



Fusion Active 3 GBP

Portfolio report

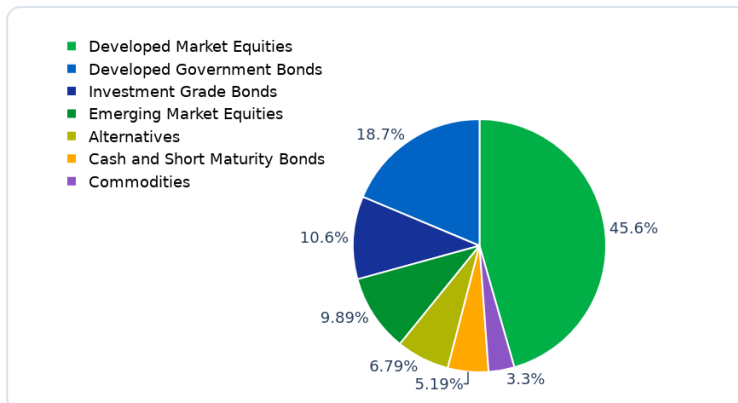
01 Nov 2022



Portfolio Summary

Fusion Active 3 GBP portfolio maintains a balanced combination of quality debt and equity exposure. It is suitable for investors who are looking to participate in capital appreciation from growth assets coupled with some yield from fixed income defensive assets. The portfolio is designed to moderate losses from significant market drawdowns which can affect growth assets. Fusion Active 3 portfolio is recommended to investors with an investment horizon of at least 5 years.

The portfolio is built on systematic strategic asset allocation which is expressed through actively managed funds, with the additions of occasional tactical overlays and the ability to include both thematic investments and non-traditional asset classes. It is designed for investors who are seeking better long-term performance by relying on both systematic asset allocation and the expertise of fund managers who actively manage portfolio components to combine market risk premiums with elements of market timing and individual asset selection.



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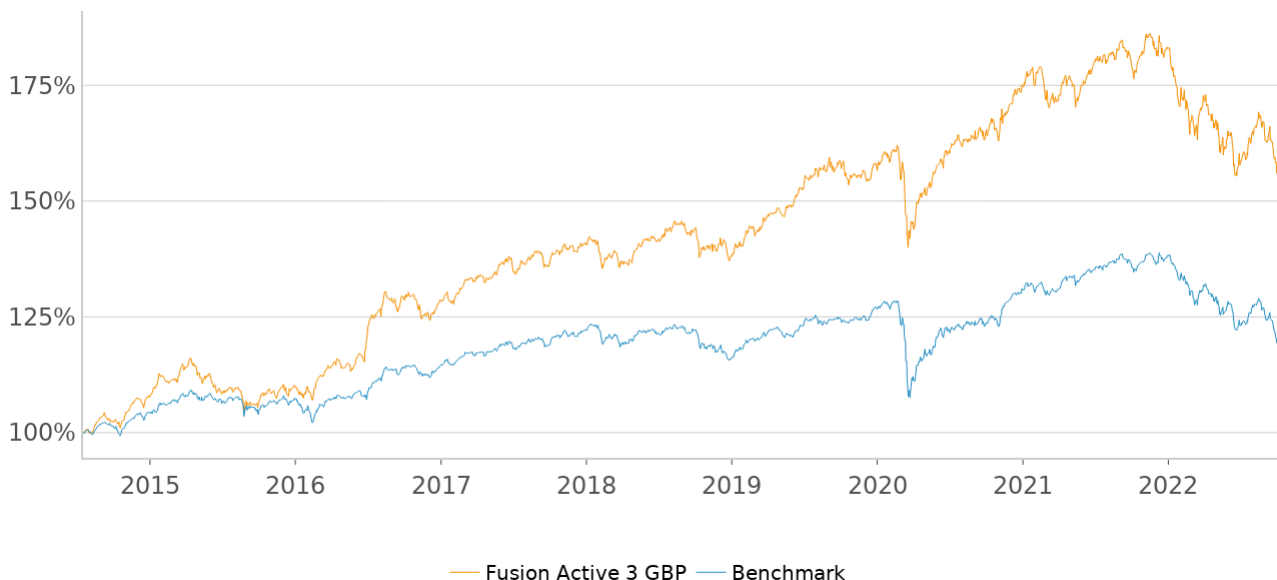
Investment Principles

Fusion Active Portfolios start with the principles of Systematic Strategic Asset Allocation derived from a well-established scientific approach which is shared by all Fusion portfolios. The distinctive feature of Fusion’s approach is to dynamically rebalance between return driven and risk-driven asset allocation models. This allows to maximize long term performance from diversified multi-asset portfolios within well-defined risk parameters and, at the same time, significantly reduce Portfolio Drawdown.

The Strategic Asset Allocation assumes that the markets are at fair value. Medium-term market forecasts and short-term tactical tilts are then added to account for current market trends and short-term market or economic opportunities. This active stance on the Strategic Asset Allocation is known as Tactical Asset Allocation.

Within the Fusion Active portfolio range this Tactical Asset Allocation is implemented using, primarily, actively managed funds selected mostly from a range of well-established product providers who aim to consistently out-perform their respective benchmarks. Fusion can also, from time to time, add a small proportion of niche specialist managers to the Fusion Active portfolios to give investors access to alternative sources of uncorrelated investment returns. Purely protective funds are included into the portfolios to further strengthen performance resistance to market downturns. Manager selection and resulting portfolios are constantly monitored, re-assessed and rebalanced on quarterly basis.

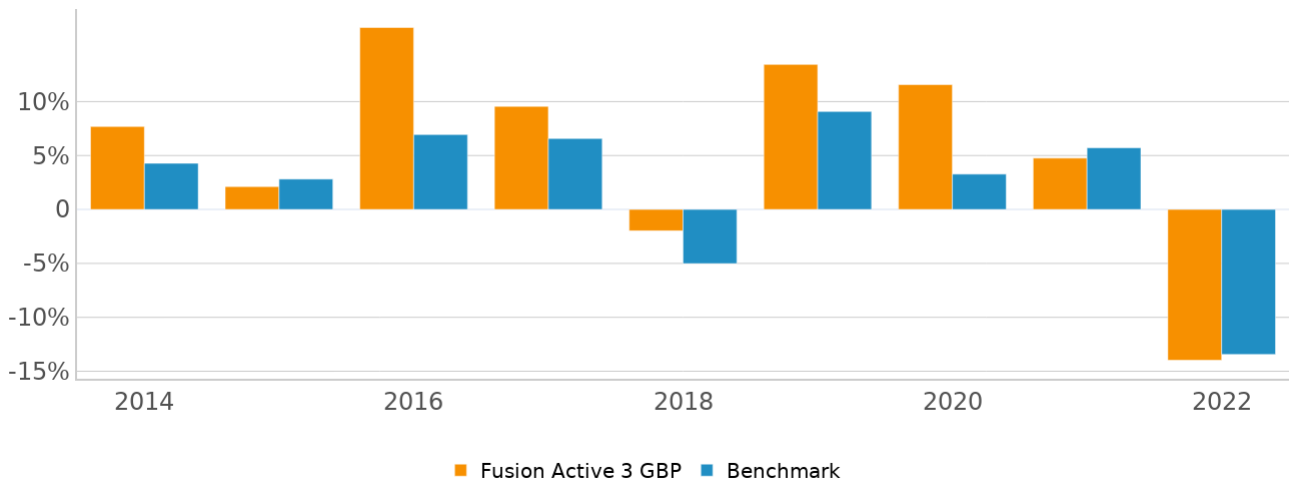
Performance*:



The benchmark is the Abrdn MyFolio Managed II fund which has one of the lowest tracking errors with the IA Mixed investments 20-60 index. Performance prior to April 2013 is reconstructed from the index performance.

*The performance figures in this report are based on the live performance of the portfolio since December 2019. Performance before this date is simulated by applying models and algorithms currently used in the construction of this portfolio.

Historical Performance*



	PERFORMANCE (ANNUALISED)				VOLATILITY (ANNUALISED)				SHARPE RATIO				MAXIMUM DRAWDOWN
	1Y	3Y	5Y	SINCE INCEPTION	1Y	3Y	5Y	SINCE INCEPTION	1Y	3Y	5Y	SINCE INCEPTION	
Portfolio	-13.39%	0.40%	2.52%	5.62%	9.67%	9.43%	8.23%	7.71%	-1.50	-0.01	0.24	0.67	-17.72%
Benchmark	-12.58%	-1.25%	-0.23%	2.22%	7.09%	8.24%	6.99%	6.10%	-1.93	-0.21	-0.11	0.28	-16.32%

Quarterly Performance

	AVERAGE ANNUAL RETURN	AVERAGE QUARTER RETURN	BEST QUARTER	BEST QUARTER RETURN	WORST QUARTER	WORST QUARTER RETURN
Portfolio	5.62%	1.45%	Q2 2020	10.54%	Q2 2022	-8.64%
Benchmark	2.19%	0.61%	Q2 2020	8.88%	Q1 2020	-11.42%

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Monthly Performance

		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR	OUTPERFORMANCE
2014	Portfolio							0.25%	2.99%	-0.73%	1.81%	3.02%	0.17%	7.69%	
	Benchmark							0.50%	1.28%	-0.34%	0.20%	2.32%	0.26%	4.28%	3.41%
2015	Portfolio	4.28%	-0.64%	2.13%	-1.36%	0.38%	-4.00%	1.05%	-2.43%	-0.61%	2.39%	1.04%	0.16%	2.12%	
	Benchmark	1.84%	0.81%	0.99%	-0.71%	0.99%	-1.94%	0.98%	-1.42%	-1.81%	2.63%	0.82%	-0.27%	2.82%	-0.69%
2016	Portfolio	-0.17%	1.87%	2.29%	-0.38%	0.90%	5.87%	3.97%	1.73%	-0.07%	0.05%	-2.29%	2.19%	16.87%	
	Benchmark	-2.27%	0.64%	1.67%	0.35%	0.91%	-0.19%	3.14%	1.79%	0.26%	-0.06%	-1.35%	1.96%	6.94%	9.93%
2017	Portfolio	-0.03%	2.95%	0.77%	-0.23%	2.60%	-1.28%	1.21%	2.15%	-2.02%	1.88%	0.04%	1.25%	9.56%	
	Benchmark	0.09%	1.67%	0.44%	0.22%	1.25%	-0.65%	0.88%	0.86%	-1.10%	1.80%	0.07%	0.89%	6.58%	2.98%
2018	Portfolio	-0.53%	-1.17%	-1.00%	1.44%	2.04%	-0.02%	1.39%	0.68%	-0.42%	-2.57%	0.22%	-1.95%	-1.98%	
	Benchmark	0.22%	-1.14%	-1.44%	1.06%	0.98%	-0.27%	0.90%	0.00%	-0.32%	-3.07%	-0.03%	-1.95%	-5.01%	3.04%
2019	Portfolio	2.75%	0.43%	2.96%	1.07%	0.42%	2.52%	2.76%	0.93%	0.13%	-1.81%	0.49%	0.14%	13.44%	
	Benchmark	2.56%	0.56%	1.39%	0.65%	-1.09%	1.87%	1.70%	-0.77%	0.40%	-0.36%	0.73%	1.15%	9.08%	4.36%
2020	Portfolio	1.15%	-2.35%	-5.90%	5.05%	3.11%	2.05%	0.53%	1.20%	0.44%	-0.82%	4.95%	2.12%	11.58%	
	Benchmark	0.27%	-2.75%	-9.16%	5.28%	2.10%	1.29%	0.13%	1.02%	0.00%	-0.47%	4.74%	1.55%	3.28%	8.30%
2021	Portfolio	0.13%	-1.78%	-0.03%	2.47%	-0.60%	2.88%	0.04%	2.09%	-2.14%	1.04%	0.57%	0.11%	4.76%	
	Benchmark	-0.31%	-0.46%	0.95%	1.99%	0.14%	1.05%	0.52%	1.61%	-1.23%	0.38%	-0.27%	1.27%	5.72%	-0.96%
2022	Portfolio	-5.97%	-2.48%	2.90%	-2.97%	-1.45%	-4.46%	4.40%	-0.22%	-5.05%	0.90%			-13.98%	
	Benchmark	-3.44%	-2.08%	0.93%	-2.00%	-0.73%	-4.08%	3.21%	-1.27%	-4.95%	0.34%			-13.44%	-0.54%

Top 10 Holdings

ASSET CLASS	NAME	RETURN			VOLATILITY		
		1Y	3Y	5Y	1Y	3Y	5Y
Bonds	PIMCO GIS Global Bond Fund	-13.10%	-3.14%	-0.73%	4.96%	5.04%	4.17%
	Vanguard Investment Series PLC - Global Bond Index Fund	-14.90%	-4.47%	-1.35%	5.94%	4.69%	4.03%
	iShares UK Gilts All Stocks Index Fund UK	-22.97%	-8.25%	-2.99%	12.23%	9.49%	8.41%
	abrdn OEIC I - abrdn Sterling Money Market Fund	0.87%	0.46%	0.52%	0.11%	0.10%	0.08%
Equities	Fidelity Investment Funds ICVC - Index World Fund	-1.52%	10.63%	9.57%	15.00%	16.32%	14.86%
	HSBC Index Tracker Investment Funds - American Index Fund	2.55%	14.35%	13.28%	16.46%	16.57%	15.82%
	iShares Emerging Markets Equity Index Fund UK	-15.27%	-0.14%	0.53%	14.40%	16.11%	15.00%
	Ninety One Funds Series iv - Global Quality Equity Income Fund	-0.99%	8.69%	8.54%	12.83%	13.91%	13.01%
	Royal London Sustainable Leaders Trust	-12.02%	4.03%	6.45%	15.91%	18.11%	15.67%
	iShares UK Equity Index Fund UK	-3.84%	1.86%	2.18%	13.39%	18.78%	16.19%

Fees & Charges:

Total Ongoing charges for underlying funds **0.39%**

Management Charge **0.30%**

The performance figures, portfolio components and the corresponding fund fees vary slightly between different investment platforms, depending on the funds' availability.

The portfolio components and all the figures presented in this factsheet are based on the portfolio available on **Aviva** platform.

Description of Components

FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND

The Fund aims to track the performance of the MSCI World (Net Total Return) Index (before fees and expenses are applied) thereby seeking to increase the value of your investment over a period of 5 years or more. The performance of the Fund is unlikely to track the performance of the index precisely.

HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND

HSBC Index Tracker Investment Funds - American Index Fund is an open-end investment company incorporated in the United Kingdom. The aim of the Fund is to provide long-term capital growth by matching the capital performance of the Standard & Poors 500 Index. The Fund invests in all equity securities within the Standard & Poors 500 Index.

PIMCO GIS GLOBAL BOND FUND

PIMCO GIS Global Bond Fund is a UCITS certified open-end fund incorporated in Ireland. The objective is maximum total return consistent with preservation of capital and prudent investment management. The Fund invests primarily in intermediate-maturity US and non-US fixed-income securities (rated from B to Aaa). It tracks a Bloomberg Barclays Index.

VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND

Vanguard Investment Series PLC - Global Bond Index Fund is an open-end fund incorporated in Ireland. The Fund's objective is to provide current returns consistent with the performance of the Bloomberg Barclays Global Aggregate Bond Index, by investing in other Vanguard Investment Series PLC sub-funds. The Fund can invest up to 10% of its net assets in collective investment schemes.

ISHARES EMERGING MARKETS EQUITY INDEX FUND UK

iShares Emerging Markets Equity Index Fund (UK) is a unit trust incorporated in the United Kingdom. The Fund seeks to achieve capital growth for investors by tracking closely the performance of the FTSE All-World Emerging Index. The Fund invests in companies in the Index.

ISHARES UK GILTS ALL STOCKS INDEX FUND UK

iShares UK Gilts All Stocks Index Fund (UK) is a unit trust incorporated in the United Kingdom. The Fund aims to achieve a total return for investors by tracking closely the performance of the FTSE Actuaries UK Gilts All Stocks TR Index. The Fund invests in fixed income securities contained in the Index.

NINETY ONE FUNDS SERIES IV - GLOBAL QUALITY EQUITY INCOME FUND

Ninety One Funds Series iv - Global Quality Equity Income Fund is an open-end fund incorporated in the United Kingdom. The Fund aims to provide income and capital growth over at least 5 years. The Fund invest primarily (at least two-thirds) in the shares of companies around the world and in companies believed to be of high quality, which typically provide reliable dividend growth.

ABRDN OEIC I - ABRDN STERLING MONEY MARKET FUND

abrdn OEIC I - abrdn Sterling Money Market Fund is a OEIC incorporated in the UK. The Fund aims to generate income and preserve some capital over the short term (2 years or less) by investing in cash deposits and money market instruments.

ROYAL LONDON SUSTAINABLE LEADERS TRUST

Royal London Sustainable Leaders Trust is an authorized unit trust incorporated in the United Kingdom. The aim of the Trust is to provide capital growth from a diverse portfolio of equities, mainly in the U.K. The Trust invests in companies who are active in improving the environment, human health, safety and quality of life.

ISHARES UK EQUITY INDEX FUND UK

iShares UK Equity Index Fund (UK) is a unit trust incorporated in the United Kingdom. The Fund's objective is capital growth for investors by tracking closely the performance of the FTSE All Share Index by investing in companies in the Index.

A Guide to Portfolio Report

Portfolio Summary

Portfolio description gives a Portfolio overview, including the description of target investors, portfolio building approach, resulted asset allocation and recommended investment horizon.

Investment Principles

The main principles applied by test to building investment portfolios, including Strategic Asset Allocation methods and investment Component selection process applied to achieve optimal performance for a range of risk profiles.

Historical Performance

Historical performance analysis is based on applying chosen systematic Asset Allocation approach retrospectively on historical market data to determine weightings for a range of Asset Classes on an annual basis. Component selection within Asset Classes is based on matching target portfolio risk level. The prices used in historical valuations are mid-market prices for Components quoted on a stock exchange. For Components that are not quoted on a stock exchange, the valuation has been based on fair value. This is our best judgement of the price likely to be agreed between a willing buyer and willing seller, dealing on an arm's length basis, where both are in possession of all freely available information concerning those Components.

Missing prices for Components with insufficient pricing history are proxied by using corresponding data for the best suitable alternative, which the Component is reasonably assumed to track, and applying reasonable transaction costs.

Portfolio historical performance is displayed on the graphs and its statistical analysis is summarized in the tables showing Performance, Volatility and Sharpe Ratio. The graph and the statistics is shown against the corresponding Portfolio Benchmark. The historical performance is calculated on a daily basis. All Volatility figures are annualized.

All performance is gross of fees.

Portfolio Benchmark

The benchmark is the Abrdn MyFolio Managed II fund which has one of the lowest tracking errors with the IA Mixed investments 20-60 index. Performance prior to April 2013 is reconstructed from the index performance.

Portfolio Asset Allocation

This shows the various Asset Classes that the portfolio is invested in and the percentage allocated to each of them within the portfolio.

Portfolio Components

A table of Components, which the portfolio is invested in, with the proportions of the total portfolio amount and individual Components Performance, Volatility and Sharpe Ratio.

Glossary of Terms

Asset Class

An asset class is a group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities, or stocks; fixed income, or bonds; and cash equivalents, or money market instruments. Some investment professionals add real estate and commodities, and possibly other types of investments, to the asset class mix.

Asset Allocation

The investment split between various asset classes as a percentage.

Component

A portfolio component represented either by a financial product, which can be traded between financial counterparties, or an index, which can be accurately tracked by a financial product.

Protective Component

A financial product or an index constructed to ensure significant performance increase in times of financial crisis.

Volatility

A common statistical measure used to assess the risk levels of different investments. It is an annualised figure measuring the dispersion of monthly returns around the average monthly return of that security. If a portfolio has a high volatility, this suggests a greater variation of returns.

Drawdown


Drawdown is a measure of the downside risk of a portfolio. It is peak-to-trough decline during a specific recorded period of an investment, fund or commodity. It can be applied directly to the size of the portfolio giving an estimate of how much money you could lose at some intermediate point during the life of the investment strategy. Maximum drawdown is the maximum loss from a peak to a trough of a portfolio.


Sharpe ratio

The Sharpe ratio is a risk-adjusted measure of return that is used to evaluate the performance of a portfolio. The ratio helps to make the performance of one portfolio comparable to that of another by making an adjustment for the level of risk associated with the underlying assets held within the portfolio.

Company Information

Fusion Asset Management LLP (Fusion) is an investment management firm which was set up in 2004. The firm is based in London and is regulated by the FCA. The core of Fusion expertise lies in the combination of extensive market experience with a quantitative approach to portfolio construction and risk management discipline. The firm culture aims at maintaining the stability of the investment and operations teams, helping to preserve the expertise and development of investment know-how. Fusion has a 15+ year track record of managing investment products and providing advisory services, with particular emphasis on protective strategies. Fusion uses its expertise in protective strategies across all Fusion products.

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