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: 01/11/2021 to 31/10/2026



Fairstone Liontrust Income 5 25.5% IA Mixed Investment 20-60% Shares 20.2%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Liontrust Income 5	5.93%	39.34%	25.48%
IA Mixed Investment 20-60% Shares	5.35%	32.36%	20.22%

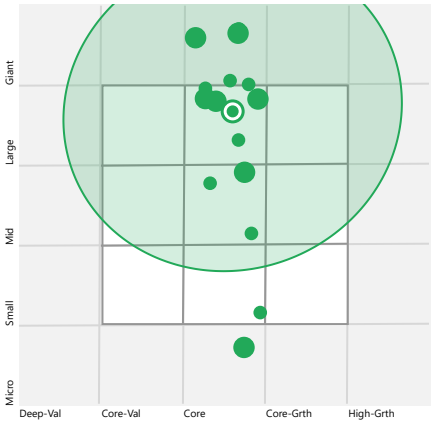
Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Liontrust Income 5	6.81	11.40	7.97	7.28	-10.23	9.30
IA Mixed Investment 20-60% Shares	5.08	10.24	6.18	6.86	-9.67	6.31

Portfolio Overview

Portfolio Manager	Liontrust
Investment Universe	Open Ended Funds
Yield	1.92%
Portfolio Start Date	31/05/2019
Last Rebalance Date	31/10/2026
Ongoing Fund Costs	0.32%
DFM Fee	0.25%
Total Portfolio Charge	0.57%

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

Global equities fell 1.7% in sterling terms[1] in October, yet beneath the headline number there was significant dispersion. Leadership rotated, correlations shifted and previously overlooked assets provided diversification. This is the environment in which we believe being actively different, through diversification and Tactical Asset Allocation (TAA), can add value.

The UK equity market, where we are overweight, was the only major region to rise, returning 1.5%.[1] Its relative lack of exposure to the AI trade, often portrayed as a weakness, and its more defensive qualities proved advantageous as market leadership changed. By contrast, emerging markets, in which we are also overweight, fell 8.9%.[1]

Over 12 months, our tactical positioning has added significant value, including overweight positions in equities, Japan, emerging markets and, for much of the period, Asia ex-Japan, alongside an underweight position in the US. Over the 12 months to the end of October, Japan returned 17.0% in sterling terms, compared with 12.8% from Asia ex-Japan, 11.6% from emerging markets and 10.5% from the US. UK equities, where we have also been tactically positive, returned 13.8%.[1]

The US, UK and emerging markets followed markedly different performance paths before converging towards the end of the period. This underlined one of the benefits of diversification: rather than relying on a single market or investment thesis, combining different sources of return can potentially deliver a smoother investment journey.

Look further back and the picture is equally interesting. Over five years, global equities have returned 72.3% in sterling terms, but the UK has returned 81.7%, ahead of the US at 77.1%.[1] That may surprise investors accustomed to the narrative of US exceptionalism. We have maintained an overweight position in UK equities throughout that period.

October's style rotation illustrated this point. Global momentum stocks fell 9.2% in sterling terms and world growth stocks declined 5.1%, while value gained 1.7%. In the US, growth stocks fell 6.3%, whereas value rose 4.0%.[1]

The contrast within the US market was particularly striking. The capitalisation-weighted S 500 fell 1.8%1 in sterling terms, while the L S 500 US Equal Weight Index, which we use in our Dynamic Passive portfolios, gained 3.6%. Weakness among a handful of mega-cap technology companies therefore disguised considerably greater resilience across the broader market.

October also provided evidence that government bonds can still perform an important diversification function. After September's weakness, US Treasuries rose 2.4% in dollar terms and UK gilts gained 1.5%.[1] In our third-quarter TAA review we raised our tactical outlook rating for gilts from three to a positive four.

Higher government bond yields have improved prospective returns from fixed income in the form of carried interest while creating greater potential for bonds to appreciate when investors seek safety because bond prices are inversely related to prevailing market yields. We are currently tactically overweight global government bonds, global short-dated corporate bonds and global high yield.

Over the past year, we have gradually increased fixed income exposure and trimmed equities to reduce portfolio risk modestly. This does not mean we have become negative on equities. We remain constructive but recognise that concentration among technology and growth stocks has increased market risk. Importantly, rather than simply rising and falling alongside equities, fixed income has demonstrated its value as a diversifier in 2026.

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...

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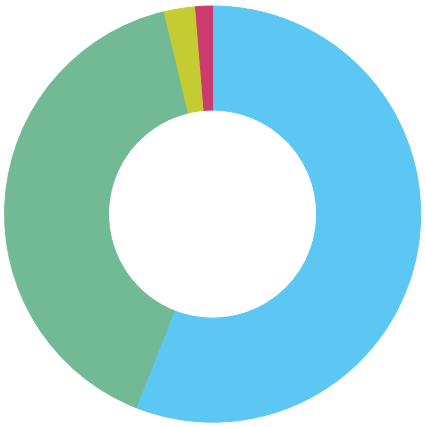
Asset Allocation

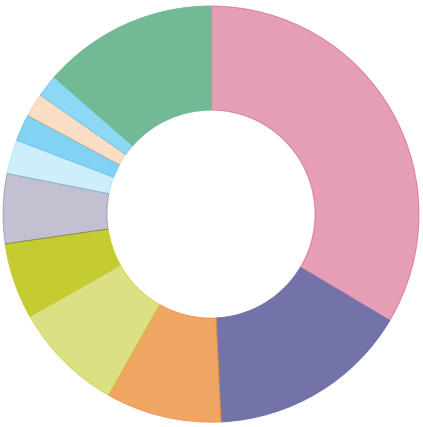
Portfolio Date: 20/08/2026



	%
Equities	56.0
Fixed Income	40.3
Cash	2.4
Alternatives	1.3
Total	**100.0**

Equity Breakdown

Portfolio Date: 31/10/2026



	%
United States	33.6
United Kingdom	15.7
Japan	9.0
Taiwan	8.6
South Korea	5.9
China	5.4
India	2.6
France	2.1
Netherlands	1.9
Germany	1.7
Other	13.6
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**56.0**
Fidelity Index Emerging Markets P Inc	Emerging Markets Equity	12.5
Fidelity Index US P Inc	US Equity	9.0
Schroder US Eq Inc Mxmsr Z Inc £	US Equity	6.8
IFSL Evenlode Income B Inc	UK Equity	5.1
Schroder Asian Income L GBP Inc	Asia Pacific Equity	3.7
BlackRock Continental Eurp Inc D Inc	European Equity	3.5
Liontrust UK Smaller Companies I Inc	UK Equity	3.4
Fidelity Index Japan P Inc	Japanese Equity	2.5
CT American Smaller Coms(US) Z Inc GBP	US Equity	2.3
Fidelity Index Europe ex UK P Inc	European Equity	2.0
abrdn Asia Pacific ex-Japan TrkrN£Acc	Asia Pacific Equity	1.6
M&G Japan GBP I Inc	Japanese Equity	1.5
Barings Europe Select I GBP Inc	European Equity	1.2
Baillie Gifford Japanese B Acc	Japanese Equity	1.0
Fixed Income	—	**40.3**
Liontrust GF Global Corp Bd C11 Acc £	Global Fixed Income	12.8
HSBC Global Government Bond ETFS2CHGBP	Global Fixed Income	10.4
Liontrust GF High Yield Bond C11 AccGBPH	Global Fixed Income	7.5
iShares UK Gilts All Stks Idx (UK) D Inc	UK Gilts	6.6
Liontrust GF Glb ShortDtdCorp C11AccGBPH	Global Fixed Income	3.0
Cash	—	**2.4**
Fidelity Cash W Inc	Cash & Money Market	2.2
CASH	Cash & Money Market	0.3
Alternatives	—	**1.3**
FP Foresight Divrsfd Rl Ast A GBP Acc	Higher Risk Alternatives	1.3

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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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