

PORTFOLIO SUMMARY

- Medium-risk portfolio within the Passive portfolio range
- Portfolio designed to mitigate losses from significant market drawdowns, particularly affecting growth assets
- Balanced exposure to quality debt and equity to capture capital appreciation and yield from fixed income assets
- Aligned with risk level 5 of the Dynamic Planner profiler, utilizing strategic asset allocation and low-cost tracker funds for investment

PORTFOLIO INFORMATION

Inception Date	Sep 2022
Investment Horizon	At least 5 years
Total Ongoing charges for underlying funds	0.09%
Management Charge	0.15%

INVESTMENT PRINCIPLES

Fusion Passive range is built on the core principles of passive investments – transparency and low costs. It's aimed at investors who trust in the passive investment philosophy and value the additional transparency of their portfolio alignment with that of a widely trusted and recognised industry risk profiling tool.

Fusion Passive portfolios are constructed by fulfilling a strategic asset allocation which is consistent with Dynamic Planner risk profiles, through the use of low-cost tracker funds from a diversified set of first tier providers.

RISK SCORE

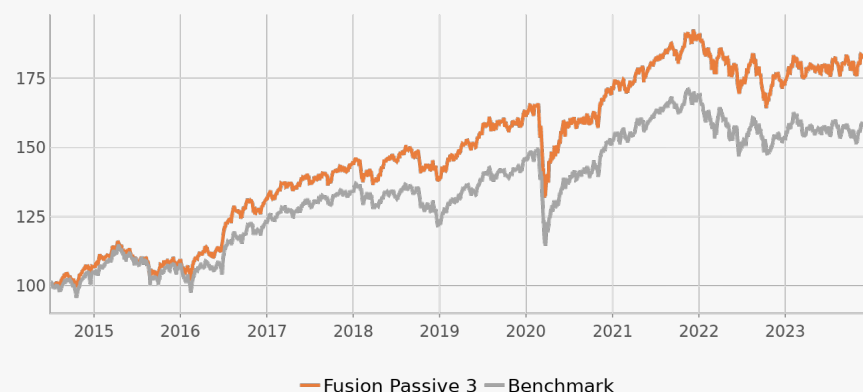


MARKET COMMENTS

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, retail 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	4.15%	5.69%	10.04%	11.64%	37.40%	90.57%
Benchmark	4.21%	6.32%	7.76%	8.16%	34.37%	64.97%

RISK CHARACTERISTICS

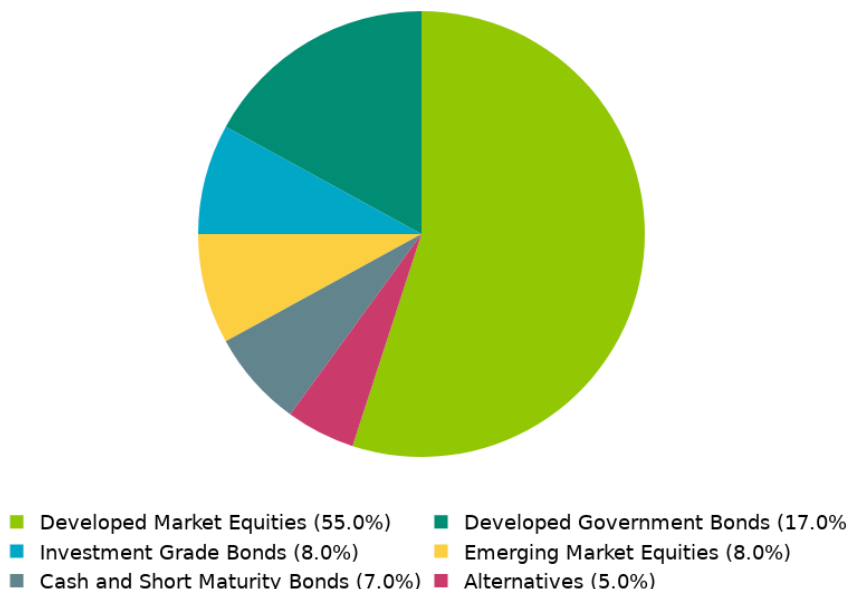
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	8.37%	9.83%	9.28%	1.08	0.60	0.69	-20.55%
Benchmark	7.90%	11.32%	10.48%	0.86	0.47	0.46	-23.32%

*The performance figures in this report are based on the live performance of the portfolio since September 2022. Performance before this date is synthetically built on quarterly asset allocations provided by Distribution Technology and the actual performance of selected tracker funds. The benchmark is the Aviva Multimanager 40-85% Fund which has one of the lowest tracking errors with the IA Mixed investments 40-85 index. Performance prior to June 2014 is reconstructed from the

TOP HOLDINGS

- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES UK EQUITY INDEX FUND UK
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND
- ISHARES CORPORATE BOND INDEX FUND UK
- FIDELITY INVESTMENT FUNDS - INDEX JAPAN FUND
- FIDELITY INDEX EUROPE EX UK P ACC
- ISHARES GLOBAL PROPERTY SECURITIES EQUITY INDEX FUND UK
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- ABERDEEN ASIA PACIFIC EX-JAPAN EQUITY TRACKER FUND
- VANGUARD INVESTMENTS FUNDS ICVC - VANGUARD UK INFLATION-LINKED GILT INDEX FUND

ASSET ALLOCATION



HOW TO ACCESS OUR PORTFOLIOS



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