

PORTFOLIO SUMMARY

- Low-risk portfolio within the Active portfolio range
- Primarily comprises low-risk fixed income investments, offering stable income and potential capital appreciation
- 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	Jul 2014
Investment Horizon	At least 1 year
Total Ongoing charges for underlying funds	0.31%
Management Charge	0.20%

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

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
3	3	4

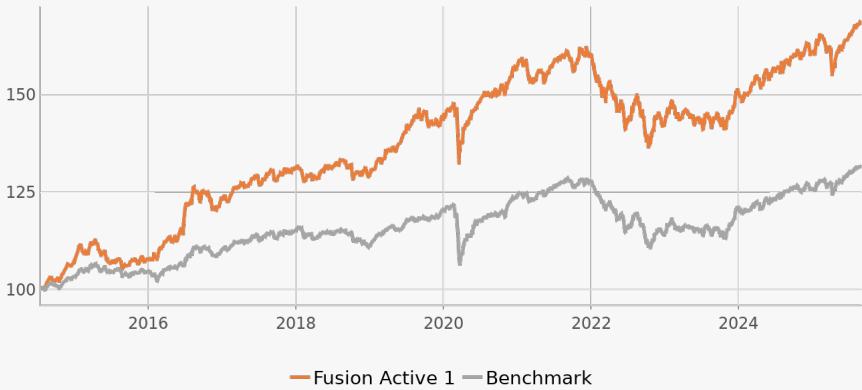


MARKET COMMENTS

Holidaymakers didn't miss too much action as August was a relatively flat month for overall portfolio performance, with global equities rising 0.5% yet global bonds retreating -0.6% in GBP terms. The month's top performing region was Japan (+4.8%), where markets were buoyed by the US-Japan trade deal towards the end of July, combined with supportive economic growth data. Significant news came from the US (-0.1%), where a weak labour report featured a steep decline in job creation. The Federal Reserve Chair noted this could justify a change in policy stance, increasing the market's expectations of an interest rate cut at its mid-September meeting. Technology slightly underperformed over the period. While the sector has had an exceptional year, some of that momentum might have been at least temporarily short-circuited by a report from the Massachusetts Institute of Technology that found 95% of corporate AI projects failed to deliver a financial return, questioning the validity of sky-high valuations.

In the UK, the Bank of England cut interest rates to 4%. However, gilts came under further pressure following another upside surprise to inflation, casting doubt on the likelihood of further imminent cuts. Longer-dated gilts also underperformed, with the UK 30-year government bond yield reaching 5.6% (its highest level since 1998) driven by thin liquidity and ongoing fiscal sustainability concerns. Emerging market equities (-0.6%) underperformed, despite strong gains in Latin America (+6.5%) and China (+4%), where US-China trade talks resulted in another 90-day pause on tariffs. Indian markets (-3.5%) were challenged by rising US tariffs, which have increased to 50% in an attempt to discourage its purchasing of Russian oil, and foreign equity outflows.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	0.89%	3.84%	6.17%	15.75%	12.66%	68.68%
Benchmark	0.68%	2.83%	5.20%	12.48%	10.76%	31.81%

RISK CHARACTERISTICS

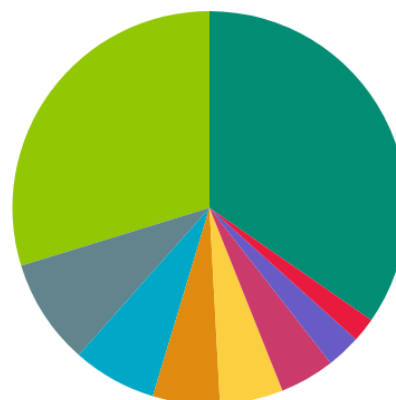
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.42%	6.15%	5.79%	1.14	0.31	0.74	-16.14%
Benchmark	3.83%	4.57%	4.51%	1.36	0.33	0.45	-13.85%

\*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 Abrdn MyFolio Market I fund which has one of the lowest tracking errors with the IA Mixed investments 0-35 index. Performance prior to June 2014 is reconstructed from the index performance.

## TOP HOLDINGS

- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- ROYAL LONDON SHORT TERM MONEY MARKET FUND
- ISHARES - 100 UK EQUITY INDEX (UK) - JUN 12 (G6VG)
- AEGON HIGH YIELD BOND FUND GBP B INC
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- PIMCO GIS GLOBAL BOND FUND
- ROYAL LONDON CORPORATE BOND FUND
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC

## ASSET ALLOCATION



- Developed Government Bonds (34.7%)
- Cash and Short Maturity Bonds (8.7%)
- High-Yield Bonds (5.5%)
- Alternatives (4.5%)
- Emerging Market Bonds (2.0%)
- Developed Market Equities (29.8%)
- Investment Grade Bonds (6.9%)
- Emerging Market Equities (5.2%)
- Commodities (2.8%)

## HOW TO ACCESS OUR PORTFOLIOS



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