FINURA

FINURA FUSION WEALTH PORTFOLIO REVIEW Q1 2020

Chartered Financial Planners

Pension TRANSFER Gold Standard

CONTENTS

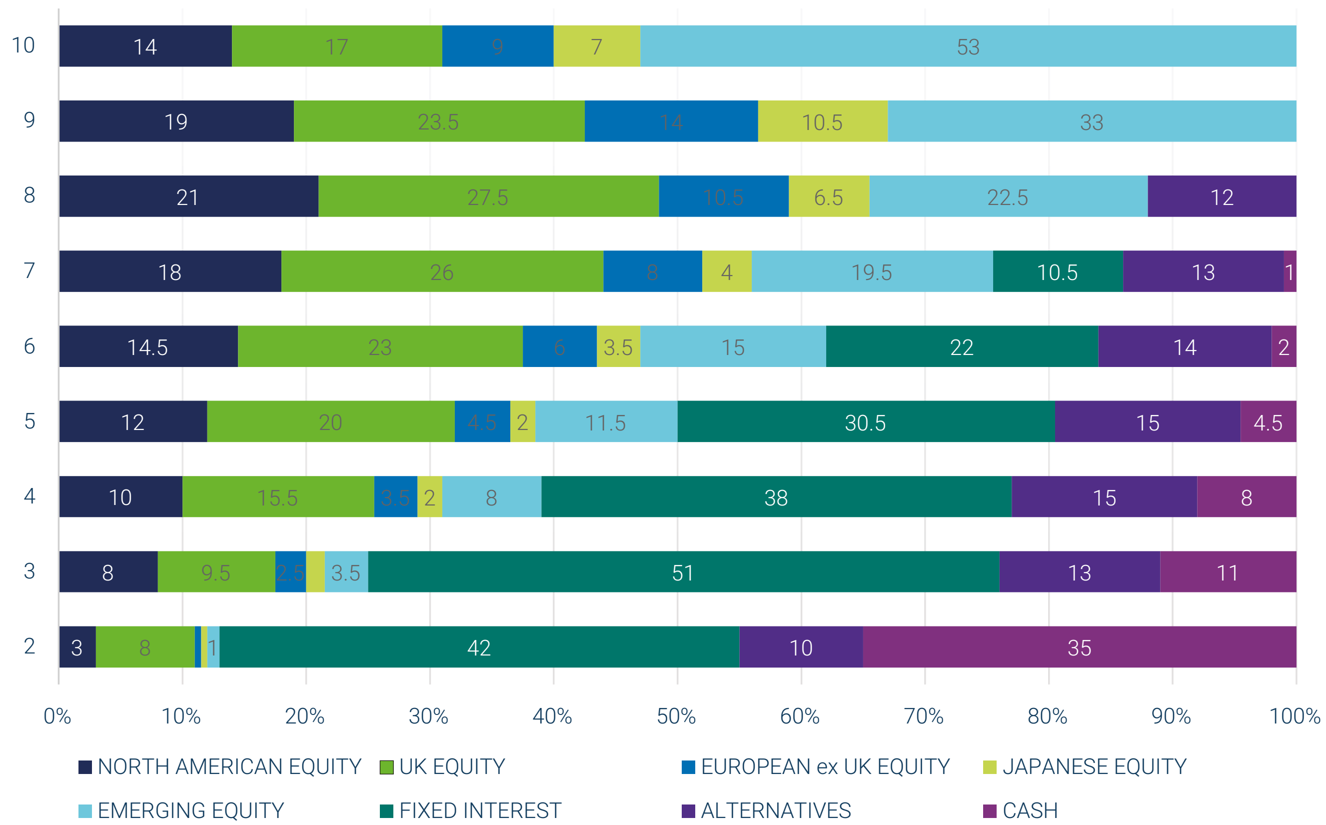
FINURA FUSION WEALTH (FW) INVESTMENT SOLUTIONS

Overseen by our own Group Chief Investment Officer, and in collaboration with Schroders, Rayner Spencer Mills Research and the Fusion Wealth Investment Committee, Clients at Finura have access to our very own Centralised Investment Proposition (CIP). This gives you access to the award-winning global and institutional expertise of one of the world's largest and oldest investment houses and market-leading independent research.

This combination provides a CIP for Clients seeking actively managed, multi-asset solutions which cover all objectives and investment styles; from strategic and tactical asset allocation through to active and passive fund strategies, each aligned to a Client's individual risk profile.

The blend of assets in your portfolio is likely to be the dominant influence on your long-term returns. It is important to spread your investments across a variety of markets which can help to reduce risk. Ideally, these assets should perform differently to each other over time. Together with our partners we have designed a Strategic Asset Allocation (SAA) which is at the heart of the FW Portfolio Range. The SAA is based on a strategic, long-term assessment of markets and is reviewed annually by the Fusion Wealth Investment Committee alongside Schroders and RSMR.

STRATEGIC ASSET ALLOCATION (SAA)



As part of your risk profiling, you will agree on a risk level with your financial adviser. A portfolio with the lowest risk level does not mean a risk-free investment.

Source: Fusion. March 2020. *Alternatives include non-traditional asset classes for example Commodities, Infrastructure, Real Assets and Emerging Market Debt. Data correct as of 31 March 2020.

GLOBAL MARKET REVIEW

The spread of Covid-19 profoundly affected global markets in the first quarter. Equities suffered steep declines and government bond yields fell (prices rose) as investors favoured their perceived safety. Shares fell across developed markets as coronavirus spread and countries went into lockdown to try to contain the outbreak. Governments and central banks announced measures to support businesses and households and reduce borrowing costs.

US equities declined significantly over the quarter as the coronavirus outbreak spread. The Federal Reserve System cut interest rates twice in March for the first time since the global financial crisis and announced unlimited quantitative easing (buying bonds). The US Senate also passed a $2 trillion stimulus package. All sectors saw significant declines. Energy stocks were hit hard, with the addition of the oil price war weighing heavily. Financials and industrials also fell sharply. The information technology and healthcare sectors held up better, albeit with what would be considered steep falls in any other quarter.

Eurozone equities experienced a sharp fall in Q1. Nations across Europe took steps to restrict the movement of people and shut down parts of the economy in an effort to slow the spread of coronavirus. All sectors fell over the quarter. Defensive areas of the market such as healthcare and utilities held up best. Financials and industrials were among the worst hit sectors. Governments across Europe announced spending packages to help businesses and households bridge the gap between the loss of income during this period of disruption and the expenditures required to survive.

UK equities tumbled as efforts to deal with the pandemic hit economic activity indiscriminately and simultaneously. Sterling hit multi-decade lows versus the US dollar. The Bank of England materially reduced interest rates to 0.10% in a co-ordinated move with the UK government, which unveiled an unprecedented series of fiscal support measures. Oil and gas was the worst performing sector over the period, selling off on concerns about falling demand, as well as the failure of negotiations between OPEC[1] and Russia to control the global supply of oil. The consumer services sector also performed very poorly as investors sought to calibrate the effect of a sharp fall in consumer demand.

Japanese market dynamics were fairly chaotic late in the quarter, with some days marked by a strong recovery of those stocks and sectors seen as most heavily oversold, while other days seem to represent a more genuine willingness by investors to take on risk. The highest profile impact for Japan has been the postponement of the Tokyo Olympics for one year to July 2021. Although this is not particularly significant in economic terms, there could be political implications as the Games are now planned just before the end of Mr Abe's term as Prime Minister in October 2021.

Emerging market equities tumbled, slightly underperforming developed markets as a strong US dollar proved to be an additional headwind. Brazil was the weakest market in the index, with currency weakness amplifying negative returns. Colombia was another underperformer as it was additionally impacted by the fall in crude oil prices. Greece, South Africa and Pakistan all underperformed. By contrast, China recorded a negative return but outperformed the Index as the number of Covid-19 cases declined, and economic activity began to resume.

Government bonds saw yields fall (meaning prices rose) as investors sought out assets perceived to be lower risk. Corporate bonds underperformed government bonds.

Source: Schroders. 6th April 2020. [1] The Organisation of the Petroleum Exporting Countries. Please note any past performance mentioned in this document is not a guide to future performance and may not be repeated.

MARKET PERFORMANCE Q1 2020

2015	2016	2017	2018	2019	Year to date
Japanese Equities 12.1	UK Index -linked Gilts 24.3	Asia Ex Japan Equities 41.7	UK Direct Property 2.9	US Equities 30.7	UK Gilts 6.3
Europe ex UK Equities 10.7	UK Equities 16.8	Emerging Market Equities 37.3	Global Treasury Bonds 1.1	Europe ex UK Equities 27.1	Global Treasury Bonds 3.2
UK Direct Property 7.6	UK Corporate Bonds 12.3	Japanese Equities 22.2	UK Gilts 0.6	UK Equities 19.2	UK Index - linked Gilts 1.6
UK High Yield Bonds 5.4	US Equities 11.6	US Equities 20.9	UK Index -linked Gilts -0.3	Emerging Market Equities 18.4	UK Direct Property -1.6
Global Treasury Bonds 1.8	Emerging Market Equities 11.2	UK Equities 13.1	UK High Yield Bonds -1.6	Asia Ex Japan Equities 18.2	Global Corporate Bonds -4.5
UK Equities 1.0	UK High Yield Bonds 10.5	Europe ex UK Equities 11.4	UK Corporate Bonds -2.2	Japanese Equities 18.1	UK Corporate Bonds -5.3
UK Corporate Bonds 0.7	UK Gilts 10.1	UK High Yield Bonds 7.8	Global Corporate Bonds -2.7	UK High Yield Bonds 13.4	UK High Yield Bonds -13.6
UK Gilts 0.6	Global Corporate Bonds 5.8	UK Direct Property 7.6	US Equities -5.7	UK Corporate Bonds 11.0	Japanese Equities -17.5
Global Corporate Bonds 0.1	Asia Ex Japan Equities 5.4	UK Corporate Bonds 4.9	UK Equities -9.5	Global Corporate Bonds 10.6	Asia Ex Japan Equities -18.4
US Equities -0.9	Global Treasury Bonds 3.6	Global Corporate Bonds 4.6	Europe ex UK Equities -10.9	UK Gilts 6.9	US Equities -20.2
UK Index -linked Gilts -1.0	Europe ex UK Equities 2.4	UK Index -linked Gilts 2.3	Asia Ex Japan Equities -14.4	UK Index -linked Gilts 6.4	Europe ex UK Equities -21.0
Asia Ex Japan Equities -9.2	Japanese Equities 0.3	UK Gilts 1.8	Emerging Market Equities -14.6	Global Treasury Bonds 5.5	Emerging Market Equities -23.6
Emerging Market Equities -14.9	UK Direct Property -2.0	Global Treasury Bonds 1.1	Japanese Equities -16.0	UK Direct Property -0.8	UK Equities -25.1

Notes: All Indices in base currency. Indices used: BBgBarcGblAggCorp TR HdgGBP, BBgBarcGlobal Treasury TR HdgGBP, FTSE Act UK CnvtGilts All Stocks TR GBP, FTSE Act UK Index-link Gilts AS TR GBP, ICE BofaSterling HY TR GBP, FTSE AllShTR GBP, IA UK Direct Property, MSCI EM NR USD, MSCI Europe Ex UK NR EUR, S&P 500 TR USD, TOPIX TR JPY, BBgBarcSterling AggCorp TR GBP.

Please note that any past performance mentioned in this document is not a guide to future performance and may not be repeated. Information is provided for illustrative purposes only and should not be considered as a recommendation to buy or sell.

Source: Morningstar Direct, Fusion. March 2020.

12 MONTH MARKET OUTLOOK

🟢🟢🟢 Maximum Positive ▲ Up from last month
🟡 Neutral
🔴🔴🔴 Maximum Negative ▼ Down from last month

	Category	View	Comments
Main Asset Classes	Equities	🟡 ▼	The volatility seen in financial markets is likely to persist as investors try to value the impact of the global outbreak of coronavirus (COVID-19) and the fall in oil prices. Financial support from central banks should help in the longer run, however, the short to mid-term impact will be more limited.
	Government Bonds[1]	🟡 ▼	Government bonds are now very expensive following the decline in yields (bond prices rise when yields fall). FW nonetheless retains some exposure in case economic disruption caused by attempts to contain COVID-19 tips us into global recession.
	Commodoties[2]	🟡 ▼	FW have downgraded as demand may remain suppressed due to COVID-19. Energy could be the most vulnerable sector following the breakdown in talks between Saudi Arabia and Russia on oil production curbs.
	Credit[3]	🔴 ▼	The fall in the oil price and the large outbreak of COVID-19 in Europe, and potentially the US, will put downward pressure on company profits.
Equities	US	🟡 ▼	FW continues to favour the US as it is a high quality market and remains supported by ample liquidity (i.e. readily available funds). While valuations have become cheaper, they will wait for the markets to fully price in a technical recession. They also want to see more visibility on the economic and corporate impact of COVID-19 before adding back more risk.
	UK	🟡	The recent election result provided some confidence to markets, reducing Brexit uncertainties. Nevertheless, little has actually been solved so far in trade negotiations with the EU. FW also anticipates further weakness as the prevalence of COVID-19 increases across the UK.
	Europe	🟡 ▼	FW have downgraded Europe as, despite cheaper valuations, there are growing concerns over the European banking sector and the strengthening of the Euro will be an additional headwind.
	Japan	🟡	The disruption to supply chains caused by COVID-19, coupled with school closures, will likely prevent employees from working, therefore limiting productivity.
	Pacific ex-Japan	🟡	Similar to the rest of the world, FW expects disruption to be felt in this region as a consequence of COVID-19. Weak economic conditions in Australia have not helped, coupled with the disruption to global supply chains.
	Emerging Markets	🟢 ▲	FW have upgraded due to some improvement in economic activity, attractive valuations and a slowdown in reported COVID-19 cases within China.

Opinions expressed are not a recommendation to buy and/or sell and do not constitute as investment advice.

Source: Schroders. March 2020. [1]Bonds are a way for governments and companies to raise money from investors. In exchange for an upfront payment from investors, the issuer will make annual interest payments and repay the initial investment amount on a fixed future date. [2]An asset class which encompasses a broad range of physical assets including oil and gas, metals and agricultural produce. [3]A corporate bond, or a bond issued by a company.

FW ACTIVE PORTFOLIOS

MANAGER VISITS AND PORTFOLIO UPDATES

Given the significant uncertainties surrounding the magnitude and duration of the downturn, much of FW time has been split between fund manager updates and economic analysis.

They have met with over 30 fund managers in the period, receiving updates on existing strategies but also scoping out new ideas for the portfolios. Manager meetings have taken place across asset classes given the extreme volatility we are currently experiencing. The general message from their equity managers is that they are witnessing indiscriminate selling, with significant dispersion in performance. This is creating great opportunities for active managers.

In fixed income, managers want to maintain their focus on high quality companies with strong balance sheets; these should eventually emerge from this crisis with higher market share. In alternatives, the Gold & Silver fund manager is extremely positive. Gold and Silver miners are doing well at the base operating level, with margins increasing which has created a one-off buying opportunity at the moment.

PERFORMANCE

	Q1 2020	2019	2018	2017	2016	2015
FW - 02 (Portfolio)	**-4.47**	**4.65**	**-1.20**	**3.49**	**5.31**	**1.59**
UK CPI	0.09	1.30	2.10	2.97	1.56	0.20
FW - 03 (Portfolio)	**-7.84**	**9.57**	**-1.94**	**5.65**	**8.97**	**2.88**
IA Mixed Investment 0-35% Shares	-8.08	8.80	-3.41	5.01	9.06	0.85
FW - 04 (Portfolio)	**-11.18**	**13.10**	**-3.97**	**8.10**	**9.58**	**5.76**
FW - 05 (Portfolio)	**-13.70**	**15.79**	**-5.55**	**11.04**	**10.66**	**6.09**
IA Mixed Investment 20-60% Shares	-13.06	12.08	-5.11	7.20	10.57	1.51
FW - 06 (Portfolio)	**-15.64**	**18.42**	**-6.78**	**15.44**	**12.10**	**5.96**
FW - 07 (Portfolio)	**-16.06**	**20.81**	**-8.20**	**17.94**	**14.42**	**6.28**
IA Mixed Investment 40-85% Shares	-15.22	15.94	-6.07	10.05	13.28	2.83
FW - 08 (Portfolio)	**-16.69**	**20.39**	**-9.31**	**19.11**	**19.64**	**3.69**
FW - 09 (Portfolio)	**-15.88**	**22.73**	**-10.59**	**22.79**	**24.26**	**1.29**
FW - 10 (Portfolio)	**-17.45**	**18.45**	**-10.40**	**22.98**	**26.04**	**-2.91**
IA Flexible Investment	-15.44	15.64	-6.64	11.09	14.16	2.09

CPI is the Consumer Prices Index (weighted average of prices of a basket of goods and services).

IA refers to Investment Association benchmarks https://www.theia.org/industry-data/fund-sectors

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

POSITIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
Allianz Gilt Yield	+7.73%	The fund primarily invests in UK government bonds called Gilts. Gilts retained their role as an important diversifier, helping to provide some protection in portfolios as other assets classes, like equities, have fallen in value.
Royal London International Government Bond	+3.74%	Major central banks have once again moved to loosen monetary policy by reducing interest rates. The inverse relationship between interest rates/yields and prices has meant global government bonds have delivered positive returns.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

NEGATIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
JOHCM UK Equity Income	-36.53%	The fund has underperformed its benchmark, the FTSE All-Share index, as it invests more towards cyclical areas of the market, such as financials and commodity sectors which have been materially impacted by the shutdown in the global economy.
H2O Multireturns	-31.06%	H2O takes relative value positions across assets classes and has positioned the fund for a positive macro backdrop. The fund was therefore exposed on the wrong side of the market as investors swiftly reassessed the impact of the virus on global growth, fleeing global equity, credit and risk-on currency markets in favour of safe-havens.
Dodge & Cox Worldwide US Stock	-25.07%	This value orientated fund has significant positions in both financial services and energy sectors, two areas of the market hit hardest in this crisis, as recessionary fears raise the likelihood of default risk for Banks and the oil price reflects a significant fall in demand from the global economy.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

FW PASSIVE PORTFOLIOS

PERFORMANCE

	Q1 2020	2019	2018	2017	2016	2015
FW - 02 Tracker (Portfolio)	**-2.60**	**6.12**	**-1.39**	**2.52**	**11.14**	**0.98**
UK CPI	0.09	1.30	2.0	2.97	1.56	0.20
FW - 03 Tracker (Portfolio)	**-5.32**	**9.08**	**-2.03**	**4.40**	**16.35**	**2.10**
IA Mixed Investment 0-35% Shares	-8.08	8.80	-3.41	5.01	9.06	0.85
FW - 04 Tracker (Portfolio)	**-8.36**	**13.33**	**-3.28**	**6.63**	**16.77**	**3.10**
FW - 05 Tracker (Portfolio)	**-10.85**	**15.15**	**-4.72**	**8.98**	**19.08**	**3.48**
IA Mixed Investment 20-60% Shares	-13.06	12.09	-5.11	7.20	10.57	1.51
FW - 06 Tracker (Portfolio)	**-13.15**	**16.52**	**-5.66**	**11.17**	**21.06**	**1.56**
FW - 07 Tracker (Portfolio)	**-15.87**	**18.47**	**-7.31**	**13.25**	**23.74**	**0.38**
IA Mixed Investment 40-85% Shares	-15.22	15.94	-6.07	10.05	13.28	2.83
FW - 08 Tracker (Portfolio)	**-17.37**	**17.47**	**-6.91**	**15.22**	**26.90**	**-1.96**
FW - 09 Tracker (Portfolio)	**-18.12**	**17.30**	**-7.73**	**17.65**	**28.83**	**-4.17**
FW - 10 Tracker (Portfolio)	**-18.25**	**16.60**	**-7.85**	**19.01**	**32.68**	**-7.26**
IA Flexible Investment	-15.44	15.64	-6.64	11.09	14.16	2.09

CPI is the Consumer Prices Index (weighted average of prices of a basket of goods and services).

IA refers to Investment Association benchmarks https://www.theia.org/industry-data/fund-sectors

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

POSTITIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
UK Gilts	6.32%	Investors favoured the perceived safety of government bonds due to the growing likelihood of a deep global recession. Alongside investor demand, we had interest rate cuts from the Bank of England which meant the UK 10-year Gilt yield fell from 0.82% to 0.32% over the quarter.
Global Treasury Bonds	3.18%	Central banks around the world have taken aggressive action to support their economies by cutting interest rate as fears of recession mount with the coronavirus declared a pandemic. The inverse relationship between interest rates/ yields and prices meant global government bonds delivering positive returns.

Notes: Indices used: BBgBarcGblAggCorp TR HdgGBP, BBgBarcGlobal Treasury TR HdgGBP, FTSE Act UK CnvtGilts All Stocks TR GBP. All in Sterling.

NEGATIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
UK Equities	-25.13%	The UK equity market suffered significant falls as the economic costs of the global health pandemic continued to mount. Consumer discretionary stocks (travel & leisure and retailers), financials and industrials and saw the biggest falls, whilst perceived 'safe haven' sectors such as utilities, consumer staples and health care held up much better.
Emerging Market Equities	-18.37%	Emerging equity markets fell sharply in anticipation of a global recession as remedial measures to contain the virus weighed heavily on economic activity. Losses in Asia were less severe due to the relative outperformance of China, which looks to have contained the virus. Latin America suffered the biggest losses due to the collapse in commodity prices and exposure to energy stocks.
Europe Ex UK Equities	-17.48%	European equities continued to fall as news emerged that the spread of the virus was accelerating across the western hemisphere. As national governments began implementing extreme measures to contain the spread of the virus, fears of an impending global recession saw investors sell risk assets.

Notes: Indices used: FTSE AllShTR GBP, MSCI EM NR USD, MSCI Europe Ex UK NR EUR. All in Sterling.

FW SCHRODER BLEND FUNDS

FW SCHRODER BLEND FUNDS PERFORMANCE

At Finura we have long seen the benefits of both active and passive funds and are pleased to announce the launch of a new portfolio strategy aiming to capture the best of both investment styles in one diversified portfolio, rather than taking a binary or arbitrary position in either or both. FW separate those markets that are efficient, for example the US equity market, where information is readily available to everyone, from those that are less efficient, like emerging markets, where research and detailed analysis are key). Then it will be decided if an active or a passive fund is appropriate for each asset class held in the portfolio.

The fund will typically use passive funds in efficient markets and active funds for inefficient markets. However, depending on where we are in the economic cycle, we will dynamically shift the allocations between active and passive funds. We would typically allocate more to passive funds in rising markets, to participate in the good years. Conversely, in bad years we allocate more to active funds, with the aim of protecting portfolios and benefiting from the in-depth research of our selected fund managers.

In the following quarters, more detail will be provided on the underlying investments in the FW Schroder Blend Funds. Performance data will be available when the funds have 12 months return data.

Source: Morningstar Direct, Fusion. March 2020. Please refer to the strategy fact sheet for the latest performance data and a full list of the funds used within the portfolios. Past performance is not a guide to future performance.

FW SCHRODER TACTICAL FUNDS

FUND UPDATES AND POSITIONING

Going into the new year, Fusion saw encouraging signs for markets from an improving global growth outlook, easing trade tensions and ongoing monetary policy support. This led them to remain overweight equities with a roughly equal split across the global regions. In early February, they rotated into the quality-oriented broad US market, as well as attractively-valued emerging market equities which had corrected more due to the initial coronavirus impact. These additions came at the expense of European and Japanese equities. After becoming concerned with the stress in the oil sector, they moved to neutralise equity exposure in early March and moved to an underweight position shortly thereafter. This was predominantly achieved through going underweight US equities and adding a long emerging markets versus short US equities tilt.

Within fixed income, Fusion generally held a neutral stance on government and investment grade corporate bonds, marginally increasing their credit allocation. Towards the end of the quarter, they moved overweight US investment grade bonds. This decision was lead by the combination of an improved liquidity environment and an uncertain economic outlook in addition to their improving appeal as the bonds were the main beneficiary of the US Federal Reserve's support. They also added a position in Canadian government bonds, at the expense of US Treasuries. At the beginning of February they also put in place measures designed to protect the portfolios against the market turmoil, including an overweight Japanese Yen versus Euro trade. Later on, they closed out their overweight Japanese yen positions as well as the long Australian dollar versus short New Zealand dollar trade.

In the Schroder Fusion Managed Defensive Fund they generally held a lower exposure to Growth assets throughout the quarter. In February, they rotated more into the quality-oriented broad US equity market, as well as attractively valued emerging market equities at the expense of European and Japanese equities. Within their slowdown assets, they increased their German government bond exposure in January and continued this theme throughout February. Elsewhere, the allocation to Gold remained flexible throughout the quarter as they took profits on their positions in January and February, before adding back later in the quarter given the global economic uncertainty.

The turbulent market environment towards the latter part of the quarter triggered the Fund's safety mechanism, designed to target a maximum loss of 10% over any time period. The mechanism in place complements the active risk management that the Multi-Asset team provide. As a result of the risk implementation, the Fund's allocation to Growth, Slowdown and Fixed Income assets fell sharply in March, with the proceeds going into cash. Within Growth assets, the Fund's equity exposure was reduced across the global regions, particularly within the US. The Fund also significantly reduced its exposure to Fixed income assets across Inflation-linked bonds, Investment Grade corporate bonds and Government bonds. Going forward, this disciplined risk management mechanism continues to be embedded within the Fund, which can allow the Fund to mitigate against further downside risks should market conditions deteriorate further.

Whilst we are learning to live with the coronavirus and its effect on the global economy, until a stabilisation in the rate of growth in deaths from the virus is seen, fiscal stimulus is a necessary condition. However, this is not sufficient to prompt a recovery in economic activity given the lockdowns in place. Recent equity valuations are consistent with a short, sharp recession and a V-shaped recovery but in reality, the return to normality may take longer than expected. We also face the potential for a second wave of infection later this year which will most likely result in a W-shaped recovery. Fusion are still waiting to add back to equities as markets process the significant demand shock caused by the coronavirus. They believe that government bonds are now very expensive following the decline in yields. However, they continue to retain some exposure in case the economic disruption caused by attempts to contain the coronavirus tips us into a global recession.

PERFORMANCE

	Q1 2020	2019	2018	2017	2016	2015
Schroder Fusion 3 F Acc	**-5.21**	**8.45**	**-4.31**	**-**	**-**	**-**
IA Mixed Investment 0-35% Shares	-8.08	8.80	-3.41	5.01	9.06	0.85
Schroder Fusion 4 F Acc	**-9.33**	**10.27**	**-5.72**	**-**	**-**	**-**
Schroder Fusion 5 F Acc	**-12.35**	**12.45**	**-7.49**	**-**	**-**	**-**
IA Mixed Investment 20-60% Shares	-13.06	12.08	-5.11	7.20	10.57	1.51
Schroder Fusion 6 F Acc	**-14.88**	**13.59**	**-8.67**	**-**	**-**	**-**
Schroder Fusion 7 F Acc	**-17.35**	**14.38**	**-10.51**	**-**	**-**	**-**
IA Mixed Investment 40-85% Shares	-15.22	15.94	-6.07	10.05	13.28	2.83
Schroder Fusion Mgd Defensv F Acc	**-4.20**	**8.89**	**-**	**-**	**-**	**-**
UK CPI +1%	0.34	2.31	3.12	4.00	2.58	1.20
CPI is the Consumer Prices Index (weighted average of prices of a basket of goods and services).						
IA refers to Investment Association benchmarks https://www.theia.org/industry-data/fund-sectors						

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

POSITIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	ABSOLUTE RETURN	COMMENTARY
Currency[2] - JPY & USD	-	Overweight positions in both the US dollar and Japanese yen (vs EUR and GBP) contributed positive returns as investors sought the perceived "safer" currencies during the market turmoil.
Global Government Bonds	6.6%	Held as a defensive cushion in the portfolio, global government bond prices rose as central banks cut interest rates and restarted quantitative easing.
UK Government Bonds	7.9%	The yield on UK government bonds fell (and prices rose) over the quarter amid the historic flight to safe-haven assets.

Notes: Global Government bonds = Schroder AB Global Sovereign Bond Fund; UK Government bonds = UK 10yr Gilt Futures & UK 30yrGilts. [1]Contribution to Return for Schroder Fusion Portfolio 5. [2]Absolute return figures not available for currency positioning.

NEGATIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	ABSOLUTE RETURN	COMMENTARY
UK Equities	-27.0%	We are naturally overweight UK equities and these faced sharp losses as efforts to deal with the pandemic hit economic activity. Prior to this, domestic politics and Brexit had dominated the narrative with marginally negative impacts.
Global Government Bonds	-25.0%	Our overweight to emerging market (EM) equities detracted as EM equities fell heavily over the quarter, with a stronger US dollar compounding the impact of the spread of the coronavirus.
Global Equities	-19.4%	Share prices fell across developed markets as coronavirus spread and countries went into lockdown trying to contain the outbreak.

Notes: UK equities = Schroder AB UK Equity Fund & FTSE 100 index futures; EM equities = EM index futures; Global equities = Schroder Multi-Factor Equity Fund, Schroder AB Global Equity Value Fund & Schroder AB Global Small/Mid-cap Fund .
[1]Contribution to Return for Schroder Fusion Portfolio 5.

FW ETHICAL PORTFOLIOS

MANAGER VISITS AND PORTFOLIO UPDATES

Given the significant uncertainties surrounding the magnitude and duration of the downturn, much of FW time has been split between fund manager updates and economic analysis.

They have met 7 fund managers in the period, receiving updates on existing strategies but also scoping out new ideas for the portfolios. Manager meetings have taken place across asset classes given the extreme volatility we are currently experiencing. The general message from their equity managers is that relative performance versus indices has been strong due to avoiding sectors like oil and miners that have been significantly impacted in this downturn. In fixed income, managers are pleased with Governments and Central Banks response to continue doing whatever is necessary to prevent the impact of virus resulting in a protracted recession.

PERFORMANCE

	Q1 2020	2019	2018	2017	2016	2015
FW - Ethical Cautious (Portfolio)	**-5.91**	**11.67**	**-2.57**	**6.62**	**9.99**	**2.82**
IA Mixed Investment 0-35% Shares	-8.08	8.80	-3.41	5.01	9.06	0.85
FW - Ethical Balanced (Portfolio)	**-10.83**	**18.82**	**-4.51**	**11.90**	**11.31**	**4.60**
IA Mixed Investment 20-60% Shares	-13.06	12.08	-5.11	7.20	10.57	1.51
FW - Ethical Adventurous (Portfolio)	**-14.02**	**24.35**	**-5.71**	**14.48**	**15.31**	**5.84**
IA Mixed Investment 40-85% Shares	-15.22	15.94	-6.07	10.05	13.28	2.83
IA refers to Investment Association benchmarks https://www.theia.org/industry-data/fund-sectors						

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

POSITIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
Allianz Gilt Yield	+7.73%	The fund primarily invests in UK government bonds called Gilts. Gilts retain their role as an important diversifier, helping to provide some protection for portfolios as other assets classes, like equities have fallen in value.
Royal London International Government Bond	+3.74%	Major central banks have once again moved to loosen monetary policy by reducing interest rates. The inverse relationship between interest rates/yields and prices has meant global government bonds have delivered positive returns.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

NEGATIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
Premier Ethical	-28.56%	The fund invests in companies with high growth and quality characteristics, which results in a bias towards mid-caps and sectors like retail and travel & leisure. The social distancing measures has significantly impacted companies operating in these sectors, with extreme share prices drops as the market grapples with the length of the shutdown and valuing such companies.
BMO Responsible UK Equity	-26.95%	The coronavirus has severely impacted names within the travel & leisure sector irrespective of individual company fundamentals. The fund holds no airlines in the portfolio but a number of positions in quality, well managed businesses have been significantly downgraded in this environment.
Quilter Investors Ethical	-17.54%	This is a global invested fund that has benefited on a relative basis by positioning more to the US and Japan. Not only have these stock markets outperformed, the fund has benefited from currency translation affects as the US Dollar and Japanese Yen strengthened relative to Sterling.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

FW SCHRODER INCOME PORTFOLIO

PORTFOLIO UPDATES AND POSITIONING

In performance terms, the fund's relative returns were disappointing during the first quarter of 2020 as financial markets fell. While the fund has delivered returns consistent with the sector average since its launch in 2012 to the end of March 2020, weakness in the equity funds and the high yield bond fund has weighed on performance across most time periods.

For the last three years, the Global Value Team have placed a great deal of weight on balance sheet strength – this is not because the team were forecasting the arrival of a global pandemic, but because risk appetites in the market looked too high and they felt valuations were not compensating sufficiently for the risk of an unknowable future. Given a belief that no-one truly knows what risks are coming, the team always test balance sheets versus very poor expectations. As such they are comfortable that the companies owned, whilst not immune to the effects of an economic rout, are well placed to weather the coming storm, allowing the funds to profit from future recovery. Furthermore, from a valuation perspective, many of the cyclicals held in the funds had already been discounting a far more negative economic scenario. Every company held in the funds has been stress-tested (if things turn out to be even worse than the market has been discounting), and the team believe that investors are more than compensated for any risk by the upside potential on offer in these portfolios.

PERFORMANCE

	Q1 2020	2019	2018	2017	2016	2015
FW - Schroder Income (Portfolio)	**-19.02**	**9.67**	**-3.70**	**8.33**	**16.21**	**0.28**
IA Mixed Investment 20-60% Shares	-13.06	12.08	-5.11	7.20	10.57	1.51
IA refers to Investment Association benchmarks https://www.theia.org/industry-data/fund-sectors						

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated. **Notes:** Commentary based on the Schroder Monthly Income Fund. **Source:** Morningstar Direct, Fusion, Schroders March 2020.

POSITIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
Schroder Sterling Broad Market Bond	0.79%	Government bond markets posted more constructive returns as sovereign bonds benefited from unprecedented central bank stimulus and safe-haven investor flows.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

NEGATIVE CONTRIBUTORS TO PORTFOLIO PERFORMANCE

FUND NAME	FUND PERFORMANCE (Q1 2020)	COMMENTARY
Schroder ISF European Dividend Maximiser	-31.09%	Equity markets were extremely volatile in the first quarter as investors reacted to the latest news flow and tried to assess the impact of the COVID-19 pandemic on end-consumer demand and companies. Whilst not immune to the effects of an economic rout, the fund is well placed to weather the coming storm, allowing it to profit from future recovery.
Schroder Absolute Return	-30.11%	Since the downturn began, the market's focus has largely been on short-term profitability, and has not yet focused or distinguished between companies with differing balance sheet strength, as it almost inevitably will in due course.
Schroder Strategic Bond -10.82%	-28.14%	The impact of the COVID-19 pandemic was another setback for value focused investors as the initial reaction from the market was to sell down commodity and financial companies –several of which are held in the fund.

Source: Morningstar Direct, Fusion. March 2020. Net of Fees. Past performance is not a guide to future performance and may not be repeated.

RISK CONSIDERATIONS

- Past performance is not a guide to future performance and may not be repeated
- The value of investments and the income from them may go down as well as up and investors may not get back the amount originally invested
- This information is for illustrative purposes only and is not intended as investment advice, nor a solicitation to invest
- You may be exposed to currency risk caused by fluctuations in foreign exchange rates. This can adversely affect the value of your return and the value of your investment
- Unless the performance of an investment meets or exceeds the rate of inflation, the real value of that investment will reduce
- As a result of fees being charged to capital, the distributable income of the fund may be higher but there is the potential that performance or capital value may be eroded
- The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses
- Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk
- High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk
- A rise in interest rates generally causes bond prices to fall
- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless
- In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares
- A derivative may not perform as expected, and may create losses greater than the cost of the derivative

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