

## 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	0.32%
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

With global equities rising 2.8%, and bonds only marginally falling 0.4%, May was a positive month for portfolio performance overall as ongoing investor optimism supported risk assets. Within equities, developed markets performed well, with major indices in the US, Europe, and UK all reaching new record highs. The month's top performing region was European equities (+3.7%), where strong GDP and corporate profits data, coupled with relatively low valuations, is starting to attract the attention of international investors. European banks have finally overcome the pain of past crises and are enjoying the strong profitability generated by higher interest rates, and have generated returns of 24% YTD.

In the UK, small caps outperformed their large counterparts (+4.9%), as they begin to make up lost ground. Emerging market equities lagged behind, posting a negative return of -1.1% which dragged portfolio performance. It was a period of increased volatility for Indian equities, which finished the month 1% down due to election uncertainty, despite strong performance this year (up 9% YTD). However, a win for the ruling party sets up "more of the same" policy from Prime Minister Modi, which is expected to be friendly to business.

Bond markets continue to struggle to establish a new trend, caught between the hope for interest rate cuts and the reality of resilient growth and inflation that refuses to fall as fast as central bankers would like.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	1.32%	1.78%	9.05%	1.51%	17.55%	68.84%
Benchmark	1.07%	1.61%	5.50%	0.22%	12.25%	41.35%

## RISK CHARACTERISTICS

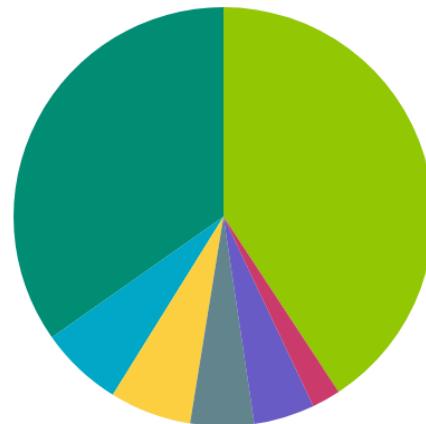
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.26%	7.69%	6.75%	1.24	0.34	0.72	-16.55%
Benchmark	6.52%	8.07%	7.27%	0.84	0.21	0.41	-18.67%

\*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
- VANGUARD INVESTMENTS FUNDS ICVC - VANGUARD UK LONG DURATION GILT INDEX FUND
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ROYAL LONDON SUSTAINABLE LEADERS TRUST
- ISHARES UK EQUITY INDEX FUND UK
- M&G INVESTMENT FUNDS 1 - M&G GLOBAL SELECT FUND
- ABRDN OEIC I - ABRDN STERLING MONEY MARKET FUND
- PIMCO GIS GLOBAL BOND FUND
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND

## ASSET ALLOCATION



■ Developed Market Equities (40.8%)	■ Developed Government Bonds (34.8%)
■ Investment Grade Bonds (6.4%)	■ Emerging Market Equities (6.3%)
■ Cash and Short Maturity Bonds (4.9%)	■ Commodities (4.7%)
■ Alternatives (2.2%)	

## HOW TO ACCESS OUR PORTFOLIOS



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