

# Fairstone Responsible Active 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 equities, fixed income and alternatives.

## Investment Growth



Fairstone Responsible Active 5				13.9%	IA Mixed Investment 20-60% Shares						20.0%
Cumulative Performance				Calendar Year Returns							
	1 Year	3 Years	5 Years		YTD	2024	2023	2022	2021	2020	
Fairstone Responsible Active 5	1.02%	4.70%	—	Fairstone Responsible Active 5	0.63	2.41	4.72	-11.81	6.53	—	
IA Mixed Investment 20-60% Shares	5.27%	10.67%	21.53%	IA Mixed Investment 20-60% Shares	1.80	6.18	6.86	-9.67	6.31	3.49	

### Portfolio Overview

Portfolio Manager	Imogen Hambly
Investment Universe	Open Ended Funds
Yield	1.04%
Portfolio Start Date	01/07/2020
Ongoing Fund Costs	0.68%
DFM Fee	0.30%
Total Portfolio Charge	0.98%

### Investment Style Map

### Risk Scale

5

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 8.3% and 11.8% 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 Manager**

Imogen Hambly

## Portfolio Managers Market Commentary

Through May, global equity markets rebounded strongly, buoyed by easing trade tensions and improving consumer sentiment. Developed market stocks outperformed their emerging market counterparts, led by gains from U.S. markets, and from the U.S. technology sector in particular, with the Nasdaq index gaining 8.1%, in GBP.

U.S. trade negotiations continued between the White House and other key global governments, with significant progress made between the U.S. and the E.U., while a mid-month trade truce between the U.S. and China helped fuel gains across risk assets.

While trade tariffs remain the focal point of President Trump's economic agenda, early sightings of his budget reconciliation bill point to new tax and regulatory changes that will help boost the U.S. domestic business landscape – a development that proved positive for small cap stocks through the month.

Elsewhere, both European and U.K. equities posted gains, with upward earnings revisions helping underpin confidence in the European equity market. Within the U.K., GDP data surprised to the upside, while announcements of trade deals with India and the U.S. further added to optimism. However, inflation in the region remains stubbornly high, and fears are mounting over government borrowing levels.

Across bond markets, the picture was more challenging, as concerns over fiscal deficits in both the U.S. and U.K. pushed up long-dated yields, weighing heavily on government bond prices. Improving trade tensions helped buoy returns from credit markets, with the global high yield index benefitting from a brighter growth outlook and eking out a gain of 1.6%, however, broad weakness in government bonds led the global aggregate index to close the month down 0.5%.

Commodity markets also struggled. Gold was especially weak through the period, falling 0.9%, as investors capitalised on falling recessionary fears by shifting capital way from defensive assets. Other alternative asset classes, notably property and infrastructure, benefitted from the improving appetite, posting gains.

Looking ahead, unpredictable trade policies, ongoing inflationary pressures, and divergent fiscal responses are expected to sustain market volatility. Investors are advised to focus on diversification across geographies and asset classes while maintaining flexibility to adapt to evolving conditions.

Against this backdrop the portfolios gained, with U.S. and clean energy stocks driving growth. Having struggled through recent times, the *Schroder Global Alternative Energy* fund experienced a strong early month bounce, benefitting from renewed hopes of global growth, ultimately closing May up 8.7%. Recently added *Brown Advisory US Sustainable Growth* also exhibited above benchmark returns, adding 8.4%, with good returns from technology and cyclical stocks helping boost performance. Elsewhere, returns from our other equity strategies were positive, albeit our underweight to U.S. equities detracted from portfolio performance as a whole. Across our fixed income allocations, overweight positions in credit versus government bonds benefitted, as did our underweight to duration. Exposure to alternative assets also benefitted.

## Fund In Focus

### Templeton Global Climate Change

This global equity strategy from Franklin Templeton offers a unique approach to investing in the climate change theme. With a clear exclusionary framework in place, the focus of the fund is on finding companies that provide solutions to mitigate and adapt to climate change, as well as those that are actively adapting their business models to be more resilient in the face of climate change and resource depletion.

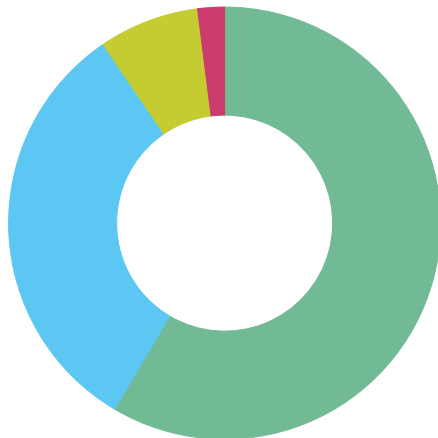
What makes this solution particularly interesting is its overweight position in peer leading companies within the materials sector – a segment of the market that is essential to the energy transition, but often overlooked by sustainable equity funds.

By tackling the more difficult parts of the market in a way that is credible, transparent, and remains true to their sustainability targets, the team at Franklin Templeton have been able to create a strategy that sits apart from peers, in a market that often lacks genuine diversification. Going forward, the Fairstone Environmental portfolios will undoubtedly benefit from having exposure to this fund and the market leading companies that it holds.

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## Asset Allocation

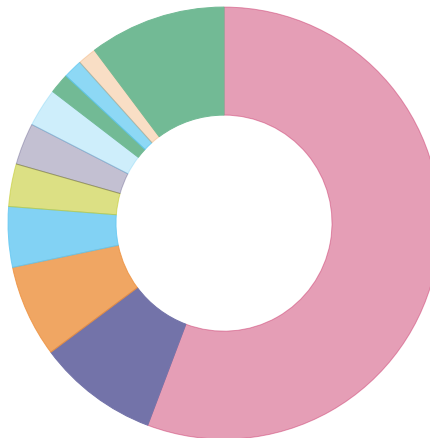
Portfolio Date: 28/04/2025



	%
Equities	58.5
Fixed Income	32.0
Alternatives	7.5
Cash	2.0
<b>Total</b>	<b>100.0</b>

## Equity Breakdown

Portfolio Date: 31/05/2025



	%
United States	55.7
United Kingdom	9.1
Japan	6.9
France	4.5
Taiwan	3.2
China	3.1
India	2.9
Denmark	1.5
Germany	1.4
Netherlands	1.4
Other	10.2
<b>Total</b>	<b>100.0</b>

## Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
<b>Equities</b>	—	<b>58.50</b>
Brown Advisory US Sust Gr GBP B Acc	US Equity	8.10
Federated Hermes Sus Gl Eq X GBP Acc	Global Equity	7.30
HC Cadira Sustainable Japan Eq GBP F Acc	Japanese Equity	1.10
Impax Asian Envir Mkts (IE) GBP X Acc	Asia Pacific Equity	2.20
Janus Henderson UK Responsible Inc I Acc	UK Equity	1.10
Janus Henderson US Sustainable Eq S Acc	US Equity	8.10
M&G Positive Impact Sterling PP GBP Acc	Global Equity	7.30
Regnan Sustainable Water and Waste AGBP	Global Equity	1.25
Schroder Global Alt Energy L GBP Acc	Global Equity	1.25
Schroder Global Sust Val Eq Z Cap	Global Equity	9.10
Stewart Inv Asia Pac All Cap B GBP Acc	Asia Pacific Equity	2.20
UBAM Positive Impact Em Eq YC GBP Acc	Emerging Markets Equity	2.20
Vontobel Global Envir Change N GBP	Global Equity	7.30
<b>Fixed Income</b>	—	<b>32.00</b>
AXA ACT Green Short Dur Bond ZI AccGBPQt	Global Fixed Income	5.60
Liontrust Sust Fut Corp Bd 6 Grs Acc	Global Fixed Income	4.80
PIMCO GIS Climate Bond Instl GBP H Acc	Global Fixed Income	6.40
Vanguard U.S. Govt Bd Idx Ins Pl £ H Acc	Global Fixed Income	1.60
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	1.60
Vontobel TwentyFour Sust S/T Bd Inc NG £	Global Fixed Income	5.60
Wellington Gbl Impact Bond GBP N AcH	Global Fixed Income	6.40
<b>Alternatives</b>	—	<b>7.50</b>
Schroder Global Cities Real Estt L £ Acc	Property	1.50
Trojan Ethical X Acc	Lower Risk Alternatives	6.00
<b>Cash</b>	—	<b>2.00</b>
BlackRock ICS Stlg LiqEnvtyAwr Prem Acc	Cash & Money Market	1.75
CASH	Cash & Money Market	0.25

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## 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

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.

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