

# Fairstone Responsible Passive 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 8.3-11.8% over rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

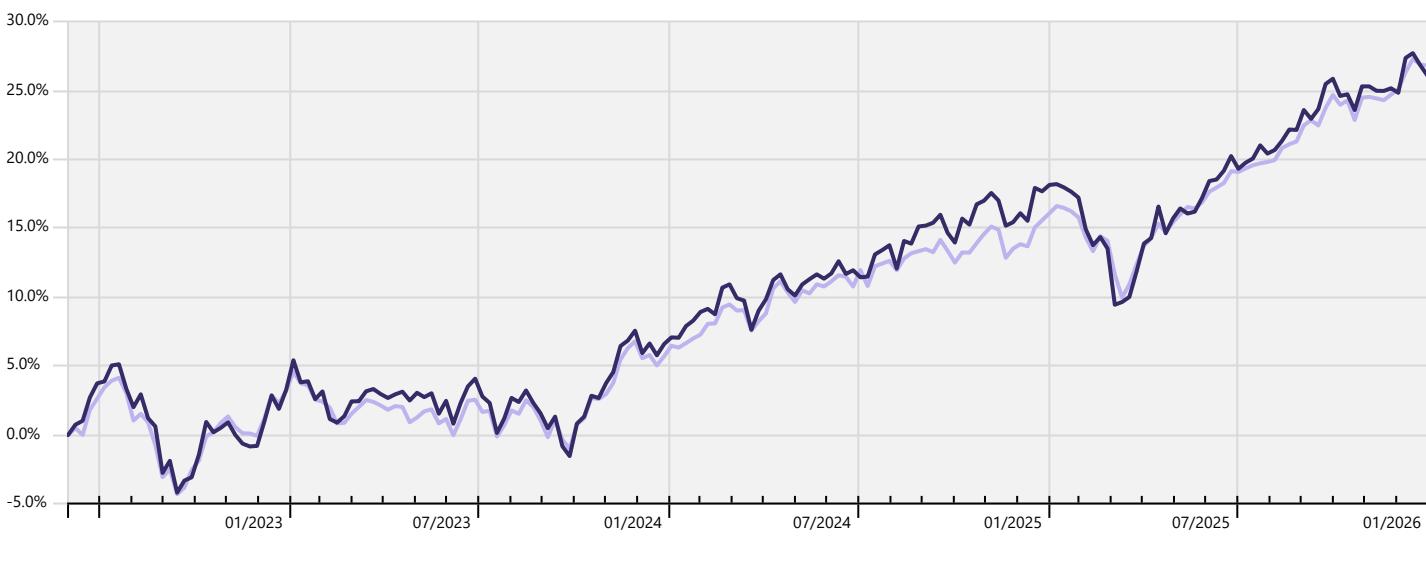
Ranking the risk on a scale of between 1 and 10, where 1 is the lowest, Fairstone place this portfolio as 5.

The portfolio is likely to be predominantly invested in fixed income and equities.

**THIS PORTFOLIO IS NOT SUITABLE FOR USE WITHIN OFFSHORE BOND WRAPPERS, DUE TO UNDERLYING HOLDING IN EXCHANGE TRADED FUNDS.**

## Investment Growth

Time Period: 01/07/2022 to 31/01/2026



— Fairstone Responsible Passive 5

26.1% — IA Mixed Investment 20-60% Shares

26.8%

## Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Responsible Passive 5	6.72%	22.03%	—
IA Mixed Investment 20-60% Shares	9.23%	23.15%	22.27%

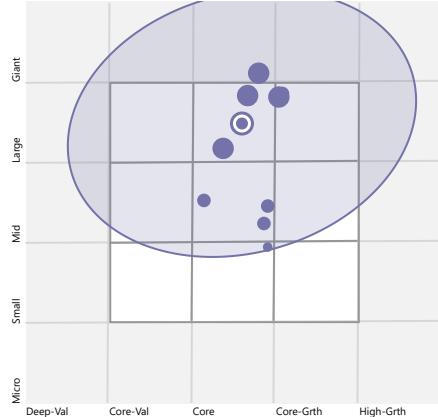
## Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Responsible Passive 5	0.90	8.54	7.03	8.43	—	—
IA Mixed Investment 20-60% Shares	1.44	10.24	6.18	6.86	-9.67	6.31

## Portfolio Overview

Portfolio Manager	Imogen Hambly
Investment Universe	Open Ended Funds
Yield	1.17%
Portfolio Start Date	01/07/2022
Ongoing Fund Costs	0.17%
DFM Fee	0.20%
Total Portfolio Charge	0.37%

## Investment Style Map



## Risk Scale

5

Target 10 Year Volatility

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## Portfolio Managers Market Commentary



Global markets began 2026 on a constructive footing, with January delivering positive returns across most major asset classes despite an ongoing backdrop of macroeconomic, political, and geopolitical uncertainty. Rather than a simple risk-on or risk-off environment, market outcomes were defined by pronounced rotation across regions, styles, currencies, and asset classes, alongside a continued broadening of market leadership beyond the narrow concentration that characterised much of the past two years.

Global equities advanced meaningfully, with the MSCI All Country World Index rising 1.03% in sterling terms. Performance was led by Asia and emerging markets, supported by improving macroeconomic indicators, easing financial conditions, and resilient earnings sentiment. Emerging market equities across Latin America and Asia performed particularly strongly, aided by US dollar weakness, favourable duration dynamics, and renewed investor appetite for higher-beta exposures. Korea and Brazil stood out at a country level, with Brazil also benefiting from rising commodity prices. In China, property developer shares rallied following reports that authorities had effectively dismantled the "three red lines" borrowing constraints, a symbolic but positive signal after a prolonged period of policy tightening.

### Portfolio Manager

Imogen Hambly

Developed market performance was more mixed. In the United States, January extended the style rotation that had intermittently emerged during 2025. Value-oriented and cyclical sectors outperformed, while growth and AI-linked stocks lagged. Both the Nasdaq and the S&P 500 edged lower, underperforming small-cap equities and many international markets. The "Magnificent Seven" trailed the broader index, reflecting growing investor sensitivity to valuation, earnings quality, and capital intensity. Heightened earnings-related volatility, most notably in large technology names, reinforced a more selective market environment.

European and UK equities delivered modest but steady gains. Easing inflation, early signs of economic stabilisation, supportive fiscal measures - particularly in Germany - and improved policy visibility underpinned confidence across the region. UK markets benefited from similar dynamics, alongside moderating inflation and gradual real wage growth.

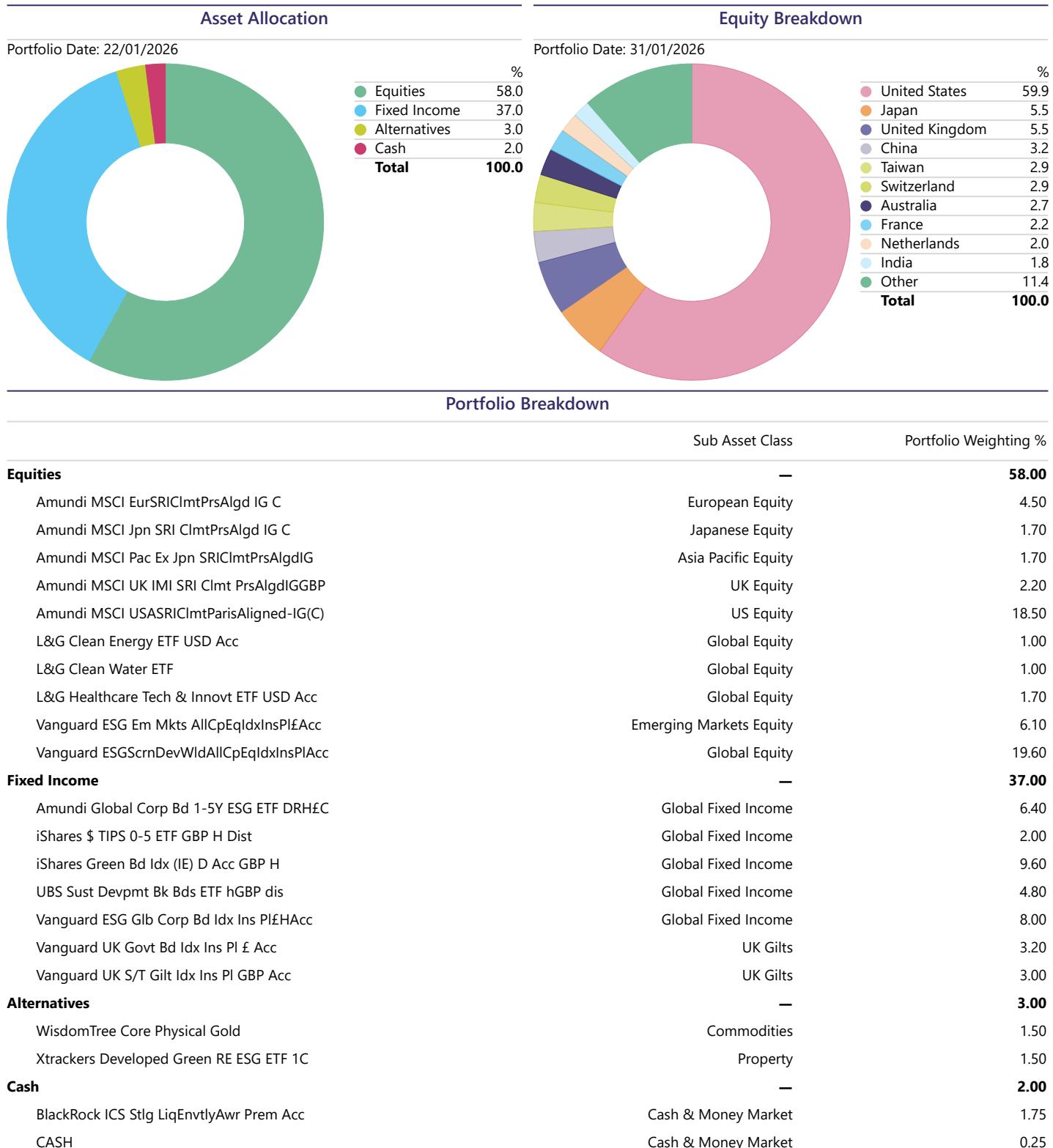
Bond markets added an important dimension to January's narrative. Long-dated government bonds underperformed, particularly in Japan, where yield curves steepened on inflation and fiscal concerns. European government bonds outperformed US Treasuries, supported by policy clarity and easing inflation. Corporate credit was the standout performer, with global corporate bonds outperforming sovereigns as spreads tightened modestly amid contained default expectations.

Commodities also played a notable role, with energy prices surprising to the upside. Brent crude rose sharply, supporting energy equities and commodity-linked regions while reinforcing sensitivity at the long end of bond yield curves.

Overall, January highlighted a more diversified and rotational market environment, with opportunities increasingly spread across regions, styles, and asset classes rather than concentrated in a narrow group of large technology stocks.

Against this backdrop, portfolios posted modest gains, as sustainability tilts weighed on equities and a sharp month-end pullback in gold reduced returns. Overweight exposure to Emerging Markets and the Pacific region was supportive relative to the US, with the Amundi MSCI Pacific ex Japan SRI Climate Paris Aligned fund gaining 4.3% and the Vanguard ESG Emerging Markets All Cap Equity Index up 4.0%, albeit both lagged their whole of market index counterparts. UK equities added value via the Amundi MSCI UK IMI SRI Climate Paris Aligned fund (+2.4%), while Europe also posted gains (+1.6%). In contrast, Japanese, US and broad developed market equity exposures detracted. Thematic allocations outperformed, led by the L&G Clean Energy UCITS ETF (+8.7%). In fixed income, the iShares Green Bond Index rose 0.7%, while short-duration strategies also performed well.

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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

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