

PORTFOLIO SUMMARY

- Medium-risk portfolio within the Passive portfolio range
- Portfolio designed to mitigate losses from significant market drawdowns, particularly affecting growth assets
- Balanced exposure to quality debt and equity to capture capital appreciation and yield from fixed income assets
- Aligned with risk level 5 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 5 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
5	5	6

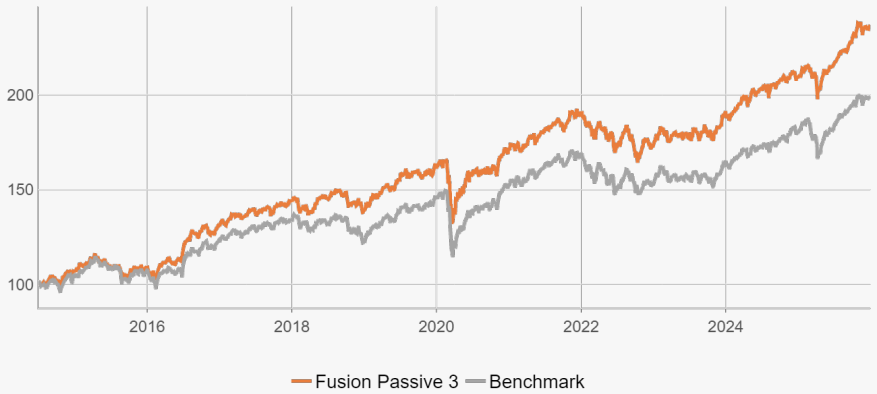


MARKET COMMENTS

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	0.54%	3.34%	13.28%	36.76%	38.75%	136.84%
Benchmark	0.51%	2.65%	10.83%	30.16%	30.65%	99.27%

RISK CHARACTERISTICS

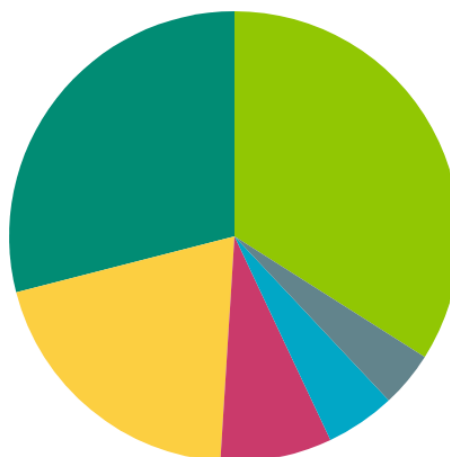
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	6.54%	7.61%	8.86%	2.03	0.82	0.82	-20.55%
Benchmark	7.76%	8.37%	9.99%	1.40	0.59	0.57	-23.32%

*The performance figures in this report are based on the live performance of the portfolio since 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 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

- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- ISHARES PACIFIC EX JAPAN EQUITY INDEX D ACC
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND
- ISHARES UK EQUITY INDEX FUND UK
- FIDELITY INDEX GLOBAL GOVERNMENT BOND FUND P ACC
- ABRDN GLOBAL INFRASTRUCTURE EQUITY TRACKER FUND
- FIDELITY INVESTMENT FUNDS - INDEX JAPAN FUND
- HSBC INDEX TRACKER INVESTMENT FUNDS - EUROPEAN INDEX FUND

ASSET ALLOCATION



- Developed Market Equities (34.0%)
- Emerging Market Equities (20.0%)
- Investment Grade Bonds (5.0%)
- Developed Government Bonds (29.0%)
- Alternatives (8.0%)
- Cash and Short Maturity Bonds (4.0%)

HOW TO ACCESS OUR PORTFOLIOS



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