Fairstone James Hambro & Partners 4

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 6.5% and 10% 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 4.

Investment Growth

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

— Fairstone James Hambro & Partners 4 — IA Mixed Investment 20-60% Shares

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone James Hambro & Partners 4	6.07%	10.70%	20.32%
IA Mixed Investment 20-60% Shares	5.27%	10.67%	21.53%

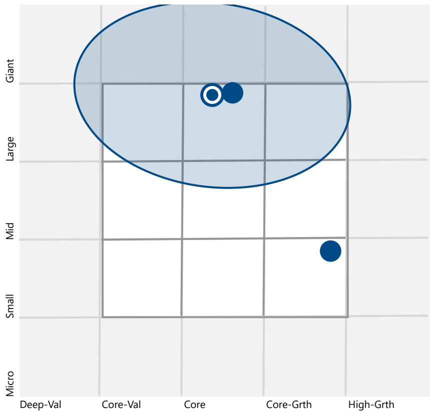
Calendar Year Returns

	YTD	2024	2023	2022	2021	2020
Fairstone James Hambro & Partners 4	1.07	7.69	5.57	-10.98	7.22	7.38
IA Mixed Investment 20-60% Shares	1.80	6.18	6.86	-9.67	6.31	3.49

Portfolio Overview

Portfolio Manager	James Hambro & Partners
Investment Universe	Multi-Instrument
Yield	0.00%
Portfolio Start Date	01/10/2019
Ongoing Fund Costs	0.47%
DFM Fee	0.25%
Total Portfolio Charge	0.72%

Investment Style Map



Risk Scale

4

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 6.5% and 10.0% over a rolling 10-year time periods.
This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

Portfolio Manager, Head of Professional Advisor Services

Billy Hughes

Billy joined James Hambro & Partners in 2011 after obtaining an honours degree in Economics at Cardiff University. After a year working within the Operations department, Billy headed up Treasury and the Dealing team before moving to the investment team in 2015. In 2018 Billy became a Portfolio Manager helping to support and grow JH&P's Professional Adviser Services business. In 2022, Billy was promoted to Joint Head of the Professional Adviser Services team.

Investment Adviser's Market Commentary

Our core view is that the economic and market outlook has deteriorated as a result of the Trump administration's on-off threats in relation to tariffs. While the retreat from the seemingly arbitrary tariffs of the so-called Liberation Day, and the recent mild thaw in Chinese relations, may have settled nerves in equity markets, there is a risk that the damage may already have been done. The President's impulsive behaviour in managing the economy will likely mean more frights to come.

Indeed, there are plenty of data points to support this assertion – not least what investors are saying themselves. We often take note of the Bank of America Fund Manager Survey which has become particularly bearish of late – it shows the fourth highest recession expectations of the past two decades with a record number of global investors intending to reduce their US stock allocation. This might not tally with what has happened to US stocks in recent weeks following a de-escalation in Trump's approach to tariffs and trade, with retail investors continuing to pour money into their home market. The S&P 500 index has recovered to close to where it was earlier in the year. This might indicate a slight dislocation or delay in acting on their sentiment in the survey – whatever, no one wants to look foolishly optimistic at present.

Relying on markets for guidance, however, is no guarantee of success and emotions can swing wildly. Theory would have it that markets tend to be efficient at accessing and acting on publicly available information and therefore at setting efficient prices for securities. The reality is sentiment and confidence can be equally powerful in informing short term reactions whilst markets are populated by actors, both human and digital, with different aims, time horizons and who react to different information or data impulses. These range from fundamentally driven longer-term investors (like ourselves) to those more inclined to make a quick buck on short term charts or data signals.

The S&P seems to have performed a round-trip relief rally on improving news flow, with most tariffs now at 10% and those on China falling back to 30% from 145%. However, the world has not returned to where it was beforehand and Trump's unpredictable behaviour means that the present more settled situation could be upended by a new tweet or new plan just as quickly. Tariffs have been postponed rather than cancelled and so whilst a recession might be less likely than it was a month ago, it's definitely more likely than it was three months ago.

There remains a gulf between the hard (backward-looking) data and sentiment surveys. Employment, spending and inflation readings for April are all relatively benign, but sentiment is anything but. The US economy is highly dependent on its consumers and that is the area of most concern. The University of Michigan's preliminary May sentiment index declined to a weaker-than-forecast 50.8, the lowest in three years and its fifth straight month of declines. It isn't any better for businesses – the Institute of Supply Management said its manufacturing purchasing managers index was at 48.7 in April, a second month indicating contraction.

Whilst the headline risks have diminished since last month, it is too early to sound the all-clear and take a more constructive view on equities in general. However, the 15-year trend that saw the US become the only game in town looks to have crested. With tariff intensity abating we have an opportunity to adjust the composition of our equity holdings, shaving some of the assets in our US portfolio and investing the proceeds into emerging markets, where valuations and opportunities are improving. We still maintain our defensive position given economic murmurs and ongoing fiscal ill-discipline underlined by our holding of shorter-term debt and assets such as gold and our diversifying trading strategies. We remain vigilant in these unsettled times and ready to adapt to significant shifts in the market firmament.

Investment in Focus

iShares MSCI Europe energy ETF

The iShares MSCI Europe energy ETF is the investment in focus for this quarter. This ETF offers you an opportunity to gain exposure to energy companies that are currently trading at low valuations, but also have the potential to play a key role in the transition to a low-carbon economy.

The fund's primary objective is to achieve a return on investment through a combination of capital growth and income on the assets it holds, by closely tracking the performance of the MSCI Europe Energy index. This index is specifically designed to track the performance of large and medium-sized companies in Europe that are involved in the energy sector, such as oil and gas exploration, production, and refining. The index is weighted based on the number of shares readily available in the market, and the weight of the largest group entity in the index is capped at 35% to ensure diversification and minimise concentration risk.

One of the key strengths of this fund is its top holdings, which include well-established energy giants such as Shell, BP, and Total. These companies have a strong track record of performance, and their current infrastructure, know-how, and global footprint should put them in an ideal position to service the changing energy demands of the market as the world shifts towards cleaner sources of energy.

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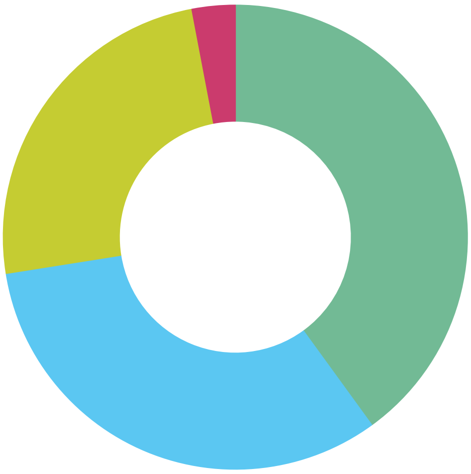
Asset Allocation

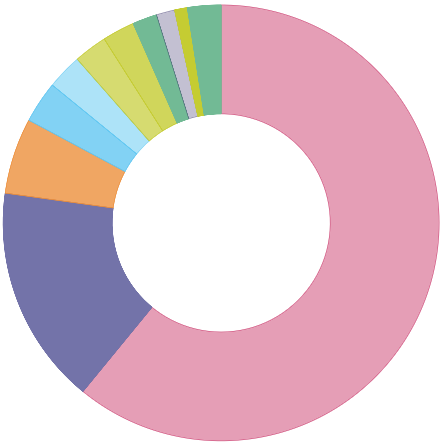
Portfolio Date: 28/05/2025



	%
Equities	40.0
Fixed Income	32.5
Alternatives	24.5
Cash	3.0
Total	**100.0**

Equity Breakdown

Portfolio Date: 31/05/2025



	%
United States	60.9
United Kingdom	16.2
Japan	5.6
France	3.1
Hong Kong	2.6
Switzerland	2.5
Sweden	2.4
Denmark	1.8
China	1.4
South Korea	0.9
Other	2.5
Total	**100.0**

Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	**40.00**
James Hambro Harrier Glbl Eqs B GBP Acc	Global Equity	40.00
Fixed Income	—	**32.50**
James Hambro Harrier Fixed Inc B GBP Acc	Global Fixed Income	32.50
Alternatives	—	**24.50**
James Hambro Harrier Dvrs Strats BGBPAcc	Higher Risk Alternatives	24.50
Cash	—	**3.00**
BlackRock ICS Sterling Liq Premier Acc	Cash & Money Market	2.75
CASH	Cash & Money Market	0.25

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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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Important Notices – James Hambro & Partners

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Information within this document is correct As of 31/05/2025