

# Fairstone Systematic Model 8 Powered by Dimensional

## Overview

This managed portfolio service (the “service”) is a selection of non-complex regulated collective investment funds that seeks to provide investors with access to global investment markets and asset types including equities, fixed interest bonds, and cash.

These services are professionally managed by Fairstone Private Wealth with Dimensional as investment manager for the underlying funds.

**The role of Dimensional:** To advise Fairstone Private Wealth on the construction of model portfolios in accordance with the mandate provided to Dimensional by Fairstone Private Wealth.

**The role of Fairstone Private Wealth:** To act as discretionary investment manager in order to manage the portfolios and provide oversight to ensure they remain in line with the mandate parameters and intended client outcomes.

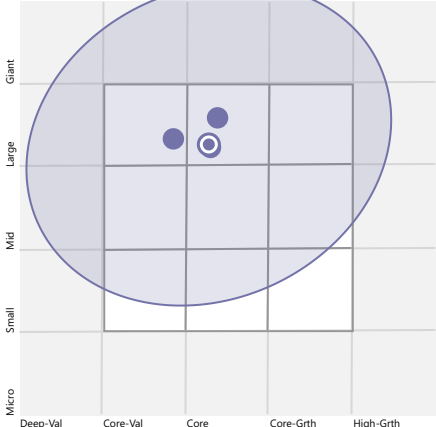
## Investment Aim

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 13.6 -17.2% 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 8.

The portfolio is likely to be predominantly invested in equities, fixed income and alternatives.

| Portfolio Overview               |                  | Investment Style Map   | Risk Scale   |
|----------------------------------|------------------|--|--|
| Portfolio Manager                | Dimensional      |  | <div style="text-align: center;"> <h1>8</h1> <p>Target 10 Year Volatility</p> </div> <p>This portfolio is managed to maximise risk adjusted return within a target volatility range of between 13.6% and 17.2% over a rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.</p> |
| Investment Universe              | Open Ended Funds |  |  |
| Yield                            | 1.40%            |  |  |
| Portfolio Start Date             | 30/06/2024       |  |  |
| Ongoing Fund Costs               | 0.28%            |  |  |
| Transactional & Incidental Costs | 0.02%            |  |  |
| DFM Fee                          | 0.20%            |  |  |
| Total Portfolio Charge           | 0.50%            |  |  |

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## Investment Advisers Market Commentary



US stocks declined in February, with the Russell 3000 Index down -3.2% for the month. The broad market index is still in positive territory year-to-date, up 0.6% for the two-month period. The tech heavy NASDAQ, however, lost -5.2%, putting that index into negative territory year-to-date. And small cap stocks struggled; the Russell 2000 Index lost -6.6% in February alone, putting that index down -3.4% year-to-date.

### Investment Adviser

Dimensional Fund Advisors Ltd.

Dimensional is a leading global investment firm that has been translating academic research into practical investment solutions since 1981.

Consumer discretionary stocks were hardest hit as the sector fell -10.1% in February, led by declines in Tesla, which dropped -28.5%, and Amazon, which dropped -11.9%. But REITs, which underperformed much of last year, were a bright spot as the Dow Jones US Select REIT Index was up 2.5%, putting it ahead 4.6% year-to-date.

Developed markets outside the US fared better. The MSCI World ex USA IMI Index (net div.) remained mostly flat in February, putting it ahead 5.7% for the year, outperforming US stocks by more than 5%. Emerging markets declined, with the MSCI Emerging Markets IMI Index (net div.) posting a -1.3% return in February, putting it on par with US stocks at 0.6% for the year-to-date period.

Global bonds were up in February, with the Bloomberg Global Aggregate Bond Index (hedged to GBP) returning 1.2%, leading to year-to-date gains of 1.6%. Bonds denominated in GBP underperformed the broad market in February, as the Bloomberg Sterling Aggregate Bond Index returned 0.7%, resulting in year-to-date gains of 1.6%, in line with global bonds.

## Investment In Focus

### An enduring belief in the power of markets

Dimensional's investment approach is based on a belief in markets. Rather than attempting to predict the future or outguess others, they draw information about expected returns from the market itself leveraging the collective knowledge of millions of buyers and sellers as they set security prices. Trusting markets to do what they do best drive information into prices frees Dimensional to spend time where they believe they have an advantage, namely in how they interpret the research, how they design and manage portfolios, and how they serve clients. Dimensional takes a less subjective, more systematic approach to investing - an approach we can implement consistently and investors can understand and stick with, even in challenging market environments

### Applying insights from financial science

Dimensional's investment approach is grounded in economic theory and backed by decades of empirical research. Their internal team of researchers works closely with leading financial economists to better understand where returns come from. Research has shown that securities offering higher expected returns share certain characteristics. They structure broadly diversified portfolios that emphasize exposure to these premiums, while addressing the tradeoffs that arise when executing portfolios. Every day, Dimensional's portfolio managers and traders seek to balance costs against expected returns and diversification. Dimensional works for the slightest expected gain, as every incremental improvement can add up over time.

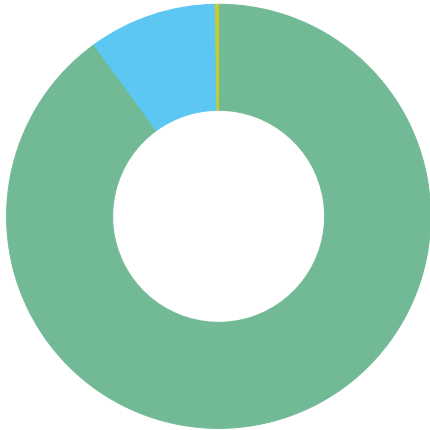
### Pursuing a better investment experience

Dimensional Investing is about providing a successful investment experience. That means more than just returns. It means offering peace of mind because investors know that a transparent process backed by decades of research is powering every decision. For more than 35 years, they have seen the difference it's approach has made in people's lives. Dimensional's goal is to help people live better not just years from now, but today.

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## Asset Allocation

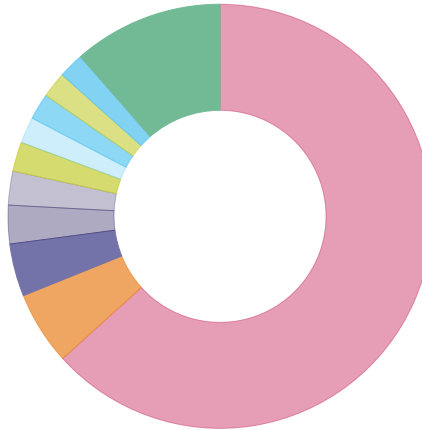
Portfolio Date: 30/06/2024



|              | %            |
|--------------|--------------|
| Equities     | 90.0         |
| Fixed Income | 9.8          |
| Cash         | 0.3          |
| <b>Total</b> | <b>100.0</b> |

## Equity Breakdown

Portfolio Date: 28/02/2025



|                | %            |
|----------------|--------------|
| United States  | 63.3         |
| Japan          | 5.6          |
| United Kingdom | 4.0          |
| Canada         | 2.9          |
| China          | 2.6          |
| Switzerland    | 2.2          |
| India          | 2.0          |
| Germany        | 2.0          |
| Taiwan         | 2.0          |
| France         | 1.9          |
| Other          | 11.4         |
| <b>Total</b>   | <b>100.0</b> |

## Portfolio Breakdown

|  | Sub Asset Class         | Portfolio Weighting % |
|--|-------------------------|-----------------------|
| <b>Equities</b>                        | —                       | <b>90.00</b>          |
| Dimensional EM Core Equity Acc         | Emerging Markets Equity | 9.90                  |
| Dimensional International Core Eq Acc  | Global Equity           | 76.50                 |
| Dimensional UK Core Equity GBP Acc     | UK Equity               | 3.60                  |
| <b>Fixed Income</b>                    | —                       | <b>9.75</b>           |
| Dimensional Global Core Fx Inc GBP Acc | Global Fixed Income     | 9.75                  |
| <b>Cash</b>                            | —                       | <b>0.25</b>           |
| CASH                                   | Cash & Money Market     | 0.25                  |

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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.

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