Fairstone Liontrust Income 7

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 11.8% and 15.4% 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 7.

Investment Growth

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

Fairstone Liontrust Income 7 37.1% IA Mixed Investment 40-85% Shares 33.2%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Liontrust Income 7	10.31%	15.22%	37.09%
IA Mixed Investment 40-85% Shares	9.70%	15.23%	33.19%

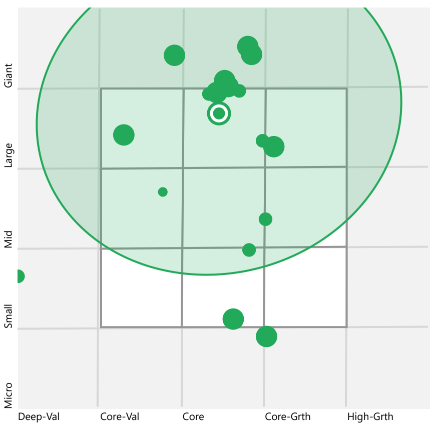
Discrete Year on Year Performance

	0-12m	12-24m	24-36m	36-48m	48-60m
Fairstone Liontrust Income 7	10.31%	5.55%	-1.04%	2.84%	15.70%
IA Mixed Investment 40-85% Shares	9.70%	6.26%	-1.14%	4.21%	10.92%

Portfolio Overview

Portfolio Manager	Liontrust
Investment Universe	Open Ended Funds
Yield	2.28%
Portfolio Start Date	31/05/2019
Last Rebalance Date	28/02/2025
Ongoing Fund Costs	0.50%
Transactional & Incidental Costs	0.09%
DFM Fee	0.25%
Total Portfolio Charge	0.84%

Investment Style Map



Risk Scale

7

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 11.8% and 15.4% over a rolling 10-year time periods.
This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

Fairstone Liontrust Income 7

Investment Adviser

John Hussellbee

Investment Adviser's Market Commentary

Global equities were lower over February, although European and UK stocks were positive highlights. Global fixed income was broadly positive, largely due to a contraction in US yields amid elevated investor uncertainty. Commodities were also higher over the month, with gold a significant positive factor once again.

Equity performance so far this year has reflected to some extent a rotation away from the fully priced US equities that performed so well in 2024 – and much of the past decade – into better value areas. European and UK equities, for example, started the year at a valuation discount and buying demand has helped to drive their prices higher. They remain good value despite their relative outperformance so far.

In addition to growing investor uncertainty, the contraction in US yields was partly due to markets having become too pessimistic on rates in January. Economic data in February generally pointed to a slow-down, with inflation sticky but showing few signs of re-acceleration. The market awaits clarity on President Trump’s tariffs to decipher the impact on growth and inflation.

High yield debt, which is more exposed to company profits and therefore akin to equities, showed its resilience in the face of slowing growth. We believe high yield is in a sweet spot, where the main Trump policies point to manageable risks, rather than anything existential. In this context, high yield produced very stable returns in February.

Europe ex-UK was the strongest-performing equity region in sterling terms over the month. Europe’s defence stocks soared when it became clear that the continent would have to pay substantially more to finance its own security. More warnings from President Trump on tariffs weighed on equities, but more positively, eurozone inflation data just slightly above expectations meant the European Central Bank was still on track to cut rates in March.

UK equities were also in positive territory, while gilts extended their gains so far in 2025 on the back of a global bond rally and the prospect of faster interest rates cuts by the Bank of England (BoE). The BoE was firmly in cutting mode in February and cut the base rate by a quarter-point to 4.50% in a 7-2 vote in which the dissenters preferred a 50bps cut.

US equities delivered the most negative returns over the month in sterling terms of any sub-asset we hold. They declined as gloomy reports signalled that the US economy faced growing challenges from elevated borrowing costs and inflation on top of a cloudy political picture. Data pointed to weakening business and consumer confidence and concerns over the impact of President Trump’s tariffs on inflation. The Federal Reserve cut interest rates but forecast a slower pace of monetary policy easing this year. Indeed, there is a growing groundswell of opinion that the next move in rates in the US will need to be up rather than down as was largely anticipated over 2024.

Fund In Focus

Federated Hermes Asia ex-Japan

When investing in Asian equities, blending complementary strategies is essential to balance the region’s potential with its inherent risks. Our approach combines the defensive, value-driven philosophy of Federated Hermes Asia ex-Japan with the high-conviction, quality-focused strategy of Fidelity Asia Pacific Opportunities, creating a diversified blend aimed at delivering consistent, long-term returns.

The Federated Hermes Asia ex-Japan fund follows a contrarian strategy, aiming to find quality companies trading at significant discounts to their intrinsic value. Its flexible framework spans the quality spectrum, ensuring investments are underpinned by compelling risk-reward profiles. Capital preservation lies at the core of its approach, focusing on mitigating permanent capital loss rather than reacting to short-term volatility. This discipline is reflected in its largest positions, reserved for opportunities offering low downside risk and strong margins of safety.

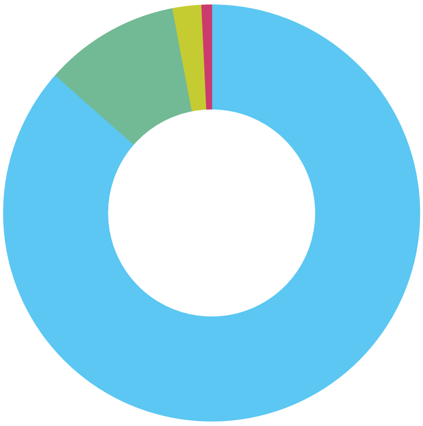
In contrast, Fidelity Asia Pacific Opportunities takes a concentrated, high-conviction approach, targeting stable, low-leverage companies with strong return potential. The fund’s ability to invest beyond traditional benchmarks allows it to uncover opportunities in under-researched or off-benchmark stocks, delivering a differentiated return profile. With the stock selection process supported by Fidelity’s extensive global research network, the fund leverages deep market insights to identify high-conviction opportunities, benefiting from a disciplined and research-driven approach to portfolio construction.

Together, these strategies offer a well-rounded exposure to Asian equities. Federated Hermes provides stability and downside protection through its defensive, value-oriented approach, while Fidelity captures growth opportunities with its dynamic, quality-driven philosophy. Their minimal overlap in holdings and low style correlation enhance diversification, ensuring resilience across market cycles. This thoughtful blend of capital preservation and growth potential delivers a robust platform for long-term success in the region.

Fairstone Liontrust Income 7

Asset Allocation

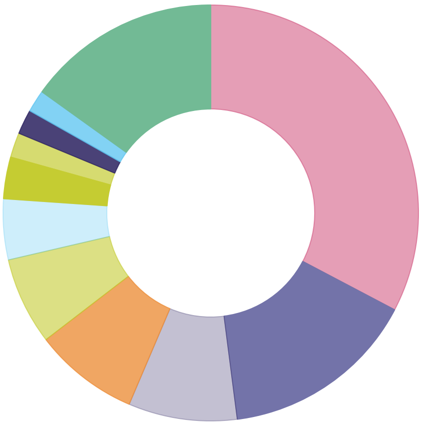
Portfolio Date: 06/02/2025



	%
Equities	86.5
Fixed Income	10.5
Cash	2.2
Alternatives	0.8
Total	**100.0**

Equity Breakdown

Portfolio Date: 28/02/2025



	%
United States	32.7
United Kingdom	15.3
China	8.5
Japan	8.1
Taiwan	6.8
India	4.7
South Korea	3.2
Switzerland	1.9
Australia	1.9
France	1.7
Other	15.1
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	**—**	**86.5**
abrdn Asia Pacific ex-Japan TrkrN£Acc	Asia Pacific Equity	3.2
Baillie Gifford Japanese B Acc	Japanese Equity	1.4
Barings Europe Select I GBP Inc	European Equity	1.4
BlackRock Continental Eurp Inc D Inc	European Equity	4.1
CT American Smaller Coms(US) Z Inc GBP	US Equity	3.6
Fidelity Index Emerging Markets P Inc	Emerging Markets Equity	18.7
Fidelity Index Europe ex UK P Inc	European Equity	2.3
Fidelity Index Japan P Acc	Japanese Equity	3.6
Fidelity Index US P Acc	US Equity	14.3
IFSL Evenlode Income B Inc	UK Equity	8.3
JPM US Equity Income C Net Inc	US Equity	10.7
Liontrust UK Smaller Companies I Inc	UK Equity	5.5
M&G Japan GBP I Inc	Japanese Equity	2.1
Schroder Asian Income Z Acc	Asia Pacific Equity	7.4
Fixed Income	**—**	**10.5**
Aegon High Yield Bond GBP B Inc	UK Corporate Bonds	2.8
Barings Global High Yield Bond I GBP Acc	Global Fixed Income	2.8
iShares Corporate Bond Index (UK) D Inc	UK Corporate Bonds	2.1
iShares UK Gilts All Stks Idx (UK) D Inc	UK Gilts	1.5
Liontrust Sust Fut Mn Inc Bd B Grs Inc	UK Corporate Bonds	0.7
Man Sterling Corp Bd Profl Acc C	UK Corporate Bonds	0.7
Cash	**—**	**2.2**
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	2.0
CASH	Cash & Money Market	0.3
Alternatives	**—**	**0.8**
Liontrust Diversified Rl Assts A Acc	Lower Risk Alternatives	0.8

Fairstone Liontrust Income 7

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

Important Notices – Liontrust Investment Partners LLP

As of 28/02/2025