

Fairstone Passive Model Portfolio 5 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 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



Fairstone Passive Model Portfolio 5 Powered by Vanguard 28.0% IA Mixed Investment 20-60% Shares 22.2%

Cumulative Performance				Calendar Year Returns							
	1 Year	3 Years	5 Years		YTD 2024			2023	2022	2021	2020
Fairstone Passive Model Portfolio 5 Powered by Vanguard	7.21%	20.29%	28.04%	Fairstone Passive Model Portfolio 5 Powered by Vanguard	6.82	6.34	8.40	-10.36	8.03	8.66	
IA Mixed Investment 20-60% Shares	6.37%	17.43%	22.18%	IA Mixed Investment 20-60% Shares	5.66	6.18	6.86	-9.67	6.31	3.49	

Portfolio Overview

Portfolio Manager	Vanguard
Investment Universe	Open Ended Funds
Yield	2.76%
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

5

Target 10 Year Volatility

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Investment Adviser's Market Commentary



Investment Adviser

Vanguard

In Q2 2025, trade and policy uncertainty dominated headlines. Trade distortions caused economic activity to soften in the US but improve in the euro area and the UK. While inflation fell below target in the euro area and was benign in the US, it remained elevated in the UK. During the quarter, the European Central Bank (ECB) cut interest rates twice, the Bank of England (BoE) once and the US Federal Reserve (Fed) kept interest rates unchanged.

In the UK, growth expanded by 0.7% (quarter-on-quarter) in Q1, while Q2 survey data suggested the uptick was due to one-off effects. Employment showed signs of cooling, with the unemployment rate edging up to a three-year high in April. Annual headline inflation rose to 3.4% in May, up from March's 2.6%. Annual core Consumer Price Index, which excludes energy and food components, rose from 3.4% to 3.5% over the same period. The BoE cut interest rates from 4.50% to 4.25% at its May meeting.

In the euro area, economic activity expanded by 0.6% (quarter-on-quarter) in Q1. Like in the UK, the growth was due to one-off trade distortions, with survey data pointing to a normalisation in Q2. Headline inflation edged below the ECB's 2% target, falling from 2.2% in March to 1.9% in May. Core inflation ticked down from 2.4% to 2.3% over the same period. The ECB cut its policy rate by 25 basis points at both its April and June meetings, leaving it at 2.00%.

Lastly, the US economy contracted by 0.2% (quarter-on-quarter, annualised) in Q1. Elevated policy uncertainty, trade tensions and the front-loading of imports all weighed on economic activity. Survey indicators suggested a marginal rebound in Q2. Tariffs are yet to materially impact inflation, with the Fed's preferred inflation measure, the annual Core Personal Consumption Expenditures (PCE) Index, edging down from 2.7% in March to 2.5% in May. Similarly, headline PCE fell from 2.3% to 2.1% over the same period. With the economic outlook clouded by uncertainty, the Fed opted to keep interest rates unchanged. This left the federal funds target range at 4.25-4.50% at the end of Q2.

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.

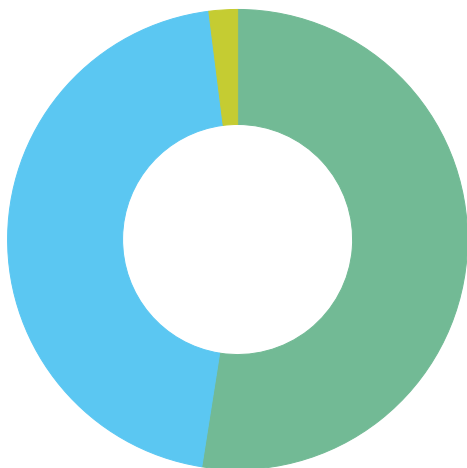
Vanguard has extensive experience in building portfolio solutions. For more than ten years, Vanguard has used these analytical models to construct portfolios for its Institutional Advisory Services group, which manages in excess of USD 40bn in AUM, as of 31 December 2018.

Source: Vanguard

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Asset Allocation

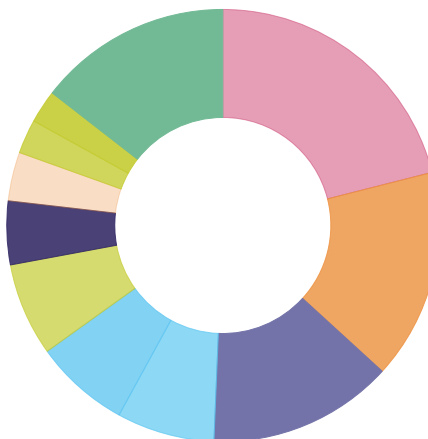
Portfolio Date: 08/08/2025



	%
Equities	52.5
Fixed Income	45.5
Cash	2.0
Total	100.0

Equity Breakdown

Portfolio Date: 31/08/2025



	%
United States	21.0
Japan	15.7
United Kingdom	13.9
Germany	7.3
France	7.1
Switzerland	7.0
Australia	4.7
Netherlands	3.7
Sweden	2.6
Spain	2.5
Other	14.5
Total	100.0

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	52.5
Vanguard Em Mkts Stk Idx Ins Pl £ Acc	Emerging Markets Equity	2.6
Vanguard FTSE Dev €pe exUKEqIdxInsPI£Acc	European Equity	19.5
Vanguard FTSE UKAllShrIdxUnitTrInsPI£Acc	UK Equity	7.9
Vanguard Jpn Stk Idx Ins Pl £ Acc	Japanese Equity	8.1
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc	Asia Pacific Equity	3.9
Vanguard U.S. Eq Idx Ins Pl £ Acc	US Equity	10.5
Fixed Income	—	45.5
Vanguard Glb Bd Idx Ins Pl £ H Acc	Global Fixed Income	23.7
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	14.6
Vanguard UK Invm Grd Bd Idx Ins Pl £ Acc	UK Corporate Bonds	7.2
Cash	—	2.0
CASH	Cash & Money Market	0.3
Vanguard Stlg S/T Mny Mkts Ins PlsGBPACC	Cash & Money Market	1.8

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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 31/08/2025

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