Fairstone Liontrust Income 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% and 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, we place this portfolio as 5.

Investment Growth

Time Period: 01/05/2020 to 30/04/2025

Fairstone Liontrust Income 5	29.1%	IA Mixed Investment 20-60% Shares	22.3%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Liontrust Income 5	3.45%	9.19%	29.14%
IA Mixed Investment 20-60% Shares	4.01%	7.79%	22.30%

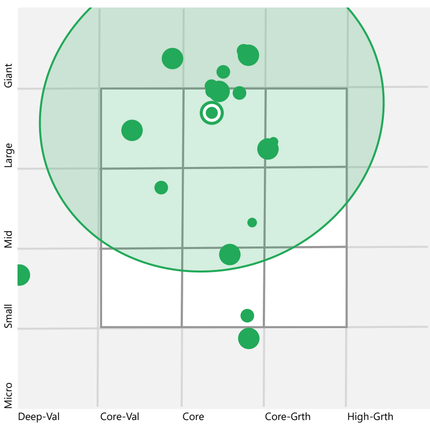
Calendar Year Returns

	YTD	2024	2023	2022	2021	2020
Fairstone Liontrust Income 5	-1.60	7.92	7.32	-10.46	9.28	3.24
IA Mixed Investment 20-60% Shares	-0.27	6.18	6.86	-9.67	6.31	3.49

Portfolio Overview

Portfolio Manager	Liontrust
Investment Universe	Open Ended Funds
Yield	3.19%
Portfolio Start Date	31/05/2019
Last Rebalance Date	30/04/2025
Ongoing Fund Costs	0.44%
Transactional & Incidental Costs	0.10%
DFM Fee	0.25%
Total Portfolio Charge	0.79%

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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Investment Adviser

John Hussellbee

Investment Adviser's Market Commentary

April was an extraordinary month for markets. The "Liberation Day" tariff pronouncements surprised market participants and led to significant market falls. The reasoning behind the falls was a combination of an expectation that tariffs would impact consumers and hamper business revenues. Markets abhor uncertainty and given the incredible complexity of such a simple tax when applied to the realities of a globally inter-related economy, combined with subsequent changes to the policy, it was little surprise to see significant selling off at the start of the month.

April amply demonstrated that sometimes the best course of action, when markets gyrate, is to do nothing. In this specific instance, there were two reasons for inaction being a sensible approach. The first is that the uncertainty had not disappeared as suddenly as it had appeared. While the sell-off we witnessed at the start of the month may, with the benefit of hindsight, be appropriate, it may also, again with hindsight, prove to be overdone. We still don't know the answer to that question today, but we do know the combination of increased uncertainty, human fear reflexes and a tendency to go with the crowd can lead to markets overdoing it on the way down.

The second, perhaps more pragmatic, reason why it was sensible to sit on your hands at the start of April was that, such was the negativity of the market response, it would have been incredible to have seen no attempt at reframing the decision by the US government and some attempt at rapprochement from governments finding themselves on the other side of the tariff salvo.

A cursory glance at the market returns for the month of April do an adept job at masking all this drama. Global equities finished the month down a relatively modest 2.4% in sterling terms, having had a peak to trough loss of close to 10% in the early days of the month. The US led the pack down with a return of -3.6% over the month.

A combination of higher valuations in the US with the maelstrom from tariffs having a clear and direct impact on the country led to the US underperforming. We have been less constructive on the US than most other equity regions, scoring the large cap stocks as a neutral three out of five in our Tactical Asset Allocation (TAA), although we are positive on its small caps. We have benefited from our bias to active managers with smaller market cap holdings and holding in the L&G S&P 500 US Equal Weight Index in our Dynamic Passive strategies.

Other markets echoed the US at the start of the month but demonstrated better composure over the rest of it, with the UK delivering -0.8% for April and Europe ex-UK gaining 1.4% and Japan 2% up (all in sterling terms). We have had an overweight target to Japanese equities in our TAA since the fourth quarter of 2023. This year's weaker markets have weighed on 12-month returns, which remain in positive territory with the US returning 5.6% in sterling terms and Europe and the UK up 7% and 8% respectively.

Fixed income proved to be an effective diversifier over April, with US Treasuries up 0.6% in sterling terms and the gilt market returning 1.7%. Although we are broadly neutral on fixed income, we do give a four out of five TAA rating to global high yield bonds. High yield and investment grade credit provided positive returns over the month as the underlying government yield provided a tailwind to these securities. The 12-month returns from fixed income are also firmly positive in the context of the asset class, ranging from 3.5% for gilts to a 10% return from high yield.

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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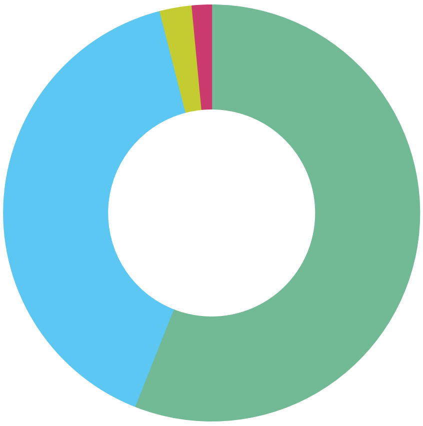
Asset Allocation

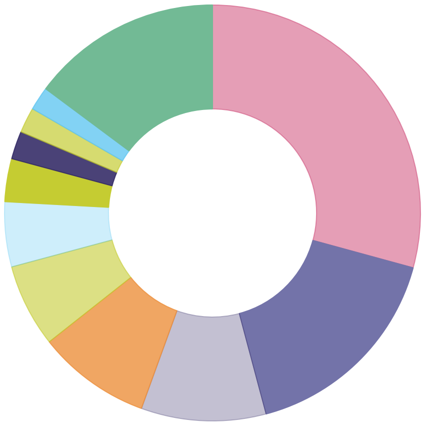
Portfolio Date: 06/02/2025



	%
Equities	56.0
Fixed Income	40.0
Cash	2.5
Alternatives	1.5
Total	**100.0**

Equity Breakdown

Portfolio Date: 30/04/2025



	%
United States	29.2
United Kingdom	16.6
China	9.7
Japan	8.8
Taiwan	6.5
India	5.0
South Korea	3.3
Australia	2.2
Switzerland	2.0
France	1.8
Other	14.8
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**56.0**
abrdn Asia Pacific ex-Japan TrkrN£Acc	Asia Pacific Equity	2.3
Baillie Gifford Japanese B Acc	Japanese Equity	1.0
Barings Europe Select I GBP Inc	European Equity	0.8
BlackRock Continental Eurp Inc D Inc	European Equity	2.3
CT American Smaller Coms(US) Z Inc GBP	US Equity	2.2
Fidelity Index Emerging Markets P Inc	Emerging Markets Equity	12.5
Fidelity Index Europe ex UK P Inc	European Equity	1.3
Fidelity Index Japan P Acc	Japanese Equity	2.4
Fidelity Index US P Acc	US Equity	8.7
IFSL Evenlode Income B Inc	UK Equity	5.6
JPM US Equity Income C Net Inc	US Equity	6.5
Liontrust UK Smaller Companies I Inc	UK Equity	3.8
M&G Japan GBP I Inc	Japanese Equity	1.4
Schroder Asian Income Z Acc	Asia Pacific Equity	5.3
Fixed Income	—	**40.0**
Aegon High Yield Bond GBP B Inc	UK Corporate Bonds	3.3
Barings Global High Yield Bond I GBP Acc	Global Fixed Income	3.3
iShares Corporate Bond Index (UK) D Inc	UK Corporate Bonds	16.5
iShares UK Gilts All Stks Idx (UK) D Inc	UK Gilts	3.8
Liontrust Sust Fut Mn Inc Bd B Grs Inc	UK Corporate Bonds	5.5
Man Sterling Corp Bd Profl Acc C	UK Corporate Bonds	5.5
Royal London Short Duration Gilts M Inc	UK Gilts	0.3
Vanguard Glb Bd Idx £ H Acc	Global Fixed Income	2.0
Cash	—	**2.5**
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	2.2
CASH	Cash & Money Market	0.3
Alternatives	—	**1.5**
Liontrust Diversified Rl Assts A Inc	Lower Risk Alternatives	1.5

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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

Important Notices – Liontrust Investment Partners LLP

As of 30/04/2025