

Fairstone Brooks Macdonald 5 Inc & Gr

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 8.3% and 11.8% 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 5.

Investment Growth

Time Period: 01/06/2020 to 31/05/2025



— Fairstone Brooks Macdonald 5 Inc & Gr

— IA Mixed Investment 20-60% Shares

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Brooks Macdonald 5 Inc & Gr	5.08%	14.12%	28.55%
IA Mixed Investment 20-60% Shares	5.27%	10.67%	21.53%

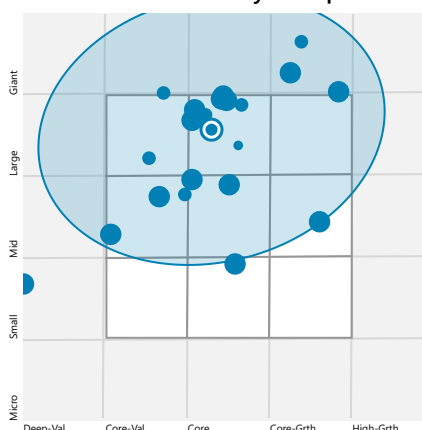
Calendar Year Returns

	YTD	2024	2023	2022	2021	2020
Fairstone Brooks Macdonald 5 Inc & Gr	0.73	8.83	5.96	-8.29	8.94	8.45
IA Mixed Investment 20-60% Shares	1.80	6.18	6.86	-9.67	6.31	3.49

Portfolio Overview

Investment Adviser	Brooks Macdonald
Investment Universe	Open Ended Funds
Yield	2.50%
Portfolio Start Date	18/07/2019
Ongoing Fund Costs	0.41%
DFM Fee	0.25%
Total Portfolio Charge	0.66%

Investment Style Map



Risk Scale

5

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 8.3% and 11.8% over a rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

Fairstone Brooks Macdonald 5 Inc & Gr

Investment Adviser's Market Commentary

Market Headlines



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.

- **Equity markets notch up a decent month, as the continued tariff pause spurs relief rally.**
May saw equity markets continue their post mid-April tariff pause relief rally, with US megacap technology stocks leading global equity indices higher. For the US S&P500 equity index, May was the index's best month in 18 months, and the largest May gain since 1990.
- **Tariff uncertainty takes on a new dimension as policy validity is challenged in the courts.**
May saw the US Court of International Trade determine that US President Trump did not have the authority to impose most of the tariffs announced. While the ruling was appealed and put on hold, this latest saga looks far from over, injecting another layer of unwelcome uncertainty.
- **US sovereign credit downgrade revives fiscal deficit and debt sustainability concerns.**
A US debt downgrade from Moody's during May added to upward pressure on government bond yields in the US and elsewhere, leaving bonds to underperform equities over the month. The rise in bond yields was notable for longer-dated maturities, risking wider risk asset sentiment.
- **A relatively resilient company results season keeps recession fears at bay for now.**
Despite Trump's tariff policy uncertainty driving increasing numbers of companies to withdraw guidance for the year ahead, nonetheless, results for the latest calendar quarter (Q1) showed a resilient pre-April tariff 'Liberation Day' picture, albeit a backward-looking one.

This year has so far seen investors appear to increasingly question whether the age of US exceptionalism might be over. This is the idea that US economic growth, and with it the performance of US risk assets, might no-longer be exceptional relative to the rest of the world. Indeed, with Trump's tariff policy uncertainty driving unwelcome market volatility, in recent weeks there have been times where both US government bond prices and the US dollar have fallen, indicating possible retrenchment from US assets within a global asset allocation context.

Against this backdrop, the latest round of megacap tech results were even more important than usual – that they beat expectations in aggregate, with Artificial Intelligence (AI)-posterchild Nvidia a particular standout, has been crucial to support investor sentiment.

Trump's trade tariff policies continued to sow confusion and uncertainty in markets during May. With much of the world, and even China, currently in the middle of 90-day tariff 'pauses' through to early-July and mid-August respectively, Trump in late May turned his ire on the European Union (EU). Trump signalled 50% tariffs on EU imports into the US, only to reverse course just days later, with a pause through to early July.

While markets have been able to weather the latest tariff headlines, it is a timely reminder that tariff risks have largely been paused not cancelled. Furthermore, although the UK and the US reached an outline trade deal during the month, negotiations involving other major countries are still ongoing and market-friendly outcomes cannot be guaranteed.

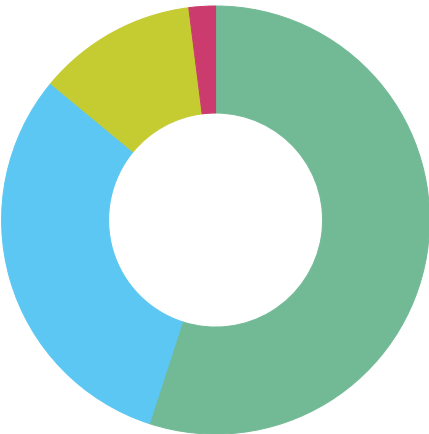
May saw the US Trump administration attempt to pivot markets' attention away from tariffs. The administration aimed towards a bill to extend the tax cuts that Trump put in place during his first presidential term in 2017, as well as introduce some fresh tax cut measures as well. While it was narrowly voted through in the House of Representatives, it has yet to pass the Senate, where any revision to the bill could see the bill sent back to the House for a second vote.

While Trump called his proposed tax and spending cuts a "big, beautiful bill", it helped drive up government bond yields during the month, both in the US and elsewhere, and especially for longer-dated maturities, as investors appeared to worry again about longer-term US debt sustainability.

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Asset Allocation

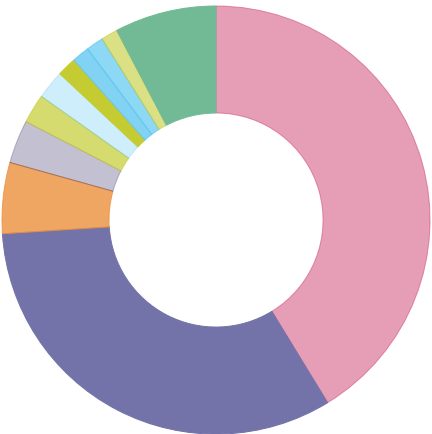
Portfolio Date: 23/05/2025



	%
Equities	55.0
Fixed Income	31.0
Alternatives	12.0
Cash	2.0
Total	100.0

Equity Breakdown

Portfolio Date: 31/05/2025



	%
United States	41.3
United Kingdom	32.7
Japan	5.4
China	3.3
Switzerland	2.2
India	2.2
South Korea	1.5
France	1.3
Germany	1.3
Taiwan	1.3
Other	7.7
Total	100.0

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	55.00
Artemis UK Select I Inc GBP	UK Equity	5.00
AXA Framlington Gbl Tech Fund - Z Acc	Global Equity	3.00
CT UK Equity Income Z Inc GBP	UK Equity	3.00
Dodge & Cox Worldwide US Stock A GBP	US Equity	2.00
Federated Hermes Asia exJpn Eq F GBP Acc	Asia Pacific Equity	2.00
Fidelity Index US P Acc	US Equity	6.00
Fidelity Index World P Inc	Global Equity	7.00
Guinness Global Equity Income Y GBP Dist	Global Equity	3.00
JOHCM UK Equity Income Y GBP Inc	UK Equity	4.00
L&G European Index I Inc	European Equity	1.00
L&G Global Health & Pharma Index I Acc	Global Equity	1.00
L&G Global Technology Index I Acc	Global Equity	1.00
L&G Japan Index C Acc	Japanese Equity	2.00
L&G S&P 500 US Equal Wght Idx C GBP Acc	US Equity	2.00
Polar Capital Healthcare Opports I Inc	Global Equity	3.00
Stewart Inv APAC Ldrs B GBP Acc	Asia Pacific Equity	3.00
Vanguard FTSE UK All Shr Idx Unit Tr£Inc	UK Equity	7.00
Fixed Income	—	31.00
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	5.00
L&G Sterling Corporate Bond Index I Inc	UK Corporate Bonds	3.00
Royal London S/T Fxd Inc Enh Y Inc	UK Corporate Bonds	4.00
Royal London Short Duration Gilts M Inc	UK Gilts	6.00
Vanguard UK Govt Bd Idx Ins Pl £ Dist	UK Gilts	6.00
Vontobel TwentyFour StratInc AQG GBP	Global Fixed Income	4.00
Alternatives	—	12.00
Atlantic House Defined Ret B GBP Acc	Lower Risk Alternatives	3.00
Atlantic House Uncrltd Strats A GBPH Acc	Lower Risk Alternatives	3.00
Fortem Capital Absolute Return I GBP Inc	Lower Risk Alternatives	4.00
Fortem Capital Prgrv Gr D GBP Inc	Lower Risk Alternatives	2.00
Cash	—	2.00
abrdn Sterling Money Market I Acc	Cash & Money Market	1.75
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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Information within this document is correct As of 31/05/2025

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