

## Fairstone Brooks Macdonald 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% and 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, we place this portfolio as 3.

## Investment Growth

Time Period: 01/09/2020 to 31/08/2025



— Fairstone Brooks Macdonald 3

— IA Mixed Investment 0-35% Shares

## Cumulative Performance

|                                  | 1 Year | 3 Years | 5 Years |
|----------------------------------|--------|---------|---------|
| Fairstone Brooks Macdonald 3     | 5.80%  | 13.41%  | 16.52%  |
| IA Mixed Investment 0-35% Shares | 4.79%  | 12.86%  | 10.91%  |

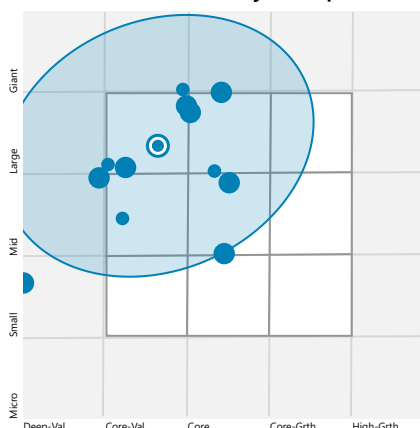
## Calendar Year Returns

|                                  | YTD  | 2024 | 2023 | 2022   | 2021 | 2020 |
|----------------------------------|------|------|------|--------|------|------|
| Fairstone Brooks Macdonald 3     | 4.80 | 5.09 | 4.70 | -7.39  | 4.36 | 3.25 |
| IA Mixed Investment 0-35% Shares | 4.46 | 4.37 | 6.06 | -10.22 | 2.57 | 3.98 |

## Portfolio Overview

|                        |                  |
|------------------------|------------------|
| Investment Adviser     | Brooks Macdonald |
| Investment Universe    | Open Ended Funds |
| Yield                  | 3.23%            |
| Portfolio Start Date   | 18/07/2019       |
| Ongoing Fund Costs     | 0.37%            |
| DFM Fee                | 0.25%            |
| Total Portfolio Charge | 0.62%            |

## 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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## Investment Adviser's Market Commentary

### Market headlines



#### Global equity markets reach all-time highs

US equities were boosted by a strong Q2 earnings season, with more than 80% of companies beating expectations. UK equities reached an all-time high, benefiting from comparatively attractive valuations relative to international peers.

#### The challenging geopolitical environment continues

Headlines during the month included escalating trade tensions and ongoing geopolitical negotiations. At the same time, economic data releases painted a mixed outlook.

#### Rising long bond yields in major economies

Global bond yields rose across major economies, reflecting growing inflationary pressures and concerns over fiscal stability. There were notable rises in long-dated yields on US Treasuries, UK gilts and French government bonds.

#### Hopes rise for a US Federal Reserve (Fed) rate cut

A weaker than expected US jobs market report for July helped drive expectations for a US rate cut at the Fed's September meeting, despite inflation remain above target.

### The big topics

#### Escalating tariffs and their inflationary ripple effects

Trade tensions dominated the early weeks of the month, with US President Trump's announcements again driving market volatility. Tariffs escalated, with threats of increased rates on semiconductors and pharmaceuticals. Exemptions for US-based production boosted tech stocks like Nvidia, but broader impacts started to emerge in inflation data.

The US Consumer Price Index (CPI) report for July showed muted tariff effects initially, with headline at +2.7% year-on-year, but the Producer Price Index (PPI) surprised higher at +3.3% year-on-year. The US-China trade truce extension to November provided temporary relief, yet lagged effects on consumer prices and supply chains persisted. By month-end, these policies compounded uncertainty, contributing to rising bond yields and sector-specific pressures.

#### Geopolitical hopes amid Ukraine-Russia negotiations

Geopolitical developments offered glimmers of optimism, particularly around potential Ukraine resolutions. Early signals of Russia-Ukraine peace talks helped ease pressure on oil prices. The mid-month Trump-Putin summit in Alaska, though yielding no immediate ceasefire, paved the way for multi-party discussions involving President Zelensky and European leaders. Proposals included territorial swaps, European-funded purchases of US weapons and security guarantees.

While the Kremlin's noncommittal responses tempered enthusiasm, President Zelensky welcomed progress towards a possible Putin-Zelensky meeting. These developments buoyed European equities, with the STOXX 600 hitting multi-month highs, but fading hopes by late August highlighted ongoing geopolitical risks.

#### Resilient yet mixed economic data across major economies

Economic indicators painted a resilient but uneven picture across regions. In the US, a surprisingly weak July jobs report and downward revisions to previous months' reports fuelled slowdown fears. However, US Q2 Gross Domestic Product (GDP) growth was revised up to 3.3% annualised on strong investment and spending. The Purchasing Managers Index (PMI) beat forecasts, yet rising prices signalled persistent inflationary pressures.

The UK economy showed strength with June GDP growth at +0.4% month-on-month and upbeat PMIs, but Consumer Price Index (CPI) surprised at +3.8% year-on-year, driven by services. Europe's data was also mixed. Euro area PMIs indicated recovery, but Germany's Q2 GDP contraction deepened to -0.3%.

#### Mounting concerns over central bank independence

Political interference emerged as another risk, particularly in the US, where President Trump's actions challenged monetary policy autonomy. Early in the month, his firing of the Bureau of Labor Statistics head over jobs data and speculation that he would replace Chair Powell with loyalists like Chris Waller added to market uncertainty.

This escalated with attempts to remove Governor Lisa Cook over alleged misconduct, prompting her lawsuit, and the separate appointment of Stephen Miran to the Board to replace a member who had resigned. Fed minutes revealed divided views on tariffs' inflationary impact, with upside risks prioritised. These developments underscored how politics could undermine confidence in economic indicators and in monetary policies.

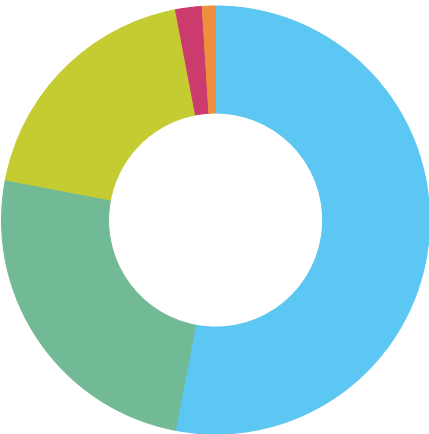
### Investment Adviser

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.

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## Asset Allocation

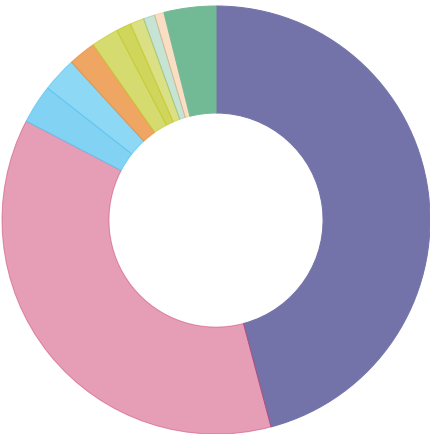
Portfolio Date: 21/08/2025



|              | %            |
|--------------|--------------|
| Fixed Income | 53.0         |
| Equities     | 25.0         |
| Alternatives | 19.0         |
| Cash         | 2.0          |
| Unclassified | 1.0          |
| <b>Total</b> | <b>100.0</b> |

## Equity Breakdown

Portfolio Date: 31/08/2025



|                | %            |
|----------------|--------------|
| United Kingdom | 45.9         |
| United States  | 36.8         |
| France         | 2.9          |
| Germany        | 2.6          |
| Japan          | 2.1          |
| Switzerland    | 2.1          |
| Sweden         | 1.1          |
| Taiwan         | 1.0          |
| Singapore      | 0.9          |
| Netherlands    | 0.7          |
| Other          | 3.9          |
| <b>Total</b>   | <b>100.0</b> |

## Portfolio Breakdown

|                                          | Sub Asset Class         | Portfolio Weighting % |
|------------------------------------------|-------------------------|-----------------------|
| <b>Fixed Income</b>                      | —                       | <b>53.00</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      | 7.00                  |
| L&G Sterling Corporate Bond Index I Inc  | UK Corporate Bonds      | 9.00                  |
| Royal London S/T Fxd Inc Enh Y Inc       | UK Corporate Bonds      | 6.00                  |
| Vanguard U.S. Govt Bd Idx £ Dist         | Global Fixed Income     | 3.00                  |
| Vanguard UK Govt Bd Idx Ins Pl £ Dist    | UK Gilts                | 12.00                 |
| Vanguard UK S/T Gilt Idx Ins Pl GBP Dis  | UK Gilts                | 9.00                  |
| Vontobel TwentyFour StratInc AQG GBP     | Global Fixed Income     | 4.00                  |
| <b>Equities</b>                          | —                       | <b>25.00</b>          |
| Artemis UK Select I Inc GBP              | UK Equity               | 3.00                  |
| BNY Mellon US Equity Income Instl W Inc  | US Equity               | 3.00                  |
| Guinness Global Equity Income Y GBP Dist | Global Equity           | 4.00                  |
| JOHCM UK Equity Income Y GBP Inc         | UK Equity               | 3.00                  |
| JPM Global Equity Income C Net Inc       | Global Equity           | 3.00                  |
| Schroder Global Equity Income L GBP Inc  | Global Equity           | 3.00                  |
| TM Redwheel UK Eq Inc R Inc              | UK Equity               | 2.00                  |
| Vanguard FTSE UK All Shr Idx Unit Tr£Inc | UK Equity               | 4.00                  |
| <b>Alternatives</b>                      | —                       | <b>19.00</b>          |
| Atlantic House Defined Ret I Inc GBP     | Lower Risk Alternatives | 4.00                  |
| Atlantic House Uncrltd Strats A GBPH Acc | Lower Risk Alternatives | 3.00                  |
| Fortem Capital Absolute Return I GBP Inc | Lower Risk Alternatives | 3.00                  |
| JPM Unconstrained Bond C Grs Acc         | Lower Risk Alternatives | 3.00                  |
| Vontobel TwentyFour Abs RetCrdt N GBP    | Lower Risk Alternatives | 6.00                  |
| <b>Cash</b>                              | —                       | <b>2.00</b>           |
| abrdn Sterling Money Market I Acc        | Cash & Money Market     | 1.75                  |
| CASH                                     | Cash & Money Market     | 0.25                  |
| <b>Unclassified</b>                      | —                       | <b>1.00</b>           |
| Fortem GIF Fortem Cap Prgrv Gr D GBP Dis | —                       | 1.00                  |

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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.

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Information within this document is correct As of 31/08/2025

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