Fairstone Pure Passive 3

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 4.7-8.3% 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, Fairstone place this portfolio as 3.

The Portfolio is likely to be predominantly invested in fixed income and equities.

Investment Growth

Fairstone Pure Passive 3 — IA Mixed Investment 0-35% Shares

Simulated Performance

Please note performance prior to 1 October 2021 is based in simulated past performance. In order to provide an indication of how the portfolio would have performed in the past, we have produced simulated past performance from 1 October 2020 to 30 September 2021. The simulated performance is based on the actual performance history of the funds within the portfolios using our historical tactical asset allocation, rebalanced to quarterly and adjusted annually. Full details are available on request. The simulated past performance is not a reliable indicator of future performance.

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Pure Passive 3	8.08%	10.83%	—
IA Mixed Investment 0-35% Shares	6.81%	4.91%	9.01%

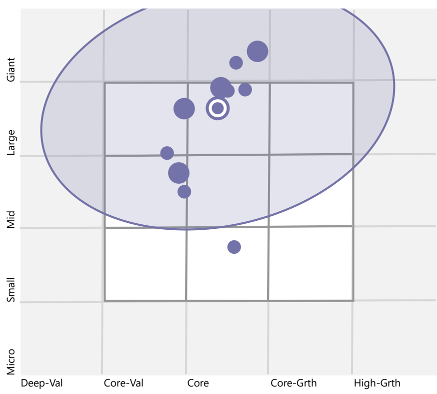
Discrete Year on Year Performance

	0-12m	12-24m	24-36m	36-48m	48-60m
Fairstone Pure Passive 3	8.08%	5.39%	-2.70%	1.14%	—
IA Mixed Investment 0-35% Shares	6.81%	4.08%	-5.62%	0.35%	3.53%

Portfolio Overview

Portfolio Manager	Imogen Hambly
Investment Universe	Open Ended Funds
Yield	2.78%
Portfolio Start Date	01/10/2021
Ongoing Fund Costs	0.10%
Transactional & Incidental Costs	0.07%
DFM Fee	0.15%
Total Portfolio Charge	0.32%

Investment Style Map



Risk Scale

3

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 4.7% and 8.3% over a rolling 10-year time periods.
This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

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Portfolio Manager
Imogen Hambly

Imogen is a CFA Charterholder and also holds the Investment Management Certificate along with the Diploma in Regulated Financial Planning. She has worked in the industry since 2014 with an emphasis on investment research & analysis.

Portfolio Managers Market Commentary

Having started the year well, global equity markets weakened through February as fears surrounding the new US administration's policy agenda weighed on corporate and consumer confidence. Global equities fell -1.9%, in GBP terms, driven lower by losses across the US.

The US technology sector exhibited particular weakness, with falling momentum and lingering concerns around competition in artificial intelligence (AI) leading the Nasdaq index to close the month down -5.0%. Other sectors, however, provided better returns, evidence of the continued rotation in leadership within the US market.

Outside the US, regional equity returns were more varied. While movements in the yen weighed on performance from Japanese equities, the FTSE 100 gained, adding 1.6%. Broad European equities rose 2.3%, continuing their strong run of form, with a weaker euro and optimism around potential ECB rate cuts helping stimulate growth.

Chinese equities also performed well, as investor sentiment continued to edge up following government announcements of further policy support, in addition to new-found positivity relating to the region's technology and AI stocks. Weakness in the US dollar added a further tailwind to emerging market stocks.

Across bond markets, weakness in US sentiment and concerns over the region's growth outlook led to a drop in yields, as investors moved to predict a faster pace of interest rate cuts. US Treasuries outperformed, gaining 2.1%, with the changing risk backdrop leading broad government bond indices to outperform their corporate counterparts for the first time in some months.

Across alternative assets, the prospect of falling real yields buoyed returns from gold, which pushed out to reach a new all-time high. Real estate assets also benefitted from falling bond yields.

Against this backdrop the portfolios posted losses, with lower risk models outperforming their higher risk counterparts. Allocations to US equities weighed heavily on returns, albeit our holding in the L&G S&P 500 US Equal Weight Index added value, as compared to the broad HSBC American Index. Overall, we benefitted from our underweight to the US versus all other equity regions. Holdings in global real estate and global infrastructure assets also added value, while all our fixed income funds posted gains.

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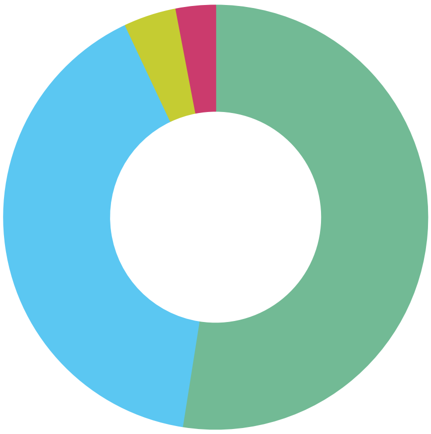
Asset Allocation

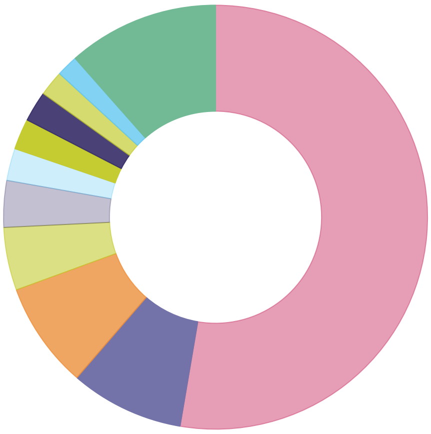
Portfolio Date: 16/12/2024



	%
Fixed Income	52.5
Equities	40.5
Cash	4.0
Alternatives	3.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 28/02/2025



	%
United States	52.7
United Kingdom	8.7
Japan	8.1
Taiwan	4.8
China	3.6
India	2.5
South Korea	2.3
Australia	2.3
Switzerland	1.9
France	1.6
Other	11.5
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Fixed Income	—	**52.5**
Vanguard Glb Bd Idx Ins Pl £ H Acc	Global Fixed Income	12.5
Vanguard Glb Corp Bd Idx Ins Pl £ H Acc	Global Fixed Income	11.5
Vanguard UK Invm Grd Bd Idx Ins Pl £ Acc	UK Corporate Bonds	11.5
Vanguard Glb S/T Corp Bd Idx Ins Pl£HAcc	Global Fixed Income	9.5
Vanguard U.S. Govt Bd Idx Ins Pl £ H Acc	Global Fixed Income	3.0
L&G Global Inflation Linked Bd Idx C Acc	Index Linked Bonds	2.5
Vanguard Glb Small-Cp Idx Ins Pl £ Acc	Global Fixed Income	2.0
Equities	—	**40.5**
HSBC American Index C Acc	US Equity	12.0
Vanguard Glb S/T Bd Idx Ins Pl £ H Acc	Global Fixed Income	9.5
Vanguard Em Mkts Stk Idx Ins Pl £ Acc	Emerging Markets Equity	4.5
L&G S&P 500 US Equal Wght Idx C GBP Acc	US Equity	4.0
Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc	UK Equity	3.0
HSBC European Index Accumulation C	European Equity	2.5
HSBC Japan Index S Acc	Japanese Equity	2.5
HSBC Pacific Index S Acc	Asia Pacific Equity	2.5
Cash	—	**4.0**
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	3.8
CASH	Cash & Money Market	0.3
Alternatives	—	**3.0**
L&G Global Infrastructure Index C Acc	Lower Risk Alternatives	1.5
L&G Global Real Estate Div Index C Acc	Property	1.5

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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.

As of 28/02/2025