Fairstone Passive Model Portfolio 7 Powered by Vanguard

Investment Aim

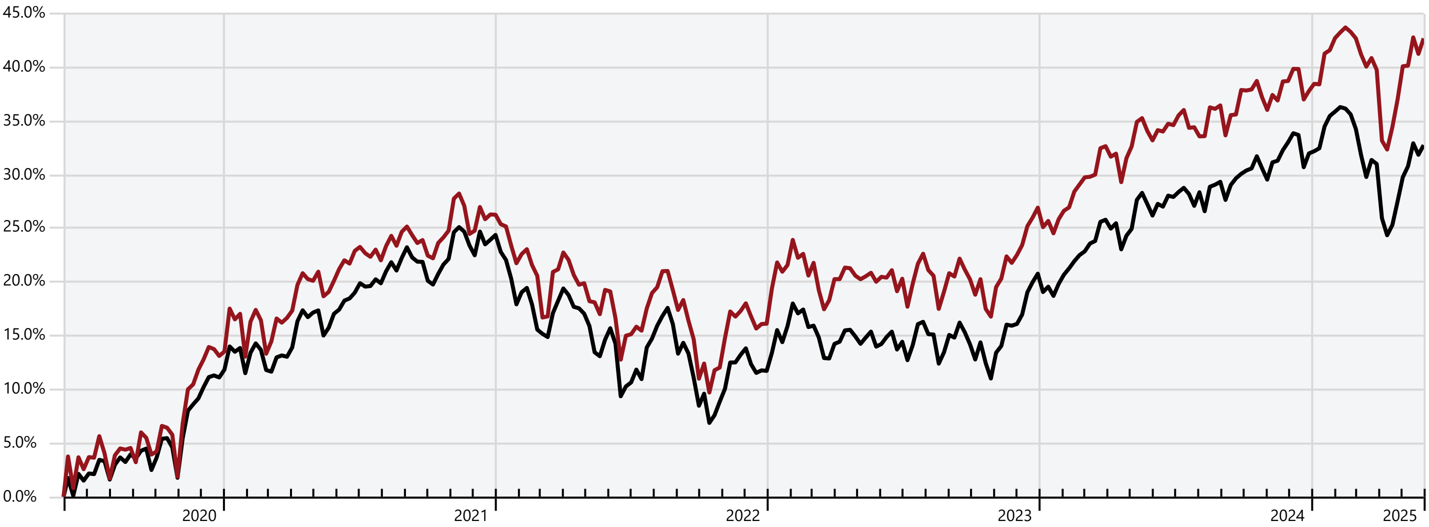
The portfolio is designed to provide risk adjusted returns. It aims to achieve capital appreciation and reduce investment risk through diversification across asset classes and geographies.

This portfolio is managed to maximise risk adjusted returns within a target volatility range of 11.8% and 15.4% 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 7.

Investment Growth

Time Period: 01/06/2020 to 31/05/2025



Fairstone Passive Model Portfolio 7 Powered by Vanguard 42.7% — IA Mixed Investment 40-85% Shares 32.8%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Passive Model Portfolio 7 Powered by Vanguard	7.14%	19.20%	42.72%
IA Mixed Investment 40-85% Shares	5.20%	14.47%	32.77%

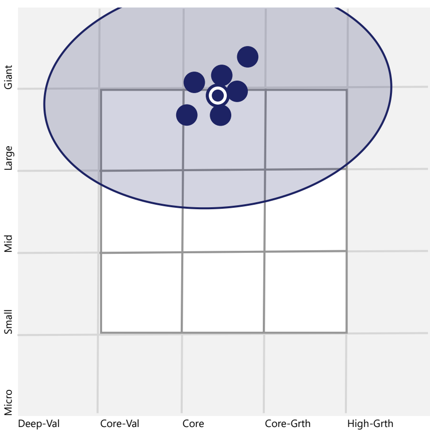
Calendar Year Returns

	YTD	2024	2023	2022	2021	2020
Fairstone Passive Model Portfolio 7 Powered by Vanguard	3.76	8.35	9.31	-8.04	11.22	8.08
IA Mixed Investment 40-85% Shares	0.95	8.88	8.10	-10.18	11.22	5.50

Portfolio Overview

Portfolio Manager	Vanguard
Investment Universe	Open Ended Funds
Yield	2.57%
Portfolio Start Date	20/05/2019
Ongoing Fund Costs	0.09%
DFM Fee	0.20%
Total Portfolio Charge	0.29%

Investment Style Map



Risk Scale

7

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 11.8% and 15.4% over a rolling 10-year time periods.
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Investment Adviser's Market Commentary

Investment Adviser

Vanguard

In Q1 2025, the UK and US economies showed signs of weakening, while euro area activity marginally improved. Inflation remained above target in both the UK and US but was benign for the euro area. This was reflected in central bank action on interest rates. The European Central Bank (ECB) cut interest rates twice, the Bank of England (BoE) once and the US Federal Reserve (the Fed) kept interest rates unchanged.

Although the UK economy marginally expanded in Q4 2024, Q1 2025 data suggests weakness ahead. Elevated wage inflation remains a concern, with the latest annual wage growth at 5.9%. Annual headline inflation, as measured by the Consumer Price Index (CPI) rose to 2.8% in February, up from 2.5% in December. Meanwhile, the annual core CPI, which excludes energy and food, edged up from 3.2% to 3.5% over the same period. The BoE cut rates from 4.75% to 4.50% in February.

Despite the US delivering robust economic growth of 2.3% (annualised) in Q4 2024, the latest indicators suggest that policy uncertainty and trade tensions have significantly weighed on Q1 2025 growth and economic prospects for the entire year. The latest inflation report in February also dampened investor sentiment. The Fed’s preferred inflation measure, the annual Core Personal Consumption Expenditures (PCE) Price Index, which excludes food and energy costs, edged down slightly to 2.8% from December’s 2.9%. However, the PCE unexpectedly rose from January’s 2.7% to 2.8% in February. The headline PCE followed a similar trend, initially falling before unexpectedly rising more recently to an annual rate of 2.5% in February. With inflation diverging from the Fed’s 2% target, the central bank opted to keep its monetary policy unchanged, maintaining the federal funds rate target range at 4.25-4.50%.

The euro area’s economic activity marginally improved in the final quarter of 2024. Survey indicators suggest that this rate of expansion is set to continue into Q1 2025. The euro area has experienced a significant fiscal turnaround in Q1, with the new German government announcing a large-scale fiscal package to boost infrastructure and defence spending. Most of the euro area is expected to follow suit on defence spending. While these plans have improved investor sentiment, any material boost to economic activity is unlikely to be seen until later in 2025. Annual headline inflation remains close to the ECB’s 2% target, edging down from 2.4% in December to 2.2% in March. The ECB cut its policy rate by 25 basis points during the quarter, leaving it at 2.50%.

In Q4 2024, China's economy grew by 1.6% (annualised). However, recent economic indicators suggest that growth momentum is weakening. Inflation has fallen from 0.1% in December to -0.7% in February, raising concerns about deflation. Despite these worries, the People's Bank of China (PBOC) maintained its monetary policy rates, keeping the

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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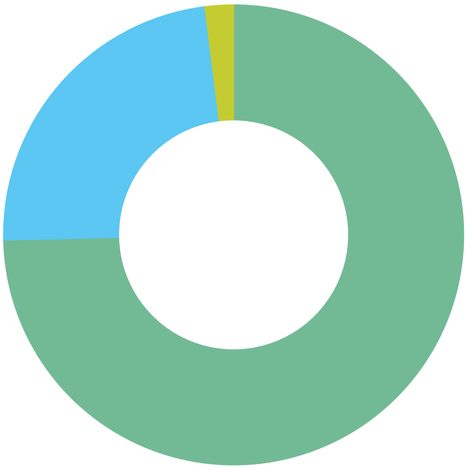
Asset Allocation

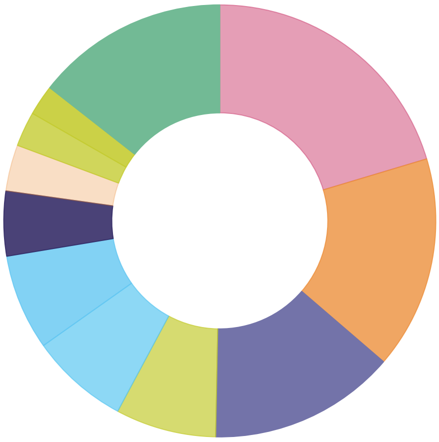
Portfolio Date: 12/05/2025



	%
Equities	74.6
Fixed Income	23.4
Cash	2.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 31/05/2025



	%
United States	20.4
Japan	15.9
United Kingdom	14.0
Switzerland	7.5
Germany	7.4
France	7.2
Australia	4.8
Netherlands	3.5
Sweden	2.6
Spain	2.3
Other	14.4
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**74.6**
Vanguard Em Mkts Stk Idx Ins Pl £ Acc	Emerging Markets Equity	3.8
Vanguard FTSE Dev €pe exUKEqIdxInsPl£Acc	European Equity	27.7
Vanguard FTSE UKAllShrIdxUnitTrInsPl£Acc	UK Equity	11.2
Vanguard Jpn Stk Idx Ins Pl £ Acc	Japanese Equity	11.5
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc	Asia Pacific Equity	5.6
Vanguard U.S. Eq Idx Ins Pl £ Acc	US Equity	14.9
Fixed Income	—	**23.4**
Vanguard Glb Bd Idx Ins Pl £ H Acc	Global Fixed Income	12.2
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	7.3
Vanguard UK Invm Grd Bd Idx Ins Pl £ Acc	UK Corporate Bonds	3.8
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

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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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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.