FUSION ASSET MANAGEMENT

Managed Portfolio Service Quarterly Report

February 2025

INVESTMENT STRATEGIES

Fusion Optima

Built using a systematic strategic asset allocation and designed to harvest risk premiums using low-cost investments and avoiding excessive portfolio turnover. MPS charge: 0.20% Avg OCF: 0.21%

Fusion Active

Aims to achieve superior long-term returns through the overlay of additional tactical asset allocations and taking advantage of short-term market opportunities. MPS Charge: 0.20% Avg OCF: 0.27%

Fusion ProActive Planet

Portfolios support ESG (Environmental, Social & Governance) principles and select investments that support the wellbeing of our environment and society. MPS Charge: 0.20% Avg OCF: 0.41%

Fusion Passive

Designed to provide consistent returns in line with markets, while reducing costs through low portfolio turnover and investing in low-cost passive funds. MPS Charge: 0.15% Avg OCF: 0.12%

Fusion Champions

Built using an expert blend of the best performing multi-asset funds, resulting in diversification among the best solutions across the industry. MPS Charge: 0.10% Avg OCF: 0.29%

FUSION ASSET MANAGEMENT

OCF – when we invest in funds, fees are charged by the fund providers (which include investment management charges plus additional fund expenses).

MARKET COMMENTS & OUTLOOK

Market Commentary

The quarterly period since the last rebalance (1st November 2024 – 31st January 2025) has been another positive one for portfolio performance, with global equities rising 9.2% and bonds returning 1.1% in GBP terms. During this period, we've generally seen interest rates continue along their downward trajectory across developed nations, with the UK, US and EU each cutting rates twice, which has supported interest rate sensitive sectors and provided a positive environment for risk assets.

The period began with Trump's presidential victory and the Republican party cementing control of Congress – an event which shaped the trajectory of markets over the following months. The victory enhanced expectations that the government's policies will extend American exceptionalism, and indeed this has continued with US equities once again leading the way, returning 10.3% over the period. The continued outperformance of US equities means the US now accounts for a record 74% of the main global equity index. Markets reacted positively to the prospect of further tax cuts, expansionary fiscal policy, and the implementation of a more nationalist trade policy boosted US equity markets. Domestically exposed US small caps were seen as a significant beneficiary and rose 7.6%.

Trump's tariff threats stole the headlines and caused a degree of turbulence within global markets, as the future of global trade was met with heightened uncertainty. Trade policy risk, combined with a strengthening US dollar and fears of a less supportive US monetary environment negatively impacted emerging market equities (+1.6%), which underperformed their developed counterparts by around 7.6%. Chinese equities delivered a slightly positive return (+1.8%), where the central bank marked a historic pivot by stating that it will adopt an 'appropriately loose' monetary policy next year - the first easing of its stance in 14 years.

The emergence of a considerably cheaper-to-produce AI model from small Chinese company DeepSeek shocked the global tech sector, as this called into question the US tech sector's ability to deliver against lofty expectations. US chip giant Nvidia was the most notable sufferer, dropping 17% in one day – the biggest one-day loss in market-cap terms in US history. Despite this setback, US tech stocks returned 11.5% over the period, showcasing the current resilience of the sector. Chinese tech stocks also rallied 21.8%, as the news showcased the region's ability to compete AI race on the global stage.

US trade policy concerns were also felt in Europe, which combined with earnings warnings from the automotive and consumer goods sectors, as well as political turmoil in both Germany and France, led to underperformance towards the end of 2024. However, since the turn of the year, we've witnessed a trend reversal, with Europe (+8.3%) and the UK (+6%) outperforming the US, driven by their respective financials sectors (+12.3% and 8.9% respectively) – an outcome which we've been eagerly anticipating on the Fusion Investment Team!

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MARKET COMMENTS & OUTLOOK

Within fixed income, bond markets were characterised by increased volatility. Trump's proposed policy mix of tax cuts, immigration curbs and tariffs fuelled expectations of higher US inflation, pushing up yields globally. This also led to an overall strengthening of the dollar against the pound over the period, providing a welcome boost to returns for sterling investors. Additionally, there was increasing anxiety that this higher interest rate liability on government debt might undermine solvency - the UK's position was exacerbated by the fact a weak economy further impairs Labour's fiscal position and yields on longer dated Gilts rose to levels last seen in 1998, before easing over the month.

Commodities also delivered strong returns (+8.3%) predominantly driven by the energy component (+15.4%), and natural gas in particular (+28.4%) as the cold winter months set in. Gold has continued its strong rally since mid-2023 to return another 5% over the period.

Outlook

Looking ahead, we expect short-term interest rates to continue along their downward trajectory in developed economies, with rate-cuts expected throughout the year, as inflation rates continue to fall towards target levels. We expect the most cuts to be delivered in Europe, then the UK and then the US, which has a greater risk of increased inflation risk given Trump's policies. We believe this macro backdrop will generally be supportive for risk assets. In line with this, our outlook on lower-grade credit and smaller sized companies is positive, given that these will benefit disproportionally more from a falling rates environment than their higher-grade credit and larger sized company counterparts, due to their greater interest-rate sensitivity. We also expect smaller companies to benefit from being generally more domestically focused, particularly in the US, given the current uncertainties around global trade (tariffs threats), and Trump's 'America First' policies.

Regionally, we expect US dominance to continue in terms of growth, with the Trump administration generally supportive for equities. We remain vigilant to both the opportunities and risks which Trump's headline grabbing agenda create and expect increased market volatility in the short-term. However, we continue to expect 'watered-down' versions of his policies to be ultimately delivered, and as long-term investors, we aim not to be distracted by short-term hysteria and noise and remain focused on the factors which drive long-term investment returns. The consensus view is slightly negative on Europe and we expect the US to continue to outperform in the short-term.

Within Alternatives, we have a positive view on Convertible Bonds and Infrastructure. We expect both to benefit from our base scenario of growth and falling rates, with the latter providing a hedge against inflation shocks since its underlying revenues are generally derived from inflation-linked sources.

FUSION ASSET MANAGEMENT

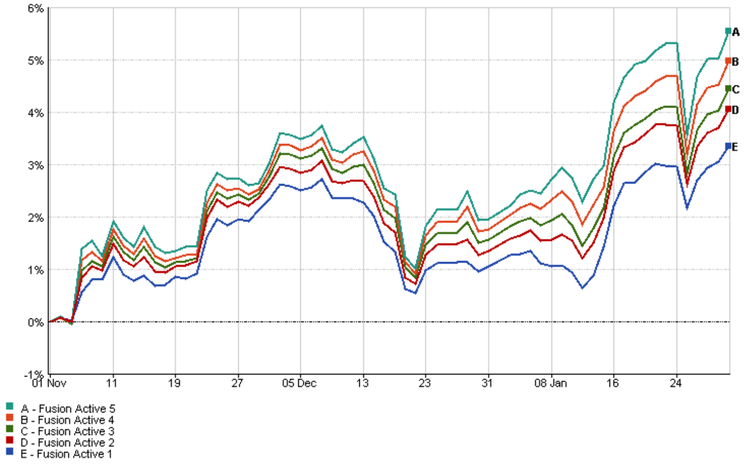
FUSION ACTIVE RANGE

Aims to achieve superior long-term returns through the overlay of additional tactical asset allocations and taking advantage of short-term market opportunities.

Quarterly Performance Review

During the last quarter (1st November 2024 – 31st January 2025), the Fusion Active portfolios performed well, despite a slight decline in December, to deliver positive returns in absolute terms of around 3.4 – 5.6%.

Comparative performance of the Active range against the benchmarks yields slightly mixed results. Active 1, 2 and 5 outperformed their respective benchmarks by up to 1.5%, yet Active 3 and 4 slightly underperformed by up to 1.3%.



Portfolio	Performance				Volatility		Max. Drawdown (since 2014)
	3m	1y	3y	5y	1y	5y	
Fusion Active 1	3.39%	9.38%	6.78%	12.92%	5.18%	6.70%	-16.14%
Benchmark	1.88%	5.89%	2.28%	5.61%	3.71%	5.79%	-13.85%
Fusion Active 2	4.10%	11.49%	10.87%	19.44%	5.72%	7.70%	-16.55%
Benchmark	3.24%	8.11%	4.99%	11.65%	5.07%	8.06%	-18.67%
Fusion Active 3	4.48%	12.56%	13.91%	23.75%	6.14%	8.67%	-17.72%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Active 4	5.02%	14.06%	16.36%	27.12%	6.66%	9.66%	-19.82%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Active 5	5.60%	15.74%	18.88%	29.06%	7.30%	10.68%	-21.60%
Benchmark	5.36%	11.85%	12.28%	30.05%	7.05%	11.20%	-23.19%

Figures as of 01 February 2025. For a description of the benchmark, please view the relevant portfolio factsheet. Performance figures are shown gross of MPS charges which act as a drag on investment performance and may significantly reduce your returns.

FUSION ASSET MANAGEMENT

FUSION ACTIVE RANGE

Aims to achieve superior long-term returns through the overlay of additional tactical asset allocations and taking advantage of short-term market opportunities.

P&L Attribution

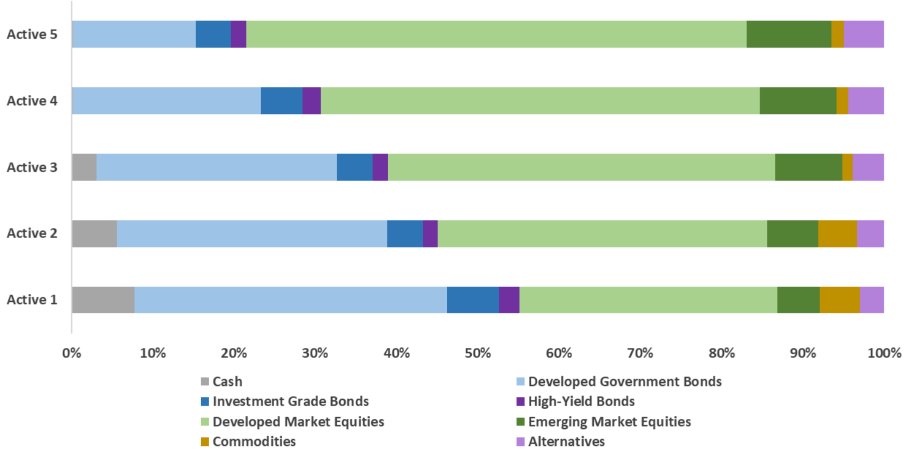
Since the previous rebalance, the main positive contributors to portfolio performance were found within developed market equities. Within our US allocation, *HSBC American Index Fund* returned 11.2% in line with US markets. This strong US equity performance also drove our global selections, *Fidelity Index World Fund* and *L&G Global Equity Index*, to return 10.1% and 9.9% respectively. Our choice within UK equity performed strongly, with *Artemis SmartGARP UK Equity Fund* returning 9%, outperforming its benchmark by over 2.3%. Within Alternatives, our Managed Futures strategy, *AQR Managed Futures Fund*, also performed well (+6.9%), outperforming the alternatives benchmark by 8.8%.

Our main portfolio performance detractor was *Vanguard UK Long Duration Gilt Index,* which returned -1.5% in a period which saw long-term bonds underperform. *Franklin Templeton India Fund* also produced a negative return of 1.7% as Indian equities underperformed relative to other emerging markets.

Rebalance Comments

During this rebalance, we made several changes to the Active portfolios in line with our outlook. In line with our positive view on small cap equity, we decide to move down in cap within global and US equities, and introduce small cap funds *Vanguard Global Small-Cap Index* and *Dimensional US Small Companies*. Given our view Europe, we move towards a more defensive stance, opting for a higher dividend strategy by introducing *Dimensional European Value Fund*. Within the UK, we move to the main index (*iShares 100 UK Equity Index*) to benefit from greater energy & defence exposure as a slightly more defensive stance and a geopolitical hedge.

We move some weight from Investment Grade to High-Yield Bonds given our positive outlook on lower grade credit and introduce *Aegon High Yield Bond Fund*. We also make some changes within our Alternatives selections. Firstly, at the expense of our Biotech fund, we add a Convertible Bonds fund, *Polar Capital Global Convertibles*, as a tacital play on our base scenario of growth and falling rates. Secondly, we include an infrastructure fund, *KBI Global Sustainable Infrastructure*, given our positive view on the class and its ability to protect against inflation shocks - we move a slight weight from the bond allocation to accommodate this.



FUSION ASSET MANAGEMENT

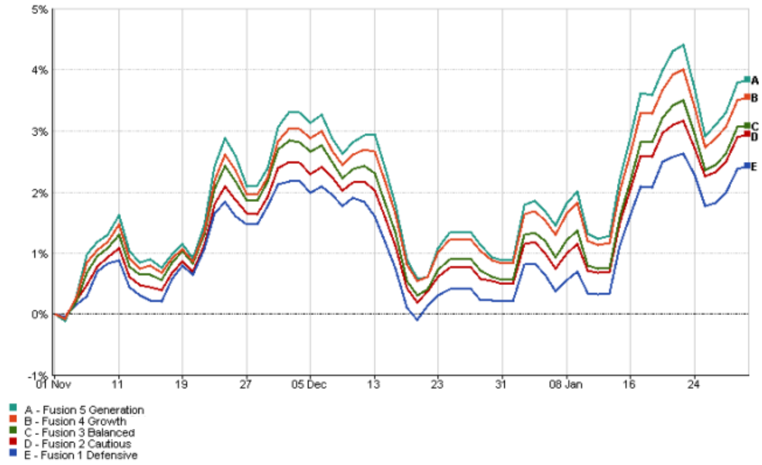
FUSION OPTIMA RANGE

Built using a systematic strategic asset allocation and designed to harvest risk premiums using low-cost investments and avoiding excessive portfolio turnover.

Quarterly Performance Review

During the last quarter (1st November 2024 – 31st January 2025), the Fusion Optima portfolios performed well, despite a slight decline in December, to deliver positive returns in absolute terms of around 2.6 – 5.4%.

Comparative performance of the Optima range against the benchmarks yields mixed results. Optima 1 outperformed its benchmark by 0.8%, yet the remaining portfolios slightly underperformed their respective benchmarks by between 0.1% and 2.5%.



Portfolio	Performance				Volatility		Max. Drawdown (since 2004)
	3m	1y	3y	5y	1y	5y	
Fusion Defensive	2.63%	9.75%	10.23%	17.62%	5.28%	6.52%	-11.62%
Benchmark	1.88%	5.89%	2.28%	5.61%	3.71%	5.79%	-17.91%
Fusion Cautious	3.14%	10.62%	11.48%	20.75%	5.90%	7.97%	-14.58%
Benchmark	3.24%	8.11%	4.99%	11.65%	5.07%	8.06%	-23.57%
Fusion Balanced	3.26%	11.07%	12.25%	22.42%	6.72%	9.29%	-16.73%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-31.77%
Fusion Growth	3.70%	12.52%	14.98%	26.72%	7.42%	10.59%	-20.62%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-31.77%
Fusion Generation	3.98%	13.64%	18.44%	32.71%	8.38%	11.71%	-23.82%
Benchmark	5.36%	11.85%	12.28%	30.05%	7.05%	11.20%	-36.64%

Figures as of 01 February 2025. For a description of the benchmark, please view the relevant portfolio factsheet. Performance figures are shown gross of MPS charges which act as a drag on investment performance and may significantly reduce your returns.

FUSION ASSET MANAGEMENT

FUSION OPTIMA RANGE

Built using a systematic strategic asset allocation and designed to harvest risk premiums using low-cost investments and avoiding excessive portfolio turnover.

P&L Attribution

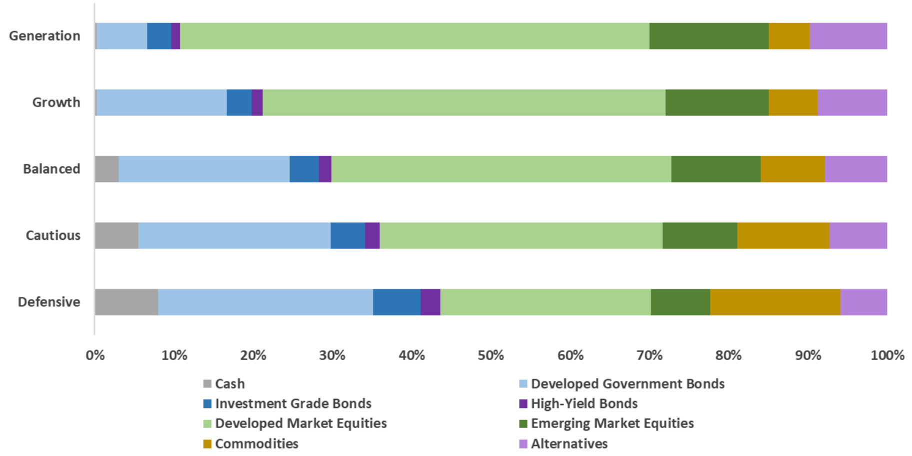
Since the previous rebalance, the main positive contributors to portfolio performance were found within developed market equities. Within our US allocation, *iShares Core S&P 500 ETF* returned 10.9% in line with US markets. This strong US equity performance also drove our global fund, *SPDR MSCI World ETF* to return 10%. Within Alternatives, our infrastructure choices, SPDR Morningstar Multi-Asset Global Infrastructure ETF and First Trust Nasdaq Clean Edge Smart Grid Infrastructure ETF, also performed well, outperforming their benchmark by 4.7% and 6.2% respectively.

Our main portfolio performance detractor was one of our thematic commodity positions which was one of our top performers over the previous quarter - *First Trust Indxx Future Economy Metals UCITS ETF* returned -8.5%. The fund has a large allocation to materials involved in the energy transition, for which it was a difficult period as Trump's 'anti-ESG' agenda took hold. The global clean energy index fell 10% over the period.

Rebalance Comments

During this rebalance, we made several changes to the Optima portfolios in line with our outlook. Within US equity, given our positive outlook on the US, we remove a more defensive fund, *Fidelity US Quality Income ETF*, and include *SPDR Russell 2000 U.S. Small Cap ETF* in line with our bright view on small cap. Additionally, we decide to move down in cap within global equities as well, and introduce *iShares MSCI World Small Cap ETF*. Within the UK, we move to the main index (*iShares 100 UK Equity ETF*) to benefit from greater energy & defence exposure as a slightly more defensive stance and a geopolitical hedge.

We move some weight from Investment Grade to High-Yield Bonds given our positive outlook on lower grade credit and introduce *iShares Global High Yield Corp Bond ETF*. We also make an addition within our Alternatives selections by adding a Convertible Bonds fund, *SPDR Refinitiv Global Convertible Bond ETF*, as a tactical play on our base scenario of growth and falling rates.



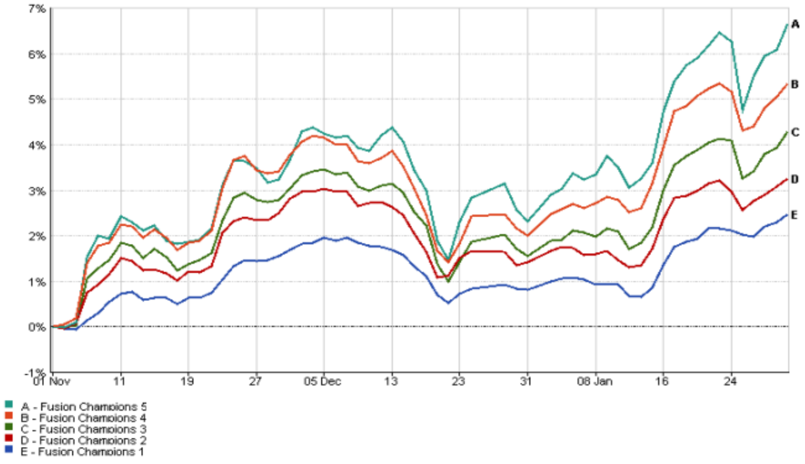
FUSION CHAMPIONS RANGE

Built using an expert blend of the best performing multi-asset funds, resulting in diversification among the best solutions across the industry.

Quarterly Performance Review

During the last quarter (1st November 2024 – 31st January 2025), the Fusion Champions portfolios performed well, despite a slight decline in December, to deliver positive returns in absolute terms of around 2.5 – 6.7%.

Comparative performance of the Champions range against the benchmarks yields mixed results. Champions 1 and 5 outperformed their respective benchmarks by up to 1.3%, yet Champions 2,3 and 4 marginally underperformed their benchmarks by 0.1% to 1.5%.



Portfolio	Performance				Volatility		Max. Drawdown (since 2017)
	3m	1y	3y	5y	1y	5y	
Fusion Champions 1	2.49%	7.07%	4.41%	9.82%	3.27%	5.46%	-13.16%
Benchmark	1.88%	5.89%	2.28%	5.61%	3.71%	5.79%	-13.85%
Fusion Champions 2	3.17%	9.87%	9.45%	17.90%	4.33%	7.13%	-14.29%
Benchmark	3.24%	8.11%	4.99%	11.65%	5.07%	8.06%	-18.67%
Fusion Champions 3	4.33%	12.51%	15.52%	29.22%	5.60%	9.24%	-18.28%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Champions 4	5.36%	14.85%	21.61%	38.99%	6.72%	10.83%	-21.12%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Champions 5	6.66%	17.55%	28.00%	53.03%	7.71%	12.77%	-25.38%
Benchmark	5.36%	11.85%	12.28%	30.05%	7.05%	11.20%	-23.19%

Figures as of 01 February 2025. For a description of the benchmark, please view the relevant portfolio factsheet. Performance figures are shown gross of MPS charges which act as a drag on investment performance and may significantly reduce your returns.

FUSION ASSET MANAGEMENT

FUSION CHAMPIONS RANGE

Built using an expert blend of the best performing multi-asset funds, resulting in diversification among the best solutions across the industry.

Champions Review

During this rebalance, we conducted the Fusion Champions portfolio construction process and made several changes in line with the methodology.

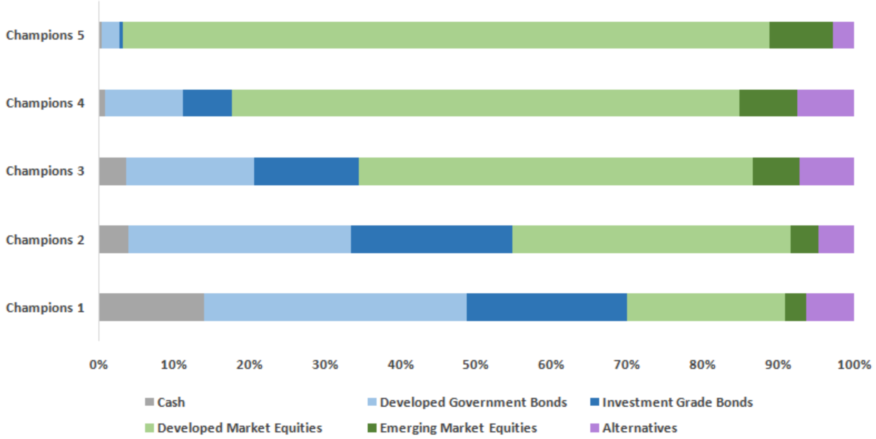
Within Champions 1, the methodology suggested making no changes, as the portfolio components have performed strongly and remain optimally uncorrelated, ensuring sufficient diversification across strategies.

Within Champions 2, we replace *Premier Miton Diversified Cautious Growth Fund*, which had fallen outside the top 10 performing funds due to recent underperformance, with *BlackRock MyMap 4*. This was the 2nd best-performing fund within this risk level according to our methodology, and reduces the overall portfolio cost due to its low ongoing charge.

Within Champions 3, we replace *Premier Miton Diversified Balanced Growth Fund*, which had fallen outside the top 10 performing funds due to recent underperformance, with *Columbia Threadneedle Universal MAP Balanced Fund*. This actively managed fund was the top performing fund within this risk level according to our methodology, and reduces the overall portfolio cost due to its low ongoing charge.

Within Champions 4, we replace *Premier Miton Diversified Growth Fund*, which had fallen outside the top 10 performing funds due to recent underperformance, with *Columbia Threadneedle Universal MAP Growth Fund*. This actively managed fund was the top performing fund within this risk level according to our methodology, and reduces the overall portfolio cost due to its low ongoing charge.

Within Champions 5, we replace *M&G Managed Growth Fund*, which had fallen outside the top 10 performing funds, with *Columbia Threadneedle Universal MAP Adventurous Fund*. This actively managed fund was the top performing fund within this risk level according to our methodology, and reduces the overall portfolio cost due to its low ongoing charge.



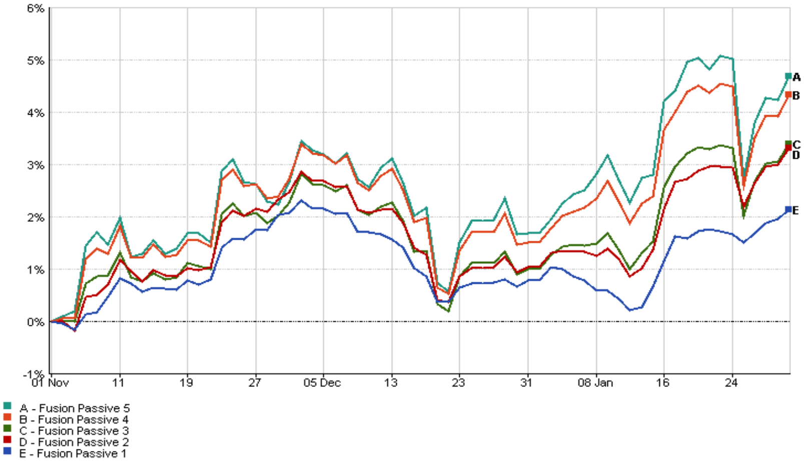
FUSION PASSIVE RANGE

Designed to provide consistent returns in line with markets, while reducing costs through low portfolio turnover and investing in low-cost passive funds.

Quarterly Performance Review

During the last quarter (1st November 2024 – 31st January 2025), the Fusion Passive portfolios performed well, despite a slight decline in December, to deliver positive returns in absolute terms of around 2.2 – 4.7%.

Comparative performance of the Passive range against the benchmarks yields mixed results. Passive 1 and 2 outperformed their respective benchmarks by up to 0.3%, yet Passive 3, 4 and 5 slightly underperformed their benchmarks by 0.6% to 2.4%.



Portfolio	Performance				Volatility		Max. Drawdown (since 2014)
	3m	1y	3y	5y	1y	5y	
Fusion Passive 1	2.17%	7.00%	2.25%	8.71%	4.31%	6.58%	-17.93%
Benchmark	1.88%	5.89%	2.28%	5.61%	3.71%	5.79%	-13.85%
Fusion Passive 2	3.36%	10.00%	8.71%	20.27%	5.26%	8.25%	-17.46%
Benchmark	3.24%	8.11%	4.99%	11.65%	5.07%	8.06%	-18.67%
Fusion Passive 3	3.43%	12.48%	16.25%	32.41%	6.26%	9.78%	-20.55%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Passive 4	4.39%	15.54%	21.63%	40.65%	7.23%	10.99%	-23.26%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion Passive 5	4.73%	17.66%	25.41%	45.87%	8.16%	12.76%	-27.53%
Benchmark	5.36%	11.85%	12.28%	30.05%	7.05%	11.20%	-23.19%

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FUSION PASSIVE RANGE

Designed to provide consistent returns in line with markets, while reducing costs through low portfolio turnover and investing in low-cost passive funds.

P&L Attribution

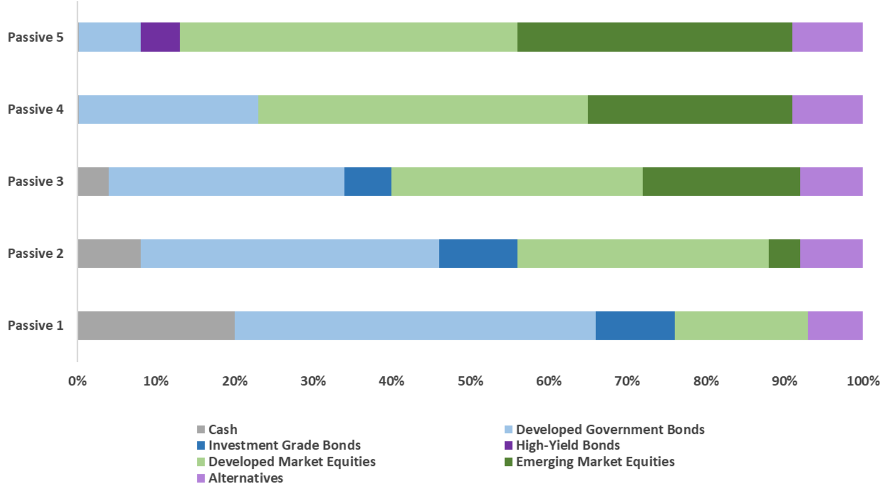
Since the previous rebalance, the main positive contributors to portfolio performance were found within developed market equities. Within our US allocation, *HSBC American Index Fund* returned 11.2% in line with US markets. Our Japanese equity fund, *Fidelity Index Japan Fund*, also performed well, returning 7.8%, slightly ahead of our two European exposure funds, *HSBC European Index* and *iShares UK Equity Index*, which returned 5.7% and 5.9% respectively. Within Alternatives, our infrastructure fund, *Legal & General Global Infrastructure Index*, also performed well, returning 2.4% to outperform the Alternatives benchmark by 4.4%.

Only one component produced a negative return over the quarter, which was very marginal. *iShares UK Gilts All Stocks Index* returned -0.06% over the period, which contained a rather volatile January for gilts, initially selling-off as yields reached levels not seen since for 25 years before drawing the attention of income-seeking investors and recovering well.

Rebalance Comments

During this rebalance, the Fusion Passive portfolios remain unchanged. There have been no changes to the asset allocation in the last quarter. On the asset selection front, we remain happy with the current fund choices, satisfied that each asset class is represented by the lowest-cost, best preforming trackers.

We rebalance the portfolios in line with their target weights to ensure risk-level alignment.



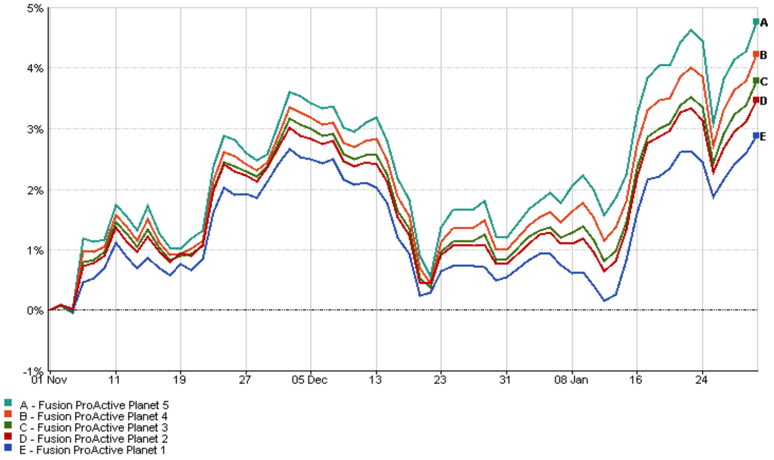
FUSION PROACTIVE PLANET RANGE

Portfolios support ESG (Environmental, Social & Governance) principles and select investments that support the wellbeing of our environment and society.

Quarterly Performance Review

During the last quarter (1st November 2024 – 31st January 2025), the Fusion ProActive Planet portfolios performed well, despite a slight decline in December, to deliver positive returns in absolute terms of around 2.9 – 4.8%.

Comparative performance of the ESG range against the benchmarks yields mixed results. ProActive Planet 1 and 2 outperformed their respective benchmarks by up to 1%, yet ProActive Planet 3, 4 and 5 slightly underperformed by up to 2%.



Portfolio	Performance				Volatility		Max. Drawdown (since 2014)
	3m	1y	3y	5y	1y	5y	
Fusion ProActive Planet 1	2.92%	7.15%	2.46%	14.54%	5.36%	8.02%	-19.50%
Benchmark	1.88%	5.89%	2.28%	5.61%	3.71%	5.79%	-13.85%
Fusion ProActive Planet 2	3.50%	8.63%	5.68%	22.63%	5.82%	9.20%	-19.66%
Benchmark	3.24%	8.11%	4.99%	11.65%	5.07%	8.06%	-18.67%
Fusion ProActive Planet 3	3.82%	9.51%	8.75%	29.24%	6.10%	10.17%	-20.29%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion ProActive Planet 4	4.26%	10.66%	11.44%	35.47%	6.58%	11.12%	-20.95%
Benchmark	5.81%	12.83%	16.24%	27.38%	6.35%	11.30%	-23.32%
Fusion ProActive Planet 5	4.81%	12.00%	14.02%	40.82%	7.17%	12.11%	-21.50%
Benchmark	5.36%	11.85%	12.28%	30.05%	7.05%	11.20%	-23.19%

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FUSION ASSET MANAGEMENT

FUSION PROACTIVE PLANET RANGE

Portfolios support ESG (Environmental, Social & Governance) principles and select investments that support the wellbeing of our environment and society.

P&L Attribution

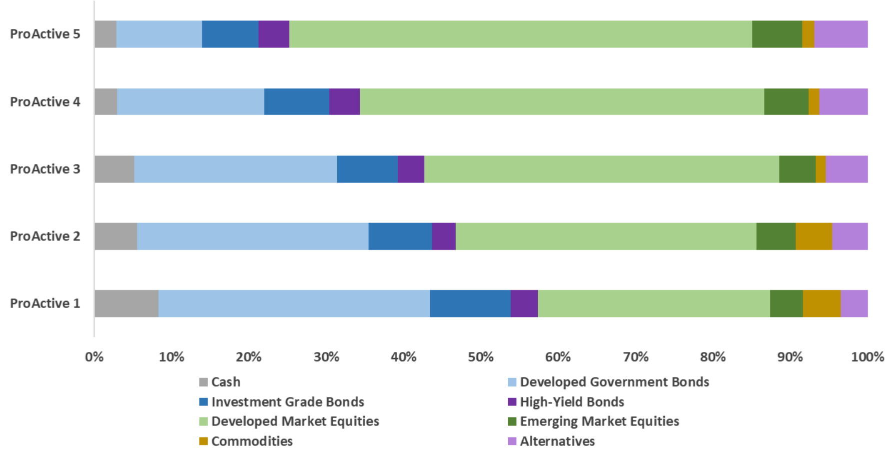
Since the previous rebalance, the main positive contributors to portfolio performance were found within developed market equities. Within our US allocation, *iShares US Equity ESG Index* returned 11.8% in line with US markets and *Legg Mason US Equity Sustainability Leaders Fund* returned 9.3%. This strong US equity performance also drove the strong performance of our global selections, with *HSBC Developed World Sustainable Equity Index Fund* returning 8.8%. Our choice within Japanese equity performed strongly, with *iShares Japan Equity ESG Fund* returning 8.3%, outperforming its benchmark by 1.5%. Within Alternatives, our Managed Futures strategy, *AQR Managed Futures Fund*, also performed well (+6.9%), outperforming the alternatives benchmark by 8.8%.

Our main portfolio performance detractor was *Guinness Sustainable Energy Fund,* which returned -6.9%. The period was a slightly volatile one for ESG investments, as Trump's 'anti-ESG' agenda took hold. The impact was most noticeable within the clean energy sector, and the global clean energy index fell 10% over the period, showing that our selection actually performed strongly on a relative basis.

Rebalance Comments

During this rebalance, we made several changes to the ESG portfolios in line with our outlook. In line with our positive view on small cap equity, we decide to move down in cap within global equities, and introduce a small cap fund - *The NT World Small Cap ESG Low Carbon Index Feeder Fund.* Given our view Europe, we move towards a more defensive stance, introducing *iShares Continental European Equity ESG Screened and Optimised Index* at the expense of a higher cost active fund.

We move some weight from Investment Grade to High-Yield bonds given our positive outlook on lower grade credit and introduce *Nomura Global Sustainable High Yield Bond Fund*. We also make some changes within our Alternatives selections. Firstly, we include an infrastructure fund, *KBI Global Sustainable Infrastructure*, given our positive view on the class and its ability to protect against inflation shocks - we move a slight weight from the bond allocation to accommodate this. Secondly, we remove *AB International Healthcare Fund* due to an uncertain outlook for the sector, and move the weight to cash to take advantage of elevated rates.



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