

## PORTFOLIO SUMMARY

- Medium-to-high risk portfolio within the ProActive Planet portfolio range
- Suited for investors seeking long-term capital growth
- Well-diversified portfolio of equities and bonds, with a focus on growth assets and moderate losses during market downturns
- Combines a systematic asset allocation with ESG active fund manager expertise for market timing and individual asset selection

## PORTFOLIO INFORMATION

|                                            |                  |
|--------------------------------------------|------------------|
| Inception Date                             | Sep 2021         |
| Investment Horizon                         | At least 5 years |
| Total Ongoing charges for underlying funds | 0.43%            |
| Management Charge                          | 0.20%            |

## INVESTMENT PRINCIPLES

Fusion ProActive Planet portfolios use a systematic Strategic Asset Allocation approach shared across Fusion Active and Fusion Optima portfolios. The goal is to maximize long-term returns while managing risk. The allocation is adjusted with medium-term market forecasts to incorporate current trends. Fusion Portfolios select components from established providers to outperform benchmarks.

In the Fusion ESG offering, the selected portfolio components are screened to ensure that they have high ESG ratings, provided by MSCI. MSCI ESG fund ratings aim to measure the resilience of funds to financially material environmental, societal and governance (ESG) risks. Where the fund is not rated by MSCI, additional third-party ratings providers are used.

## 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        |

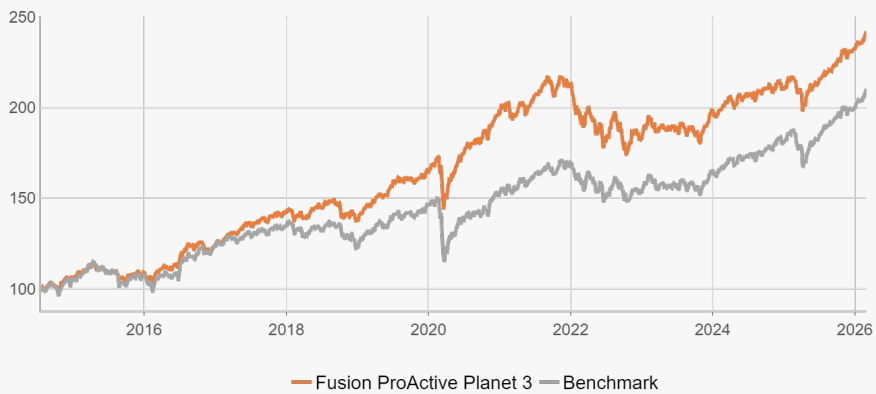


## MARKET COMMENTS

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 | 2.80% | 4.69% | 12.89% | 28.35% | 24.29% | 142.15% |
| Benchmark | 2.75% | 5.36% | 13.27% | 32.48% | 36.11% | 109.60% |

## RISK CHARACTERISTICS

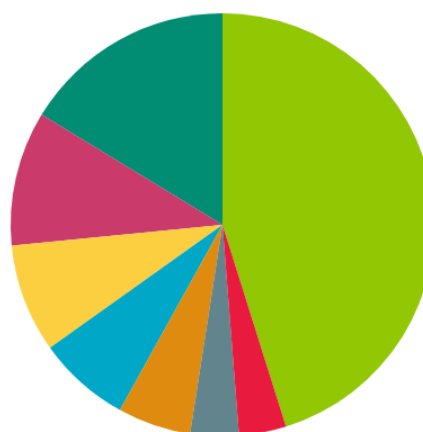
|           | Volatility |       |       | Sharpe Ratio |      |      | Maximum Drawdown |
|-----------|------------|-------|-------|--------------|------|------|------------------|
|           | 1y         | 5y    | SI    | 1y           | 5y   | SI   |                  |
| Portfolio | 6.53%      | 8.47% | 8.48% | 1.97         | 0.46 | 0.88 | -20.29%          |
| Benchmark | 7.79%      | 8.29% | 9.94% | 1.70         | 0.70 | 0.61 | -23.32%          |

\*The performance figures in this report are based on the live performance of the portfolio since September 2021. 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

- ISHARES UK GILTS ALL STOCKS INDEX FUND UK
- HSBC DEVELOPED WORLD SUSTAINABLE EQUITY INDEX FUND ACCUMULATION C GBP
- DIMENSIONAL - GLOBAL SUSTAINABILITY CORE EQUITY - JUN 13 (JENN)
- LEGAL & GENERAL FUTURE WORLD ESG EMERGING MARKETS INDEX FUND C GBP ACC
- NOMURA SUSTAINABLE GLOBAL HIGH YIELD BOND FUND
- JUPITER MERIAN GLOBAL EQUITY ABSOLUTE RETURN I GBP HEDGED ACC
- ROYAL LONDON SUSTAINABLE LEADERS TRUST
- LEGAL & GENERAL FUTURE WORLD ESG UK INDEX FUND
- RATHBONE ETHICAL BOND FUND
- LEGG MASON CLEARBRIDGE US EQUITY SUSTAINABILITY LEADERS FUND

## ASSET ALLOCATION



- Developed Market Equities (45.2%)
- Alternatives (10.3%)
- Investment Grade Bonds (7.1%)
- Cash and Short Maturity Bonds (3.7%)
- Developed Government Bonds (16.3%)
- Emerging Market Equities (8.3%)
- High-Yield Bonds (5.6%)
- Emerging Market Bonds (3.6%)

## HOW TO ACCESS OUR PORTFOLIOS



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