

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

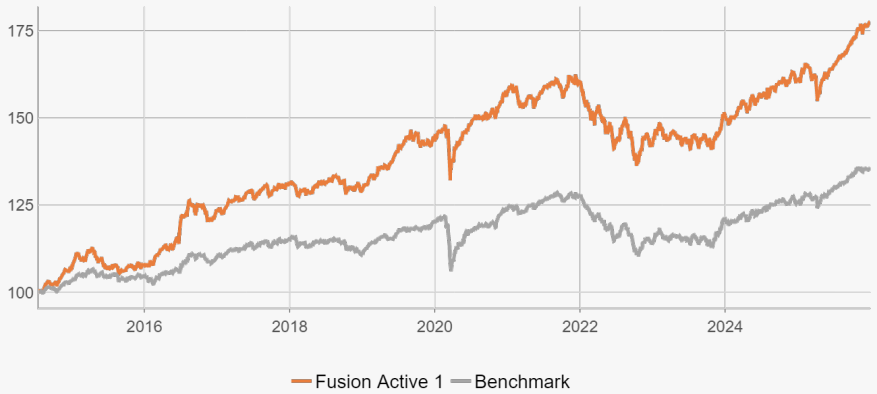


MARKET COMMENTS

Despite both global equities and bonds retreating slightly in December (-0.7% and -1.2% respectively, GBP terms), our portfolios managed to deliver a marginally positive return over the month. This capped off an excellent year of performance, as risk-on sentiment drove an “everything rally” from the April lows resulting in 2025 marking the first year since the pandemic where all major asset classes delivered positive returns.

US equities (-1.5%) dipped for sterling investors in December, as technology enthusiasm cooled and dollar weakness amplified losses. In contrast, European markets ended 2025 on a positive note. European shares rose 2.4% as investors rotated away from expensive US tech names into more attractively valued sectors such as banks, defence, energy, and mining. Similarly, UK stocks rose 2.4% on strong mining and defence gains and rate-cut optimism, contributing to an impressive 25.7% gain for the year. This regional divergence echoed a wider trend throughout the year. US equities enjoyed a robust year, but global markets truly stole the show. In sterling terms, world ex-US equities rose an impressive 23.27%, comfortably eclipsing the more modest 9.34% advance of US equities. Emerging markets (+1.2%) also ended the year positively, driven by strong Asia Pacific performance, buoyed by AI-driven semiconductor demand in Korea (+10.1%) and Taiwan (+5.5%). Precious metals were the standout asset class of 2025, with gold grabbing the headlines as central banks continued to diversify their reserve holdings. However, it was silver which stole the show in December, rallying 22%. Strong performance from precious metals offset falling oil prices, lifting overall commodities returns to 15.8% in 2025.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	0.53%	3.12%	10.46%	24.73%	12.67%	77.56%
Benchmark	0.22%	1.81%	8.06%	19.18%	9.45%	35.84%

RISK CHARACTERISTICS

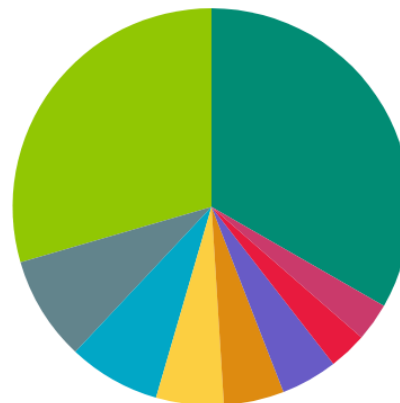
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	4.92%	6.03%	5.74%	2.13	0.31	0.81	-16.14%
Benchmark	3.56%	4.48%	4.47%	2.26	0.29	0.50	-13.85%

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

ASSET ALLOCATION



- Developed Government Bonds (33.3%)
- Cash and Short Maturity Bonds (8.5%)
- Emerging Market Equities (5.5%)
- Commodities (4.6%)
- Alternatives (3.1%)
- Developed Market Equities (29.5%)
- Investment Grade Bonds (7.5%)
- High-Yield Bonds (4.9%)
- Emerging Market Bonds (3.1%)

HOW TO ACCESS OUR PORTFOLIOS



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