

PORTFOLIO SUMMARY

- High risk portfolio within the Active portfolio range
- Suitable for investors pursuing long-term capital appreciation despite the risk of significant temporary losses
- Primarily allocated to high growth/high risk assets diversified across risk types and regions, with protective funds to mitigate major market downturns
- 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 7 years
Total Ongoing charges for underlying funds	0.34%
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
7	7	8



MARKET COMMENTS

In March, geopolitical risks turned into reality as the US and Israel embarked on war with Iran, triggering retaliatory fire across the Gulf region. The resultant spike in energy prices rekindled inflation fears and clouded the global growth outlook in a negative month for portfolio performance. The conflict escalation has effectively closed the Strait of Hormuz, a vital shipping lane for 25% of the world's oil and 20% of natural gas, causing a surge in global energy prices. Global equities (-4.5%) suffered in response to the major energy price shock. Major net energy importers bore the brunt of the sell-off, such as Europe (-8.7%) and Japan (-10.6%), as surging energy costs feed directly into higher input costs for industry and squeeze household budgets. In contrast, US equities fared better (-3%), boosted by currency movements as the US dollar appreciated in its traditional safe haven capacity. Global bonds (-1.2%) suffered as inflation fears led to a markedly higher repricing of central bank policy rates, pushing yields materially higher. Performance diverged across emerging markets. Latin America fared relatively well (-2.4%), buoyed by exporters such as Brazil (0%). Yet, Asian markets (-12.1%) underperformed as rising oil prices, a stronger US dollar and higher global bond yields proved a particularly punishing combination for energy-importing and externally-financed economies.

Commodities reaped the rewards of surging oil prices to be the month's top performing class, rising 13.5% to dampen overall portfolio losses. The Fusion portfolios remain well diversified across geographies and asset classes, and we continue to monitor the conflict closely - we see any credible path to de-escalation, or stabilisation in energy prices, as a potential catalyst to unlock meaningful upside.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	-5.67%	-0.24%	15.98%	39.46%	30.70%	146.14%
Benchmark	-7.39%	-0.93%	14.04%	28.49%	27.16%	103.81%

RISK CHARACTERISTICS

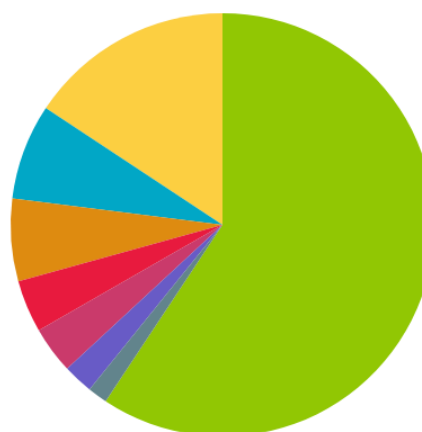
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	8.83%	9.54%	9.61%	1.81	0.52	0.78	-21.60%
Benchmark	8.81%	8.70%	9.83%	1.59	0.51	0.59	-23.19%

*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 Schroder Managed Balanced Fund which has one of the lowest tracking errors with the IA Flexible investment index.

TOP HOLDINGS

- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES - 100 UK EQUITY INDEX (UK) - JUN 12 (G6VG)
- ISHARES EMERGING MARKETS EQUITY INDEX FUND UK
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- DIMENSIONAL EUROPEAN VALUE ACC -U
- AEGON HIGH YIELD BOND FUND GBP B INC
- ROYAL LONDON CORPORATE BOND FUND
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC
- BARINGS EMERGING MARKETS LOCAL DEBT ACC -U
- VT ARGONAUT ABSOLUTE RETURN R ACC

ASSET ALLOCATION



■ Developed Market Equities (59.3%)	■ Emerging Market Equities (15.7%)
■ Investment Grade Bonds (7.3%)	■ High-Yield Bonds (6.3%)
■ Emerging Market Bonds (4.0%)	■ Alternatives (3.6%)
■ Commodities (2.3%)	■ Cash and Short Maturity Bonds (1.5%)

HOW TO ACCESS OUR PORTFOLIOS



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