

# Fairstone Responsible Passive 8

## Investment Aim

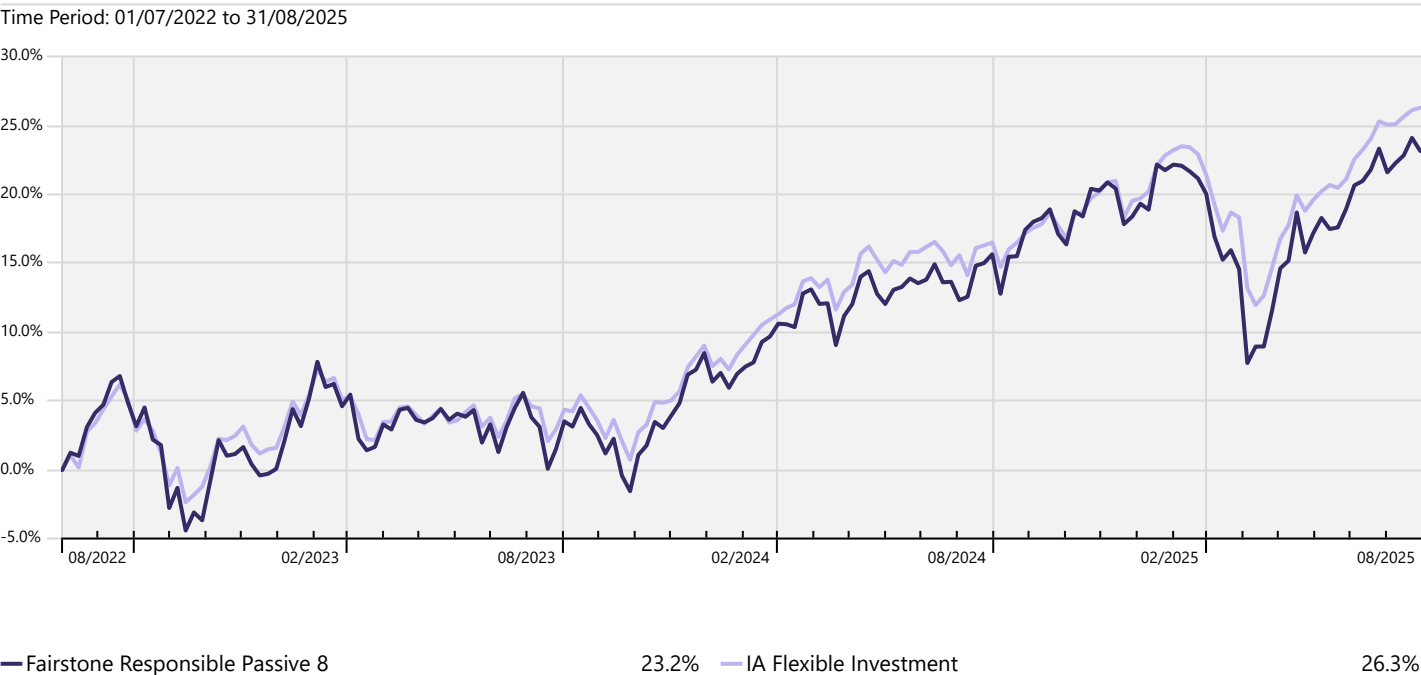
The Portfolio is designed to provide risk adjusted returns. It aims to achieve capital appreciation and reduce investment risk through diversification across asset classes and geographies.

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.

## Investment Growth



| Cumulative Performance          |        |         |         | Calendar Year Returns           |      |      |      |       |       |      |
|---------------------------------|--------|---------|---------|---------------------------------|------|------|------|-------|-------|------|
|                                 | 1 Year | 3 Years | 5 Years |                                 | YTD  | 2024 | 2023 | 2022  | 2021  | 2020 |
| Fairstone Responsible Passive 8 | 6.48%  | 18.35%  | —       | Fairstone Responsible Passive 8 | 4.55 | 8.58 | 8.40 | —     | —     | —    |
| IA Flexible Investment          | 8.40%  | 21.67%  | 36.40%  | IA Flexible Investment          | 6.12 | 9.16 | 7.31 | -9.13 | 11.38 | 7.01 |

### 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

Micro  
Small  
Mid  
Large  
Giant

Deep-Val  
Core-Val  
Core  
Core-Grth  
High-Grth

### 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

Global markets exhibited a sense of cautious but renewed optimism through August. Equities in most regions delivered gains in local currency terms, supported by signs of resilient economic activity and a softer tone from central banks. However, for sterling-based investors, returns were tempered by currency moves, as GBP strength against the U.S. dollar, among other currencies, eroding translated equity performance.

Japan was the standout among developed market equity regions, with the MSCI Japan Index gaining 4.8% in sterling. Improving economic momentum, underpinned by encouraging second-quarter GDP growth and stronger machinery orders, combined with a positive trade agreement with the United States to bolster sentiment. European equities posted more modest returns, with the MSCI Europe ex-UK Index up 1.3%. Political turbulence in France, where the announcement of a vote of no confidence unsettled markets, weighed on performance, though improving business activity offered reassurance that growth is stabilising.

In the UK, the FTSE 100 rose 0.6%, supported by its global exposure, while the more domestically focused FTSE 250 fell as concerns over the UK economy persisted. The Bank of England cut interest rates by 25 basis points, but stronger-than-expected inflation data tempered the effect, with policymakers stressing that inflation risks remain.

Across U.S. markets, the S&P 500 declined 0.2% in GBP terms. However, in local currency terms, returns were positive, supported by robust earnings and solid momentum across sectors, with weakness in the dollar dragging on translated performance.

Similarly, Asian and emerging markets equities advanced in local terms, with relief coming from an extension of the U.S. - China trade truce, while Chinese technology stocks gained on Beijing's new semiconductor strategy. Again, it was strength in sterling that eroded gains across both regions.

Fixed income markets delivered mixed results. Global corporate bonds generally outperformed their sovereign counterparts, with credit spreads tightening as healthy earnings boosted confidence in balance sheets. U.S. Treasuries were volatile: early weakness on deficit concerns gave way to recovery after dovish remarks from Federal Reserve Chair Jerome Powell at Jackson Hole, which also pressured the dollar lower.

Looking ahead, familiar themes continue to shape markets: the pace of central bank easing, the trajectory of inflation, and the resilience of global growth. Diversification across regions and asset classes remains key, with opportunities in equities, selective credit, and risk-aware real assets.

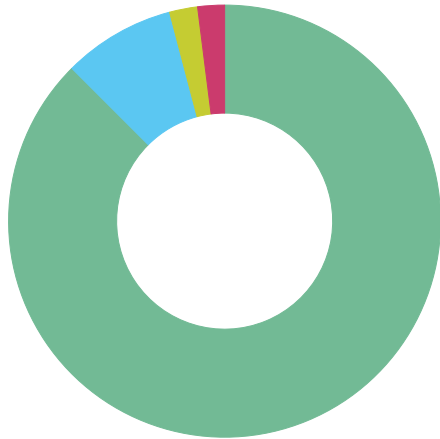
Against this backdrop, the portfolios delivered positive returns, with thematic holdings once again leading the way. Unlike in previous months, where clean energy stocks drove performance, August's strength came from our healthcare allocation, with the *L&G Healthcare Technology & Innovation UCITS ETF* advancing 6.4%. The *L&G Clean Water UCITS ETF* also extended its run of gains, rising 2.1%. Japanese equities contributed positively too, adding 2.0%, although sustainability-linked tilts acted as a modest drag across the broader equity allocation.

Fixed income results were more mixed. UK government bond exposure declined 1.1% as long-term yields moved higher, while corporate credit holdings delivered gains on the back of stable fundamentals and tighter spreads. Alternatives added further value, with both real estate and gold positions generating positive returns.

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## Asset Allocation

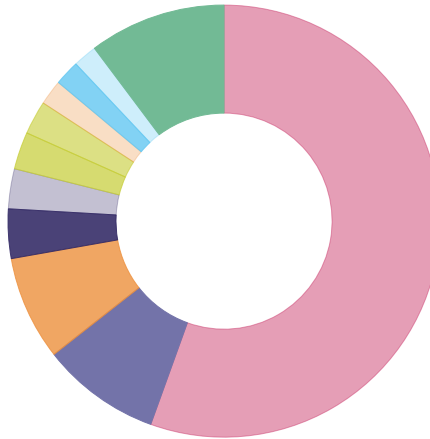
Portfolio Date: 23/07/2025



|              | %            |
|--------------|--------------|
| Equities     | 87.5         |
| Fixed Income | 8.4          |
| Alternatives | 2.1          |
| Cash         | 2.0          |
| <b>Total</b> | <b>100.0</b> |

## Equity Breakdown

Portfolio Date: 31/08/2025



|                | %            |
|----------------|--------------|
| United States  | 55.5         |
| United Kingdom | 8.9          |
| Japan          | 7.8          |
| Australia      | 3.7          |
| China          | 3.0          |
| Switzerland    | 2.8          |
| Taiwan         | 2.5          |
| Netherlands    | 1.9          |
| France         | 1.9          |
| India          | 1.8          |
| Other          | 10.2         |
| <b>Total</b>   | <b>100.0</b> |

## Portfolio Breakdown

|  | Sub Asset Class         | Portfolio Weighting % |
|--|-------------------------|-----------------------|
| <b>Equities</b>                          | —                       | <b>87.50</b>          |
| Amundi MSCI EurSRIClmtPrsAlgd IG C       | European Equity         | 7.70                  |
| Amundi MSCI Jpn SRI ClmtPrsAlgd IG C     | Japanese Equity         | 5.20                  |
| Amundi MSCI Pac Ex Jpn SRIClmtPrsAlgdIG  | Asia Pacific Equity     | 4.30                  |
| Amundi MSCI UK IMI SRI Clmt PrsAlgdIGGBP | UK Equity               | 6.90                  |
| Amundi MSCI USASRIClmtParisAligned-IG(C) | US Equity               | 30.10                 |
| 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           | 1.70                  |
| Vanguard ESG Em Mkts AllCpEqIdxInsPI£Acc | Emerging Markets Equity | 8.60                  |
| Vanguard ESGScrnDevWldAllCpEqIdxInsPIAcc | Global Equity           | 21.50                 |
| <b>Fixed Income</b>                      | —                       | <b>8.40</b>           |
| 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 PI£HAcc | Global Fixed Income     | 2.00                  |
| Vanguard UK Govt Bd Idx Ins PI £ Acc     | UK Gilts                | 1.00                  |
| Vanguard UK S/T Gilt Idx Ins PI GBP Acc  | UK Gilts                | 1.70                  |
| <b>Alternatives</b>                      | —                       | <b>2.10</b>           |
| WisdomTree Core Physical Gold            | Commodities             | 1.05                  |
| Xtrackers Developed Green RE ESG ETF 1C  | Property                | 1.05                  |
| <b>Cash</b>                              | —                       | <b>2.00</b>           |
| BlackRock ICS Stlg LiqEnvtyAwrr Prem Acc | Cash & Money Market     | 1.75                  |
| CASH                                     | Cash & Money Market     | 0.25                  |

# Fairstone Responsible Passive 8

## Target Market

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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

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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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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.

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