

## Fairstone James Hambro &amp; Partners 7

## 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 11.8% and 15.4% 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 7.

## Investment Growth

Time Period: 01/12/2020 to 30/11/2025



— Fairstone James Hambro & Partners 7

— IA Flexible Investment

## Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone James Hambro & Partners 7	7.20%	28.81%	34.83%
IA Flexible Investment	10.58%	29.35%	35.86%

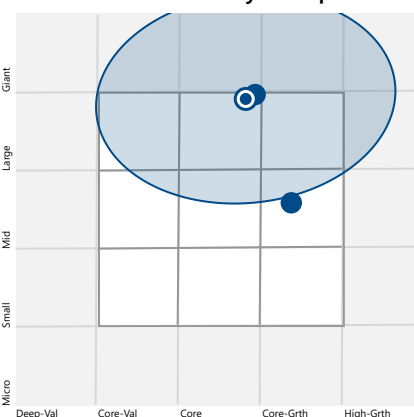
## Calendar Year Returns

	YTD	2024	2023	2022	2021	2020
Fairstone James Hambro & Partners 7	9.31	12.40	7.25	-10.03	11.14	8.76
IA Flexible Investment	11.65	9.16	7.31	-9.13	11.38	7.01

## Portfolio Overview

Portfolio Manager	James Hambro & Partners
Investment Universe	Multi-Instrument
Yield	0.00%
Portfolio Start Date	01/10/2019
Ongoing Fund Costs	0.39%
DFM Fee	0.25%
Total Portfolio Charge	0.64%

## Investment Style Map



## Risk Scale

7

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 11.8% and 15.4% 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 core view is unchanged from the month before: the US economy continues to lead the world with healthy corporate earnings and continued, albeit increasingly nervous, optimism about an artificial intelligence-led future. But with US stock valuations at very high levels we are looking for opportunities in other parts of the world where the news may be improving and markets less stretched.

As regards the US, it's doing an extremely good job swithering between optimism, especially as to where we are in the here and now, and pessimism about where we might be going. Supporting this general assumption are the exceptionally good reports from companies. Recent data on third-quarter earnings indicate that more than four fifths of businesses that reported had posted earnings that had beaten expectations – not a bad result given that optimism about corporate America was already very high. Earnings overall are up more than 13% in the last 12 months while revenue is 8% higher.

Underpinning a significant portion of that corporate bounty is the search for advanced AI solutions by some of the world's largest companies who, as we reported before, have been spending billions on the project. Data from September indicated that spending on building US data centres reached a seasonally adjusted annualised all-time high of \$40 billion in June, according to a report from Reuters citing Bank of America Institute. The Financial Times has reported that Morgan Stanley analysts estimate building data centres and AI infrastructure could cost over \$5 trillion.

The benefits of money swirling around the economy are appearing in other data reports. The Institute for Supply Management showed that the US services sector advanced in October to its healthiest level since February. Looking to the future, a significant fillip to the US economy should arrive next year in the form of President Trump's signature economic legislation which some analysts reckon could send \$150 billion of tax refunds to US citizens between January and April, providing a boost to consumers. The problem with so much optimism on excesses from corporate spending through to company valuations, means that it magnifies the impact of anything that looks to undermine the AI-infused economic edifice. Ticking away in the background are fears that the US labour market might be slowing. Until recently, the US shutdown meant that many of the data sources that analysts normally use weren't available and instead they had to rely on proxies. For jobs, payroll processor ADP provided indications of what was happening in the market – October's data was relatively positive with private employers adding 42,000 jobs, more than the number predicted by analysts, but that came after two months of downward facing numbers.

Analysts are attempting to look under the bonnet, to find any indicators that can give more colour and detail to the relatively benign picture that optimists are focused on. The most newsworthy element here is in relation to the US consumer, a highly important factor given that it accounts for about two thirds of the overall US economy. A University of Michigan survey suggested that US consumer sentiment fell to a three-and-a-half year low in November – retail sales figures, while still positive, are also slowing.

Data and news reports over the past month, presenting a smattering of future risks for the US economy and markets, have bolstered confidence in our recent moves to broaden diversification beyond the US. At the same time improving news from emerging markets is emboldening our search for opportunities in these high-growth areas, while we are looking to increase resilience through broadening the balance of stocks that both are undervalued and can perform even should the economy slow. We are expecting a soft patch in the US economy, but in that event our bond portfolio continues to offer some protection, especially as the prospect of interest rate cuts increases in the UK and US. Our continued holding of diversified assets such as gold and hedge funds means we're prepared should shocks come our way in the months ahead.

## Stock in Focus

### Safran

Safran is a global aerospace and defence leader, perhaps best known for its jet engines. The business operates across three main areas:

- **Aircraft Engines (Propulsion):** This is Safran's powerhouse, accounting for 70% group profits. Through a joint venture with GE Aerospace called CFM International, they are the leading maker of jet engines for popular narrowbody (single aisle) planes like the Airbus A320neo and Boeing 737 MAX. The segment's success is built on a "razor and blade" business model, where new engines are sold at low margins to build a large installed base, allowing Safran to generate significant, long-term profits from servicing and spare parts over the engines' 25+ year lifespan.
- **Aircraft Equipment & Defence:** This segment provides essential parts like landing gears, brakes, and defence electronics. It's a stable, high-quality business that we believe will see significant growth, especially with increased defence spending in Europe.
- **Aircraft Interiors:** The smallest segment at around 10% of group sales. Airlines are reinvesting in cabin upgrades after a period of under-investment during the pandemic.

We believe Safran presents a compelling investment opportunity. It has a dominant market position as one of only four key global aircraft engine suppliers. Their CFM International joint venture holds over 80% of the crucial narrowbody engine market.

The industry has incredibly high barriers to entry due to massive research and development costs, specialised knowledge, and strict regulations. This enables Safran to generate very predictable, long-term cash flows from servicing their vast installed base of engines, which can last for four to five decades.

Safran's engine business benefits from two positive trends: monetising their mature CFM56 engine fleet (which is being flown more intensively due to new aircraft delivery delays) and simultaneously building the installed base of the new LEAP engine, setting up the next several decades of aftermarket profit.

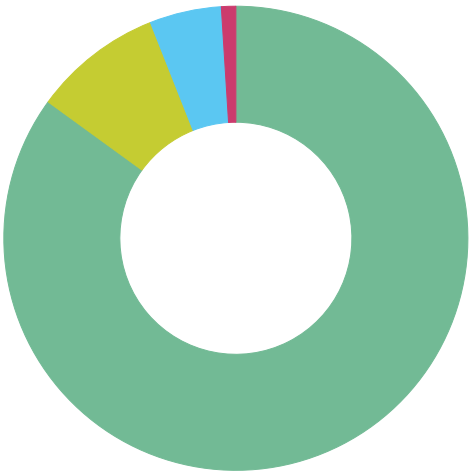
While not the primary reason for our investment, the Equipment & Defence division provides a stable complement to the highly profitable engine business and is well-positioned to grow with increasing European defence budgets.

In short, Safran is a high-quality business with a dominant market position and a clear path to earnings growth. Current industry dynamics support its most profitable segments, and its diversified businesses, coupled with a commitment to returning capital to shareholders, should make it a strong, compounding investment.

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Asset Allocation

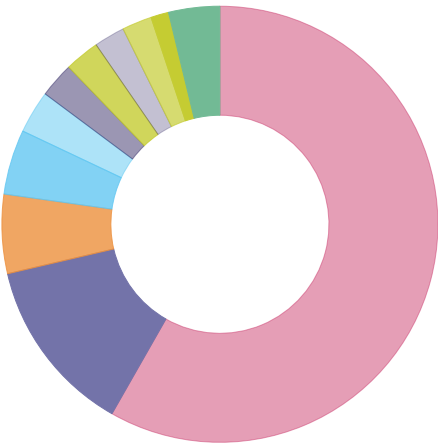
Portfolio Date: 19/11/2025



	%
Equities	85.0
Alternatives	9.0
Fixed Income	5.0
Cash	1.0
<b>Total</b>	<b>100.0</b>

Equity Breakdown

Portfolio Date: 30/11/2025



	%
United States	58.2
United Kingdom	13.1
Japan	5.9
France	4.8
Hong Kong	3.2
Brazil	2.6
Sweden	2.6
China	2.3
Switzerland	2.2
South Korea	1.3
Other	3.8
<b>Total</b>	<b>100.0</b>

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
<b>Equities</b>	—	<b>85.00</b>
James Hambro Harrier Glbl Eqs B GBP Acc	Global Equity	85.00
<b>Alternatives</b>	—	<b>9.00</b>
James Hambro Harrier Dvrs Strats BGBPAcc	Higher Risk Alternatives	9.00
<b>Fixed Income</b>	—	<b>5.00</b>
James Hambro Harrier Fixed Inc B GBP Acc	Global Fixed Income	5.00
<b>Cash</b>	—	<b>1.00</b>
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	0.75
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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## Important Notices – James Hambro & Partners

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Information within this document is correct As of 30/11/2025

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