Fairstone James Hambro & Partners 8

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 13.6% and 17.2% 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 8.

Investment Growth

Time Period: 01/07/2021 to 30/06/2026

Fairstone James Hambro & Partners 8 — IA Global

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone James Hambro & Partners 8	16.88%	37.77%	31.93%
IA Global	21.06%	45.32%	46.33%

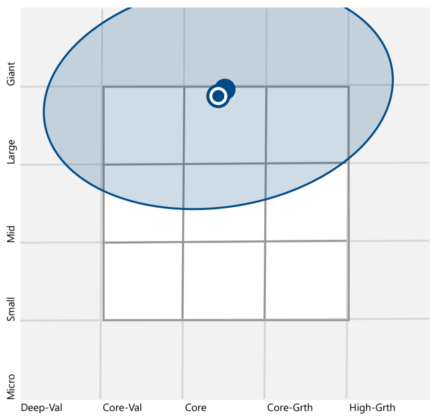
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone James Hambro & Partners 8	7.12	8.56	12.63	8.57	-10.47	12.32
IA Global	9.95	10.82	12.80	12.66	-11.34	17.57

Portfolio Overview

Portfolio Manager	James Hambro & Partners
Investment Universe	Multi-Instrument
Yield	0.00%
Portfolio Start Date	01/10/2019
Ongoing Fund Costs	0.41%
DFM Fee	0.25%
Total Portfolio Charge	0.66%

Investment Style Map



Risk Scale

8

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 13.6% and 17.2% 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 2024 Billy was promoted to Head of Professional Adviser Services having co-run the team since 2022.

Investment Adviser's Market Commentary

Our core thesis has evolved over the past few weeks and months from one centred on a relatively benign inflation and interest rate outlook to one where the risks of higher inflation leading to interest rate hikes have become more pronounced. At the same time the stream of positive news of spending on artificial intelligence (AI) and technology continues, with markets quite happily absorbing the record IPO of SpaceX and enthusiasm for chip and memory stocks showing few signs of fatigue. However, with sentiment and positioning seeing the glass as half-full markets are vulnerable to any errant data causing a correction, as opposed to a nosedive.

The reason we start our view of rates and inflation is relatively straightforward – interest rates influence the relative attractions of all securities as against cash whilst inflation – for so long a non-issue – influences what the Bank of England of US Federal Reserve may do with interest rates. Interest rates and inflation impact the direction both of the economy and the economic prospects of companies and sectors. Higher and unanchored inflation can cause havoc when it prompts central banks to raise interest rates which in turn dampens economic activity, limiting the returns for companies and undermining share valuations.

As of now it seems that investors are giving more attention to a peace deal between US and Iran and the likely positives for the economy, the most important being the freeing up of oil capacity in the Middle East as the Iranians pull back from their blockade on the Straits of Hormuz. The signing of a deal is positive, and oil prices have fallen in anticipation (to below $80 a barrel from highs of more than $110) but, having been closed for four months, it will take some time for oil supply to return to pre-war levels. This means that although prices for crude oil are dropping quite rapidly those that consumers pay may take some time to readjust (US gasoline prices are still hovering around $4 mark as compared to below $3 before the war started).

Further upward pressure on prices can be found in food costs, which analysts fear will be sent higher due to the squeeze on oil, a key component in the production of agricultural fertiliser. A new additional burden on agriculture may arise from the El Niño climate effect, which is predicted to be particularly strong this year. And
there's the colossal corporate investment into AI which Goldman Sachs has said is stoking prices for consumers, particularly as huge demand to run data centres pushes up the bills for energy whilst LLM's insatiable demand for chips and memory is feeding through into consumer electronics; Apple announced planned increases to iPhones this week. While the 172,000 jobs added in May, double what had been predicted, raises the prospect of future inflation in wages. The end result of all of this is that US inflation hit 4.2% in May, its highest in three years. A global surge in prices has central bankers around the world reacting accordingly. The European Central Bank jacked up interest rates by a quarter point at its recent meeting – its first interest-rate hike since late in 2023. The Bank of Japan pushed up its interest rate to 1% earlier this month, the highest since 1995. Kevin Warsh, the new head of the Federal Reserve, has been a vocal proponent of the view that in the long-term AI efficiencies will drive down inflation. Yet recently, while electing not to raise rates, he was clear that the inflationary situation is of concern to the Fed. All of this is a major break from the viewpoint just a few months ago when inflation was at just 2.4% and analysts were debating how fast the Fed would be cutting rates through 2026.

As we have pointed out many times before, inflationary pressures are already gnawing away at consumers who feel they've been suffering from price rises for too long. As a result US consumer sentiment is still close to rock bottom and is lower than it was during the COVID pandemic, although this hasn't yet stopped them spending.

Still, markets for the moment seem unconcerned, dwelling instead on the positivity from AI investment and the ensuing efficiency the new technology may spur. Bank of America's fund manager survey showed that investors slashed their cash levels last month and any worries about global growth for them have dissipated.

Stock in Focus

Broadcom

Broadcom is a global technology leader spanning semiconductor solutions and infrastructure software, with a business model deliberately structured to balance cyclical exposure with durable growth. Broadcom's semiconductor operations are inherently linked to capital cycles in technology hardware, while the software segment provides a more stable and recurring earnings stream. This combination creates a business that can both compound through cycles and expand structurally as digital infrastructure, specifically Artificial Intelligence, becomes more complex.

Broadcom's products sit at the heart of the computing architecture critical to the revolution in artificial intelligence. Within the semiconductor division, which accounts for 64% of revenues, Broadcom's chips are used to process data and move it across networks. Demand in both areas has accelerated sharply as AI models have scaled, requiring greater power, speed and bandwidth.

On the computation side, Broadcom partners with companies such as Google, Meta, Amazon and Anthropic to design custom chips (ASICs or XPUs) that serve as the processing engines for large language models. As model complexity has increased, so too has the requirement for power, driving a shift towards purpose-built chips that can deliver higher efficiency than more generalised alternatives offered by providers such as Nvidia.

In parallel, Broadcom is the leading player in Ethernet, the networking technology used to connect chips, servers and computers. Its products are well regarded for their quality and technical performance, and are supported by Ethernet's open and flexible architecture, which is increasingly the preferred standard among hyperscale customers.

As of the first quarter of 2026, AI-based revenues accounted for nearly 50% of group revenues and two thirds of the semiconductor division. Compared to the first quarter of 2025, AI revenues grew 106% with AI XPUs growing 140% and Networking growing at 60%. The company is guiding for the annual revenues from AI to grow to over $100bn by 2027, this is compared to just $20bn in 2025.

The Infrastructure Software division was transformed in 2024 following the acquisition of VMware. VMware enables enterprises to build and manage private cloud infrastructure, reducing reliance on public cloud providers such as AWS, Google Cloud or Microsoft Azure. This model is particularly attractive for organisations handling sensitive data, including banks, exchanges and government entities. Its software enhances the utilisation, flexibility and control of IT infrastructure, embedding Broadcom at the centre of mission-critical operations. This positioning supports a highly sticky, recurring and high-margin revenue stream.

Competition for Broadcom is constrained by a combination of technological leadership, scale and structural barriers. Broadcom is a dominant player in Ethernet networking and a leader in custom AI chips, areas that require deep engineering expertise, long development cycles and close customer collaboration. Its intellectual property and scale of R&D underpin this advantage, while the embedded nature of both its chips and software creates significant customer lock-in.

The growth opportunity is increasingly driven by artificial intelligence. Management estimate a potential revenue opportunity of $60bn to $90bn from its existing customer base, with further upside as additional customers adopt custom chips. Networking will continue to benefit from demand for high-speed, low latency connectivity. Combined with steady double-digit growth in software, the business is well positioned to deliver around 20% annual revenue growth over the medium term, with earnings growing faster as operating leverage is maintained.

The quality of the business is reflected in consistently high returns with operating margins in the mid-60s and high returns on capital. Free cash flow generation is strong and expected to rise in line with profits, supporting a balanced capital allocation approach across acquisitions, dividends and buybacks.

Management is an important component to the investment case. Hock Tan has led the company since 2006 and has built Broadcom through a series of disciplined and value accretive acquisitions. His significant equity ownership ensures alignment with long term investors, reinforcing a culture that prioritises returns and strategic discipline.

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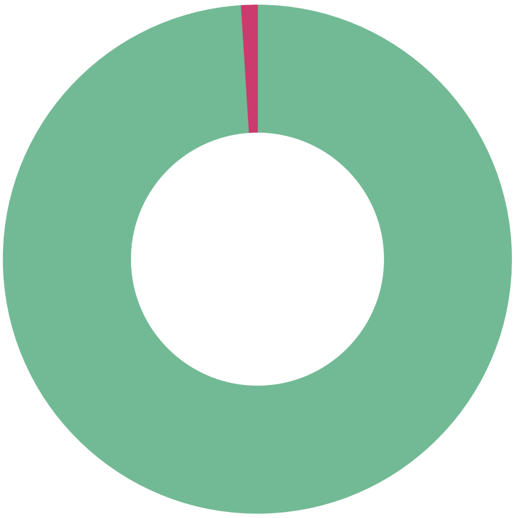
Asset Allocation

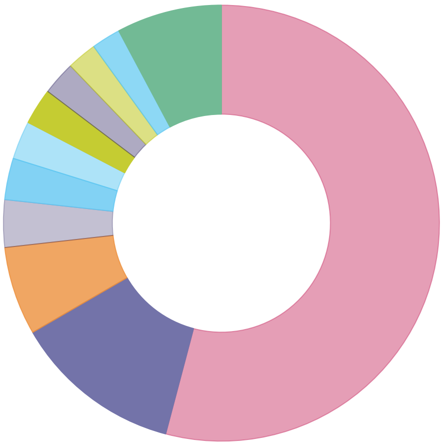
Portfolio Date: 20/05/2026



	%
Equities	99.0
Cash	1.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 30/06/2026



	%
United States	54.1
United Kingdom	12.5
Japan	6.6
China	3.5
France	3.1
Hong Kong	2.8
South Korea	2.7
Canada	2.5
Taiwan	2.2
Germany	2.2
Other	7.8
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	**—**	**99.00**
James Hambro Harrier Glbl Eqs B GBP Acc	Global Equity	99.00
Cash	**—**	**1.00**
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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Information within this document is correct As of 30/06/2026

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