



Brewin
Dolphin

MI Select Managers funds



This is for FCA authorised individuals only and should not be distributed in whole or part to retail clients.

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What are the MI Select Managers funds?

Introducing our MI Select Managers funds for retail and institutional investors

The MI Select Managers funds were launched in 2018 (Alternatives was launched in 2022) as part of our successful Managed Portfolio Service (MPS). The fund range was created to offer clients improved investment outcomes by reducing costs, improving investment efficiency, and providing greater flexibility in fund manager selection.

The MI Select Managers funds were initially exclusive to RBC Brewin Dolphin and our own investment managers as part of our MPS proposition. As they have proven very successful in achieving asset growth (currently £6bn assets under management*) and as demand has grown, we have created two new share classes to make them available as stand-alone funds directly to retail clients, advisers and professional investors using a manager-of-managers approach.

The funds have a number of underlying mandates managed by third-party investment managers, which have been chosen by our in-house Research team based on both qualitative and quantitative characteristics. This helps ensure the portfolios consistently reflect the best thinking and can adapt rapidly to changing market conditions. They can be used either as single strategy funds or within a portfolio.

Benefits at a glance

RBC Brewin Dolphin's MI Select Managers fund range offers:

- **Risk and cost reductions**
 - Managing multiple segregated mandates under one fund structure helps improve operational efficiencies, which can result in both risk and cost reductions for the investors. The five MI Select Managers funds have so far helped reduce the cost of MPS by circa 45% on average across the risk categories.
 - **Diversification**
 - Improved diversification in some asset classes where it can be difficult to find a single instrument that is suitable for retail investors.
 - **Flexibility**
 - The MI Select Managers range provides access to five portfolios across asset classes – UK Equity, UK Equity Income, North American Equity, Bond and Alternatives – which can be used within third-party portfolios / Centralised Investment Propositions (CIPs), or as a single asset strategy within a client portfolio.
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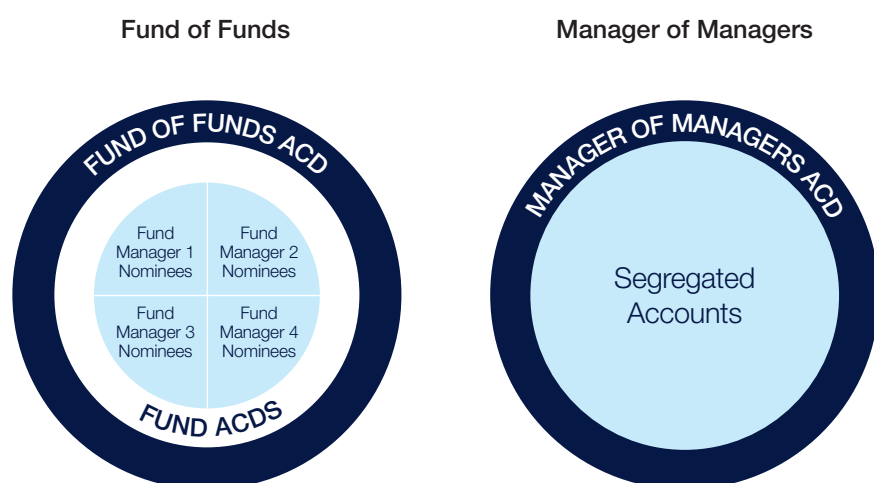
*As at 31 October 2023

The value of investments can fall and you may get back less than you invested.

How the MI Select Managers funds work

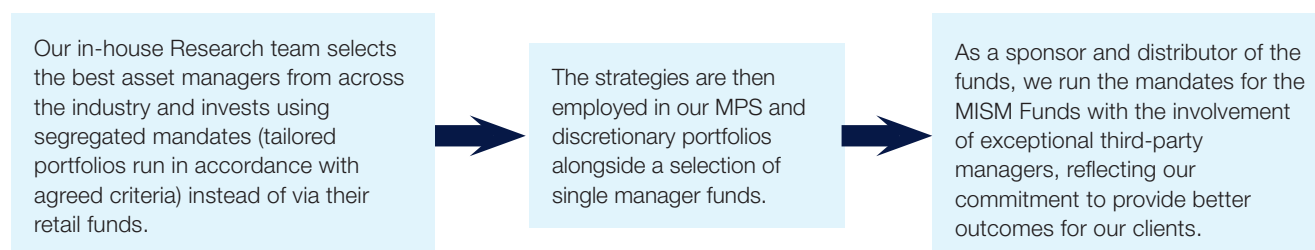
The MI Select Managers fund range uses a manager-of-managers (MoM) approach, meaning a proportion of each fund is managed by a number of named third-party managers. This approach, and our position as a part of the RBC group, allows us to channel the expertise of some of the best UK and non-UK fund managers in the industry.

The MoM approach means each fund contains several segregated accounts. Each is managed by a fund manager, chosen by our expert in-house Research team, to an investment management agreement. The fund manager runs a pool of assets in the segregated account, which can be aggregated into a single fund.



A MoM structure could improve liquidity as assets remain in the custody of the fund. This means that we can replace a manager to run the mandate (for example if they move investment house or they're underperforming) without being forced to buy or sell. This gives us greater scope to save on costs and prevent clients from being out of the market during crucial periods, as well as work with our highest-rated investment managers to enhance the service to our clients. Investors will benefit from having a greater choice of investment strategies and managers that are not otherwise available to them.

The overall fund is managed and distributed by RBC Brewin Dolphin while Apex FundRock Ltd (previously Maitland) is the appointed Authorised Corporate Director (ACD) and fund administrator. Apex has over \$250bn in assets under administration and has offered independent third-party fund administration since 1990, working primarily with traditional, alternative and mutual funds.



Investors will benefit from having a greater choice of investment strategies and managers that are not otherwise available for them. This means continued investment into strategies that are closed to new business when the publicly available funds have restricted access.

Cost-efficient

Maintaining a MoM fund structure rather than a Fund of Funds (FoF) structure allow us to keep costs down to the investor as there is only one layer of fund charges involved. When using an FoF strategy, the investor pays for the costs of running two funds, which means it is usually a more expensive approach than MoM. If costs are higher, the performance drag on the fund will be higher, which will impact performance. As the funds grow with higher levels of assets under management, we will be able to achieve lower fees, meaning that we expect costs for the investor to continue to decrease as a result.

Additionally, as MoM funds have lower portfolio turnover, transaction costs should decrease in our MoM funds. For example, if we decide to change a manager, there is no need to sell down and reinvest the proceeds in a new fund; the management of the assets can simply be taken up by a new manager. As scale builds in the service, further savings are possible that will be passed on to underlying clients.

The MoM investment approach allows us to provide more cost-efficient portfolio management than traditional platform-based portfolio management, where shares and units in funds are bought on the open market. Reducing the rebalancing of assets means there will be fewer transactions, which can also help benefit performance over the long term.

Tax efficiency

Most of the assets in MPS are held through the MI Select Managers funds. Many of the changes we make will take place within the funds, either by moving funds between the managers or replacing a manager. Where investors hold MPS in a taxable account, the gains on any changes within the MI Select Managers funds would not have to be recorded on an annual tax return.

This does not constitute tax or legal advice. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

The RBC Brewin Dolphin MI Select Managers fund range

This section describes our five MI Select Managers funds in more detail. Please be aware that this information is used for illustrative purposes only, rather than a definitive investment or risk assessment tool.

MI Select Managers Bond Fund

Invests in debt instruments issued by governments, companies and other large organisations. The aim is to provide income along with the opportunity for capital growth.

MI Select Managers UK Equity Fund

Invests in UK-focused strategies, with the aim of providing long-term capital growth and income.

MI Select Managers UK Equity Income Fund

Invests in UK-focused strategies producing a sustainable dividend yield. The aim is to provide income along with the opportunity for capital growth.

MI Select Managers North American Equity Fund

Invests primarily in US-focused strategies. The aim is to provide long-term capital growth and income.

MI Select Managers Alternatives Fund

Can invest in a diversified, global basket of alternative assets, from commodities and real estate through to private equity and absolute return strategies. The aim is to provide a positive return on a rolling five-year basis.

Summary

The expansion of our MI Select Managers funds will allow a wider range of our clients to benefit from lower costs, increased operational and tax efficiencies, enhanced service and, ultimately, a potentially higher investment performance.

Aimed at retail and institutional investors, these five new fund classes build upon and leverage the scale and success of the MI Select Managers fund range and our Managed Portfolio Service.

The value of investments can fall and you may get back less than you invested.

A little bit about us

RBC Brewin Dolphin is one of the UK's leading wealth managers. We combine scale, experience and highly specialised expertise.

1762

RBC Brewin Dolphin traces its origins back to 1762.

250 years

That's more than 250 years of helping investors achieve their goals.

Nationwide

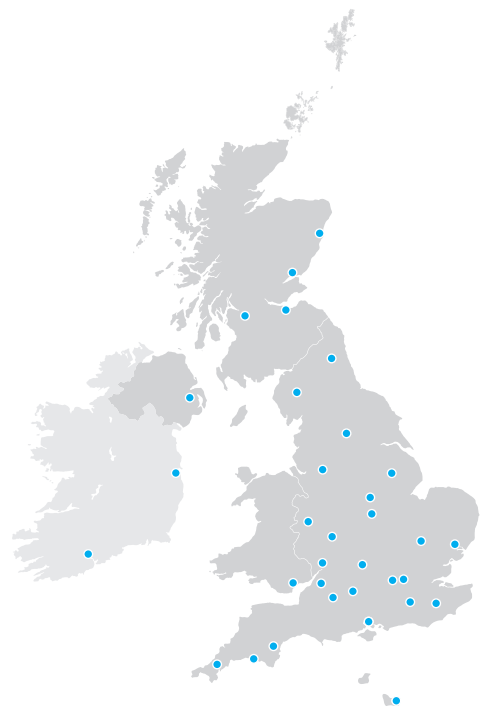
We have offices across the UK, Channel Islands and the Republic of Ireland.

10 year

Track record for our award-winning Managed Portfolio Service.

27%

In 2018 we delivered a 27% reduction in portfolio costs. The unique structure we launched passed on 100% of cost savings to our clients.



The value of investments, and any income from them, can fall and you may get back less than you invested. Neither simulated nor actual past performance are reliable indicators of future performance. Investment values may increase or decrease as a result of currency fluctuations. Information is provided only as an example and is not a recommendation to pursue a particular strategy. RBC Brewin Dolphin is the sponsor, investment manager and distributor to certain funds. RBCBD applies robust conflict management practices and disclosures to ensure these funds and relevant services are appropriate to meet client needs. RBC Brewin Dolphin and its employees do not receive additional remuneration or non-monetary benefits when a client invests in these funds or investment solutions. This does not constitute tax or legal advice. Tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

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