

Fairstone Grayside 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 6.5-10.0% 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, Fairstone place this portfolio as 4.

The Portfolio is likely to be predominantly invested in fixed income, alternatives and equities.

Investment Growth

Time Period: 01/06/2022 to 31/12/2023



— Fairstone Grayside 4

1.8% — IA Mixed Investment 20-60% Shares

2.6%

Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Grayside 4	5.17%	—	—
IA Mixed Investment 20-60% Shares	6.86%	2.61%	19.02%

Calendar Year Returns

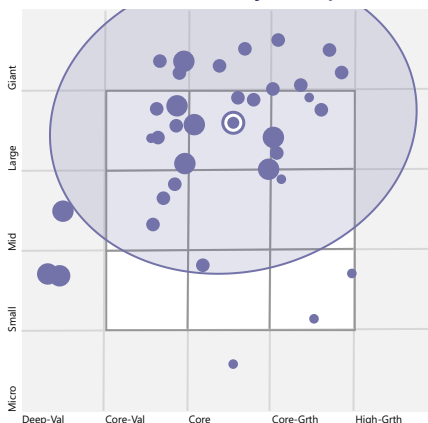
Data Point: Return Calculation Benchmark: None

	YTD	2023	2022	2021	2020	2019
Fairstone Grayside 4	5.17	5.17	—	—	—	—
IA Mixed Investment 20-60% Shares	6.86	6.86	-9.67	6.31	3.49	12.08

Portfolio Overview

Portfolio Manager	Harry Scargill
Investment Universe	Open Ended Funds
Yield	2.10%
Portfolio Start Date	01/06/2022
Ongoing Fund Costs	0.62%
Transactional & Incidental Costs	0.18%
DFM Fee	0.18%
Total Portfolio Charge	0.98%

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.

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Portfolio Managers Market Commentary



Portfolio Manager

Harry Scargill

The positive sentiment from November carried on through December, as both equity and bond markets ended the year in good spirits. The global equity index ended up 4.3%, which combined with the growth in November led to gains of 14% in the final two months of the year.

The significant driver of the returns for both bonds and equities was due to the continued downward trend of inflation seen across key markets. It was a similar story to last month, with investors cheering the idea of inflation steadily moving back towards central bank target levels of 2%. This month's numbers showed that in the US, inflation fell again to 3.1% from 3.2% in November, which led to the US Federal Reserve (Fed), outlining in their December meeting that rate hikes in the US are likely to now be behind us, and that we might see rate cuts in 2024.

Closer to home, we saw both the Bank of England (BOE) and European Central Bank (ECB) hold rates steady, following similar positive data relating to their inflation readings. UK CPI fell to 3.9%, from 4.6% in the previous month, whereas in Europe, headline inflation fell to 2.4%, the lowest figure for two years.

At the regional level, the strongest equity market in December was the UK's mid-cap focused FTSE 250, gaining 9.2%, which replaced November as the strongest month of the year for the index. Elsewhere in the UK, the FTSE 100 also performed well, gaining 3.7%, which put it in the middle of the pack.

Continuing the trend of the year, we also saw strong performance from the technology heavy Nasdaq index, gaining 5.5%, with the wider S&P 500 not far behind at 4.4%. The S&P 500 finished the year on a streak of 9 positive weeks in a row, the longest since 2004. This meant that as we closed out 2023, we sat with those two indexes trading very close to all-time highs.

Asian equities also performed well, gaining 4.5%, following a rally in the last week of the year. The story was the same for Emerging Markets, which finished in line with European equities in gaining just below 4%. The laggard was China, which despite a late rally lost 2.6% in December. We also saw Japanese equities lagging, with a fall of 0.6%, following a very strong year for that market.

Much like equities, major bond indexes also finished the year very well, with another good month for UK fixed income. Gilts were the best performers, gaining 5.8%, followed by sterling corporate bonds which gained 5%.

As we look out to 2024, we enter with cautious optimism across equity and bond markets. The key questions remain whether we have pulled forward a lot of the good news from 2024 into 2023, and whether we may still have the economic impact of interest rate rises to come. We therefore continue to strongly believe that it is key for investors to remain diversified, and that while there are reasons to be more cheerful, there are still significant risks at play.

Fund In Focus

JPM Japan

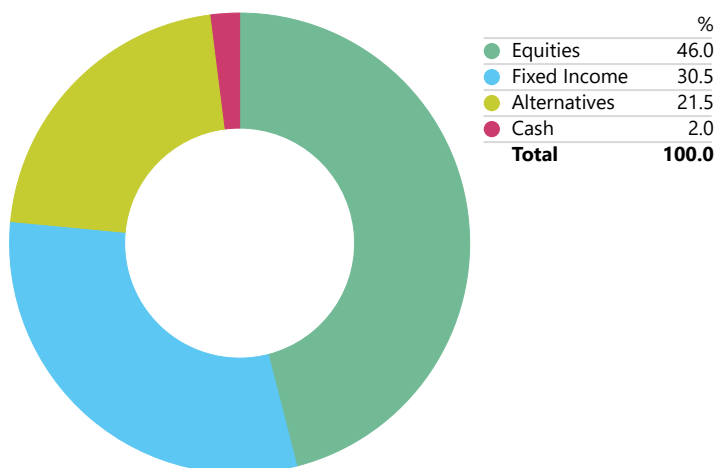
JPM Japan is a fund focussed on investing in high-quality Japanese companies that they believe the market is not correctly pricing when compared to their view on the strong growth potential. The portfolio is co-managed by Nicholas Weindling, who has been managing on this strategy since 2012, Shoichi Mizusawa, who joined at the same time, and Miyako Urabe who has been with JPM since 2014 and joined as co-manager in 2015. They are all based in Tokyo and supported by a strong analyst team, of which a large majority are also based in Tokyo.

As you might expect from a growth style strategy, the portfolio is most significantly overweight to the technology sector (30%), as well as significant weightings to industrials (20%) and healthcare (10%). It has no exposure to the energy, real estate or utility companies, and is underweight to financials and consumer sectors.

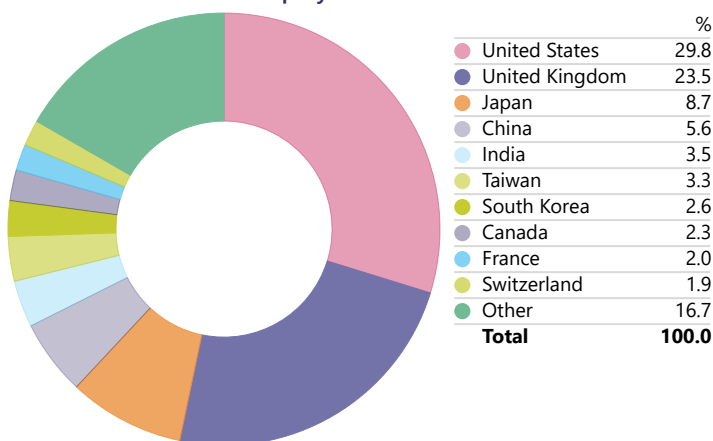
The fund fits very well within our process, blending well with value style focussed positions as well as broader index holdings. The team utilise the wide resource available to them from the Japanese Small Cap Equity team in order to access the best investment opportunities from across the market capitalisation spectrum, but the majority of the exposure within the strategy will remain on larger businesses.

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Asset Allocation



Equity Breakdown



Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
Equities	—	46.00
Allspring (Lux) WW Sm Cp In X GBP Acc	US Equity	0.75
Artemis UK Select I Acc	UK Equity	2.00
Baillie Gifford International B Acc	Global Equity	2.00
BlackRock European Dynamic FD Acc	European Equity	0.50
Dodge & Cox Worldwide US Stock A GBP	US Equity	2.75
Fidelity Special Situations W Acc	UK Equity	2.75
FSSA Asia Focus B GBP Acc	Asia Pacific Equity	2.00
GQG Partners Global Equity I GBP Acc	Global Equity	2.00
HSBC American Index C Acc	US Equity	2.25
HSBC European Index Accumulation C	European Equity	1.50
HSBC FTSE All Share Index C Acc	UK Equity	3.25
HSBC Pacific Index S Acc	Asia Pacific Equity	1.25
Invesco Asian UK Z Acc	Asia Pacific Equity	1.25
Janus Henderson Glb Life Scn H2 GBP	Global Equity	1.25
JPM Emerging Markets C Net Acc	Emerging Markets Equity	2.00
JPM Japan C Net Acc	Japanese Equity	1.25
L&G Japan Index I Acc	Japanese Equity	1.50
Man GLG Japan CoreAlpha ProfI Acc C	Japanese Equity	1.25
TM Natixis Loomis Sayles US Eq Ldrs I/A£	US Equity	2.25
UBS Asian Smaller Companies R GBP Acc	Asia Pacific Equity	0.50
Vanguard Em Mkts Stk Idx £ Acc	Emerging Markets Equity	1.50
Vanguard Global Emerging Markets A Acc	Emerging Markets Equity	3.25
VT Castlebay UK Equity B Accumulation	UK Equity	3.75
WS Gresham House UK Micro Cap C Acc	UK Equity	0.75
WS Havelock Global Select GBP I Acc	Global Equity	2.00
WS Lightman European R Acc	European Equity	0.50
Fixed Income	—	30.50
Allianz Strategic Bond C Inc	Global Fixed Income	4.75
AXA Sterling Crdt Shrt Dura Bd ZI Acc	UK Corporate Bonds	6.00
Janus Henderson Strategic Bond I Acc	Global Fixed Income	4.75
M&G Emerging Markets Bond GBP I Acc	Global Fixed Income	3.00
MI TwentyFour AM Dynamic Bond I Acc	UK Corporate Bonds	3.00
PIMCO GIS Glb RI Ret Instl GBP H Acc	Global Fixed Income	4.50
Vanguard Glb Bd Idx £ H Acc	Global Fixed Income	4.50
Alternatives	—	21.50
CG Absolute Return GBP M	Lower Risk Alternatives	3.00
Cohen & Steers SICAV Dvrs RI Asts FX GBP	Lower Risk Alternatives	5.25
Premier Miton Defensive GrC acc	Lower Risk Alternatives	3.00
TM Fulcrum Divers Cor Abs Ret C GBP Acc	Lower Risk Alternatives	3.50
WS Amati Strategic Metals B Acc	Commodities	0.75
WS Ruffer Diversified Return I GBP Acc	Lower Risk Alternatives	6.00
Cash	—	2.00
CASH	Cash & Money Market	2.00

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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.

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