

## PORTFOLIO SUMMARY

- Low-to-medium risk portfolio within the Passive portfolio range
- Aiming for stable income and potential capital appreciation from growth assets
- Portfolio tilted towards low-risk investments, suitable for investors seeking stability with some risk tolerance
- Aligned with risk level 4 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 3-5 years
Total Ongoing charges for underlying funds	0.09%
Management Charge	0.15%

## INVESTMENT PRINCIPLES

Fusion Passive range is built 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
4	4	5

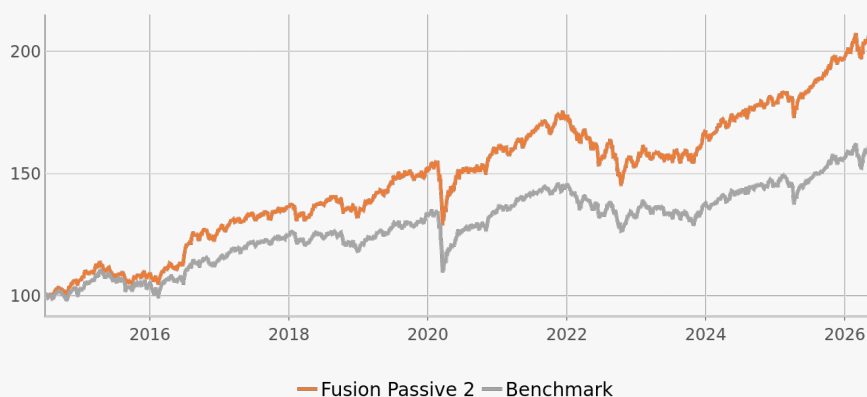


## MARKET COMMENTS

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	2.45%	0.66%	14.41%	33.87%	27.43%	108.83%
Benchmark	3.48%	1.28%	13.06%	22.94%	16.79%	64.30%

## RISK CHARACTERISTICS

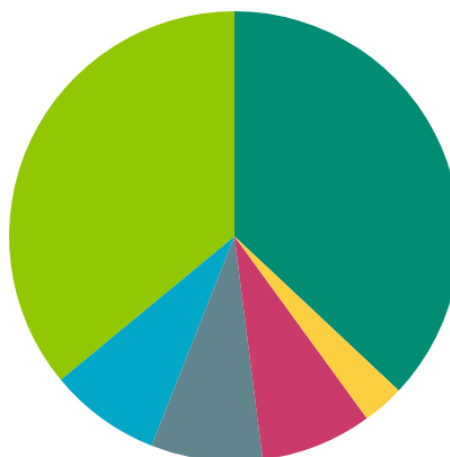
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.26%	6.61%	7.13%	2.74	0.67	0.83	-17.46%
Benchmark	5.88%	6.45%	7.08%	2.22	0.41	0.53	-18.67%

\*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 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

- AMUNDI CORE UK GOVERNMENT BOND ACC
- HSBC INDEX TRACKER INVESTMENT FUNDS - AMERICAN INDEX FUND
- FIDELITY INDEX GLOBAL GOVERNMENT BOND FUND P ACC
- VANGUARD INVESTMENT SERIES PLC - GLOBAL BOND INDEX FUND
- ISHARES CORPORATE BOND INDEX FUND UK
- ABRDN GLOBAL INFRASTRUCTURE EQUITY TRACKER FUND
- ROYAL LONDON SHORT TERM MONEY MARKET FUND
- FIDELITY INVESTMENT FUNDS - INDEX JAPAN FUND
- HSBC INDEX TRACKER INVESTMENT FUNDS - EUROPEAN INDEX FUND
- ISHARES UK EQUITY INDEX FUND UK

## ASSET ALLOCATION



- Developed Government Bonds (37.0%)
- Developed Market Equities (36.0%)
- Investment Grade Bonds (8.0%)
- Cash and Short Maturity Bonds (8.0%)
- Alternatives (8.0%)
- Emerging Market Equities (3.0%)

## HOW TO ACCESS OUR PORTFOLIOS



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