

PORTFOLIO SUMMARY

- Medium risk portfolio within the Active portfolio range
- Balanced combination of quality debt and equity exposure for capital appreciation and fixed income yield
- Mitigates losses from market drawdowns while capturing growth asset potential
- 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	Dec 2019
Investment Horizon	At least 5 years
Total Ongoing charges for underlying funds	0.30%
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
5	5	6



MARKET COMMENTS

Portfolio performance was relatively flat in November, as markets took a breather from the strong returns of recent months. Global equities returned -0.5%, as bonds fared similarly, -0.6% in GBP terms. Beneath a calm surface, we observed a remarkable rotation as sectors with more certain cashflows outperformed technology and sectors with greater dependence on the strength of the overall economy – a significant reversal of the trend observed since the recovery in May. Markets were influenced by growing concerns about the elevated valuations of technology and AI-related stocks, which prompted this shift towards more defensive, previously unloved, sectors like healthcare and consumer staples, while tech-oriented names faced broader pullbacks.

Strong earnings and revenue beats failed to ignite another leg up in the US market (-0.8%), indicating that investor’s expectations are sky-high. Excellent earnings by AI-chipmaker Nvidia provided temporarily relief, however valuations fears and overly optimistic profit expectation worries surrounding the AI ecosystem drove sentiment. Despite weeks of intense speculation, the UK budget was largely uneventful. Greater fiscal headroom and lower projected gilt issuance helped to stabilise markets. UK equities (+0.5%) edged higher as a weaker pound supported globally oriented companies and softer inflation data increased future rate cut expectations. Europe (+0.7%) was the month’s top performing region, thanks to limited AI exposure and strength in financials and healthcare. Performance diverged across emerging markets (-3.2%). Technology-heavy markets (Korea -7.9%, (Taiwan -5%), which have risen sharply this year, suffered losses. Indian equities (+1.7%) outperformed the broader region due to lower AI exposure, policy stability and easing inflation. The top performing emerging region was Latin America (+5.2%), which surged on strong commodity prices and currency gains.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	0.42%	5.74%	11.26%	31.74%	25.03%	113.87%
Benchmark	-0.67%	3.84%	9.34%	28.75%	32.41%	98.94%

RISK CHARACTERISTICS

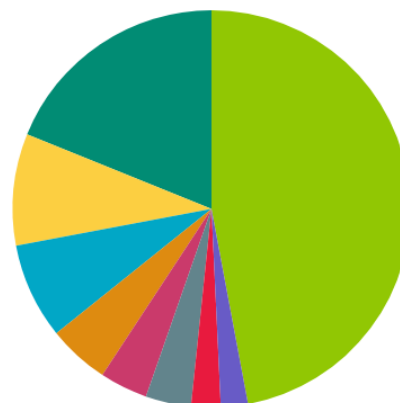
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.17%	7.81%	7.55%	1.57	0.52	0.85	-17.72%
Benchmark	8.14%	8.39%	10.03%	1.15	0.63	0.57	-23.32%

*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 Aviva Multimanager 40-85% Fund which has one of the lowest tracking errors with the IA Mixed investments 40-85 index. Performance prior to June 2014 is reconstructed from the index performance.

TOP HOLDINGS

- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES - 100 UK EQUITY INDEX (UK) - JUN 12 (G6VG)
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC
- ROYAL LONDON CORPORATE BOND FUND
- AEGON HIGH YIELD BOND FUND GBP B INC
- ROYAL LONDON SHORT TERM MONEY MARKET FUND
- DIMENSIONAL EUROPEAN VALUE ACC -U

ASSET ALLOCATION



- Developed Market Equities (47.1%)
- Emerging Market Equities (9.1%)
- High-Yield Bonds (5.0%)
- Cash and Short Maturity Bonds (3.7%)
- Commodities (2.2%)
- Developed Government Bonds (18.9%)
- Investment Grade Bonds (7.8%)
- Alternatives (3.9%)
- Emerging Market Bonds (2.4%)

HOW TO ACCESS OUR PORTFOLIOS



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