

## 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

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	0.65%	3.68%	12.97%	34.66%	23.24%	115.27%
Benchmark	0.51%	2.65%	10.83%	30.16%	30.65%	99.89%

## RISK CHARACTERISTICS

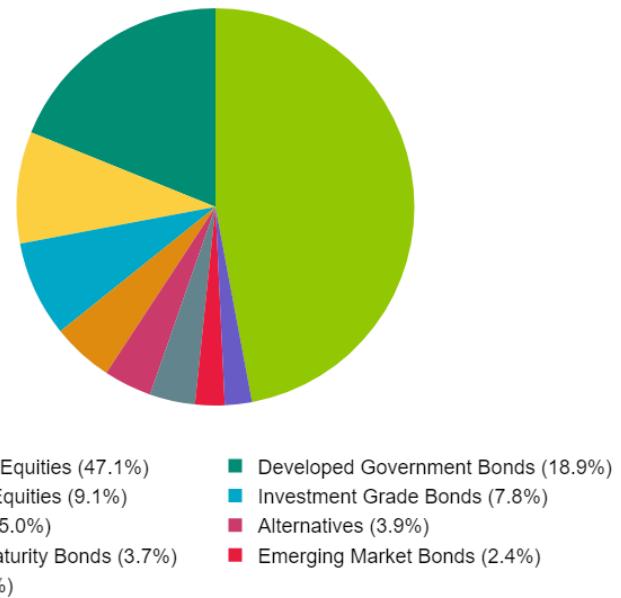
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	6.74%	7.77%	7.53%	1.92	0.48	0.85	-17.72%
Benchmark	7.76%	8.37%	9.99%	1.40	0.59	0.57	-23.32%

\*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



## HOW TO ACCESS OUR PORTFOLIOS



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