

## 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	0.31%
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



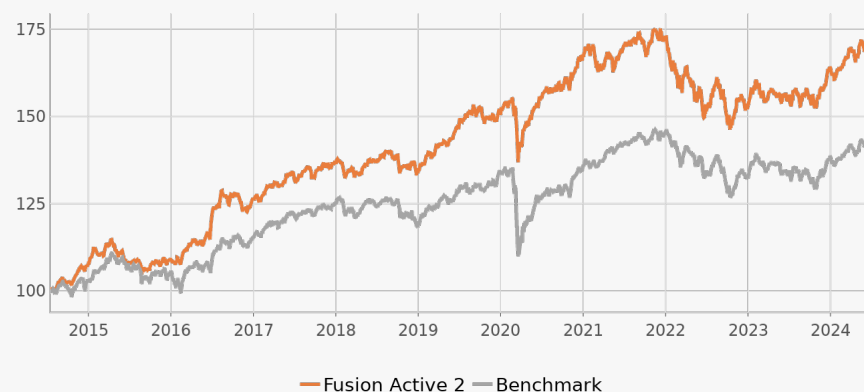
## MARKET COMMENTS

June marked the end of the second quarter with another positive month for portfolio performance, with global equities rising 2.8% and bonds also rising by 0.9% in GBP terms.

Global stocks rose to fresh highs, although this was again largely driven by the US market (+4.3%), and in particular, its AI-related mega-cap names in theme which fails to dissipate. In fact, global stocks excluding the US were flat in June, as was the equal-weighted US index. Emerging markets (+4.8%) outperformed developed markets, driven by the two large semiconductor-intensive nations, Taiwan and Korea, outperforming significantly, up 13% and 9% respectively. Several developed-market central banks began their easing cycles in June, including the European Central Bank which unsurprisingly cut its deposit rate. However, this failed to have its desired effect on markets, as news of a surprise snap French election dominated headlines and fuelled uncertainty. Days after President Macron's announcement, we saw the main French index down by more than 6%, wiping out the majority of gains year to date. This risk-off sentiment was also mirrored in the bond market with the spread between the French and German 10-year government bond yields, seen as a barometer for the risk of holding France's debt, reaching its highest point since February 2017. European equities ended the period -1.7% down.

Commodity prices fell slightly in June, particularly industrial metals and agriculture, however oil rebounded by 6%, benefiting energy positions.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	1.86%	1.32%	10.54%	1.05%	17.13%	71.98%
Benchmark	1.08%	0.83%	6.80%	0.50%	11.32%	42.88%

## RISK CHARACTERISTICS

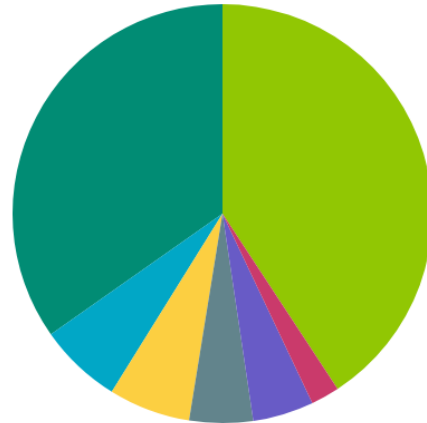
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.22%	7.67%	6.72%	1.46	0.34	0.75	-16.55%
Benchmark	6.56%	8.06%	7.25%	1.03	0.19	0.43	-18.67%

\*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



## CONTACT US

### Our address

22 Dartmouth Street,  
London, SW1H 9BP

### Email

info@fusionam.com

### Phone

+44 (0) 207 802 2280

### Web

<http://www.fusiondfm.com>

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