium
- Medium
- Medium to high
- High

Income or Income & Growth objectives are available with both the Low to Medium Risk or Medium Risk profiles.

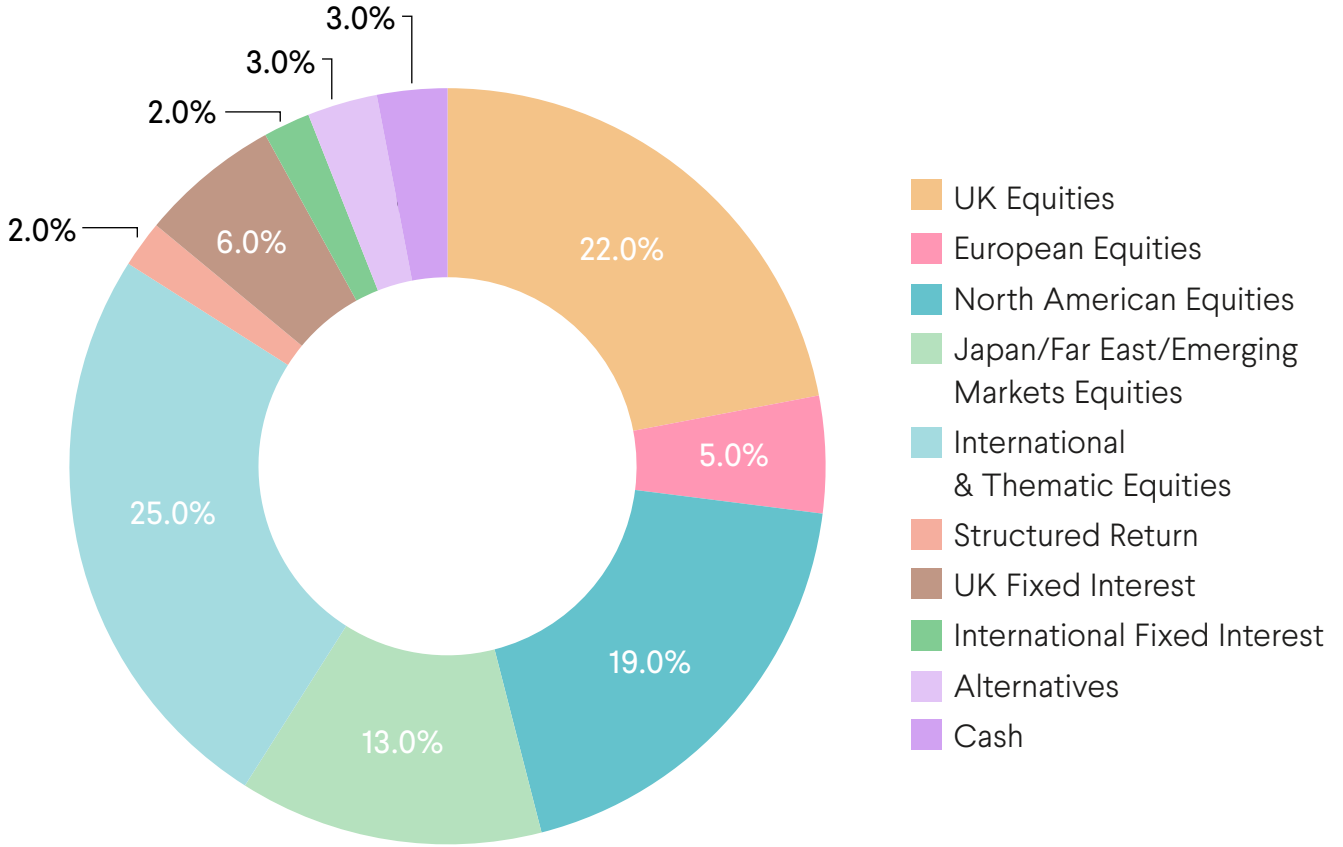
How much do clients need to invest?

£20,000 when investing directly with Brooks Macdonald. Minimum investments via platforms may vary.

How is the service accessed?

Available across a wide range of platforms and directly with Brooks Macdonald.

MEDIUM TO HIGH RISK Growth



Portfolio Holdings

Vanguard FTSE UK All Share Index	7.0%	Neuberger Berman Uncorrelated Strategies	2.0%
Fidelity Index World	6.0%	AXA Framlington Global Technology	2.0%
Fidelity Index US	6.0%	L&G Global Technology Index Trust	2.0%
JOHCM UK Equity Income	6.0%	Ninety One Global Environment	2.0%
L&G European Index Trust	5.0%	Schroder Asian Total Return Fund	2.0%
Fundsmith Equity	5.0%	Vanguard Pacific ex Japan Index	2.0%
L&G Japan Index Trust	5.0%	AHFM Defined Returns	2.0%
Dodge & Cox US Stock Fund	5.0%	MI Chelverton UK Equity Growth	2.0%
Guinness Global Equity Income	4.0%	Royal London Short Duration Gilts	2.0%
L&G Global Health & Pharmaceuticals Index Trust	4.0%	Royal London Short Term Fixed Income Enhanced	2.0%
JPM US Equity Income	4.0%	Fortem Absolute Return Fund	1.0%
T Rowe Price US Smaller Companies	4.0%	L&G Global Inflation Linked Bond Index Fund	1.0%
Artemis UK Select	4.0%	Vanguard US Government Bond Index	1.0%
Cash	3.0%	Hermes Asia ex-Japan Equity Fund	1.0%
Stewart Asia Pacific Leaders	3.0%	Allianz Gilt Yield	1.0%
LionTrust UK Special Situations	3.0%	L&G Sterling Corporate Bond Index	1.0%

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Our Multi-Asset Funds

Our SVS Blueprint Multi-Asset Funds

The SVS Blueprint Multi-Asset Fund (MAF) range is globally diversified and actively managed to four specific levels of equity risk, aiming to meet the needs of a range of investment objectives.

It offers you access to our discretionary management expertise through a fund structure providing an accessible, risk-targeted solution to help meet long-term investment needs.

Tax efficient structure

The funds can also be held within a range of UK and international tax-efficient investment structures. Any CGT gain is crystallised on realisation.

What about risk?

Each fund is managed to remain within their specific equity risk bands. However, they are also independently risk profiled by a range of providers Defaqto, Dynamic Planner, EValue, FinaMetrica and Synaptic.

Our Blueprint MAF range is managed to four different risk profiles:

- Defensive Income 0-30% equity
- Cautious Growth 30-55% equity
- Balanced 55-75% equity
- Strategic Growth 75-95% equity.

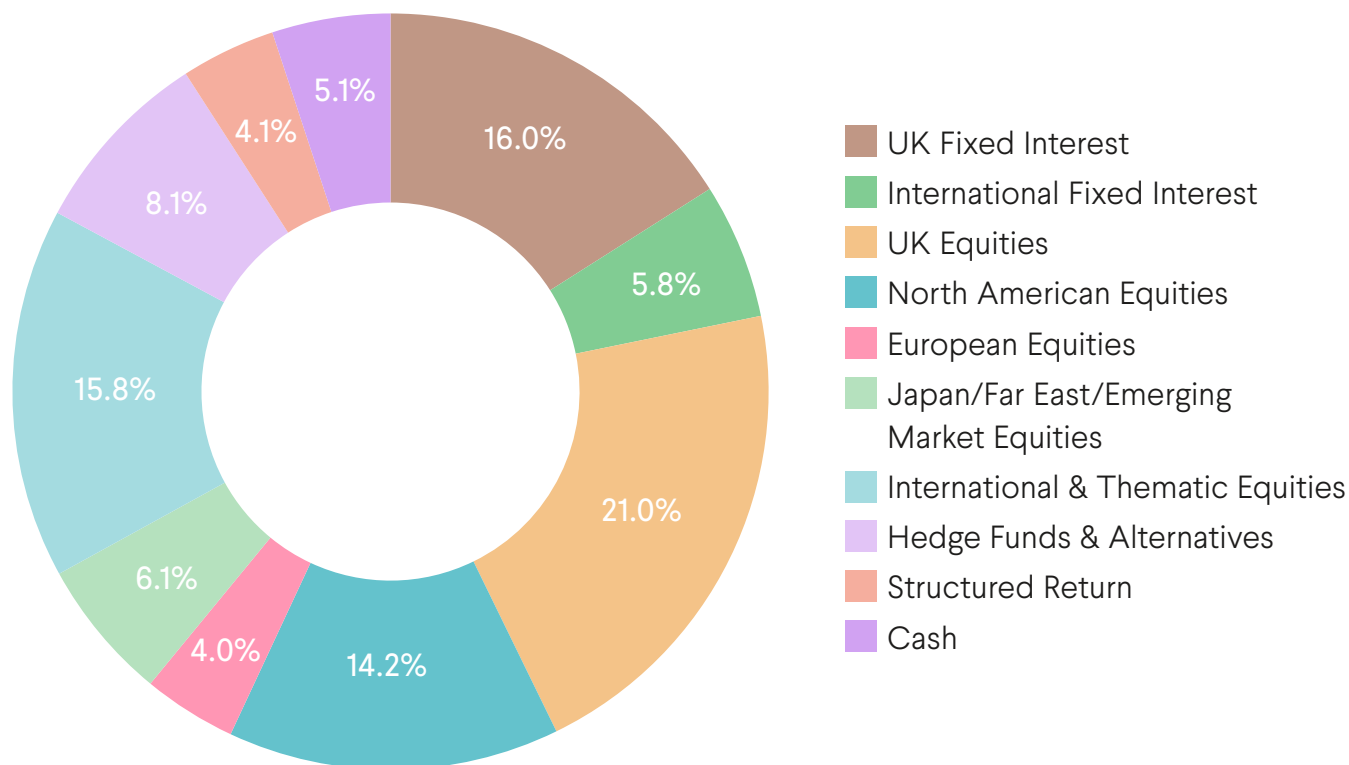
How much do clients need to invest?

£1,000 or minimal increment as required by relevant platform.

How is the service accessed?

Available across a wide range of platforms and directly from St Vincent St Fund Administration, a trading name of Evelyn Partners Fund Solutions Limited, the Authorised Corporate Director (ACD).

MEDIUM RISK
Balanced



Portfolio Holdings

Royal London Short Duration Gilts Fund	6.0%	Liontrust Special Situations Fund	3.0%
Vanguard FTSE UK All Share Index UT	4.9%	Artemis UK Select Fund	2.9%
JOHCM UK Equity Income Fund	4.9%	L&G Japan Index Trust	2.9%
Cash	4.7%	Fidelity Index World Fund	2.1%
Fidelity Index US Fund	4.2%	Polar Capital Funds Plc – Healthcare Opps	2.1%
Dodge & Cox Worldwide US Stock Fund	4.1%	Guinness Global Equity Income	2.1%
L&G Short Dated Sterling Corp Bd Idx Fd	4.0%	L&G Global Health & Pharma Idx Tr	2.1%
L&G European Index Trust	3.9%	Royal London Short Term Fixed Inc Enh	2.0%
CT UK Equity Income Fund	3.9%	Allianz Gilt Yield Fund	2.0%
FTF Brandywine Gbl Inc Optr	3.9%	L&G Sterling Corporate Bond Index Fund	2.0%
AXA Framlington Global Technology Fund	3.2%	TM Fulcrum Divers Cor Abs Ret Fund	2.0%
Stewart Investors APAC Ldrs Sstby Fd	3.1%	L&G Global Inflation Linked Bond Idx Fd	2.0%
Fundsmith Equity Fund	3.1%	Ninety One Global Environment Fund	2.0%
JPM US Equity Income Fund	3.0%	Atlantic House Defined Returns	2.0%
Fortem Capital Absolute Return Fund	3.0%	SVS Brooks Macdonald Defensive Capital	2.0%
Atlantic House Uncorrelated Strats Fd	3.0%	Federated Hermes Asia ex-Japan Eq	1.1%
T. Rowe Price US Smaller Companies Eq Fd	3.0%		

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Our SVS Cornelian Fund range

Our SVS Cornelian Fund ranges are unconstrained multi-asset solutions that are actively managed and diversified with clear aims and risk parameters. The simple and transparent RPI+ investment objectives enable advisers to align investments with your clients' financial goals.

SVS Cornelian Risk Managed Fund (RMF) range and the Cornelian Risk Managed Passive (RMP) range across five risk levels – eleven funds in total – to respond to your clients' differing needs.

Tax efficient structure

The funds can also be held within a range of UK and international tax-efficient investment structures. Any CGT gain is crystallised on realisation.

What about risk?

Although the upper expected volatility limit of our funds will not be exceeded, we are not constrained by a lower volatility limit that might prevent us from taking appropriate defensive action. However, they are also independently risk profiled by a range of providers Distribution Technology, Defaqto, EValue, FinaMetrica and Synaptic.

We offer two investment strategies, active and passive, across five risk levels – 11 in total – so whatever your clients' plans, they'll be covered.

- Defensive RPI +1.0%
- Cautious RPI +1.5%
- Managed Growth RPI +2.0%
- Managed Income (only RMF) RPI +2.0%
- Growth RPI +2.5%
- Progressive RPI +3.0%.

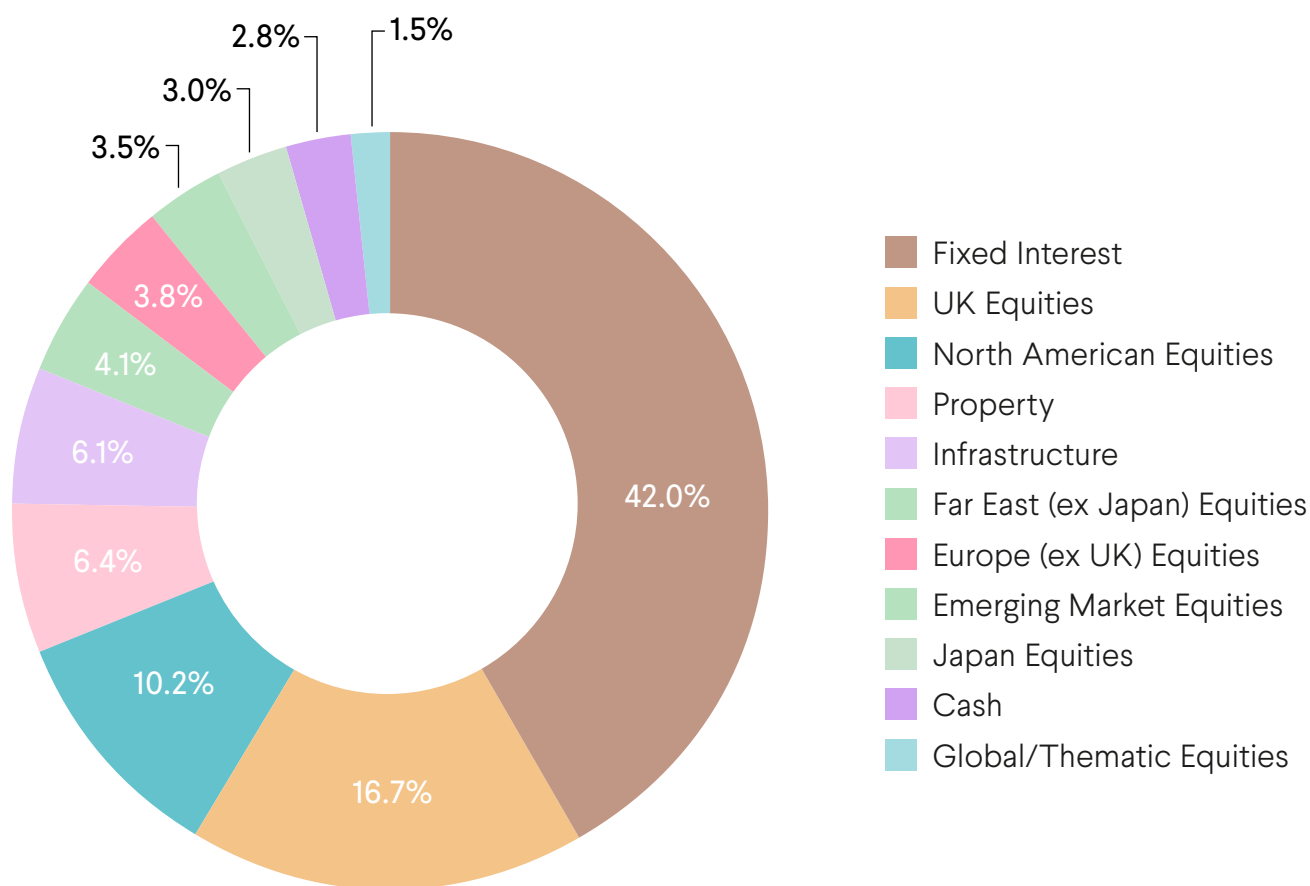
How much do clients need to invest?

£1,000 or minimal increment as required by relevant platform.

How is the service accessed?

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MANAGED INCOME



Top 10 Direct Equity Holdings

Rentokil Initial PLC	1.2%
AstraZeneca PLC	1.1%
Balfour Beatty PLC	1.1%
Experian PLC	1.1%
Intertek Group PLC	1.1%
Lloyds Banking Group PLC	1.1%
Shell PLC	1.1%
Auto Trader Group PLC	1.0%
BP PLC	1.0%
Cairn Homes PLC	1.0%

Top 10 Other Holdings

TwentyFour Strategic Income Fund	7.3%
Schroder US Equity Income Maximiser Fund	6.1%
TwentyFour Absolute Return Credit Fund	5.8%
Vanguard US Equity Index Fund	4.0%
Baillie Gifford Strategic Bond Fund	3.9%
PIMCO Global Investment Grade Credit Fund	3.9%
Vanguard UK Investment Grade Bond Index Fund	3.9%
Vanguard US Investment Grade Credit Index Fund	3.9%
L&G Short Dated Sterling Corporate Bond Index Fund	3.4%
HICL Infrastructure (IT)	2.5%

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