

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

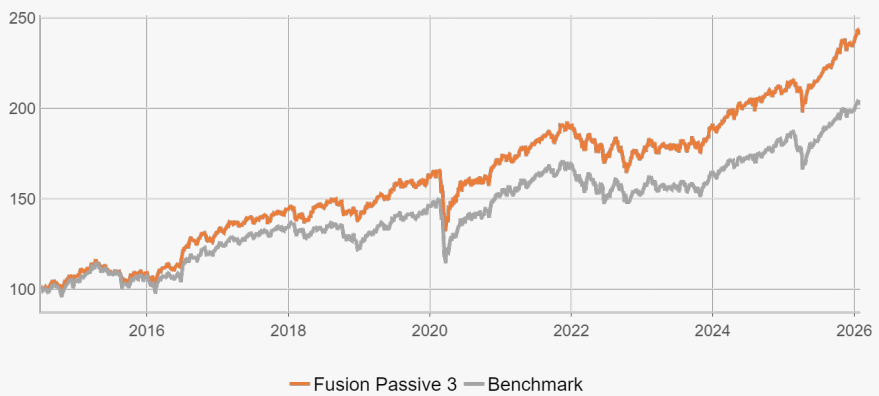


MARKET COMMENTS

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	2.24%	1.90%	13.13%	35.45%	42.01%	142.15%
Benchmark	1.75%	1.55%	9.04%	27.53%	33.09%	102.76%

RISK CHARACTERISTICS

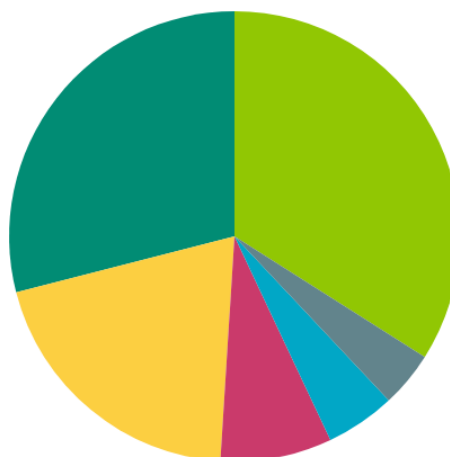
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	6.59%	7.56%	8.84%	1.99	0.89	0.84	-20.55%
Benchmark	7.78%	8.32%	9.96%	1.16	0.64	0.58	-23.32%

*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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