

Fairstone Passive Model Portfolio 3 Powered by Vanguard

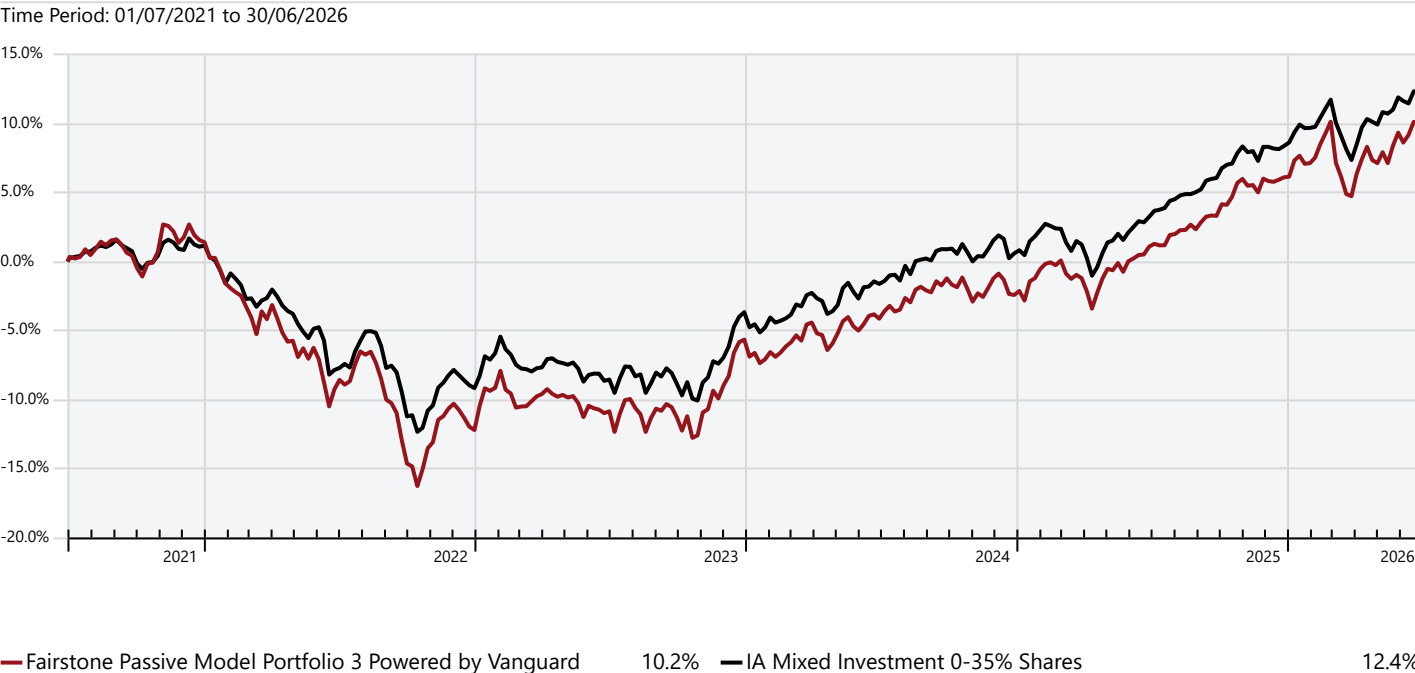
Investment Aim

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 4.7% and 8.3% 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 3.

Investment Growth



| Cumulative Performance                                  |        |         |         | Calendar Year Returns                                   |          |      |      |      |        |      |
|---------------------------------------------------------|--------|---------|---------|---------------------------------------------------------|----------|------|------|------|--------|------|
|                                                         | 1 Year | 3 Years | 5 Years |                                                         | YTD 2025 | 2024 | 2023 | 2022 | 2021   |      |
| Fairstone Passive Model Portfolio 3 Powered by Vanguard | 8.83%  | 23.56%  | 10.16%  | Fairstone Passive Model Portfolio 3 Powered by Vanguard | 3.65     | 8.76 | 3.57 | 7.47 | -13.42 | 4.02 |
| IA Mixed Investment 0-35% Shares                        | 8.74%  | 22.95%  | 12.44%  | IA Mixed Investment 0-35% Shares                        | 3.53     | 8.02 | 4.37 | 6.06 | -10.22 | 2.57 |

**Portfolio Overview**

|                        |                  |
|------------------------|------------------|
| Portfolio Manager      | Vanguard         |
| Investment Universe    | Open Ended Funds |
| Yield                  | 2.49%            |
| Portfolio Start Date   | 20/05/2019       |
| Ongoing Fund Costs     | 0.08%            |
| DFM Fee                | 0.20%            |
| Total Portfolio Charge | 0.28%            |

**Investment Style Map**

**Risk Scale**

3

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 4.7% and 8.3% 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's Market Commentary



### Investment Adviser

Vanguard

Two contrasting forces shaped the global economy and financial markets during the second quarter: the energy shock caused by the Iran war and optimism surrounding artificial intelligence (AI). Global shares significantly outperformed bonds, with US and emerging market shares leading the gains. Rising investment in AI-related infrastructure and expectations of stronger company earnings supported share prices. In contrast, bond returns were weaker as investors feared the Iran war could drive up inflation, raising the prospect that interest rates would remain higher for longer. In the UK, the economy grew by 0.6% in the first quarter, while inflation fell from 3.3% in March to 2.8% in May. This was the lowest rate since March 2025, helped by favourable comparisons with higher prices a year ago and measures announced in November's Budget. The Bank of England highlighted uncertainty over its inflation outlook because of higher oil prices linked to the Iran war. Political uncertainty also increased after the prime minister resigned in June, with a new prime minister expected as early as mid-July. UK government bond prices weakened in the early part of the period, as investors assessed the implications of a change in leadership and new chancellor, but then as the situation unfolded recovered to their levels at the beginning of the quarter. The US economy grew by 0.5% in the first quarter, largely driven by growing AI investment. Inflation rose from 3.5% in March to 4.1% in May, mainly because of higher petrol and computer chip prices. The Federal Reserve, the US central bank, kept interest rates unchanged and indicated that rates may need to remain higher for longer. The Euro area economy fell 0.2% in the first quarter, while inflation rose from 2.6% in March to 2.8% in June, driven by sharply higher energy prices. The European Central Bank raised interest rates by 0.25 percentage points to 2.25% in June. Euro area bond yields rose on inflation concerns before easing later in the quarter as Middle East ceasefire talks progressed, reducing the risk of prolonged higher energy prices.

## Vanguard Capital Markets Model

The Vanguard Capital Markets Model Team researches, develops, and maintains a suite of powerful analytical models and tools. At the heart of them is the Vanguard Capital Markets Model (VCMM), a proprietary financial simulation engine that simulates returns for a wide range of asset classes.

The VCMM is designed to enable clients to make asset allocation decisions as well as help build portfolio solutions.

The team uses the VCMM to create dynamic, time-varying portfolios that change their asset allocations in response to the model's forecasts. These time-varying portfolios are designed to target a specific return, target a risk range or seek to maximise returns.

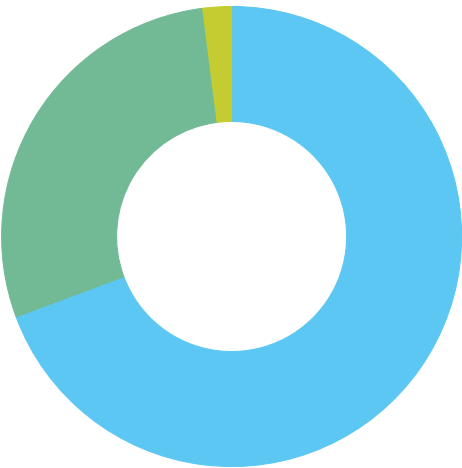
Vanguard has extensive experience in building portfolio solutions. For more than ten years, Vanguard has used these analytical models to construct portfolios for its Institutional Advisory Services group, which manages in excess of USD 40bn in AUM, as of 31 December 2018.

Source: Vanguard

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## Asset Allocation

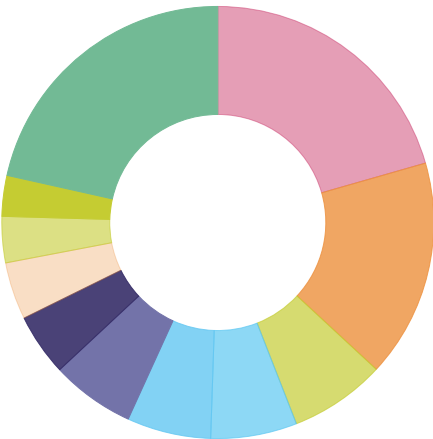
Portfolio Date: 18/05/2026



|              | %            |
|--------------|--------------|
| Fixed Income | 69.3         |
| Equities     | 28.7         |
| Cash         | 2.0          |
| <b>Total</b> | <b>100.0</b> |

## Equity Breakdown

Portfolio Date: 30/06/2026



|                | %            |
|----------------|--------------|
| United States  | 20.6         |
| Japan          | 16.3         |
| Switzerland    | 7.2          |
| Germany        | 6.5          |
| France         | 6.3          |
| United Kingdom | 6.3          |
| Australia      | 4.6          |
| Netherlands    | 4.3          |
| Taiwan         | 3.5          |
| South Korea    | 3.0          |
| Other          | 21.5         |
| <b>Total</b>   | <b>100.0</b> |

## Portfolio Breakdown

|                                          | Sub Asset Class         | Portfolio Weighting % |
|------------------------------------------|-------------------------|-----------------------|
| <b>Fixed Income</b>                      | —                       | <b>69.3</b>           |
| Vanguard Glb Bd Idx Ins Pl £ H Acc       | Global Fixed Income     | 36.1                  |
| Vanguard UK Govt Bd Idx Ins Pl £ Acc     | UK Gilts                | 22.2                  |
| Vanguard UK Invm Grd Bd Idx Ins Pl £ Acc | UK Corporate Bonds      | 11.0                  |
| <b>Equities</b>                          | —                       | <b>28.7</b>           |
| Vanguard FTSE Dev €pe exUKEqIdxInsPl£Acc | European Equity         | 10.4                  |
| Vanguard U.S. Eq Idx Ins Pl £ Acc        | US Equity               | 5.7                   |
| Vanguard Jpn Stk Idx Ins Pl £ Acc        | Japanese Equity         | 4.6                   |
| Vanguard Em Mkts Stk Idx Ins Pl £ Acc    | Emerging Markets Equity | 3.7                   |
| Vanguard Pac exJpn Stk Idx Ins Pl £ Acc  | Asia Pacific Equity     | 2.2                   |
| Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc | UK Equity               | 2.0                   |
| <b>Cash</b>                              | —                       | <b>2.0</b>            |
| Vanguard Stlg S/T Mny Mkts Ins PlsGBPAcc | Cash & Money Market     | 1.8                   |
| CASH                                     | Cash & Money Market     | 0.3                   |

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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.

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**IMPORTANT:** The projections and other information generated by the Vanguard Capital Markets Model ("VCMM") regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

Information within this document is correct As of 30/06/2026

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