

Fairstone Liontrust Income 4

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 6.5% and 10% 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, we place this portfolio as 4.

Investment Growth

Time Period: 01/02/2021 to 31/01/2026



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23.4% — IA Mixed Investment 20-60% Shares

22.3%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Liontrust Income 4	9.91%	24.52%	23.42%
IA Mixed Investment 20-60% Shares	9.23%	23.15%	22.27%

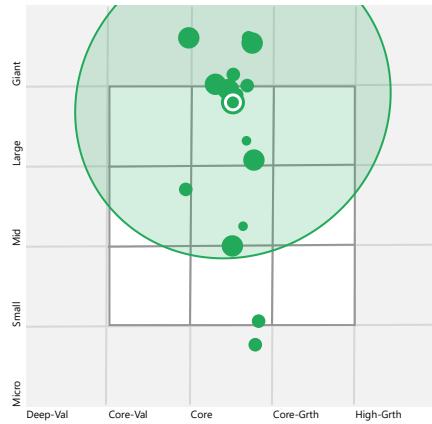
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Liontrust Income 4	1.51	10.60	6.43	6.56	-10.13	7.64
IA Mixed Investment 20-60% Shares	1.44	10.24	6.18	6.86	-9.67	6.31

Portfolio Overview

Portfolio Manager	Liontrust
Investment Universe	Open Ended Funds
Yield	3.06%
Portfolio Start Date	31/05/2019
Last Rebalance Date	31/01/2026
Ongoing Fund Costs	0.34%
DFM Fee	0.25%
Total Portfolio Charge	0.59%

Investment Style Map



Risk Scale

4

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 6.5% and 10.0% over a rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

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Investment Adviser

John Hussellbee

Investment Adviser's Market Commentary

January continued the whirlwind of events and headlines seen in 2025. Gold and silver reached all-time highs and oil futures rose 13.6%¹ as Venezuela, Iran and Greenland took centre stage. It was also a month in which the inherent diversification embedded in the Liontrust Multi-Asset portfolios meant they were well positioned for much of what unfolded as markets demonstrated their resilience.

A look through the geopolitical headlines reveals that non-US equities performed well, particularly in regions where we are tactically overweight. The momentum of emerging market and Asia ex-Japan equities from 2025 continued and they led their regional peers, delivering 6.8% and 6.0% in sterling terms over January. Japanese equities were close behind with a return of 4.5% in sterling terms, while UK equities returned 3.1%.

January is a testament to the fact that major political developments do not necessarily drive markets. Much of January's market performances was in many ways a continuation of fundamental themes over the last year, including some investors beginning to rotate away from the US.

Emerging markets and Asia ex-Japan have been benefiting from the weaker greenback, which eases their dollar-denominated debts, although they have encountered headwinds due to tariffs. We retain a positive tactical outlook on these regions, supported by favourable demographics, productivity trends and corporate earnings momentum.

We also assign positive tactical ratings to Japanese and UK equities. In Japan, ongoing corporate governance reforms and supportive policies continue to boost investor confidence. In the UK, where the FTSE 100 hit record highs in January, we see a stock market that has benefited from relative cheap valuations and growing investor confidence despite domestic economic challenges.

Our relatively circumspect stance on US equities, especially towards the mega caps, proved to be prudent in January. The stock market lagged its peers, declining -0.6% in sterling terms and weighing on global equities, which delivered a marginally positive 0.3% in sterling terms.

At present, the market's discernment regarding AI is welcome. But the impact of volatility from certain stocks such as Microsoft on the market is being cushioned by a broader range of stocks performing well. This dispersion of performance was absent in recent years as investors bought AI en masse. If this dispersion falters, then it could be painful for markets. This is why we continue to view the US stock market as unusually concentrated and expensive, which is a potentially dangerous combination. Strong flows into passive vehicles only add momentum to this concentration and amplify the risks.

Commodities were the best performing asset class in January, rising 10.0% in USD terms. Much of this was driven by precious metals (gold rose 8.6%) and oil futures.

Fixed income markets were mixed but mostly positive. Global government bonds softened and both US Treasuries and UK gilts fell -0.1% in terms of their respective currencies. Markets reacted poorly to Federal Reserve Chairman Jerome Powell admitting that he was being investigated for criminal activity, perhaps illustrating the political pressures being placed on the world's leading central bank. There was some clarity on the Fed's future, however, with President Trump's nomination of Kevin Warsh for its next chair. Analysts broadly view Warsh as credible, although they have some reservations about his hawkish credentials.

Global high yield and corporate bonds were notable performers, each returning 1.2% in USD terms over January. Global high yield bonds were a standout performer in 2025, returning 14.8% in USD terms. We are overweight the sub-asset class and assign it a positive four out of five tactical rating. The nominal yields it offers are attractive at close to 7.0%, offering long-term yield potential comparable to equities. Active credit selection remains preferable in this sub-asset class because of the ample scope it offers for this.

Fund In Focus

Federated Hermes Asia ex-Japan

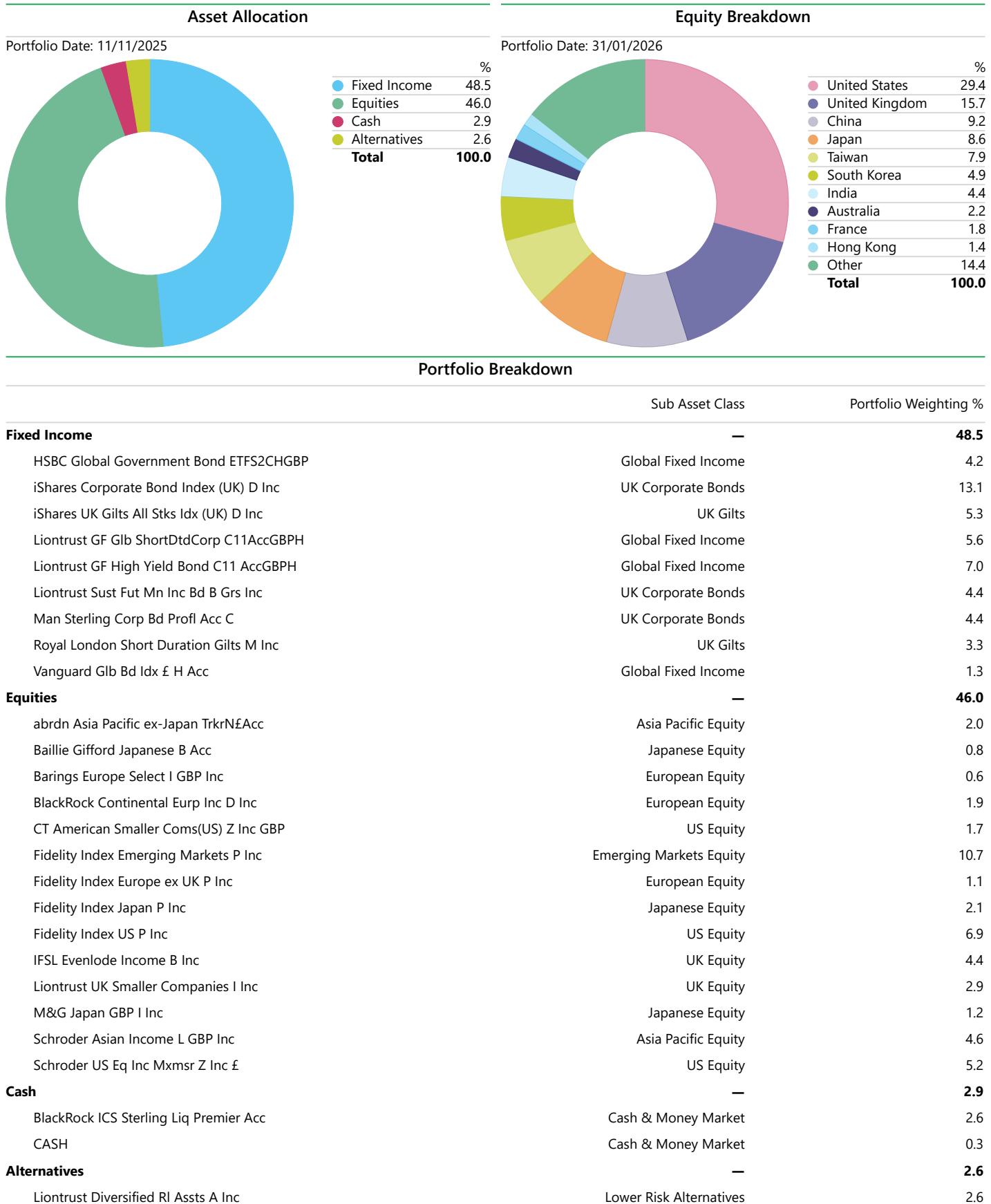
When investing in Asian equities, blending complementary strategies is essential to balance the region's potential with its inherent risks. Our approach combines the defensive, value-driven philosophy of Federated Hermes Asia ex-Japan with the high-conviction, quality-focused strategy of Fidelity Asia Pacific Opportunities, creating a diversified blend aimed at delivering consistent, long-term returns.

The Federated Hermes Asia ex-Japan fund follows a contrarian strategy, aiming to find quality companies trading at significant discounts to their intrinsic value. Its flexible framework spans the quality spectrum, ensuring investments are underpinned by compelling risk-reward profiles. Capital preservation lies at the core of its approach, focusing on mitigating permanent capital loss rather than reacting to short-term volatility. This discipline is reflected in its largest positions, reserved for opportunities offering low downside risk and strong margins of safety.

In contrast, Fidelity Asia Pacific Opportunities takes a concentrated, high-conviction approach, targeting stable, low-leverage companies with strong return potential. The fund's ability to invest beyond traditional benchmarks allows it to uncover opportunities in under-researched or off-benchmark stocks, delivering a differentiated return profile. With the stock selection process supported by Fidelity's extensive global research network, the fund leverages deep market insights to identify high-conviction opportunities, benefiting from a disciplined and research-driven approach to portfolio construction.

Together, these strategies offer a well-rounded exposure to Asian equities. Federated Hermes provides stability and downside protection through its defensive, value-oriented approach, while Fidelity captures growth opportunities with its dynamic, quality-driven philosophy. Their minimal overlap in holdings and low style correlation enhance diversification, ensuring resilience across market cycles. This thoughtful blend of capital preservation and growth potential delivers a robust platform for long-term success in the region.

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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

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.

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