Fairstone Passive Model Portfolio 6 Powered by Vanguard

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 10% and 13.6% 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 6.

Investment Growth

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

Fairstone Passive Model Portfolio 6 Powered by Vanguard	33.8%	IA Mixed Investment 40-85% Shares	33.2%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Passive Model Portfolio 6 Powered by Vanguard	9.88%	14.52%	33.77%
IA Mixed Investment 40-85% Shares	9.70%	15.23%	33.19%

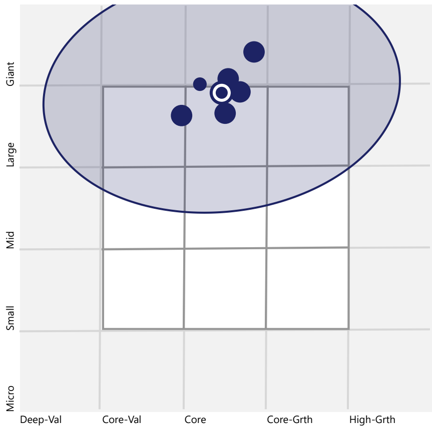
Discrete Year on Year Performance

	0-12m	12-24m	24-36m	36-48m	48-60m
Fairstone Passive Model Portfolio 6 Powered by Vanguard	9.88%	6.99%	-2.59%	5.10%	11.14%
IA Mixed Investment 40-85% Shares	9.70%	6.26%	-1.14%	4.21%	10.92%

Portfolio Overview

Portfolio Manager	Vanguard
Investment Universe	Open Ended Funds
Yield	2.75%
Portfolio Start Date	20/05/2019
Ongoing Fund Costs	0.09%
Transactional & Incidental Costs	0.05%
DFM Fee	0.20%
Total Portfolio Charge	0.34%

Investment Style Map



Risk Scale

6

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 10.0% and 13.6% over a rolling 10-year time periods.
This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

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Investment Adviser's Market Commentary

Investment Adviser

Vanguard

Fourth-quarter economic indicators pointed to robust US growth continuing, but highlighted weakness in the UK and euro area. Although inflation remained above central banks' targets in all three economies, inflation concerns showed signs of easing. While a rate-cutting cycle initially gained momentum globally, the pace slackened by year end as heightened inflationary concerns resurfaced. Nonetheless, the US Federal Reserve (the Fed) and the European Central Bank (ECB) each cut their interest rates twice during the quarter, while the Bank of England (BoE) cut rates once.

In the UK, Q3 economic activity stalled, and Q4 survey data suggested that the slowdown has continued. Although the annual headline Consumer Price Index (CPI) edged below the BoE's 2.0% inflation target in September, reaching 1.7%, inflation rebounded to 2.6% in November. Services inflation remains a BoE concern despite signs of easing. While it dropped to 5% in November, it remains significantly above the BoE's target. Nevertheless, the BoE cut base rates from 5.0% to 4.75% at its November meeting before keeping rates on hold at the December meeting.

By contrast, euro area economic activity picked up in Q3 after weak first-half growth. However, survey indicators suggested that the Q3 rebound was temporary. With a weakening labour market, Q4 economic activity is showing signs of moderating. Annual headline inflation fluctuated around the ECB's 2% target, as it edged up from a low of 1.7% in September to 2.3% in November. The ECB cut its policy rate by 25 basis points (bps) at both its October and December meetings, leaving it at 3.00%.

The US economy's robust growth continued, expanding by 2.8% (annualised) in Q3. Indicators suggested that this momentum carried over into Q4. The Fed's preferred inflation measure, the Core Personal Consumer Expenditures (PCE) Price Index, which excludes food and energy costs, saw an uptick to 2.8% for the 12 months to November 2024. Similarly, the headline PCE also rose slightly to 2.4%, with both gaining 30 bps from the end of September. The Fed cut interest rates by 25 bps at both its November and December meetings, ending the year with a federal funds rate target range of 4.25%-4.5%. However, the Fed's December meeting debriefing dampened market sentiment when it indicated a planned slower pace of rate cuts in 2025.

Vanguard Capital Markets Model

The Vanguard Capital Markets Model Team researches, develops, and maintains a suite of powerful analytical models and tools. At the heart of them is the Vanguard Capital Markets Model (VCMM), a proprietary financial simulation engine that simulates returns for a wide range of asset classes.

The VCMM is designed to enable clients to make asset allocation decisions as well as help build portfolio solutions.

The team uses the VCMM to create dynamic, time-varying portfolios that change their asset allocations in response to the model's forecasts. These time-varying portfolios are designed to target a specific return, target a risk range or seek to maximise returns.

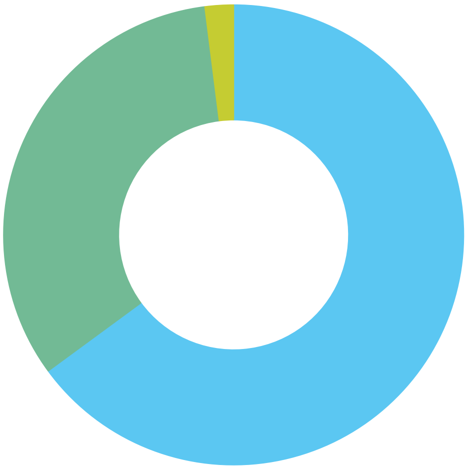
Vanguard has extensive experience in building portfolio solutions. For more than ten years, Vanguard has used these analytical models to construct portfolios for its Institutional Advisory Services group, which manages in excess of USD 40bn in AUM, as of 31 December 2018.

Source: Vanguard

Fairstone Passive Model Portfolio 6 Powered by Vanguard

Asset Allocation

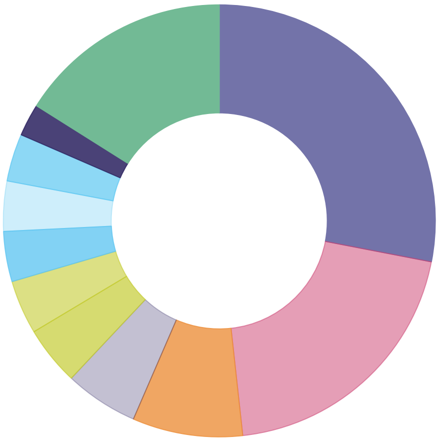
Portfolio Date: 05/02/2025



	%
Equities	64.9
Fixed Income	33.1
Cash	2.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 28/02/2025



	%
United Kingdom	28.0
United States	20.2
Japan	8.2
China	5.5
Switzerland	4.4
Taiwan	4.0
France	3.8
India	3.7
Germany	3.6
Australia	2.4
Other	16.1
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**64.9**
Vanguard Em Mkts Stk Idx Ins Pl £ Acc	Emerging Markets Equity	12.9
Vanguard FTSE Dev €pe exUKEqIdxInsPl£Acc	European Equity	11.8
Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc	UK Equity	19.5
Vanguard Jpn Stk Idx Ins Pl £ Acc	Japanese Equity	5.4
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc	Asia Pacific Equity	2.4
Vanguard U.S. Eq Idx Ins Pl £ Acc	US Equity	13.0
Fixed Income	—	**33.1**
Vanguard Glb Bd Idx Ins Pl £ H Acc	Global Fixed Income	17.5
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	5.1
Vanguard UK Invm Grd Bd Idx Ins Pl £ Acc	UK Corporate Bonds	10.4
Cash	—	**2.0**
CASH	Cash & Money Market	0.3
Vanguard Stlg S/T Mny Mkts Ins PlsGBPAcc	Cash & Money Market	1.8

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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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IMPORTANT: The projections and other information generated by the Vanguard Capital Markets Model ("VCMM") regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.