Fusion Active 2

Factsheet | 01 Jan 2024

PORTFOLIO SUMMARY

- Low-to-medium risk portfolio within the Active portfolio range
- Portfolio seeks stable income with potential for capital appreciation, balancing risk and stability
- Systematic strategic asset allocation, active management, and diverse assets aim to enhance long-term performance through market timing and selection expertise

PORTFOLIO INFORMATION

Inception Date	Dec 2019
Investment Horizon	At least 3 years
Total Ongoing charges for underlying funds	0.30%
Management Charge	0.25%

INVESTMENT PRINCIPLES

Fusion Active portfolios are designed for investors who believe that manager's skill in utilising short-term market opportunities and market timing can increase returns.

The range starts with a systematic Strategic Asset Allocation which aims to maximise expected long-term return within well-defined risk parameters. Medium-term market forecasts and short-term tactical tilts are overlaid to exploit current market trends and economic opportunities to derive the Tactical Asset Allocation. This is implemented using actively managed funds, selected from a range of well-established providers who aim to consistently out-perform their benchmarks.

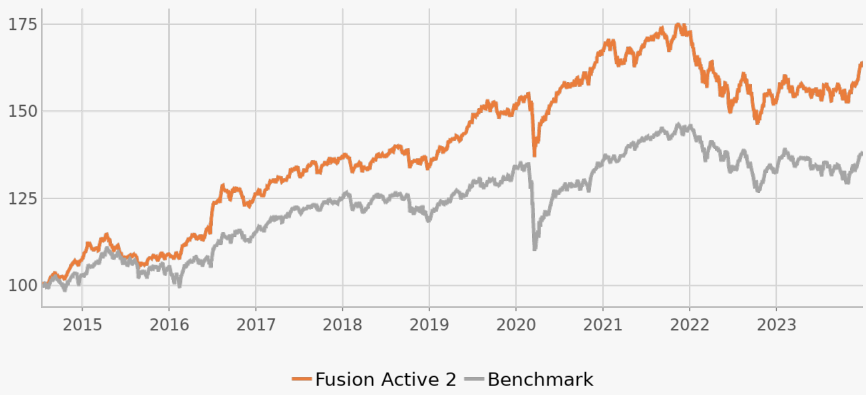
RISK SCORE

MARKET COMMENTS

December ended the year with a festive flurry of positive returns across asset classes, in a continuation of November's 'everything rally' and provided a welcome Christmas present for investors. Both global equities and bonds rose 4.2% and 3.4% respectively (GBP terms), buoyed by a backdrop of several key themes.

Firstly, the narrative of central banks pivoting and reducing interest rates moved further into the focus of investors, with markets expecting more aggressive rate cuts in the coming year. The US Federal Reserve opted to keep rates unchanged for the third successive month, albeit with a tone which signalled cuts could be on the horizon - ahead of European counterparts. Bond yields continued to decline, with benchmark 10-year government bond yields concluding 2023 at or below where they started it. Secondly, inflation rates continued to fall across major economies amid ongoing economic resilience. In the US, retails sales and industrial production rose slightly, with unemployment even unexpectedly falling. In Europe, activity somewhat softened, with industrial production falling in the Eurozone, and manufacturing data contracting. Despite this, EU ex-UK stocks were the best performing developed region, rising 4.4% over the month (US 4%, UK 3.8%). It was a period of mixed results within commodities. Gold rose 1.3% (USD terms) as geopolitical conflicts continued and caused interruptions to maritime trading routes through the Red Sea. Whereas within energy, oil prices fell 7% and European wholesale natural gas fell 23% (EUR terms).

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	3.71%	5.32%	7.20%	-2.15%	22.01%	63.87%
Benchmark	3.69%	4.78%	4.42%	1.80%	16.36%	38.43%

RISK CHARACTERISTICS

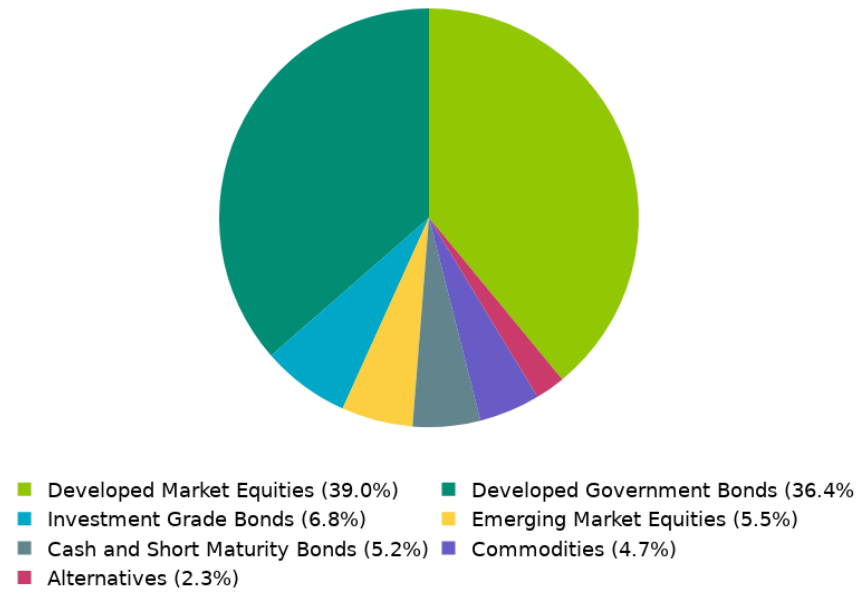
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.39%	7.55%	6.75%	0.84	0.44	0.71	-16.55%
Benchmark	6.97%	8.04%	7.35%	0.49	0.29	0.40	-18.67%

*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. The benchmark is the LF Prudential Risk Managed Active 3 Fund which has one of the lowest tracking errors with the IA Mixed investments 20-60 index. Performance prior to June 2014 is reconstructed from the index performance.

TOP HOLDINGS

- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- HSBC INDEX TRACKER INVESTMENT FUNDS OEIC - UK GILT INDEX
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES UK EQUITY INDEX FUND UK
- NINETY ONE FUNDS SERIES IV - GLOBAL QUALITY EQUITY INCOME FUND
- ABRDN OEIC I - ABRDN STERLING MONEY MARKET FUND
- VANGUARD INVESTMENT SERIES PLC - US GOVERNMENT BOND INDEX FUND
- ROYAL LONDON SUSTAINABLE LEADERS TRUST
- PIMCO GIS GLOBAL BOND FUND

ASSET ALLOCATION



HOW TO ACCESS OUR PORTFOLIOS

AVIVA | Fidelity INTERNATIONAL | JUSTFA | novia | transact take control

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