# Fairstone Responsible Active 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

Time Period: 01/07/2022 to 30/04/2025


| | | | |
|---|---|---|---|
| Fairstone Responsible Active 8 | 3.9% | IA Flexible Investment | 15.6% |

## Cumulative Performance

| | 1 Year | 3 Years | 5 Years |
|---|---|---|---|
| Fairstone Responsible Active 8 | -4.72% | — | — |
| IA Flexible Investment | 2.00% | 9.62% | 35.90% |

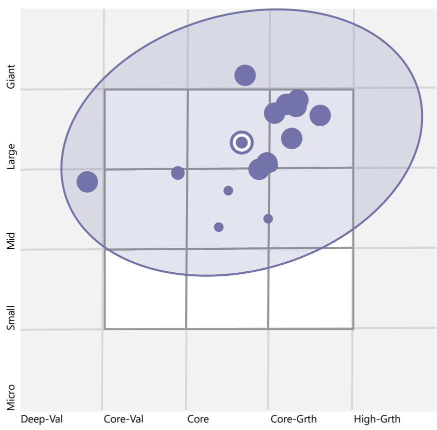
## Calendar Year Returns

| | YTD | 2024 | 2023 | 2022 | 2021 | 2020 |
|---|---|---|---|---|---|---|
| Fairstone Responsible Active 8 | -4.91 | 1.65 | 4.44 | — | — | — |
| IA Flexible Investment | -2.89 | 9.16 | 7.31 | -9.13 | 11.38 | 7.01 |

## Portfolio Overview

| | |
|---|---|
| Portfolio Manager | Imogen Hambly |
| Investment Universe | Opoen Ended Funds |
| Yield | 0.92% |
| Portfolio Start Date | 01/07/2022 |
| Ongoing Fund Costs | 0.77% |
| Transactional & Incidental Costs | 0.15% |
| DFM Fee | 0.30% |
| Total Portfolio Charge | 1.22% |

## 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 Manager**

Imogen Hambly

## Portfolio Managers Market Commentary

April saw heightened volatility in global markets, driven by aggressive US trade policy announcements. Early in the month, President Trump outlined sweeping trade tariffs on almost every other country, including a base tariff of 10%, plus additional 'reciprocal' tariffs on select nations. Although exemptions for certain electronic product and a temporary pause on some reciprocal tariffs moderated the initial impact, economists have been quick to downgrade their growth outlooks for 2025.

From a market perspective, the first few days of the month were characterised by severe stress, with all major global indices falling sharply on news of tariffs. As the month progressed, many regions saw recoveries, though fluctuations in currency markets added to volatility. The global equity index closed down 2.6% in GBP, with negative returns from the U.S. weighing on the index.

Through the month, data showed U.S. GDP contracted by 0.3% in Q1, although underlying consumer spending remained robust. Inflation remained moderate through March due to lower energy and airfare costs but is set to rise notably midyear as tariffs push up prices. Despite economic softness, the Federal Reserve signalled caution, focusing on sticky core inflation pressures and indicating potential rate cuts would not occur before Q4.

In Europe, Q1 GDP growth improved slightly to 0.4%, driven by consumer spending and an acceleration in export activity ahead of US tariffs. Inflation remained subdued across the region, supporting the European Central Bank's continued accommodative stance. UK inflation eased to 2.6% in March, though a rebound is anticipated in April due to higher regulated utility prices and rising labour costs. The Bank of England is expected to continue its cautious policy easing.

Market volatility extended to bond markets, where changing trade policies led to fluctuations in interest rate and inflation expectations. Despite elevated intra-month moves, government bond yields generally edged downwards, supporting bond prices. The global bond index gained 1.0%.

In currencies, the US dollar weakened amid growth concerns and uncertainty about longer-term demand for US assets, while safe-haven assets such as gold gained significantly, reflecting heightened investor caution amid persistent trade-related uncertainties.

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 generally returned losses, with U.S., Emerging Market and Asian equities weighing heavily on growth. While U.S. equities rebounded strongly in USD terms, for GBP investors, the weakening of the dollar hampered returns, leading the *Janus Henderson US Sustainable Equity* fund to close the month down 2.3%. Elsewhere, *Impax Asian Environmental Markets* fell 3.5%, while *UBAM Positive Impact Emerging Equity* lost 2.6%, as global trade concerns led to falling investor confidence – particularly in China. Overweight allocations to Japan and the UK added value, with the recently added *HC Cadira Sustainable Japan Equity* fund gaining 3.7%. Fixed income allocations continued to provide protection through what was an otherwise volatile month, with all bond strategies posting gains. Within alternatives, the *Troy Trojan Ethical* fund gained 0.6%, benefitting from its underlying allocations to inflation linked bonds and gold.

## 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.

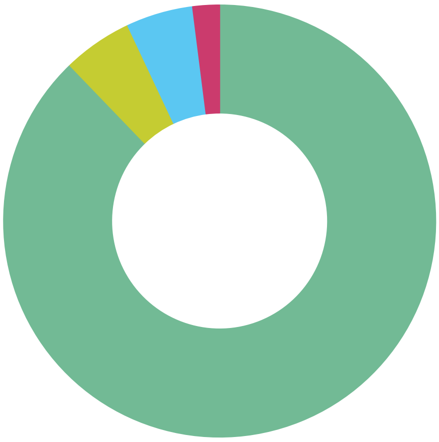
What makes this solution particularly interesting is its overweight position in peer leading companies within the materials sector – a segment of the market that is essential to the energy transition, but often overlooked by sustainable equity funds.

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.

# Fairstone Responsible Active 8

## Asset Allocation

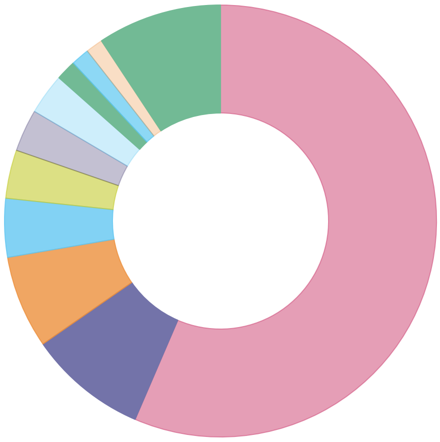
Portfolio Date: 28/04/2025



| | % |
|---|---|
| Equities | 87.8 |
| Alternatives | 5.2 |
| Fixed Income | 5.0 |
| Cash | 2.0 |
| **Total** | **100.0** |

## Equity Breakdown

Portfolio Date: 30/04/2025



| | % |
|---|---|
| United States | 56.5 |
| United Kingdom | 8.9 |
| Japan | 6.9 |
| France | 4.4 |
| Taiwan | 3.6 |
| China | 3.2 |
| India | 3.1 |
| Denmark | 1.5 |
| Germany | 1.4 |
| Netherlands | 1.3 |
| Other | 9.3 |
| **Total** | **100.0** |

## Portfolio Breakdown

| | Sub Asset Class | Portfolio Weighting % |
|---|---|---|
| **Equities** | **—** | **87.80** |
| Brown Advisory US Sust Gr GBP B Acc | US Equity | 12.50 |
| Federated Hermes Sus Gl Eq X GBP Acc | Global Equity | 11.20 |
| HC Cadira Sustainable Japan Eq GBP F Acc | Japanese Equity | 1.70 |
| Impax Asian Envir Mkts (IE) GBP X Acc | Asia Pacific Equity | 3.40 |
| Janus Henderson UK Responsible Inc I Acc | UK Equity | 1.70 |
| Janus Henderson US Sustainable Eq S Acc | US Equity | 12.50 |
| M&G Positive Impact Sterling PP GBP Acc | Global Equity | 11.20 |
| Regnan Sustainable Water and Waste AGBP | Global Equity | 0.90 |
| Schroder Global Alt Energy L GBP Acc | Global Equity | 0.90 |
| Schroder Global Sust Val Eq Z Cap | Global Equity | 13.80 |
| Stewart Inv Asia Pac All Cap B GBP Acc | Asia Pacific Equity | 3.40 |
| UBAM Positive Impact Em Eq YC GBP Acc | Emerging Markets Equity | 3.40 |
| Vontobel Global Envir Change N GBP | Global Equity | 11.20 |
| **Alternatives** | **—** | **5.20** |
| Schroder Global Cities Real Estt L £ Acc | Property | 1.00 |
| Trojan Ethical X Acc | Lower Risk Alternatives | 4.20 |
| **Fixed Income** | **—** | **5.00** |
| Liontrust Sust Fut Corp Bd 6 Grs Acc | Global Fixed Income | 1.00 |
| PIMCO GIS Climate Bond Instl GBP H Acc | Global Fixed Income | 1.00 |
| Vanguard U.S. Govt Bd Idx Ins Pl £ H Acc | Global Fixed Income | 1.00 |
| Vanguard UK Govt Bd Idx Ins Pl £ Acc | UK Gilts | 1.00 |
| Wellington Glbl Impact Bond GBP N AcH | Global Fixed Income | 1.00 |
| **Cash** | **—** | **2.00** |
| BlackRock ICS Stlg LiqEnvtlyAwr Prem Acc | Cash & Money Market | 1.75 |
| CASH | Cash & Money Market | 0.25 |

# Fairstone Responsible Active 8

## 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.



As of 30/04/2025