

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	0.11%
Management Charge	0.15%

INVESTMENT PRINCIPLES

Fusion Passive range is build 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

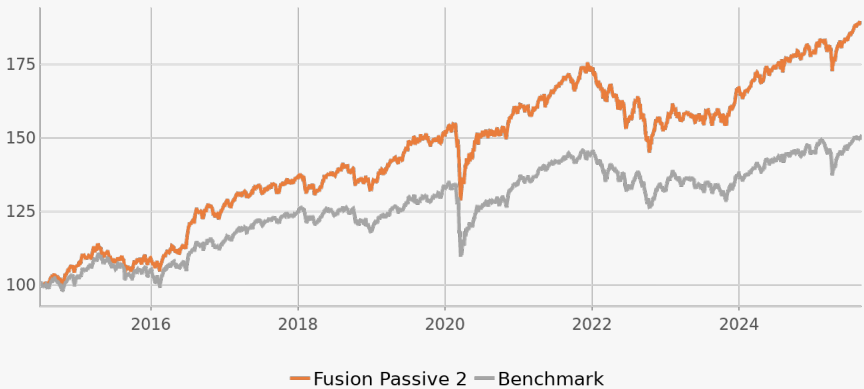


MARKET COMMENTS

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	0.81%	3.60%	6.80%	19.38%	25.07%	89.10%
Benchmark	0.19%	3.60%	4.05%	11.11%	17.40%	50.55%

RISK CHARACTERISTICS

	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.06%	6.74%	7.19%	1.34	0.60	0.75	-17.46%
Benchmark	5.69%	6.35%	7.10%	0.71	0.43	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
- ABRDN GLOBAL INFRASTRUCTURE EQUITY TRACKER FUND
- ROYAL LONDON SHORT TERM 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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