Fairstone Responsible Passive 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 13.6-17.2% 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, Fairstone place this portfolio as 8.

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 HOLDINGS IN EXCHANGE TRADED FUNDS.

Investment Growth

Time Period: 01/07/2022 to 31/12/2025

Fairstone Responsible Passive 8	28.8%	IA Flexible Investment	33.4%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Responsible Passive 8	9.30%	28.66%	—
IA Flexible Investment	12.11%	31.32%	32.91%

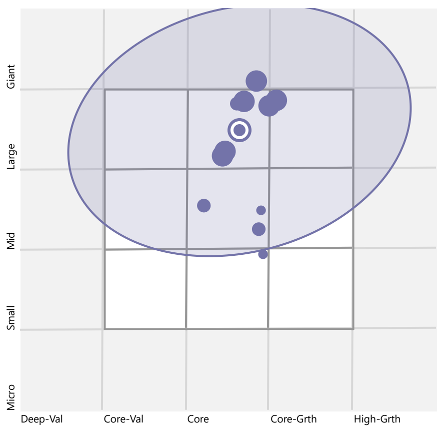
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Responsible Passive 8	9.30	9.30	8.58	8.40	—	—
IA Flexible Investment	12.11	12.11	9.16	7.31	-9.13	11.38

Portfolio Overview

Portfolio Manager	Imogen Hambly
Investment Universe	Open Ended Funds
Yield	0.71%
Portfolio Start Date	01/07/2022
Ongoing Fund Costs	0.18%
DFM Fee	0.20%
Total Portfolio Charge	0.38%

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.

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Portfolio Managers Market Commentary

Portfolio Manager

Imogen Hambly

December closed out 2025 with a tone of cautious optimism across global markets. While pockets of volatility persisted, the prevailing narrative was one of consolidation rather than capitulation. Investors weighed the supportive effects of easing inflation and selective central bank rate cuts against ongoing concerns surrounding valuations and geopolitical uncertainty. Against this backdrop, both equity and fixed income markets delivered mixed outcomes.

In line with trends observed earlier in the year, market leadership continued to broaden, with UK, European and Emerging Market equities outperforming US stocks. This broadening was also evident at the sector level, where cyclical and value sectors outperformed growth, reflecting investor demand for diversification amid growing questions over the sustainability of AI-driven spending trends.

Within the US, the S&P 500 declined 1.6% in GBP terms, outperforming the Nasdaq, which fell 2.1%, as technology stocks - key drivers of 2025's rally - faced valuation headwinds. While investor caution toward US equities increased, a portion of these declines reflected currency movements following the Federal Reserve's third rate cut of the year.

Closer to home, European equities outperformed their US counterparts, supported by lower exposure to high-valuation technology stocks and stabilising energy prices. The MSCI Europe ex UK Index rose 2.2%, capping a strong period for the region, with defensive sectors and financials contributing meaningfully amid optimism around fiscal expansion and easing inflation. UK equities ended the year on a similarly positive note, with the FTSE 100 gaining 2.2% and the FTSE 250 advancing 1.7%, driven by strength in mining and defence stocks alongside expectations of further Bank of England rate cuts.

Elsewhere, emerging market gains were underpinned by strong performances from semiconductor-linked stocks in South Korea and Taiwan, where returns have been notably strong throughout the year. Japanese equities, however, ended the year more subdued, with the MSCI Japan Index declining 1.1% after the Bank of Japan's surprise 25 bps rate hike dampened sentiment.

Across bond markets, returns were mixed as investors navigated a complex environment of policy divergence and shifting inflation expectations. Global government bonds delivered modestly negative returns as long-dated yields rose, while corporate credit outperformed, supported by tighter spreads and resilient fundamentals.

At a policy level, the Federal Reserve implemented its third consecutive 25 bps rate cut, while the Bank of England also reduced rates by 25 bps, with easing inflation and signs of labour market softening providing scope for further policy accommodation in the UK.

Looking ahead, disinflation trends, central bank policy trajectories and the resilience of global growth remain the dominant themes. In this environment, regional equity diversification and allocations to high-quality fixed income continue to play a central role in constructing resilient portfolios.
Against this backdrop, portfolio performance declined, primarily due to weakness in US equities. At a regional level, overweight exposures to the UK and Emerging Markets were supportive, with the Amundi MSCI UK IMI SRI Climate Paris Aligned fund gaining 1.4% and the Vanguard ESG Emerging Markets All Cap Equity Index rising 0.3%, while European equities also contributed positively, with the Amundi MSCI Europe SRI Climate Paris Aligned adding 0.8%. However, sustainability-focused strategies across regions were pressured as rising long-term bond yields weighed on growth stocks. US market weakness persisted, with the Amundi MSCI USA SRI Climate Paris Aligned falling 0.7%. Thematic allocations and real assets were also impacted by higher long-term bond yields. Within fixed income, UK bonds outperformed US bonds, while gold provided modest support.

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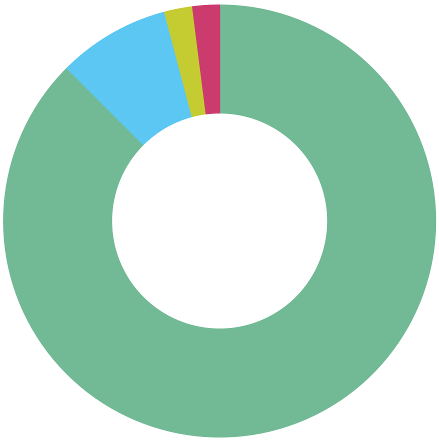
Asset Allocation

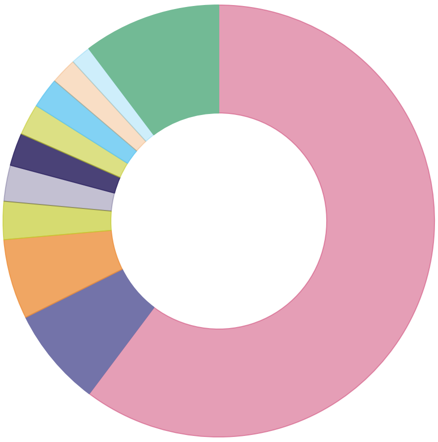
Portfolio Date: 22/10/2025



	%
Equities	87.5
Fixed Income	8.4
Alternatives	2.1
Cash	2.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 31/12/2025



	%
United States	60.3
United Kingdom	7.4
Japan	6.0
Switzerland	2.8
China	2.7
Australia	2.4
Taiwan	2.4
France	2.3
Netherlands	2.0
India	1.5
Other	10.3
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**87.50**
Amundi MSCI EurSRIClmtPrsAlgd IG C	European Equity	7.70
Amundi MSCI Jpn SRI ClmtPrsAlgd IG C	Japanese Equity	3.40
Amundi MSCI Pac Ex Jpn SRIClmtPrsAlgdIG	Asia Pacific Equity	2.60
Amundi MSCI UK IMI SRI Clmt PrsAlgdIGGBP	UK Equity	5.20
Amundi MSCI USASRIClmtParisAligned-IG(C)	US Equity	31.00
L&G Clean Energy ETF USD Acc	Global Equity	0.75
L&G Clean Water ETF	Global Equity	0.75
L&G Healthcare Tech & Innovt ETF USD Acc	Global Equity	2.60
Vanguard ESG Em Mkts AllCpEqIdxInsPl£Acc	Emerging Markets Equity	7.70
Vanguard ESGScrnDevWldAllCpEqIdxInsPlAcc	Global Equity	25.80
Fixed Income	—	**8.40**
iShares $ TIPS 0-5 ETF GBP H Dist	Global Fixed Income	1.70
iShares Green Bd Idx (IE) D Acc GBP H	Global Fixed Income	2.00
Vanguard ESG Glb Corp Bd Idx Ins Pl£HAcc	Global Fixed Income	2.00
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	1.00
Vanguard UK S/T Gilt Idx Ins Pl GBP Acc	UK Gilts	1.70
Alternatives	—	**2.10**
WisdomTree Core Physical Gold	Commodities	1.05
Xtrackers Developed Green RE ESG ETF 1C	Property	1.05
Cash	—	**2.00**
BlackRock ICS Stlg LiqEnvtlyAwr Prem 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