

# Fairstone Brooks Macdonald 5 Inc & Gr

## Investment Aim

The portfolio is designed to provide risk adjusted returns. It aims to achieve capital appreciation and reduce investment risk through diversification across asset classes and geographies.

This portfolio is managed to maximise risk adjusted returns within a target volatility range of 8.3% and 11.8% over rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

Ranking the risk on a scale of between 1 and 10, where 1 is the lowest, we place this portfolio as 5.

## Investment Growth

Time Period: 01/03/2020 to 28/02/2025



— Fairstone Brooks Macdonald 5 Inc & Gr

— IA Mixed Investment 20-60% Shares

### Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Brooks Macdonald 5 Inc & Gr	9.52%	13.92%	33.13%
IA Mixed Investment 20-60% Shares	8.29%	9.95%	19.02%

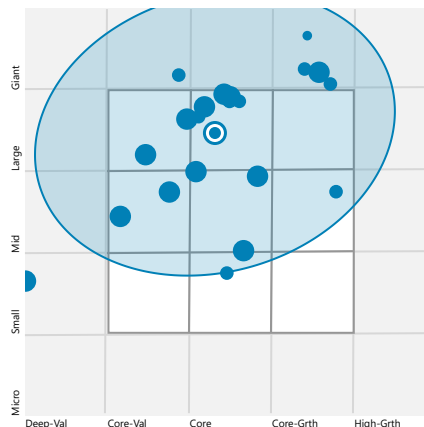
### Discrete Year on Year Performance

	0-12m	12-24m	24-36m	36-48m	48-60m
Fairstone Brooks Macdonald 5 Inc & Gr	9.52%	4.61%	-0.57%	3.67%	12.73%
IA Mixed Investment 20-60% Shares	8.29%	4.70%	-3.02%	1.59%	6.56%

## Portfolio Overview

Investment Adviser	Brooks Macdonald
Investment Universe	Open Ended Funds
Yield	2.47%
Portfolio Start Date	18/07/2019
Ongoing Fund Costs	0.41%
Transactional & Incidental Costs	0.05%
DFM Fee	0.25%
Total Portfolio Charge	0.71%

## Investment Style Map



## Risk Scale

**5**

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 8.3% and 11.8% over a rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

# Fairstone Brooks Macdonald 5 Inc & Gr

## Investment Adviser's Market Commentary



### Investment Adviser

Brooks Macdonald have a strong team leading the management of the Fairstone BM Model Portfolios, including highly experienced investment managers Frank Atkins, Alex Chittenden, James Hussey and Mark Shields. The team has consistently delivered strong investment performance, underpinned by their centralised investment process, providing clients and advisers with access to their award-winning investment management capabilities and high levels of service.

### Trade tariff news impacts equity markets

Market fluctuations were driven by changes in trade tariff plans. US president Trump's plans for 25% tariffs on the country's biggest trading partners, Canada and Mexico, were delayed by a month, but China was not so fortunate, facing 10% tariffs on top of past tariff measures. Despite the overall relief, hopes for global trade were hit later on with news that the US plans to introduce 'reciprocal' tariffs in April against countries taxing US trade.

Trade tariffs can add unwelcome costs for global trade, pushing up price pressures, and risk forcing central banks to keep interest rates higher for longer. Diversified equity allocations, across both regions, countries and investment styles, can help to dampen such challenges.

### Economic concerns drive demand for safe-haven assets

Bond yields declined as investors sought stability. Safe haven assets were in demand during the month as government bond yields declined (with corresponding bond prices rising). This was driven by growing concerns over economic stability and market volatility. Economic growth concerns appeared to outweigh the inflation outlook, especially with tariffs potentially keeping inflation pressures high.

With investors globally having to endure heightened volatility in bond yields in recent months, it continues to support our preference for shorter-dated bonds, which are less sensitive to economic changes compared to longer-dated bonds, yet still offer relatively attractive yields. Inflationary pressures remain a concern, but the focus has shifted more towards economic growth risks.

### A mixed set of results from megacap tech

During the month, arguably the most-watched results from Nvidia landed – the posterchild for the current artificial intelligence technology spending boom. Given their dominance in US and global equity indices, the latest set of results from the US 'Magnificent Seven' group of companies (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla), were always going to be important for investors. Nvidia's results, in particular, were good but not great, challenging investor expectations.

The volatility in megacap tech shares during the month is a reminder of the importance of managing tech concentration risk in portfolios. It is also a reminder of the value of active management, where passive equity index allocations can at times hide significant concentration risk.

### US and Russia begin peace talks, unpending geopolitics

The US announced talks with Russia aimed at ending the war in Ukraine. This move changes the narrative of Russia as the aggressor. Furthermore, the US appeared to sideline both Europe and Ukraine in the talks, while signalling a reduction in military support for Europe's defence more broadly.

This has led European countries including the UK to plan increased military defence spending as a share of Gross Domestic Product (GDP). For the UK, the government announced plans to increase defence spending from 2.3% of GDP currently, to 2.5% in 2027, rising to 3% in the next Parliamentary term. This move is expected to positively impact the UK's defence sector and boost economic activity more broadly.

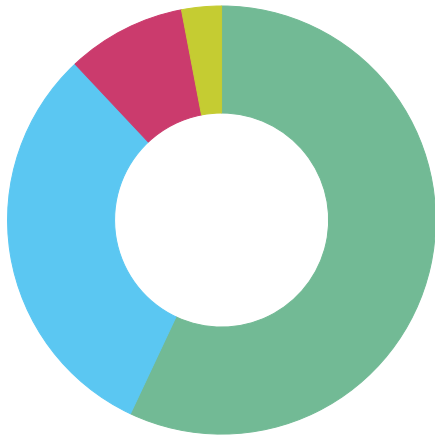
# Fairstone Brooks Macdonald 5 Inc & Gr

## Asset Allocation

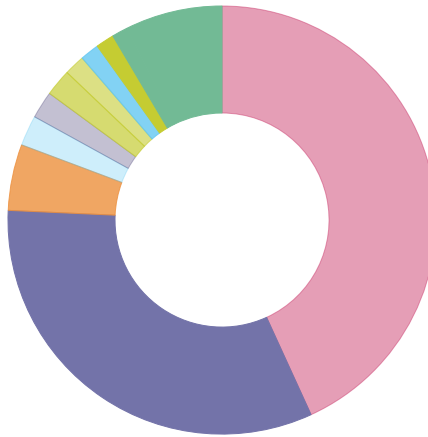
## Equity Breakdown

Portfolio Date: 20/02/2025

Portfolio Date: 28/02/2025



Asset Class	%
Equities	57.0
Fixed Income	31.0
Alternatives	9.0
Cash	3.0
<b>Total</b>	<b>100.0</b>



Country	%
United States	43.2
United Kingdom	32.5
Japan	5.0
India	2.3
China	2.1
Switzerland	2.0
Taiwan	1.6
France	1.4
South Korea	1.4
Denmark	1.2
Other	7.4
<b>Total</b>	<b>100.0</b>

## Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
<b>Equities</b>	—	<b>57.00</b>
Artemis UK Select I Inc GBP	UK Equity	5.00
AXA Framlington Gbl Tech Fund - Z Acc	Global Equity	3.00
CT UK Equity Income Z Inc GBP	UK Equity	3.00
Dodge & Cox Worldwide US Stock A GBP	US Equity	4.00
Federated Hermes Asia exJpn Eq F GBP Acc	Asia Pacific Equity	2.00
Fidelity Index US P Acc	US Equity	6.00
Fidelity Index World P Inc	Global Equity	7.00
Guinness Global Equity Income Y GBP Dist	Global Equity	3.00
JOHCM UK Equity Income Y GBP Inc	UK Equity	4.00
L&G European Index I Inc	European Equity	1.00
L&G Global Health & Pharma Index I Acc	Global Equity	1.00
L&G Global Technology Index I Acc	Global Equity	1.00
L&G Japan Index C Acc	Japanese Equity	2.00
Polar Capital Healthcare Opports I Inc	Global Equity	3.00
Stewart Inv APAC Ldrs B GBP Acc	Asia Pacific Equity	3.00
T. Rowe Price US Smlr Cm Eq Ids GBP 2	US Equity	2.00
Vanguard FTSE UK All Shr Idx Unit Tr£Inc	UK Equity	7.00
<b>Fixed Income</b>	—	<b>31.00</b>
L&G Global Inflation Linked Bd Idx C Inc	Index Linked Bonds	3.00
L&G Short Dated £ Corporate Bd Idx I Inc	UK Corporate Bonds	6.00
L&G Sterling Corporate Bond Index I Inc	UK Corporate Bonds	3.00
Royal London S/T Fxd Inc Enh Y Inc	UK Corporate Bonds	4.00
Royal London Short Duration Gilts M Inc	UK Gilts	7.00
Vanguard UK Govt Bd Idx Ins Pl £ Dist	UK Gilts	4.00
Vontobel TwentyFour StratInc AQG GBP	Global Fixed Income	4.00
<b>Alternatives</b>	—	<b>9.00</b>
Atlantic House Defined Ret B GBP Acc	Lower Risk Alternatives	3.00
Atlantic House Uncrltd Strats A GBPH Acc	Lower Risk Alternatives	3.00
Fortem Capital Absolute Return I GBP Inc	Lower Risk Alternatives	3.00
<b>Cash</b>	—	<b>3.00</b>
abrdn Sterling Money Market I Acc	Cash & Money Market	2.75
CASH	Cash & Money Market	0.25

# Fairstone Brooks Macdonald 5 Inc & Gr

## Target Market

Access to the portfolios is only available to investors on the recommendation of a financial adviser and it is the role of the adviser to determine the appropriateness and suitability of the portfolio to each investor's own personal needs, objectives and preferences.

**Type of investors:** Given the nature of non-complex UCITS funds the service is suitable for retail investors, professional clients and eligible counterparties. The service is predominantly designed for the use of retail investors.

**Investors' knowledge and experience:** Investors with basic, informed or advanced knowledge and experience of capital markets and investment risks and of funds and their characteristics.

**Clients' financial situation with a focus on the ability to bear losses:** Investors have a tolerance to fluctuations in capital invested and potential capital loss.

**Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market:** Due to the volatility of the markets in which the service may invest e.g. equity, bond and property markets the service has a risk and reward profile that is compatible with clients who have a risk tolerance aligned to the Investment Aim of the portfolio. Investors should be willing to accept price fluctuations in exchange for the opportunity of possible higher returns.

**Clients' objectives and needs:** Depending on the duration of the investment the portfolio may be suitable for clients who have a medium-term investment horizon (at least 5 years).

**Clients who should not invest (the 'negative-target market'):** This portfolio is deemed incompatible for clients who require full capital protection and/or are seeking on-demand full repayment of the amounts invested or who are fully risk averse/have no risk tolerance.

## Important Notices

This factsheet is for illustrative purposes only. Investments linked to this model portfolio may not exactly replicate the model portfolio described due to differences in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits or fund availability on the platform or provider.

Please note that platform and financial advice fees are not included.

Where we have provided commentary on specific companies, this commentary is not investment research as defined by the Financial Conduct Authority and has not been prepared in accordance with legal requirements designed to promote the independence of research

Nothing in this document should be deemed to constitute the provision of financial, investment or other profession advice. Responsibility for assessing the suitability of financial products remains solely with the financial adviser.

The information in this document was prepared on the date shown below and is believed to be correct but cannot be guaranteed. The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not a guide to future performance.

Fairstone Private Wealth does not offer tax advice; the tax treatment of investments depends on each investor's individual circumstances and is subject to changes in tax legislation.

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## Important Notices – Brooks Macdonald Asset Management Limited

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Information within this document is correct As of 28/02/2025

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