

## Fairstone James Hambro &amp; Partners 5

## 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: 01/09/2020 to 31/08/2025



— Fairstone James Hambro & Partners 5

— IA Mixed Investment 20-60% Shares

## Cumulative Performance

1 Year 3 Years 5 Years

Fairstone James Hambro & Partners 5 7.42% 17.46% 26.33%

IA Mixed Investment 20-60% Shares 6.37% 17.43% 22.18%

## Calendar Year Returns

YTD 2024 2023 2022 2021 2020

Fairstone James Hambro & Partners 5 4.75 9.37 5.94 -9.75 8.33 7.55

IA Mixed Investment 20-60% Shares 5.66 6.18 6.86 -9.67 6.31 3.49

## Portfolio Overview

Portfolio Manager James Hambro & Partners

Investment Universe Multi-Instrument

Yield 0.00%

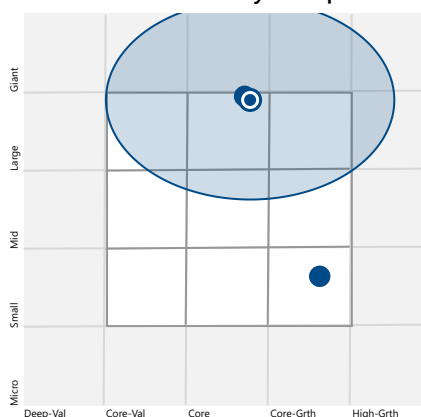
Portfolio Start Date 01/10/2019

Ongoing Fund Costs 0.43%

DFM Fee 0.25%

Total Portfolio Charge 0.68%

## 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.



**Portfolio Manager, Head of Professional Adviser Services**

## Billy Hughes

Billy joined James Hambro & Partners in 2011 after obtaining an honours degree in Economics at Cardiff University. After a year working within the Operations department, Billy headed up Treasury and the Dealing team before moving to the investment team in 2015. In 2018 Billy became a Portfolio Manager helping to support and grow JH&P's Professional Adviser Services business. In 2022, Billy was promoted to Joint Head of the Professional Adviser Services team.

## Investment Adviser's Market Commentary

Our central view remains that economies continue to make progress but within a slightly elevated inflationary framework. While major risks seem to have diminished for the moment, there remains significant uncertainty as to how policy might ultimately influence the future economic trajectory. With a relatively balanced outlook between the positive and the negative this can lead to wide ranging interpretations of the future environment. For most participants in the market, which in the US recently reached a record high, everything is looking pretty rosy: for ourselves we believe the wide spread of prospective outcomes cautions against getting over-excited.

For the bulls everything looks good, especially when measured against three months ago when markets took a nosedive on fears that President Trump's tariff plans would kickstart a downturn both at home and across the globe. As of now that has not come to pass and with trade agreements piling up the president is pivoting from using tariffs for economic policy to using them as a tool of geopolitics: for example, threatening Brazil with higher tariffs because of the prosecution of his ally Jair Bolsonaro and even a suggestion in a Norwegian paper that tariffs were dangled alongside a request that Trump be awarded the Nobel Peace Prize.

That's not to say tariffs don't matter economically, with the average rate likely to settle near 15%, more than five times the level at the start of the year. Thus, all eyes recently have been on employment numbers as an important bellwether of the economy – rising tariffs mean rising prices, leading to a slower economy, leading to fewer jobs. The information from the jobs market at present seems to be balanced – there has been a sharp downturn in the number of new jobs created, adding just 73,000 in July while numbers for May and June were revised lower by more than 250,000. All in all, the number of new jobs created from May to July slipped by more than two thirds from the previous three months. And yet the unemployment rate has remained fairly steady, indicating that while few jobs are being created no one is being fired – yet.

With a relatively well performing economy and a market that's buoyant there's a lot to be positive about at present; the major risks of recession or rampant inflation seem to have diminished in recent months. However, as near-term uncertainty as to the direction of the market and the economy seems to have improved in many areas, so the range of longer-term outcomes has been getting wider. That uncertainty is unlikely to recede given geopolitical circumstances and ongoing questions as to whether the amount of investment into so-far unproven AI technologies yields a longer-term profit.

Mindful of the signs of building exuberance and high valuations, we do not feel it prudent to respond to recent improvements in markets in a way that would leave us vulnerable to a correction or instability. We are instead comfortable with the balance in our portfolio that allows us to run with the positive market momentum in our equity portfolios while retaining some protection against shocks or drawdowns through bonds, gold and other alternative investments.

## Stock in Focus

### Sony

Founded in Tokyo in 1946, Sony's reputation was built on innovative electronics including radios, televisions, the fated Betamax video player, and the iconic Sony Walkman, which over various technological iterations sold approximately 400m units between 1979 and 2010. This compares to the c.450m units sold of Apple's iPod from 2001 to its discontinuation in 2022.

Sony is a rare example of a technology company that has been able to move with the times. Today, Sony's transformation from a hardware manufacturer to a digital services distributor and media content owner is nearly complete. As of 2024, 55% of Sony's \$90bn in sales and 60% of group operating profit came from three core divisions: Gaming (25% of operating profits), Music (21%), and Pictures (7%).

In 1995 Sony released the first PlayStation gaming console, and to date the company has sold 117m and 75m units of the fourth and fifth generation, respectively. The gaming industry has traditionally been capital intensive and cyclical with long periods of development and low profitability followed by low capital intensity and high profitability once the console was released. However, the shift to digital downloads and online subscriptions, which allow for interactive gameplay and in-game purchases, has transformed the industry. Today Sony has 129m monthly active users on their network and over 70% of games are now downloaded. Without physical stores, distribution costs, and a second-hand games market, the console gaming industry is significantly more predictable and profitable today than it was in the past.

In addition, Sony has gradually built up a library of its own intellectual property with in-house developed games that are exclusive to the PlayStation console. Alongside this content, Sony's ownership of franchises such as Spider-Man, Ghostbusters and Jumanji within the Pictures division provide Sony with opportunities to leverage media content across platforms. The crown jewel within Pictures is Crunchyroll. Purchased in 2021, Crunchyroll is the leading streaming service for Japanese animation with over 15m monthly subscribers and over 100m registered users.

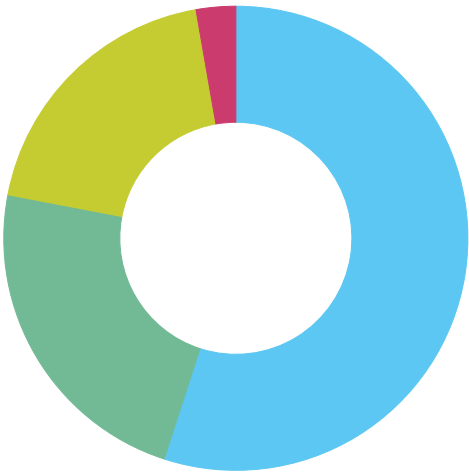
The final piece of the digital puzzle is the music division. Thanks to the boom in streaming services such as Spotify and Apple Music, the music industry has seen a remarkable revival from the early days of digital music sharing. Today, Sony is second only to Universal Music Group in scale, with revenues having doubled in the last 7 years to \$11bn and operating profits tripling as profit margins have recovered to over 20%. While Sony will need to continue to attract and nurture the best talent, much like in the gaming division, the profile of revenues and profits for the music industry today is considerably more attractive than it was in the past.

Much of the success of Sony is down to the management team and their strategy to build digital services and recurring revenues around digital content. At the same time, they have divested non-core assets. As profitability has grown and capital intensity has fallen free cash flow has risen, giving management the ability to make some select and intelligent acquisitions as well as return capital to shareholders through buy backs and dividends. Since our first purchase, Sony's valuation has risen from 14x to 18x forward earnings, but we believe that Sony remains attractively valued for a business that has become more predictable, more recurring and more profitable.

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Asset Allocation

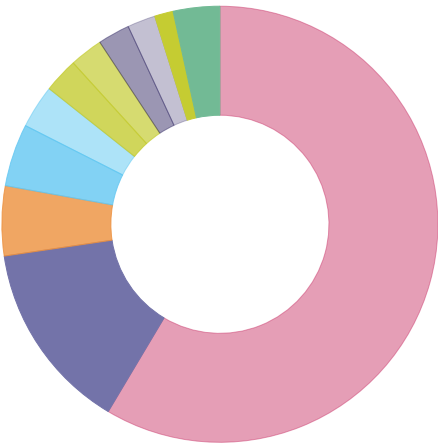
Portfolio Date: 22/08/2025



	%
Equities	55.0
Fixed Income	23.0
Alternatives	19.3
Cash	2.8
Total	100.0

Equity Breakdown

Portfolio Date: 31/08/2025



	%
United States	58.6
United Kingdom	14.1
Japan	5.2
France	4.6
Hong Kong	3.2
Sweden	2.6
Switzerland	2.5
Brazil	2.4
China	2.1
South Korea	1.4
Other	3.4
Total	100.0

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
<b>Equities</b>	—	<b>55.00</b>
James Hambro Harrier Glbl Eqs B GBP Acc	Global Equity	55.00
<b>Fixed Income</b>	—	<b>23.00</b>
James Hambro Harrier Fixed Inc B GBP Acc	Global Fixed Income	23.00
<b>Alternatives</b>	—	<b>19.25</b>
James Hambro Harrier Dvrs Strats BGBPAcc	Higher Risk Alternatives	19.25
<b>Cash</b>	—	<b>2.75</b>
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	2.50
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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## Important Notices – James Hambro & Partners

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

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