

## 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 | 0.35%            |
| 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        |

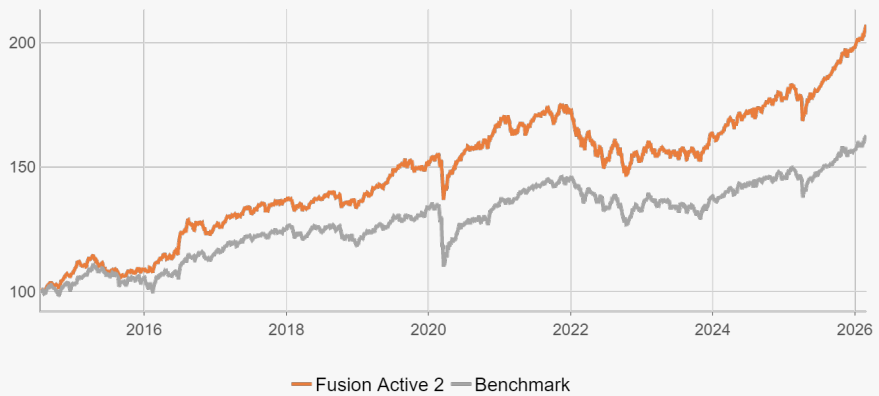


## MARKET COMMENTS

February provided positive returns for portfolios, as global equities (+2.8%) climbed to a fresh record high. Market leadership broadened as investors continued to rotate away from mega-cap US technology, as enthusiasm is giving way to a more disciplined reassessment of valuations and the sustainability of returns. The market punished AI hyperscalers for announcing yet more seemingly unjustified capital expenditure and the large size of these companies proved a headwind for US equities (+1.1%), which lagged global markets. Investors gravitated toward ‘heavy-asset, low- obsolescence companies’, and sectors such as materials, energy and utilities outperformed – particularly those that stand to benefit from the ongoing AI buildout, such as manufacturers in Asia (+7.8%) and raw material exporters in Latin America (+5.8%).

Japanese markets (+10.8%) reacted positively to the election victory for Prime Minister Takaichi, who delivered the first two-thirds supermajority since WW2 and investors factored in the increased likelihood of further fiscal stimulus. UK equities (+7%) also performed strongly, driven by their favourable sector mix that benefitted from both the AI rotation and concerns about rising oil prices. Global bonds (+3.2%) benefitted as investors looked to high quality assets amid the growing AI and geopolitical concerns while signs of cooling inflation pressures were well received. Finally, geopolitical angst took hold as tensions between the US and Iran escalated into armed conflict, though hostilities started after markets had closed for the month. We continue to monitor the situation vigilantly and remained poised to adjust portfolios accordingly.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

|           | 1m    | 3m    | 1y     | 3y     | 5y     | SI      |
|-----------|-------|-------|--------|--------|--------|---------|
| Portfolio | 2.46% | 5.18% | 14.28% | 33.43% | 26.32% | 107.18% |
| Benchmark | 2.16% | 3.88% | 9.62%  | 19.49% | 19.81% | 62.64%  |

## RISK CHARACTERISTICS

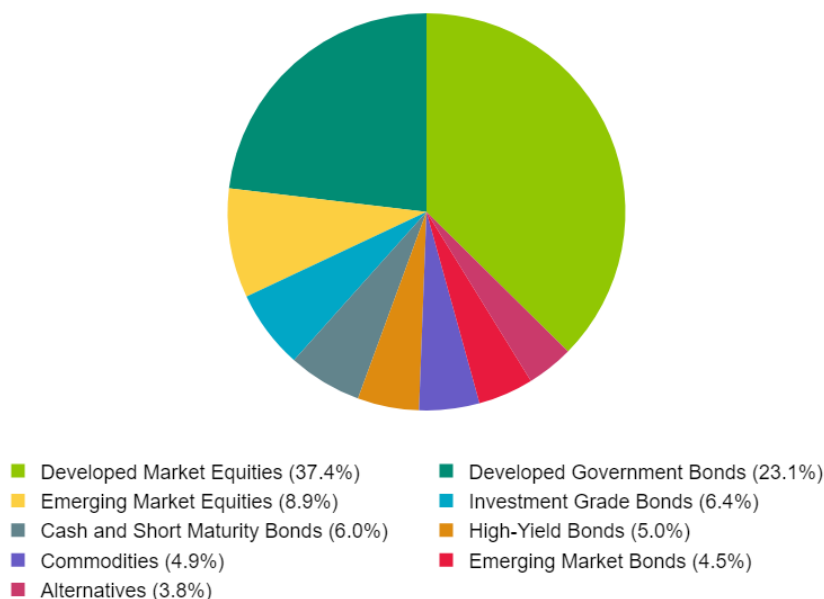
|           | Volatility |       |       | Sharpe Ratio |      |      | Maximum Drawdown |
|-----------|------------|-------|-------|--------------|------|------|------------------|
|           | 1y         | 5y    | SI    | 1y           | 5y   | SI   |                  |
| Portfolio | 5.84%      | 6.80% | 6.58% | 2.45         | 0.63 | 0.91 | -16.55%          |
| Benchmark | 5.80%      | 6.20% | 7.03% | 1.66         | 0.51 | 0.54 | -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 - 100 UK EQUITY INDEX (UK) - JUN 12 (G6VG)
- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC
- ROYAL LONDON SHORT TERM MONEY MARKET FUND
- AEGON HIGH YIELD BOND FUND GBP B INC
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- BARINGS EMERGING MARKETS LOCAL DEBT ACC -U
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- ROYAL LONDON CORPORATE BOND FUND

## ASSET ALLOCATION



## HOW TO ACCESS OUR PORTFOLIOS



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