

PORTFOLIO SUMMARY

- Low-to-medium risk portfolio within the Active portfolio range
- Portfolio seeks stable income with potential for capital appreciation, balancing risk and stability
- 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 3 years
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
4	4	5



MARKET COMMENTS

January provided a constructive start to 2026 for global equities, with all major markets climbing higher in local terms, despite political tensions. UK investors saw these returns slightly diminished due to currency movements, with sterling notably strengthening against the dollar. Overall, global equities finished the month 0.2% higher in GBP terms, while global bonds slipped marginally, returning -1.1%.

Geopolitical risks increased significantly following the US operation to remove Venezuelan President Maduro, simmering tensions with Iran, and Trump's threats to impose tariffs on European countries that opposed his plans to take over Greenland. Although tensions have eased following the Davos gatherings, many assets sensitive to geopolitical risk reacted accordingly: gold rose 13% in January, despite a sharp 10% drop on the last trading day and European defence companies jumped 18%. Despite these headlines, broader equity markets overall remained largely unfazed in local terms (US +1.3%, EU +2.4%, UK +3.1%, Japan +4.9%). Within equities, a 'broadening' theme continued to play out, involving diversification away from US technology large caps. A beneficiary of this was emerging markets, which enjoyed a very strong month (+6.7%), outperforming developed markets by 6.5%. Performance was driven by technology stocks in Korea (+25%) and Taiwan (+13%) as AI-related semiconductor demand continued to accelerate. Latin America also strongly advanced, buoyed by higher metals prices and solid foreign inflows into Brazil (+17%). Commodities had a strong start to the year (+8%), as oil prices rose 14% while gas prices surged on colder-than-expected winter weather.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	1.70%	2.88%	10.67%	27.93%	20.40%	101.50%
Benchmark	1.02%	0.63%	6.50%	15.63%	17.09%	58.51%

RISK CHARACTERISTICS

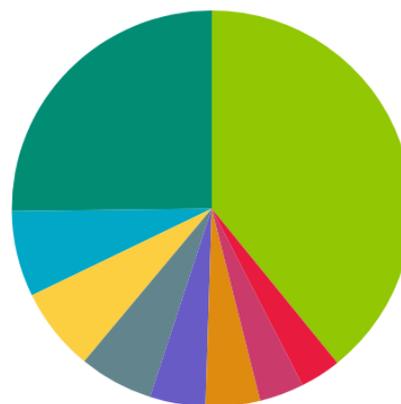
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.76%	6.90%	6.59%	1.85	0.47	0.88	-16.55%
Benchmark	5.74%	6.19%	7.04%	1.13	0.43	0.51	-18.67%

*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 LF Prudential Risk Managed Active 3 Fund which has one of the lowest tracking errors with the IA Mixed investments 20-60 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)
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- ROYAL LONDON SHORT TERM MONEY MARKET FUND
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC
- ROYAL LONDON CORPORATE BOND FUND
- AEGON HIGH YIELD BOND FUND GBP B INC
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- PIMCO GIS GLOBAL BOND FUND

ASSET ALLOCATION



■ Developed Market Equities (39.2%)	■ Developed Government Bonds (25.2%)
■ Investment Grade Bonds (7.0%)	■ Emerging Market Equities (6.8%)
■ Cash and Short Maturity Bonds (6.0%)	■ Commodities (4.5%)
■ High-Yield Bonds (4.4%)	■ Alternatives (3.6%)
■ Emerging Market Bonds (3.3%)	

HOW TO ACCESS OUR PORTFOLIOS



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