

## PORTFOLIO SUMMARY

- Medium risk portfolio within the Active portfolio range
- Balanced combination of quality debt and equity exposure for capital appreciation and fixed income yield
- Mitigates losses from market drawdowns while capturing growth asset potential
- 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 5 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
5	5	6

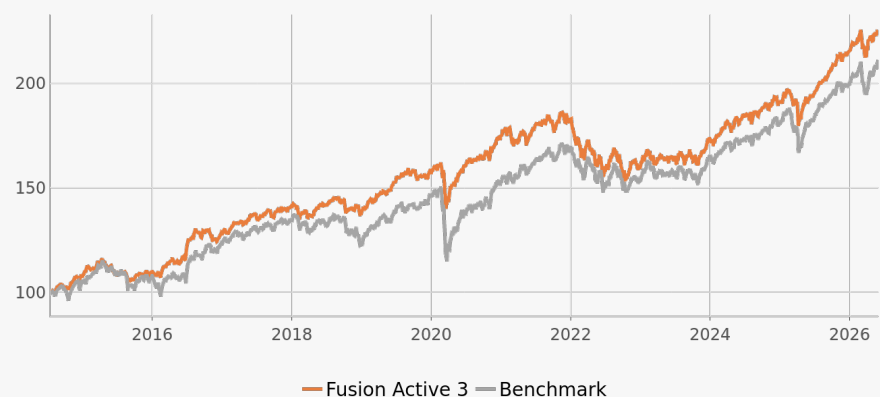


## MARKET COMMENTS

May saw global stocks pick up where they left off the previous month, with global equities rising 5.5%, as bonds also delivered a positive return of 1.1% (GBP terms). US equities (+6.1%) led the way within developed markets, extending the rebound from April's sharp rally. The drivers were familiar: strong earnings, resilient growth and sustained enthusiasm around artificial intelligence (AI). Technology (+10.6%) names again led from the front, though market participation has narrowed to levels not seen since the dot-com era, with AI, semiconductors and mega-cap technology doing most of the heavy lifting. It was a similar story in Asia (+11%), where exposure to the AI theme, plus stellar corporate earnings, proved a fruitful combination. Q1 2026 earnings growth was exceptional at around 40%, though also heavily concentrated in technology and semiconductors. Emerging markets (+10.6%) continued their strong momentum, led by Korea (+35.8%) and Taiwan (+17.5%) which both registered yet another exceptional month. Europe (+4.5%) was not far behind other developed markets, while the resources-heavy, tech-light UK market lagged global peers (+0.5%).

Fixed income markets experienced sharp volatility over the month, reflecting uncertainty over the growth and inflation impact of the Middle East conflict. Inflation data confirmed rising inflationary pressures in the global economy, and government bond yields spent most of May on an upwards trajectory, to such an extent that yields on US 30-year treasuries reached levels not seen since 2007. However, news of a credible attempt for an agreement between the US and Iran emerged towards the end of the month, helping bonds to stage a late rally on optimism that the conflict's end is in sight.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	2.25%	-0.10%	17.26%	38.13%	28.89%	125.46%
Benchmark	3.58%	0.79%	17.25%	34.97%	32.71%	111.25%

## RISK CHARACTERISTICS

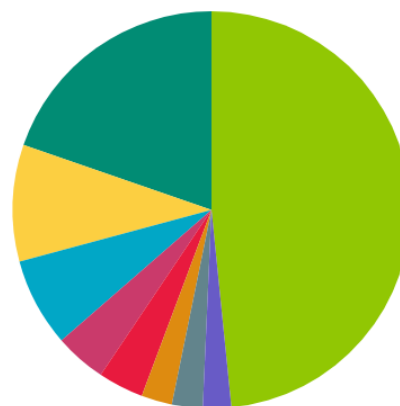
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.90%	7.69%	7.54%	2.93	0.61	0.88	-17.72%
Benchmark	6.98%	8.45%	9.96%	2.47	0.63	0.61	-23.32%

\*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 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

- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- ISHARES - 100 UK EQUITY INDEX (UK) - JUN 12 (G6VG)
- FIDELITY INVESTMENT FUNDS ICVC - INDEX WORLD FUND
- UBS FTSE RAFI DEVELOPED 1000 INDEX ACC
- AMUNDI PRIME EMERGING MARKETS ACC
- AMUNDI CORE UK GOVERNMENT BOND ACC
- VANGUARD U.S. INVESTMENT GRADE CREDIT INDEX FUND GBP HEDGED ACC
- BARINGS EMERGING MARKETS LOCAL DEBT ACC -U
- ISHARES INDEX LINKED GILT INDEX (UK) ACC -U
- ROYAL LONDON CORPORATE BOND FUND

## ASSET ALLOCATION



■ Developed Market Equities (48.4%)	■ Developed Government Bonds (19.7%)
■ Emerging Market Equities (9.5%)	■ Investment Grade Bonds (7.2%)
■ Alternatives (4.2%)	■ Emerging Market Bonds (3.7%)
■ High-Yield Bonds (2.5%)	■ Cash and Short Maturity Bonds (2.5%)
■ Commodities (2.3%)	

## HOW TO ACCESS OUR PORTFOLIOS



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