

## 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 5-7 years |
| Total Ongoing charges for underlying funds | 0.44%              |
| 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 |
|----|---------|----------|
| 6  | 6       | 7        |

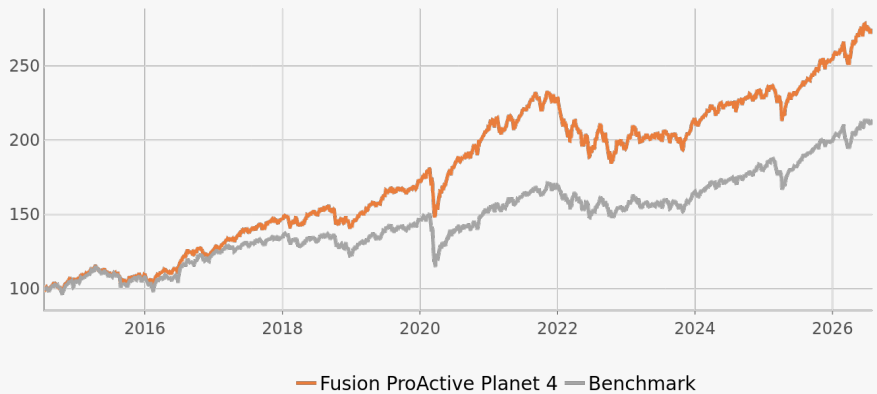


## MARKET COMMENTS

July was a relatively flat month for overall portfolio performance, with global equities slipping -0.9% and global bonds returning -1.9% (GBP terms). July was characterised by a pivot between two distinct market narratives – geopolitics and the AI-led investment cycle. Early in the month, escalating tensions between the US and Iran briefly pushed oil prices back above \$100 per barrel, lifting energy prices and commodities (+6.0%). This revived inflation concerns and reinforced expectations that interest rates will remain higher for longer, leading to a broad-based rise in government bond yields.

As geopolitical concerns eased, attention shifted back to the sustainability of returns across the AI landscape. Semiconductor companies (-10.4%) and other AI beneficiaries came under significant pressure as elevated valuations and concerns over the durability of outsized profits weighed on sentiment. This triggered a rotation away from the technology sector (-3.8%) towards more traditional, value-oriented sectors, which was reflected in regional returns. The UK was the top performing region (+3.8%), benefiting from its relatively low exposure to technology and greater weight in energy and financials. US equities (-1.2%) finished the month broadly unchanged. Although company earnings remained strong, investors wanted greater confidence that the significant sums being invested in AI would ultimately translate into sustainable profits. The weakest performance came from emerging markets (-4.3%) and Asia (-4.5%), where AI exposure is concentrated in the semiconductor manufacturing supply chain. Concerns surrounding advanced semiconductor technology from China caused Taiwan (-9.0%) and South Korea (-16.5%) to give up some of their spectacular year-to-date gains, more than offsetting China's (+7.5%) positive contribution.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

|           | 1m     | 3m    | 1y     | 3y     | 5y     | SI      |
|-----------|--------|-------|--------|--------|--------|---------|
| Portfolio | -0.91% | 3.09% | 14.17% | 32.94% | 23.10% | 174.11% |
| Benchmark | -0.21% | 4.26% | 11.61% | 32.91% | 29.84% | 112.62% |

## RISK CHARACTERISTICS

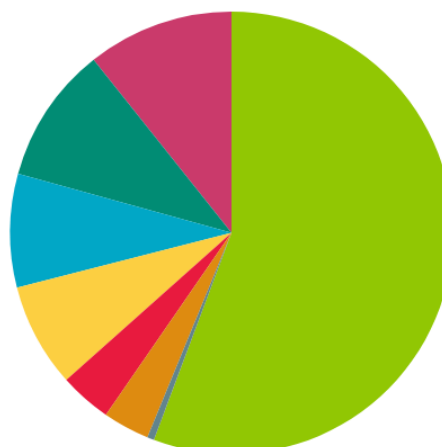
|           | Volatility |       |       | Sharpe Ratio |      |      | Maximum Drawdown |
|-----------|------------|-------|-------|--------------|------|------|------------------|
|           | 1y         | 5y    | SI    | 1y           | 5y   | SI   |                  |
| Portfolio | 7.20%      | 9.41% | 9.49% | 1.97         | 0.40 | 0.87 | -20.95%          |
| Benchmark | 7.47%      | 8.55% | 9.93% | 1.55         | 0.57 | 0.60 | -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

- LEGG MASON CLEARBRIDGE US EQUITY SUSTAINABILITY LEADERS FUND
- ISHARES US EQUITY ESG INDEX D ACC
- HSBC DEVELOPED WORLD SUSTAINABLE EQUITY INDEX FUND ACCUMULATION C GBP
- DIMENSIONAL - GLOBAL SUSTAINABILITY CORE EQUITY - JUN 13 (JENN)
- ROYAL LONDON SUSTAINABLE LEADERS TRUST
- LEGAL & GENERAL FUTURE WORLD ESG UK INDEX FUND
- LEGAL & GENERAL FUTURE WORLD ESG EMERGING MARKETS INDEX FUND C GBP ACC
- JUPITER MERIAN GLOBAL EQUITY ABSOLUTE RETURN I GBP HEDGED ACC
- ISHARES CONTINENTAL EUROPE ESG INDEX
- BLUEBAY IMPACT-ALIGNED BOND C HEDGED ACC GBP

## ASSET ALLOCATION



- Developed Market Equities (55.7%)
- Developed Government Bonds (10.0%)
- Emerging Market Equities (7.6%)
- High-Yield Bonds (3.4%)
- Alternatives (10.7%)
- Investment Grade Bonds (8.3%)
- Emerging Market Bonds (3.8%)
- Cash and Short Maturity Bonds (0.5%)

## HOW TO ACCESS OUR PORTFOLIOS



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