

## PORTFOLIO SUMMARY

- Low-to-medium risk portfolio within the Passive portfolio range
- Aiming for stable income and potential capital appreciation from growth assets
- Portfolio tilted towards low-risk investments, suitable for investors seeking stability with some risk tolerance
- Aligned with risk level 4 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 3 years
Total Ongoing charges for underlying funds	0.12%
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

Based on our internal analysis, our Investment Team believes this portfolio corresponds to the following risk levels of external risk profiling tools:

DT	Defaqto	Synaptic
4	4	5

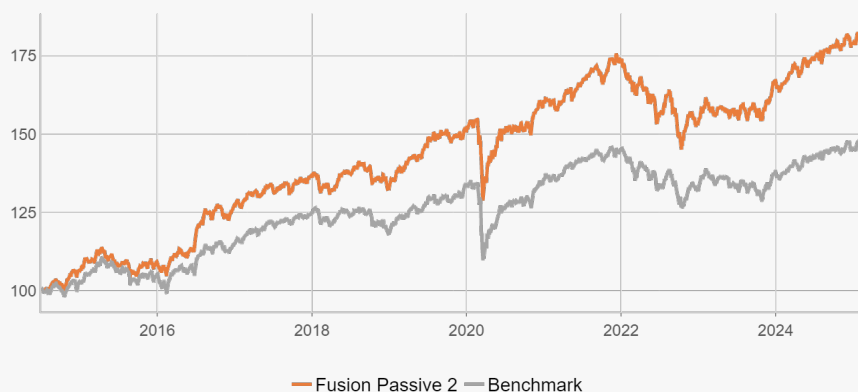


## MARKET COMMENTS

After a strong start to 2025, February delivered slightly negative returns for portfolios overall, as some of the shine came off the US exceptionalism story. Weak US performance dragged on global equities (-2%) as US equities faced significant challenges. Growing uncertainty regarding the impact of the US administration's policy agenda weighed on investor sentiment, and growth concerns re-emerged after softer economic data raised worries over US consumer health. Additionally, US equities were hampered by lingering fears over the sustainability of earnings from US mega cap tech stocks. Global bonds (+0.1%) provided a silver lining for multi-asset investors, which proved to be a diversifier against equity losses. Despite the potential for tariffs to reignite inflation, bond markets focused on US growth risks and allocated to less riskier assets. All major fixed income sectors delivered positive returns over the month, as falling US yields fed through to other parts of the market.

European equities (+2.3%) were the top performing major index as investors increasingly factored in the likelihood of a ceasefire in Ukraine. Financials led the gains with bank shares (+12.3%) continuing to excel amid robust corporate earnings and plans for shareholder returns. Defence stocks (+10.5%) moved markedly on expectations that governments will have to lift military spending. Within the UK, the main index rose (+2%), similarly driven by financials and defence. Despite the BoE cutting rates at the beginning of the month, UK smaller companies underperformed (-2.9%) amid ongoing worries around the domestic economic outlook. Emerging markets remained flat overall, despite continued positive momentum in tech stocks driving Chinese equities to rise 10.5%.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	0.11%	0.74%	9.03%	10.25%	23.95%	82.39%
Benchmark	0.13%	0.73%	6.82%	6.59%	14.32%	47.99%

## RISK CHARACTERISTICS

	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.30%	7.92%	7.27%	1.70	0.48	0.72	-17.46%
Benchmark	5.15%	7.87%	7.13%	1.32	0.28	0.45	-18.67%

\*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 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

- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- FIDELITY INDEX GLOBAL GOVERNMENT BOND FUND P ACC
- ISHARES CORPORATE BOND INDEX FUND UK
- LEGAL & GENERAL GLOBAL INFRASTRUCTURE INDEX FUND
- ABRDN OEIC I - ABRDN STERLING MONEY MARKET FUND
- ISHARES UK EQUITY INDEX FUND UK
- FIDELITY INVESTMENT FUNDS - INDEX JAPAN FUND
- HSBC INDEX TRACKER INVESTMENT FUNDS - EUROPEAN INDEX FUND

## ASSET ALLOCATION



- Developed Government Bonds (38.0%)
- Developed Market Equities (32.0%)
- Investment Grade Bonds (10.0%)
- Cash and Short Maturity Bonds (8.0%)
- Alternatives (8.0%)
- Emerging Market Equities (4.0%)

## HOW TO ACCESS OUR PORTFOLIOS



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