

ProActive Planet 5

Portfolio report
1 NOVEMBER 2022

ESG Investing

Environmental, Social and Governance, or ESG investing, is a form of sustainable investing which considers an investment’s overall impact on society and the world at large as well as its financial returns.

An ESG portfolio is made up of components that invest in a range of investment strategies which consider these Environmental, Social and Governance factors. The factors aim to remove or limit exposure to controversial or damaging industries and increase exposure to those having a positive impact.

The carefully selected portfolio components within the JustFA ESG offering are among the leading scorers for independent ESG ratings. The portfolios meet the needs of investors who feel a responsibility to consider the broader consequence of their investment decisions and would like to have a positive impact on the world.

We believe that the consideration of ESG factors can play a vital role in a long-term investment strategy. ESG factors can strongly impact corporations, their costs and operating cash flows. Good ESG practices increase the value of assets and greatly improve access to financing. ESG factors can therefore be thought of as an additional screen which provides an extra layer of risk mitigation that can lead to greater and more sustainable risk-adjusted returns.



Investment Principles

Fusion ProActive Planet portfolios are based on systematic Strategic Asset Allocation, shared by the Fusion Active and Fusion Optima portfolio ranges, derived from a well-established scientific approach aiming to maximise expected long-term return within well-defined behavioural and risk parameters. The Strategic Asset Allocation assumes that markets are at fair value. Then medium-term market forecast can be overlaid to adjust the allocation by incorporating current market trends.

Fusion Portfolio components for each asset class are carefully selected from a wide range of well-established product providers, targeting outperformance of their respected benchmarks. Within the Fusion ESG offering, each of the selected components has been recognised as meeting environmental, social and governance standards according to the MSCI ESG ratings. Each of the constituent funds, and hence the overall portfolio, has a sustainable mandate and as such the underlying sources from which the portfolio returns are derived are of a responsible nature.

Systematic management of the Portfolio Drawdown at the level of Strategic Asset Allocation is a distinctive feature of all Fusion portfolios. At times of market crisis, such approach helps to mitigate investment losses intrinsic to traditional portfolios.

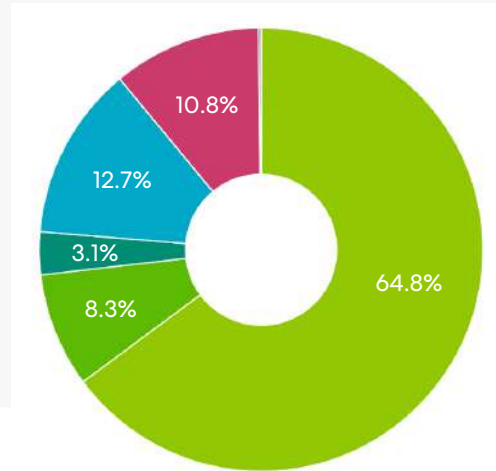


Portfolio summary

Fusion ProActive Planet 5 is an aggressive portfolio, comprised of a diversified selection of actively managed mutual funds which satisfy the Fusion ESG selection criteria. It is designed for investors, who would like to combine both systematic asset allocation and the expertise of active fund managers to take advantage of expert market timing and individual asset selection. Systematic allocation allows reasonable risks to be taken to achieve targets on strategical levels. Additionally, the prowess of active fund managers allows them to take advantage of market timing, individual asset selection and short-term market opportunities.

It is a high-risk portfolio suitable for investors, who understand that high investment return comes with increased investment risk and are prepared to sustain the risk of considerable temporary capital loss to achieve capital appreciation in line with long-term returns from equity markets. The portfolio is primarily allocated into high growth and risk assets, diversified across risk types and geographical focus.

FFusion ProActive Planet 5 is recommended for investors with investment horizon of at least 5 to 7 years, who seek long-term returns and are prepared to accept the significant risk of considerable temporary capital loss.



- Developed Market Equities
- Emerging Market Equities
- Alternatives
- Developed Government Bonds
- Investment Grade Bonds
- Cash

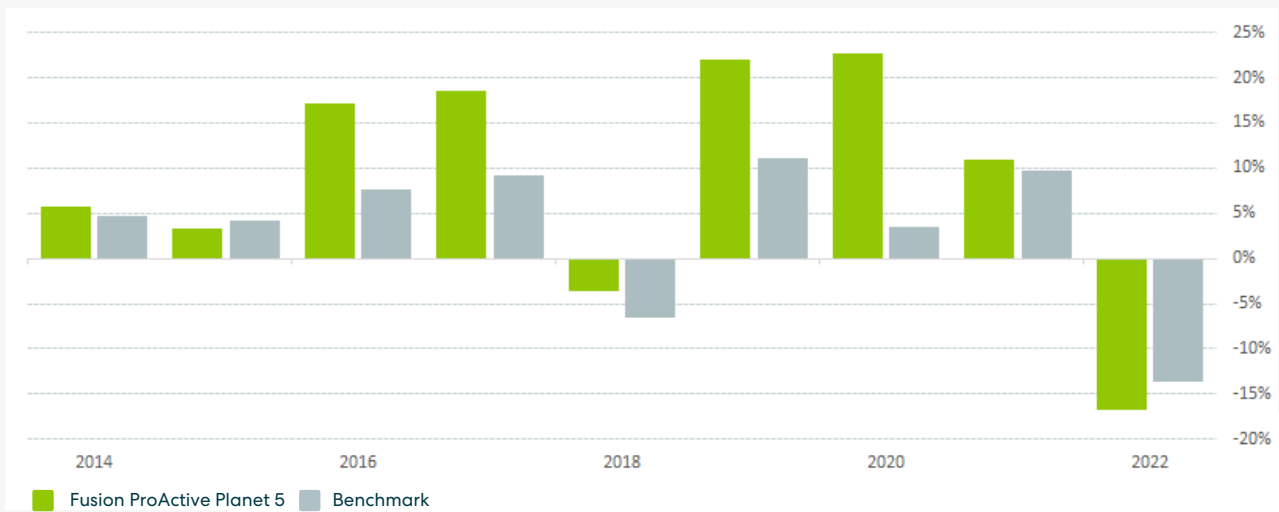
Performance since inception



The benchmark is Abrdn MyFolio Managed III fund which has one of the lowest tracking error with **IA Mixed investments 40-85 index**. Performance prior 2013 April is reconstructed from the index performance.

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 the same models and algorithms that are currently used in the Fusion Active and Fusion Optima portfolios that have been live since 2018 utilising ESG funds which typically have a shorter live history. Where the fund does not have the required history, it is substituted by the corresponding index.

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 | |
| Portfolio | -15.90% | 5.66% | 6.24% | 8.92% | 14.00% | 13.49% | 11.99% | 11.14% | -1.21 | 0.38 | 0.47 | 0.76 | -21.50% |
| Benchmark | -12.47% | 0.22% | 0.59% | 3.31% | 9.48% | 10.89% | 9.29% | 8.11% | -1.43 | -0.02 | 0.00 | 0.35 | -20.74% |

Quarterly performance

| | Average annual return | Average quarter return | Best quarter | Best quarter return | Worst quarter | Worst quarter return |
|-----------|-----------------------|------------------------|--------------|---------------------|---------------|----------------------|
| Portfolio | 8.92% | 2.27% | Q2 2020 | 17.42% | Q2 2022 | -10.56% |
| Benchmark | 3.31% | 0.93% | Q2 2020 | 11.25% | Q1 2020 | -15.14% |

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Monthly performance

| | | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year | Outperformance |
|------|-----------|--------|--------|---------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|----------------|
| 2014 | Portfolio | | | | | | | 0.60% | 2.21% | -1.78% | 2.07% | 3.53% | -0.86% | 5.80% | |
| | Benchmark | | | | | | | 0.58% | 1.45% | -0.49% | 0.14% | 2.75% | 0.16% | 4.65% | 1.15% |
| 2015 | Portfolio | 3.22% | 1.44% | 2.35% | -1.08% | 2.02% | -4.66% | 1.33% | -4.26% | -2.87% | 4.29% | 2.29% | -0.36% | 3.26% | |
| | Benchmark | 1.85% | 1.46% | 1.13% | -0.37% | 1.43% | -2.41% | 0.92% | -1.82% | -2.45% | 3.69% | 0.92% | -0.09% | 4.15% | -0.89% |
| 2016 | Portfolio | -3.45% | 2.12% | 3.28% | 0.07% | 1.14% | 2.87% | 6.00% | 2.49% | 0.14% | 1.38% | -2.29% | 2.54% | 17.15% | |
| | Benchmark | -3.46% | 1.20% | 1.83% | 0.28% | 1.02% | -1.01% | 3.90% | 1.83% | 0.45% | 0.72% | -1.54% | 2.35% | 7.63% | 9.52% |
| 2017 | Portfolio | 1.47% | 2.61% | 2.12% | 0.74% | 3.65% | -0.37% | 1.87% | 2.64% | -1.40% | 2.83% | -0.33% | 1.47% | 18.60% | |
| | Benchmark | 0.29% | 1.95% | 0.72% | 0.17% | 1.57% | -0.63% | 1.24% | 0.91% | -0.87% | 2.38% | -0.01% | 1.18% | 9.20% | 9.40% |
| 2018 | Portfolio | 0.83% | -1.55% | -2.21% | 2.60% | 2.90% | 0.08% | 1.51% | 1.97% | -1.12% | -5.69% | 1.31% | -3.93% | -3.65% | |
| | Benchmark | -0.39% | -1.30% | -2.04% | 1.57% | 1.44% | -0.34% | 1.26% | -0.01% | -0.35% | -4.43% | 0.34% | -3.00% | -6.47% | 2.82% |
| 2019 | Portfolio | 3.91% | 1.91% | 2.52% | 3.33% | -0.63% | 3.69% | 3.27% | -0.63% | 0.36% | -1.11% | 2.28% | 1.31% | 21.99% | |
| | Benchmark | 3.27% | 0.72% | 1.32% | 1.20% | -1.83% | 2.45% | 2.17% | -1.60% | 0.68% | -0.42% | 1.09% | 1.63% | 11.07% | 10.92% |
| 2020 | Portfolio | 1.66% | -3.20% | -8.06% | 8.41% | 5.05% | 3.10% | 1.79% | 2.37% | 1.06% | -0.81% | 7.22% | 3.08% | 22.64% | |
| | Benchmark | -0.28% | -4.09% | -11.25% | 6.56% | 4.97% | 1.39% | -0.06% | 1.71% | -0.14% | -0.82% | 6.58% | 2.16% | 3.48% | 19.16% |
| 2021 | Portfolio | 0.14% | -1.07% | 1.09% | 3.55% | -1.04% | 3.52% | 1.38% | 4.02% | -2.98% | 1.52% | -0.37% | 0.92% | 10.94% | |
| | Benchmark | -0.22% | 0.07% | 1.64% | 2.74% | 0.14% | 1.31% | 0.52% | 2.45% | -1.32% | 0.63% | -0.53% | 2.01% | 9.76% | 1.21% |
| 2022 | Portfolio | -7.74% | -2.72% | 3.50% | -3.65% | -0.81% | -6.42% | 7.72% | -1.89% | -7.03% | 2.47% | | | -16.35% | |
| | Benchmark | -4.36% | -2.12% | 1.88% | -2.06% | -0.82% | -4.82% | 3.74% | -0.69% | -5.38% | 0.38% | | | -13.73% | -2.62% |

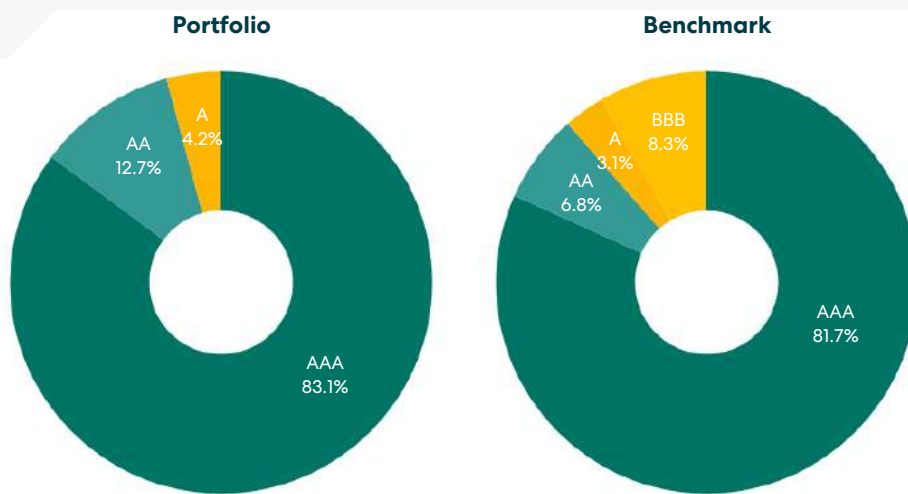
The performance figures in this report are based on the live performance of the portfolio since September 2021. Performance before this date is simulated by applying the same models and algorithms that are currently used in the Fusion Active and Fusion Optima portfolios that have been live since 2018 utilising ESG funds which typically have a shorter live history. Where the fund does not have the required history, it is substituted by the corresponding index.

ESG Metrics

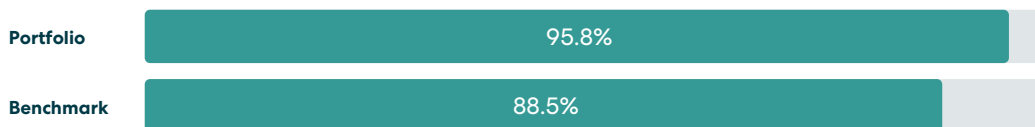
Components ESG Rating



An MSCI ESG Rating is designed to measure a company’s resilience to long-term, industry material environmental, social and governance (ESG) risks. MSCI uses a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

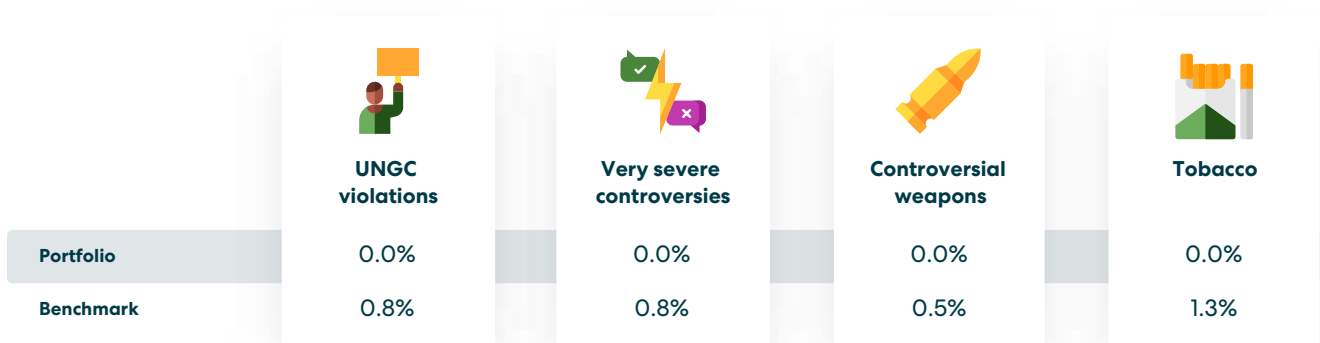


Top rated (AA+) Allocation



Social safeguards screens

The fund's exposure to companies flagged for certain frequently used social safeguards screens.



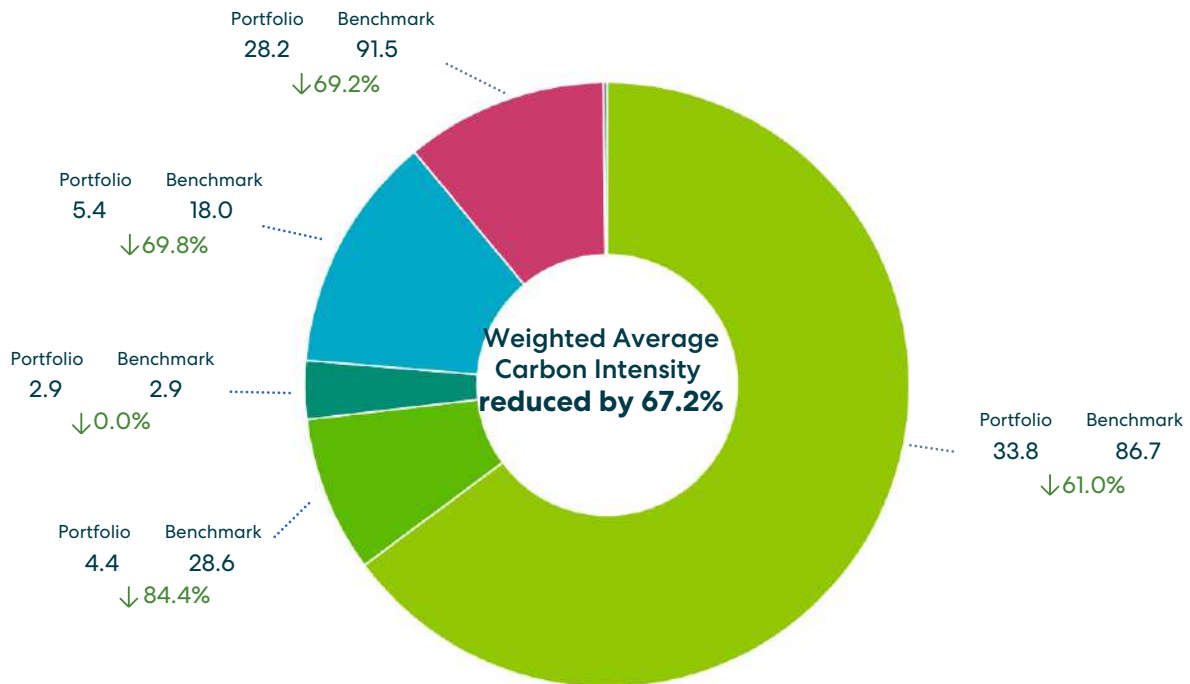
The impact of your ESG Investment

If building an ESG portfolio was simply just a case of selecting the components with the best environmental ratings and lowest carbon production then the portfolios diversification would be **significantly reduced**, as only companies with relatively low carbon footprints such as financials and IT would be selected. In this case, historically low rated ESG industries, which are necessary for the transition to a responsible world and as such have the power to have the greatest impact on sustainability, such as Infrastructure and Green Energy solutions, would be excluded.

To build a portfolio that has the greatest impact on creating a sustainable future, we include and support the companies within these industries that are committed to **positive change** and aim to offer new solutions in the pursuit of a sustainable future. This is why we include exposure to Emerging Markets and Alternatives, represented by Energy and Infrastructure, within our portfolio.

Weighted Average Carbon Intensity

The weighted average carbon intensity of an investment portfolio is an important indicator of the carbon footprint of your investments. The diagram shows a comparison of Fusion ProActive Planet 5 against the benchmark at the level of each asset class within the portfolio. It demonstrates a significant reduction in the carbon footprint of the portfolio in comparison to the benchmark as a whole and within each of the asset classes.



- Developed Market Equities
- Emerging Market Equities
- Alternatives
- Developed Government Bonds
- Investment Grade Bonds
- Cash

The weighted average carbon intensity has been calculated by multiplying the component's weight by the component's carbon intensity value. For the benchmark portfolio, components were selected to represent each asset class in line with the MSCI index tracker. Where this was not available for selection, other market trackers have been selected in replacement.

Top 10 holdings

72.5% of the portfolio

| Asset class | Name | MSCI ESG rating | Return | | | Volatility | | |
|-------------|--|-----------------|---------|--------|--------|------------|--------|--------|
| | | | 1Y | 3Y | 5Y | 1Y | 3Y | 5Y |
| Bonds | Rathbone Ethical Bond Fund | AAA | -20.12% | -4.38% | -0.81% | 8.10% | 7.46% | 6.06% |
| | Liontrust Sustainable Future Corporate Bond Fund | AAA | -21.55% | -5.96% | -2.00% | 10.47% | 9.20% | 7.44% |
| Equities | Legg Mason ClearBridge US Equity Sustainability Leaders Fund | AAA | -3.05% | 15.50% | 15.23% | 19.91% | 18.94% | 17.40% |
| | Brown Advisory US Sustainable Growth Fund (Hedged) | AAA | -33.82% | 8.02% | N/A | 29.90% | 26.54% | N/A |
| | M&G European Sustain Paris | AAA | -10.53% | 3.88% | 2.90% | 17.48% | 18.48% | 16.09% |
| | Liontrust UK Ethical Fund | AAA | -26.44% | -2.82% | 1.40% | 19.31% | 22.89% | 19.22% |
| | Royal London Sustainable Leaders Trust | AAA | -12.02% | 4.03% | 6.45% | 15.91% | 18.11% | 15.67% |
| | Janus Henderson Global Sustainable Equity Fund | AAA | -11.30% | 12.32% | 11.01% | 19.81% | 19.38% | 17.52% |
| | Liontrust Sustainable Future Global Growth Fund | AAA | -19.73% | 9.41% | 10.22% | 22.10% | 20.46% | 18.09% |
| | Morgan Stanley Funds UK - Global Sustain Fund (Hedged) | AAA | -18.18% | N/A | N/A | 17.60% | N/A | N/A |

Fees & charges

Total Ongoing charges for underlying funds 0.73%

Management Charge 0.30%

Description of Components

ESG Justification

RATHBONE ETHICAL BOND FUND

Rathbone Ethical Bond Fund is an authorized unit trust incorporated in the United Kingdom. The aim of the Fund is to provide a regular above-average income through investment in a range of bonds and bond market instruments that meet strict criteria ethically and financially.

Carbon Intensity **7.8 tons (Very Low)**
 Flagged Company Exposure **0%**

The fund applies negative screening criteria to exclude from its universe any issuers of corporate bonds in breach of any of its ten exclusion criteria including Alcohol, Environmental or high-carbon impact and Animal Welfare, before ensuring that issuers satisfy at least one of the fund's six positive criteria requirements including Green, Climate, sustainability and social bonds.

LIONTRUST SUSTAINABLE FUTURE CORPORATE BOND FUND

Liontrust Sustainable Future Corporate Bond Fund is an open-end Fund domiciled in the United Kingdom. The Fund's aim is to provide a high level of investment income. The Fund invests principally in sterling denominated fixed-interest securities issued by corporates, governments and supranational institutions .

Carbon Intensity **77.7 tons (Moderate)**
 Flagged Company Exposure **0%**

The Liontrust Sustainable Investment's screening criteria ensures they limit or completely avoid investments in companies exposed to activities that cause damage to society and the environment. This is achieved through setting a threshold, currently at 5%, on the revenues that companies can derive from unsustainable and unethical activities and still be included in the fund. 15 issues are considered in this screening process including tobacco, gambling, intensive farming and weapons systems.

ROYAL LONDON SUSTAINABLE LEADERS TRUST

Royal London Sustainable Leaders Trust is an authorized unit trust incorporated in the United Kingdom. The aim of the Trust is to provide capital growth from a diverse portfolio of equities, mainly in the U.K. The Trust invests in companies who are active in improving the environment, human health, safety and quality of life.

Carbon Intensity **80.6 tons (Moderate)**
 Flagged Company Exposure **0%**

This fund is constructed in accordance with RLAM's Sustainable Investment Process. For every prospective underlying investment, the RLAM team conduct a detailed ESG assessment of that business. The Environmental perspective includes an assessment of carbon intensity and water usage among other factors. The Social assessment involves topical issues such as the taxation practices of the company and for Governance, the remuneration and structure of the corporate board is assessed to ensure they will act in the shareholder's interest. They also screen out companies exposed to, or likely to be, certain sectors or damaging and controversial activities e.g., human rights abuses and animal testing.

Description of Components

ESG Justification

LIONTRUST UK ETHICAL FUND

Liontrust UK Ethical Fund is an open-end fund incorporated in the United Kingdom. The Fund's objective is long-term capital appreciation. The Fund invests in UK equity market. Security selections will be based on price and long-term total return prospects and meets defined ethical considerations and will benefit from improvements in environmental standard.

| | |
|--------------------------|-----------------|
| Carbon Intensity | 59.2 tons (Low) |
| Flagged Company Exposure | 0% |

The Liontrust Sustainable Investment's screening criteria ensures they limit or completely avoid investments in companies exposed to activities that cause damage to society and the environment. This is achieved through setting a threshold, currently at 5%, on the revenues that companies can derive from unsustainable and unethical activities and still be included in the fund. 15 issues are considered in this screening process including tobacco, gambling, intensive farming and weapons systems.

LEGG MASON CLEARBRIDGE US EQUITY SUSTAINABILITY LEADERS FUND

Legg Mason ClearBridge US Equity Sustainability Leaders Fund is an open-end fund incorporated in Ireland. The Fund's objective is to provide long term capital appreciation. The Fund invests at all times at least 85 percent of its Net Asset Value in US equity securities.

| | |
|--------------------------|----------------------|
| Carbon Intensity | 80.8 tons (Moderate) |
| Flagged Company Exposure | 0% |

Franklin Templeton's Sustainable Investing Principles and Policies apply to this fund. As such, the consideration of Sustainability Risks covering Governance (e.g. Anti-bribery & corruption), Environment (e.g. climate change mitigation and adaptation) and Social Affairs (e.g. Anti-child and forced labour policies) factors are an embedded part of their investment process.

BROWN ADVISORY US SUSTAINABLE GROWTH FUND (HEDGED)

Brown Advisory U.S. Sustainable Growth Fund seeks capital appreciation by investing primarily in U.S. equities. The Fund invests in equity securities of U.S. companies with sound fundamentals and sustainable drivers of growth.

| | |
|--------------------------|-----------------|
| Carbon Intensity | 25.2 tons (Low) |
| Flagged Company Exposure | 0% |

The fund intends to invest in companies with measurable ESG outcomes, as determined by Brown Advisory, and seeks to screen out particular companies and industries. In addition to their propriety and qualitative ESG analysis, Brown Advisory rely on a third-party provider to apply a rules-based screening process which seeks to identify companies that may have controversial business involvement. For example, the fund seeks to exclude companies that may defy the UN Global Compact Principles and also seeks to impose investment guidelines on possible controversies including, but not limited to, controversial weapons, animal testing, fossil fuels, adult entertainment, alcohol, tobacco and gambling.

Description of Components

JANUS HENDERSON GLOBAL SUSTAINABLE EQUITY FUND

Janus Henderson Global Sustainable Equity Fund is an open-end investment company incorporated in the United Kingdom. The objective is to provide long-term capital growth by investing in a portfolio of global companies whose products and services contribute to positive environmental or social change and thereby have an impact on the development of a sustainable global economy.

ESG Justification

| | |
|--------------------------|-----------------|
| Carbon Intensity | 54.8 tons (Low) |
| Flagged Company Exposure | 0% |

Janus Henderson's Sustainable Investment framework includes investing in accordance with ten sustainable development investment themes which fall into four categories; Human Rights, Labour, Environment and Anti-Corruption which ensures all holdings in the strategy are UN Global Compact compliant. This is then combined with strict 'Do No Harm' avoidance screening criteria which excludes investments associated with 15 areas including fossil fuels extraction, fur, alcohol and tobacco.

LIONTRUST SUSTAINABLE FUTURE GLOBAL GROWTH FUND

Liontrust Sustainable Future Global Growth Fund is an open-end investment company incorporated in the United Kingdom. The Fund's aim is to provide long-term capital appreciation. The Manager's policy is diversified investment principally within and across global equity markets. Allocations to individual markets will vary over time.

| | |
|--------------------------|-----------------|
| Carbon Intensity | 29.3 tons (Low) |
| Flagged Company Exposure | 0% |

The Liontrust Sustainable Investment's screening criteria ensures they limit or completely avoid investments in companies exposed to activities that cause damage to society and the environment. This is achieved through setting a threshold, currently at 5%, on the revenues that companies can derive from unsustainable and unethical activities and still be included in the fund. 15 issues are considered in this screening process including tobacco, gambling, intensive farming and weapons systems.

Description of Components

M&G EUROPEAN SUSTAIN PARIS

M&G European Sustain Paris Aligned Fund is an OEIC domiciled in the UK. The Fund aims to provide a higher total return than the MSCI Europe ex UK Index over any 5-year period. The fund will invest in companies that contribute to the Paris Agreement climate change goal.

ESG Justification

| | |
|--------------------------|-----------------|
| Carbon Intensity | 57.3 tons (Low) |
| Flagged Company Exposure | 0% |

The fund aims to invest in companies that contribute towards the Paris Agreement climate change goal of keeping a global temperature rise this century well below two degrees Celsius above pre-industrial levels. At least 80% of the fund is invested in the shares of sustainable companies, therefore sustainability considerations are fully integrated into the investment process. Companies that are assessed to be in breach of the United Nations Global Compact principles on human rights, labour, environment and anti-corruption are excluded from the investment universe. Industries such as tobacco and controversial weapons are also excluded.

Morgan Stanley Global Sustain (Hedged)

Morgan Stanley Funds (UK) Global Sustain Fund seeks long-term growth of your investment. The investment team believes that the best way to compound your wealth is by owning very high-quality companies with sustainable high returns over the long term.

| | |
|--------------------------|-----------------|
| Carbon Intensity | 23.2 tons (Low) |
| Flagged Company Exposure | 0% |

The Fund typically invests in intrinsically carbon-light companies and has a significantly lower carbon footprint than the broader market, with a robust carbon-related exclusions policy and filtering process. In addition to its carbon exclusions, the Portfolio has a number of business activity* exclusions, including alcohol, gambling, tobacco and weapons. The investment team views long-term portfolio manager-led engagement as a critical underpinning to an active investment process.

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 management fees.

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.

ESG Metrics

Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights.

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.

Weighted Average Carbon Intensity

Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or the benchmark.

The weighted Average Carbon Intensity is calculated using the MSCI's methodology at fund level which is then used to calculate the overall score for the portfolio. A funds Weighted Average Carbon Intensity is achieved by calculating the carbon intensity for each of the portfolio's constituent companies and calculating the weighted average by portfolio weight.

At the company level, the carbon intensity represents the company's most recently reported or estimated greenhouse gas emissions normalized by sales in USD (tCO₂e/\$M sales), which allows for comparison between companies of different sizes. MSCI ESG Research collects company-specific direct and indirect greenhouse gas emissions data from company public documents and the Carbon Disclosure Project.

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.

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.

ESG Portfolio

Environmental, social and governance, or ESG investing, is a form of sustainable investing which considers an investment's overall impact as well as its financial returns. Therefore an ESG portfolio is made up of components which invest in a range of investment strategies which consider these Environmental, Social and Governance factors, with the aim of reducing exposure to controversial or damaging industries and increasing exposure to those having a positive impact.

Environmental issues relate to the quality and functioning of the natural environment and natural systems, such as carbon emissions, environmental regulations, water stress and waste.

Social issues relate to the rights, wellbeing and interests of people and communities, such as labour management, health & safety and product safety.

Governance issues relate to the management and oversight of companies and other investee entities, such as board, ownership and pay.

ESG Ratings

We use the MSCI ESG ratings to measure the extent to which the portfolio and its components satisfy and meet ESG criteria.

An MSCI ESG Rating is designed to measure a company's resilience to long-term, industry material environmental, social and governance (ESG) risks. MSCI use a rules-based methodology to identify industry leaders and laggards according to their exposure to ESG risks and how well they manage those risks relative to peers. The ESG Ratings range from leader (AAA, AA), average (A, BBB, BB) to laggard (B, CCC).

Glossary of Terms

Social Safeguard Screens

This metric measures the portfolios exposure to companies flagged for certain frequently used social safeguard screens, namely UNGC Violations, Very Severe Controversies, Controversial Weapons and Tobacco.

UNGC Violations

In relation to UNGC Violations, the % indicates the proportion of the portfolios underlying holdings which are invested in activities that are in violation of the UN Global Compact (UNGC) principles, in accordance with the MSCI ESG Research methodology.

Very Severe Controversies

The % for Very Severe Controversies represents the proportion of the portfolios underlying holdings that are facing Very Severe Controversies related to the environment, customers, human rights, labor rights or governance, in accordance with the MSCI ESG Controversies methodology.

Controversial Weapons

For Controversial Weapons, the % indicates the percentage of the portfolios holdings that have any direct or indirect involvement in landmines, cluster munitions or biological, chemical, depleted uranium, blinding laser weapons, incendiary weapons, and/or non-detectable fragments.

Tobacco

For Tobacco, the % shows the proportion of the portfolios underlying investments that are tobacco producers that derive >5% revenue from tobacco production, as well as tobacco distributors, suppliers, and retailers if the combined revenue of these activities is >15% of total revenues.



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 16+ 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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Legal information

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