



**FUSION**  
ASSET  
MANAGEMENT

# FUSION CHAMPIONS **5**

Portfolio Report

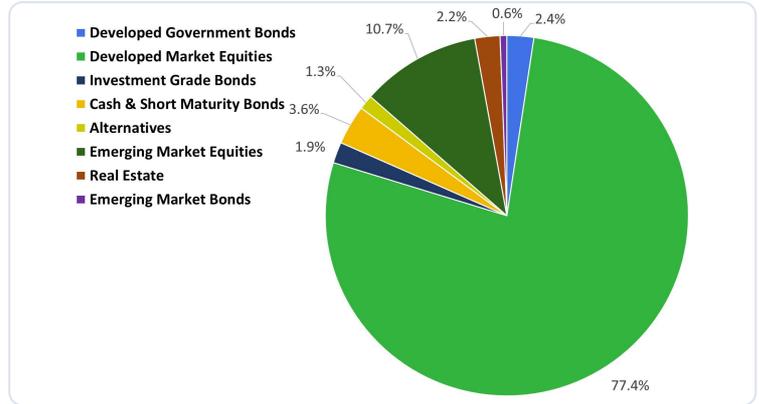
August 2022



## Portfolio Summary

Fusion Champions 5 portfolio is suitable for investors who understand that high investment return comes with increased risk of significant losses. Investors in the portfolio should be prepared to sustain risk of considerable temporary capital loss to achieve long-term capital appreciation in line with long-term returns from equity markets. The market exposure is achieved through a carefully selected portfolio of multi-asset funds of the appropriate risk levels.

The portfolio is allocated primarily into high growth/high risk assets diversified across types of risk and geographical focus. Fusion Champions 5 portfolio is recommended to investors with investment horizon of at least 5 to 7 years, who seek long-term returns and are prepared to accept significant risk of considerable temporary capital loss and risk profile mapped to Dynamic Planner 7 Risk Level.



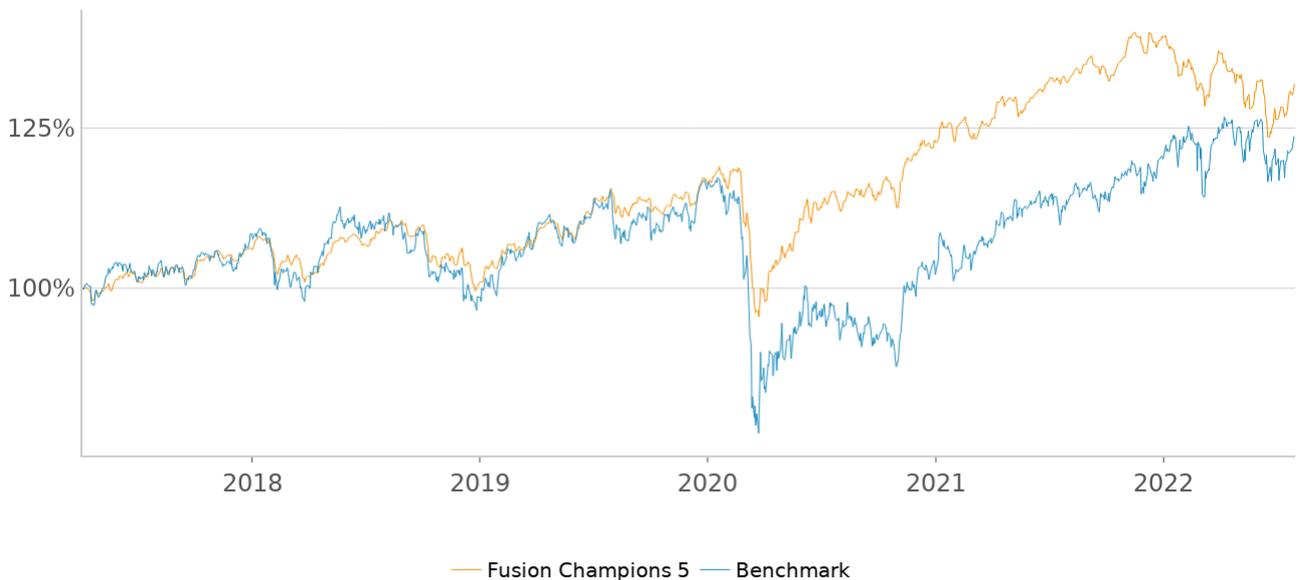
Fusion Portfolios are most suitable for investors who are seeking to get long-term returns, values who simplicity and transparency of the portfolios and are prepared to sacrificed active opportunities for low management and transaction fees.

## Investment Principles

Fusion Champions are built from multi-asset funds covered by FE Analytics database, with at least 5 years of trading history, maximal ongoing fund charge of 0.7% and corresponding to predefined Dynamic Planner profiler. The funds are then ranked with regards to quality of their returns on 3- and 5-year investment horizons to select 10 funds, out of which 5 of minimally correlated funds are selected to achieve maximal diversification. The chosen 5 funds are equally weighted to create the final portfolio.

The procedure is repeated quarterly, positions are re-balanced if weights move outside 3% confidence interval.

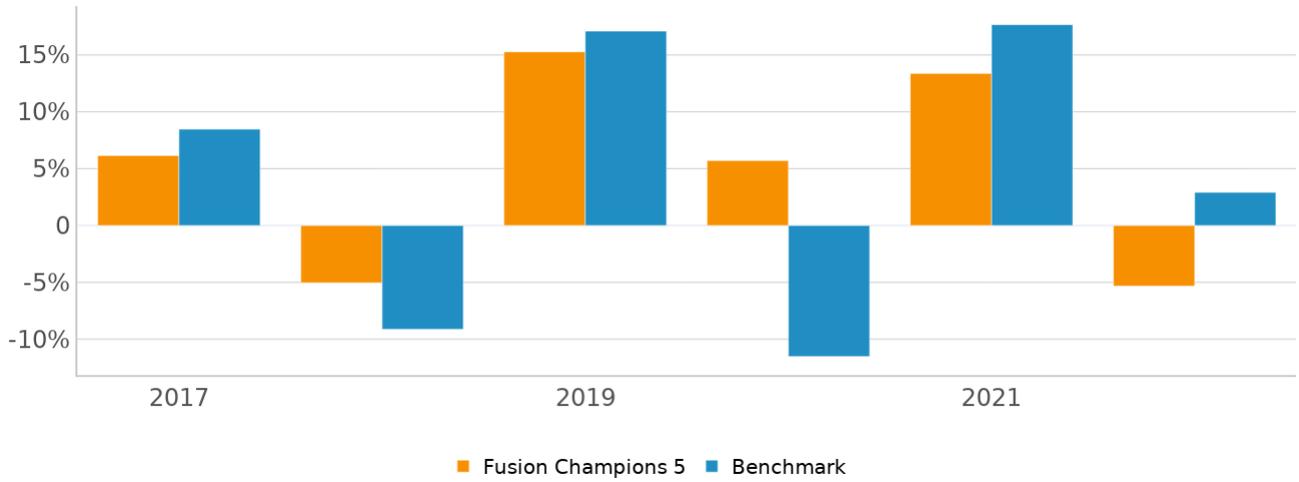
## Performance\* since inception:



The benchmark for the JustFA Champions 5 portfolio is the FTSE 100 Index tracker. The benchmark aims to represent the investment strategy of a client seeking an approach of a high growth portfolio corresponding to a high risk group.

\*Performance is synthetically built according to pure quantitative methodology of selecting equally-weighted portfolio of multi-strategy funds and actual performance of the selected funds.

### Historical Performance\*



|                  | PERFORMANCE (ANNUALISED) |       |       |                 | VOLATILITY (ANNUALISED) |        |        |                 | SHARPE RATIO |      |      |                 | MAXIMUM DRAWDOWN |
|------------------|--------------------------|-------|-------|-----------------|-------------------------|--------|--------|-----------------|--------------|------|------|-----------------|------------------|
|                  | 1Y                       | 3Y    | 5Y    | SINCE INCEPTION | 1Y                      | 3Y     | 5Y     | SINCE INCEPTION | 1Y           | 3Y   | 5Y   | SINCE INCEPTION |                  |
| <b>Portfolio</b> | -0.28%                   | 4.54% | 5.29% | 5.32%           | 9.89%                   | 11.71% | 10.37% | 10.15%          | -0.08        | 0.36 | 0.47 | 0.48            | -19.68%          |
| <b>Benchmark</b> | 9.38%                    | 2.81% | 3.94% | 4.13%           | 13.09%                  | 19.90% | 16.99% | 17.62%          | 0.68         | 0.12 | 0.21 | 0.10            | -49.97%          |

### Quarterly Performance\*

|                  | AVERAGE ANNUAL RETURN | AVERAGE QUARTER RETURN | BEST QUARTER | BEST QUARTER RETURN | WORST QUARTER | WORST QUARTER RETURN |
|------------------|-----------------------|------------------------|--------------|---------------------|---------------|----------------------|
| <b>Portfolio</b> | 5.32%                 | 1.29%                  | Q2 2020      | 12.95%              | Q1 2020       | -14.08%              |
| <b>Benchmark</b> | 4.07%                 | 1.17%                  | Q4 2020      | 11.06%              | Q1 2020       | -24.10%              |

\*Performance is synthetically built according to pure quantitative methodology of selecting equally-weighted portfolio of multi-strategy funds and actual performance of the selected funds.



Monthly Performance\*

|      |           | JAN    | FEB    | MAR     | APR    | MAY    | JUN    | JUL    | AUG    | SEP    | OCT    | NOV    | DEC    | YEAR    | OUTPERFORMANCE |
|------|-----------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|----------------|
| 2017 | Portfolio |        |        |         | -0.82% | 2.13%  | -0.33% | 0.89%  | 1.33%  | -1.23% | 2.73%  | -0.04% | 1.39%  | 6.15%   | -2.32%         |
|      | Benchmark |        |        |         | -1.35% | 4.82%  | -2.34% | 0.95%  | 1.60%  | -0.63% | 1.88%  | -1.88% | 5.42%  | 8.47%   |                |
| 2018 | Portfolio | 0.39%  | -1.42% | -2.99%  | 2.97%  | 2.18%  | -0.27% | 2.04%  | 0.70%  | -0.13% | -4.85% | 1.17%  | -4.57% | -5.05%  | 4.08%          |
|      | Benchmark | -2.27% | -3.44% | -1.94%  | 6.50%  | 2.74%  | -0.06% | 1.47%  | -3.37% | 1.24%  | -4.79% | -1.70% | -3.34% | -9.13%  |                |
| 2019 | Portfolio | 3.29%  | 1.59%  | 1.50%   | 2.90%  | -2.23% | 3.43%  | 3.28%  | -2.41% | 1.26%  | -1.05% | 1.80%  | 1.19%  | 15.28%  | -1.82%         |
|      | Benchmark | 3.52%  | 2.13%  | 3.23%   | 2.49%  | -3.00% | 4.09%  | 2.22%  | -4.08% | 2.99%  | -1.86% | 1.66%  | 2.91%  | 17.10%  |                |
| 2020 | Portfolio | -0.47% | -4.69% | -9.44%  | 6.76%  | 3.90%  | 1.83%  | -0.71% | 2.86%  | -0.49% | -1.77% | 7.19%  | 1.79%  | 5.70%   | 17.23%         |
|      | Benchmark | -3.43% | -9.03% | -13.61% | 4.27%  | 2.92%  | 1.66%  | -3.90% | 1.58%  | -1.45% | -4.53% | 12.42% | 3.48%  | -11.53% |                |
| 2021 | Portfolio | 0.11%  | 0.29%  | 2.29%   | 2.75%  | -0.40% | 2.39%  | 0.01%  | 2.39%  | -0.80% | 1.34%  | 0.69%  | 1.64%  | 13.37%  | -4.30%         |
|      | Benchmark | -0.97% | 1.62%  | 4.11%   | 4.02%  | 1.09%  | 0.23%  | 0.28%  | 1.90%  | -0.34% | 2.32%  | -2.29% | 4.66%  | 17.67%  |                |
| 2022 | Portfolio | -3.88% | -1.37% | 3.67%   | -2.61% | -0.67% | -4.61% | 4.38%  |        |        |        |        |        | -5.33%  | -8.25%         |
|      | Benchmark | 1.42%  | 0.25%  | 1.66%   | 0.68%  | 1.02%  | -5.59% | 3.71%  |        |        |        |        |        | 2.92%   |                |

\*Performance is synthetically built according to pure quantitative methodology of selecting equally-weighted portfolio of multi-strategy funds and actual performance of the selected funds.



## Portfolio Components

| ASSET CLASS  | NAME   | WEIGHT | RETURN |       |       | VOLATILITY |        |        |
|--------------|--|--------|--------|-------|-------|------------|--------|--------|
|              |  |        | 1Y     | 3Y    | 5Y    | 1Y         | 3Y     | 5Y     |
| Alternatives | HSBC Global Strategy Dynamic Portfolio                 | 20.00% | 0.54%  | 6.69% | 7.42% | 10.44%     | 12.31% | 11.52% |
|              | Vanguard LifeStrategy 100% Equity Fund                 | 20.00% | 2.82%  | 7.40% | 8.29% | 12.26%     | 16.52% | 14.84% |
|              | Aberdeen Standard OEIC III - ASI MyFolio Market V Fund | 20.00% | -1.01% | 4.20% | 5.73% | 13.11%     | 16.77% | 14.64% |
|              | Santander Atlas Portfolio 7                            | 20.00% | 0.83%  | 4.95% | 5.28% | 11.32%     | 14.03% | 12.33% |
|              | Legal & General - Multi-Index 7 Fund                   | 20.00% | -1.13% | 5.26% | 6.27% | 10.92%     | 14.67% | 12.88% |

### Fees & Charges:

Total Ongoing charges for underlying funds **0.33%**

Management Charge **0.10%**

## Description of Components

### HSBC GLOBAL STRATEGY DYNAMIC PORTFOLIO

HSBC Global Strategy Dynamic Portfolio is an open-end fund incorporated in the United Kingdom. The Fund's objective is to provide capital growth. The Fund invests in a broad range of asset classes across global markets, with a bias towards equities. The Fund mainly invests in collective investment funds and exchange-traded funds that aim to match the return of market indices.

### VANGUARD LIFESTRATEGY 100% EQUITY FUND

Vanguard LifeStrategy 100% Equity Fund is an open-end fund incorporated in the United Kingdom. The Fund's objective is to gain exposure to a diversified notional portfolio comprised of 100% by value of equity. The Fund invests in passive, index-tracking collective investment funds which are managed or operated by the ACD or its associates.

### ABERDEEN STANDARD OEIC III - ASI MYFOLIO MARKET V FUND

ASI MyFolio Market V Fund is an open end fund incorporated in the United Kingdom. The Fund aims to generate growth over the long term (5 years or more) while being managed to a defined level of risk. The fund is part of the MyFolio Market range, which offers five funds with different expected combinations of investment risk and return.

### SANTANDER ATLAS PORTFOLIO 7

Santander Atlas Portfolio 7 is a UCITS certified open-end investment company incorporated in the United Kingdom. The aim of the Fund is to achieve long-term equity growth. The Fund invests in a broadly diversified portfolio of global equities.

### LEGAL & GENERAL - MULTI-INDEX 7 FUND

Legal & General - Multi-Index 7 Fund is an open-end fund incorporated in the United Kingdom. The Fund's objective is to generate capital growth and income. The Fund will have exposure primarily to equities, with minor exposure to fixed income securities (both government and non-government) and cash. The Fund will stay within band 7 of the risk bands with 10 being the highest.

## A Guide to Portfolio Report

### Portfolio Summary

Portfolio description gives a Portfolio overview, including the description of target investors, portfolio building approach, resulted asset allocation and recommended investment horizon.

### Investment Principles

The main principles applied by test to building investment portfolios, including Strategic Asset Allocation methods and investment Component selection process applied to achieve optimal performance for a range of risk profiles.

### Historical Performance

Historical performance analysis is based on applying chosen systematic Asset Allocation approach retrospectively on historical market data to determine weightings for a range of Asset Classes on an annual basis. Component selection within Asset Classes is based on matching target portfolio risk level. The prices used in historical valuations are mid-market prices for Components quoted on a stock exchange. For Components that are not quoted on a stock exchange, the valuation has been based on fair value. This is our best judgement of the price likely to be agreed between a willing buyer and willing seller, dealing on an arm's length basis, where both are in possession of all freely available information concerning those Components.

Missing prices for Components with insufficient pricing history are proxied by using corresponding data for the best suitable alternative, which the Component is reasonably assumed to track, and applying reasonable transaction costs.

Portfolio historical performance is displayed on the graphs and its statistical analysis is summarized in the tables showing Performance, Volatility and Sharpe Ratio. The graph and the statistics is shown against the corresponding Portfolio Benchmark. The historical performance is calculated on a daily basis. All Volatility figures are annualized.

All performance is gross of fees.

### Portfolio Benchmark

The benchmark for the JustFA Champions 5 portfolio is the FTSE 100 Index tracker. The benchmark aims to represent the investment strategy of a client seeking an approach of a high growth portfolio corresponding to a high risk group.

### Portfolio Asset Allocation

This shows the various Asset Classes that the portfolio is invested in and the percentage allocated to each of them within the portfolio.

### Portfolio Components

A table of Components, which the portfolio is invested in, with the proportions of the total portfolio amount and individual Components Performance, Volatility and Sharpe Ratio.

## Glossary of Terms

### Asset Class

An asset class is a group of securities that exhibits similar characteristics, behaves similarly in the marketplace and is subject to the same laws and regulations. The three main asset classes are equities, or stocks; fixed income, or bonds; and cash equivalents, or money market instruments. Some investment professionals add real estate and commodities, and possibly other types of investments, to the asset class mix.

### Asset Allocation

The investment split between various asset classes as a percentage.

### Component

A portfolio component represented either by a financial product, which can be traded between financial counterparties, or an index, which can be accurately tracked by a financial product.

### Protective Component

A financial product or an index constructed to ensure significant performance increase in times of financial crisis.

### Volatility

A common statistical measure used to assess the risk levels of different investments. It is an annualised figure measuring the dispersion of monthly returns around the average monthly return of that security. If a portfolio has a high volatility, this suggests a greater variation of returns.

### Drawdown

Drawdown is a measure of the downside risk of a portfolio. It is peak-to-trough decline during a specific recorded period of an investment, fund or commodity. It can be applied directly to the size of the portfolio giving an estimate of how much money you could lose at some intermediate point during the life of the investment strategy. Maximum drawdown is the maximum loss from a peak to a trough of a portfolio.

### Sharpe ratio

The Sharpe ratio is a risk-adjusted measure of return that is used to evaluate the performance of a portfolio. The ratio helps to make the performance of one portfolio comparable to that of another by making an adjustment for the level of risk associated with the underlying assets held within the portfolio.

## Company Information

Fusion Asset Management LLP (Fusion) is an investment management firm which was set up in 2004. The firm is based in London and is regulated by the FCA. The core of Fusion expertise lies in the combination of extensive market experience with a quantitative approach to portfolio construction and risk management discipline. The firm culture aims at maintaining the stability of the investment and operations teams, helping to preserve the expertise and development of investment know-how. Fusion has a 15+ year track record of managing investment products and providing advisory services, with particular emphasis on protective strategies. Fusion uses its expertise in protective strategies across all Fusion products.

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