Fairstone Brooks Macdonald 5 Income

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: 01/11/2021 to 31/10/2026



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IA Mixed Investment 20-60% Shares

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Brooks Macdonald 5 Income	10.35%	38.06%	34.88%
IA Mixed Investment 20-60% Shares	5.36%	32.37%	20.23%

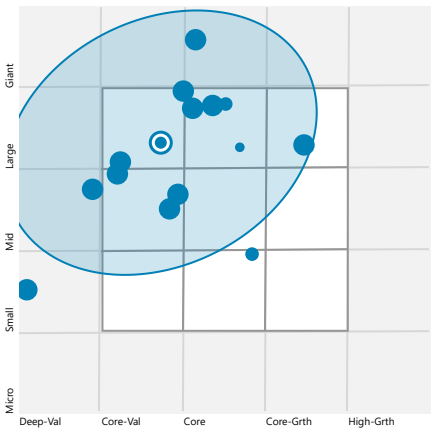
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Brooks Macdonald 5 Income	8.94	11.72	8.06	5.51	-4.51	9.67
IA Mixed Investment 20-60% Shares	5.08	10.24	6.18	6.86	-9.67	6.31

Portfolio Overview

Investment Adviser	Brooks Macdonald
Investment Universe	Open Ended Funds
Yield	3.01%
Portfolio Start Date	18/07/2019
Ongoing Fund Costs	0.51%
DFM Fee	0.25%
Total Portfolio Charge	0.76%

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.
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Investment Adviser's Market Commentary

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.

AI leadership came under pressure. Investors became more discerning on valuations, investment spending and the path to monetisation, weighing on some of the year's strongest technology performers and contributing to greater market dispersion.

Bond yields stayed elevated. Resilient US growth, persistent inflation and fiscal concerns kept government borrowing costs high, maintaining pressure on rate-sensitive assets and equity valuations.

European political risks resurfaced. France moved into focus as fiscal and political uncertainty drove borrowing costs higher, adding to concerns around the outlook for major European economies.

Geopolitics kept energy markets in focus. Renewed Middle East tensions contributed to volatility in oil prices, keeping energy-driven inflation risks and their implications for monetary policy on investors' radar.

AI remained a major source of market volatility, as investors became increasingly selective after a period of strong gains. Technology and semiconductor shares came under pressure as attention shifted from the scale of AI investment towards the returns that spending can ultimately generate. Earnings from major technology companies reinforced these concerns, particularly around rapidly rising capital expenditure and the financing of AI infrastructure. However, weakness was concentrated rather than broad-based, with other areas of the US market and European equities proving more resilient. The divergence suggested that enthusiasm for AI had not disappeared, but investors were demanding greater evidence of sustainable earnings and cash flows.

Energy emerged as another major source of uncertainty, as renewed US-Iran tensions raised concerns over global supplies. Brent crude rose sharply over the month, while European natural gas climbed to the highest level since 2022. The increase came as inflationary pressures were already proving persistent, with US consumer and producer prices surprising to the upside during the month. Higher energy costs therefore added another complication for households, businesses and policymakers. For investors, the key question is whether these increases feed more broadly into inflation, potentially keeping interest rates higher and adding pressure on economic growth.

Central banks faced an increasingly complicated backdrop as resilient economic activity, persistent inflation and tighter financial conditions pulled policy in different directions. The Federal Reserve and European Central Bank kept interest rates unchanged, retaining flexibility over their next moves. Bond markets were volatile, with US Treasury yields initially reaching their highest levels in more than two decades before reversing course as concerns around technology stocks grew. The recovery in government bonds towards month-end highlighted the competing forces facing investors: inflation and energy prices continue to argue for caution, while concerns around growth and financial conditions favour a more supportive policy stance.

France became a focal point for European investors as political uncertainty intensified. French borrowing costs rose sharply relative to Germany, with the gap approaching levels last seen during the euro-area sovereign debt crisis, while European banks and credit markets also came under pressure. Investors were particularly concerned about the government's ability to deliver substantial fiscal tightening against a challenging political backdrop. Conditions stabilised somewhat later in the month as protests became less disruptive and credit rating agency Moody's left France's credit rating unchanged. Nonetheless, the episode highlighted how political uncertainty and concerns over government debt can quickly spill over into wider European financial markets.

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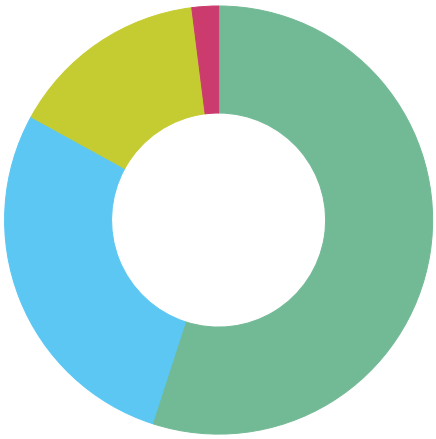
Asset Allocation

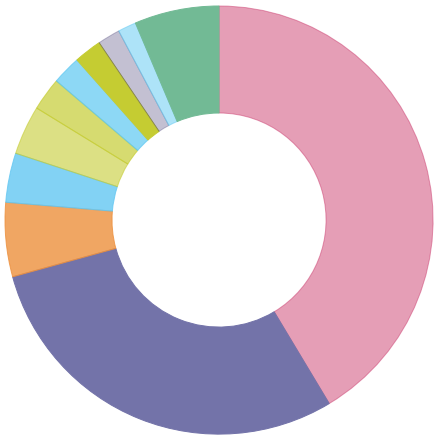
Portfolio Date: 18/08/2026



	%
Equities	55.0
Fixed Income	28.0
Alternatives	15.0
Cash	2.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 31/10/2026



	%
United States	41.4
United Kingdom	29.3
Japan	5.6
France	3.7
Taiwan	3.7
Switzerland	2.5
Germany	2.2
South Korea	2.1
China	1.7
Hong Kong	1.4
Other	6.4
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**55.00**
BNY Mellon US Equity Income Instl W Inc	US Equity	8.00
Guinness Global Equity Income Y GBP Dist	Global Equity	6.00
JOHCM UK Equity Income IP GBP Inc	UK Equity	6.00
JPM Global Equity Income C Net Inc	Global Equity	6.00
Schroder Global Equity Income L GBP Inc	Global Equity	6.00
TM Redwheel UK Eq Inc R Inc	UK Equity	6.00
L&G S&P 500 US Equal Wght Idx C GBP Inc	US Equity	5.00
Schroder Asian Income L GBP Inc	Asia Pacific Equity	5.00
Vanguard FTSE UK All Shr Idx Unit Tr£Inc	UK Equity	4.00
L&G Japan Index C Inc	Japanese Equity	2.00
Guinness European Equity Inc F GBP Dist	European Equity	1.00
Fixed Income	—	**28.00**
Vanguard UK Govt Bd Idx Ins Pl £ Dist	UK Gilts	6.00
Vanguard UK S/T Gilt Idx Ins Pl GBP Dis	UK Gilts	6.00
L&G Short Dated £ Corporate Bd Idx I Inc	UK Corporate Bonds	5.00
Vontobel TwentyFour StratInc AQG GBP	Global Fixed Income	4.00
L&G Global Inflation Linked Bd Idx C Inc	Index Linked Bonds	3.00
L&G Sterling Corporate Bond Index I Inc	UK Corporate Bonds	2.00
Royal London S/T Fxd Inc Enh Y Inc	UK Corporate Bonds	2.00
Alternatives	—	**15.00**
Fortem Capital Absolute Return I GBP Inc	Lower Risk Alternatives	3.50
Fortem Capital Liqd Alts I A GBP Acc	Higher Risk Alternatives	3.50
Fortem GIF Fortem Cap Prgrv Gr D GBP Dis	Lower Risk Alternatives	3.00
WisdomTree Dfnd Rets I 4% Inc GBP	Lower Risk Alternatives	3.00
Vontobel TwentyFour Abs RetCrdt AQG GBP	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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