

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



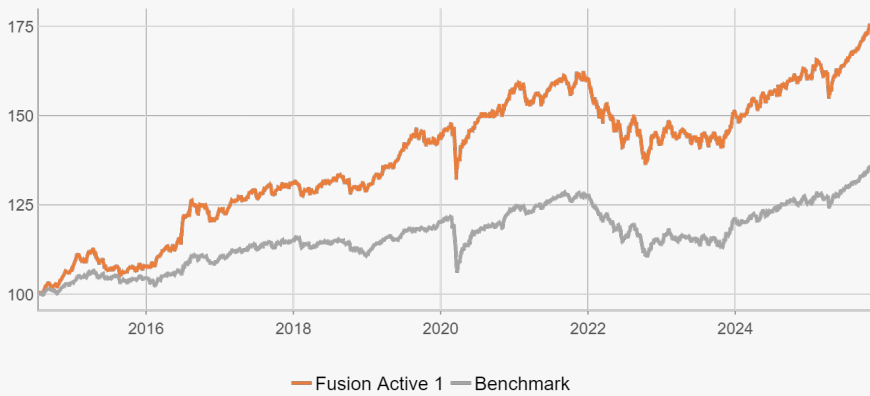
Market Comments

Markets certainly weren’t spooked this Halloween season, as October delivered another strong month of overall portfolio performance. Global equities rose 4.5% as bonds also chipped in with a positive return of 2.2% in GBP terms.

Early in the month, escalating US–China trade tensions led to the largest daily declines in US stocks since April. However, positive late-month developments lifted global sentiment as both sides agreed a one-year deal that would pause steeper US tariffs and limit China’s export controls on rare earth minerals – a critical component in the AI supply chain. Asian equities (+6.3%) performed strongly, as this was especially beneficial for Korea (+23.9%) and Taiwan (+11.7%), whose semiconductor sectors are deeply integrated in global AI manufacturing. US gains (4.7%) were also supported by strong third quarter earnings, with 82% of reporting companies beating consensus expectations.

The month demonstrated how political election outcomes can galvanise market sentiment. Japan emerged as the month’s top performing developed market (+15.3%), driven by optimism that Prime Minister Takaichi, the country’s first female leader, and her expansionary policies will be supportive for equity markets. A weaker yen, which benefits Japanese exporters, also contributed to the gains. Similarly, the victory of President Milei’s party in the midterm election propelled the Argentinian stock index to a remarkable 73% gain for the month. Following suit with equities, emerging market debt also outperformed (+3.3%), supported by a combination of higher real yields and a weaker dollar.

Performance



Cumulative Performance

	1m	3m	1y	3y	5y	SI
Portfolio	2.01%	5.05%	10.34%	25.15%	17.27%	75.65%
Benchmark	1.61%	3.57%	8.24%	20.67%	14.28%	35.58%

Risk Characteristics

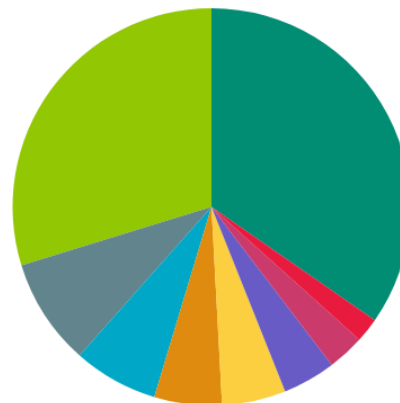
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.20%	6.12%	5.77%	1.99	0.44	0.80	-16.14%
Benchmark	3.73%	4.54%	4.50%	2.21	0.48	0.50	-13.85%

*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 Abridged 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%)
- Commodities (4.3%)
- Emerging Market Bonds (2.0%)
- Developed Market Equities (29.8%)
- Investment Grade Bonds (6.9%)
- Emerging Market Equities (5.2%)
- Alternatives (3.0%)

HOW TO ACCESS OUR PORTFOLIOS



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