Fusion Generation

Factsheet | 01 Jan 2024

PORTFOLIO SUMMARY

- High risk portfolio within the Optima ETF portfolio range
- Designed to provide long-term growth in line with equity dividend yield and capital market appreciation
- Suitable for investors, who understand that high return comes with increased risk of significant losses and are prepared to sustain the risk of considerable short-term capital loss to achieve long-term capital appreciation
- The objective of portfolio is to systematically capture risk premiums while minimizing investment costs. This is accomplished by employing highly liquid ETFs with low charges.

PORTFOLIO INFORMATION

Inception Date	Dec 2018
Investment Horizon	At least 7 years
Total Ongoing charges for underlying funds	0.20%
Management Charge	0.25%

INVESTMENT PRINCIPLES

Fusion Optima portfolios aim to systematically harvest risk premiums while minimizing the costs of the investments by utilising ETFs with high liquidity and low charges. These are carefully selected from a wide range of well-established product providers, targeting outperformance of their respected benchmarks.

The range is based on systematic Strategic Asset Allocation, aiming to maximise expected long-term return within well-defined risk parameters. Medium-term market forecasts are overlaid to adjust the allocation by incorporating current market trends.

RISK SCORE

defaqto 7 RISK RATING MEDIUM TO HIGH RISK

DYNAMIC PLANNER PROFILED 7

SYNAPTIC RISK RATING 8

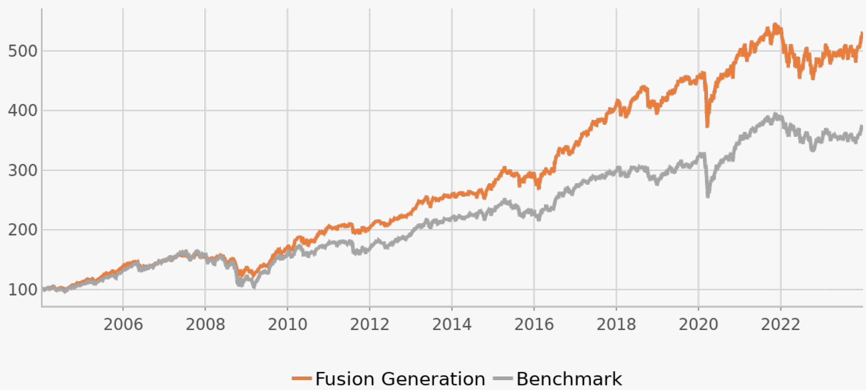
5 JUSTFA

MARKET COMMENTS

December ended the year with a festive flurry of positive returns across asset classes, in a continuation of November's 'everything rally' and provided a welcome Christmas present for investors. Both global equities and bonds rose 4.2% and 3.4% respectively (GBP terms), buoyed by a backdrop of several key themes.

Firstly, the narrative of central banks pivoting and reducing interest rates moved further into the focus of investors, with markets expecting more aggressive rate cuts in the coming year. The US Federal Reserve opted to keep rates unchanged for the third successive month, albeit with a tone which signalled cuts could be on the horizon - ahead of European counterparts. Bond yields continued to decline, with benchmark 10-year government bond yields concluding 2023 at or below where they started it. Secondly, inflation rates continued to fall across major economies amid ongoing economic resilience. In the US, retails sales and industrial production rose slightly, with unemployment even unexpectedly falling. In Europe, activity somewhat softened, with industrial production falling in the Eurozone, and manufacturing data contracting. Despite this, EU ex-UK stocks were the best performing developed region, rising 4.4% over the month (US 4%, UK 3.8%). It was a period of mixed results within commodities. Gold rose 1.3% (USD terms) as geopolitical conflicts continued and caused interruptions to maritime trading routes through the Red Sea. Whereas within energy, oil prices fell 7% and European wholesale natural gas fell 23% (EUR terms).

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	4.15%	5.75%	10.77%	6.28%	32.74%	428.37%
Benchmark	3.98%	5.74%	7.75%	7.66%	35.23%	275.14%

RISK CHARACTERISTICS

	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	10.46%	11.37%	9.93%	0.94	0.45	0.70	-23.82%
Benchmark	8.37%	11.21%	11.18%	0.81	0.49	0.46	-36.64%

*The performance figures in this report are based on the live performance of the portfolio since December 2018. Performance before this date is simulated by applying models and algorithms currently used in the construction of this portfolio. The benchmark is the Schroder Managed Balanced Fund which has one of the lowest tracking errors with the IA Flexible investment index.

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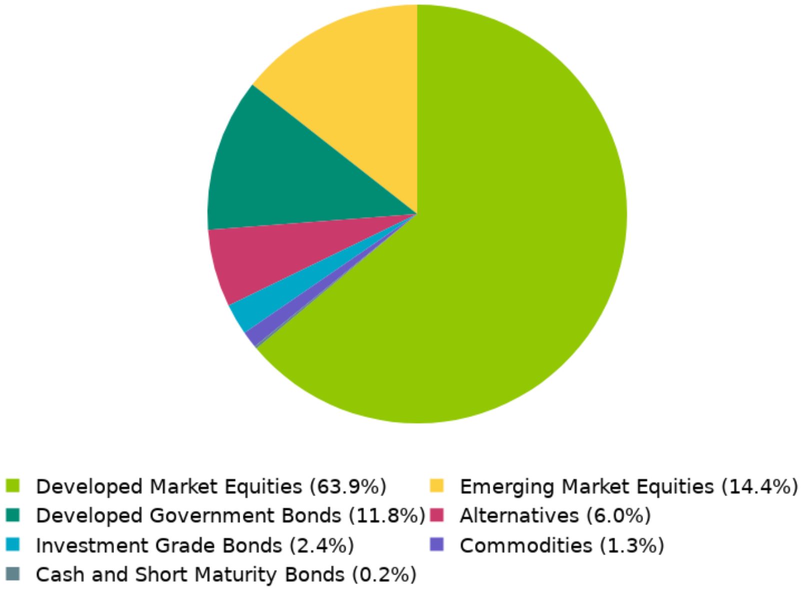
FUSION ASSET MANAGEMENT

TOP HOLDINGS

- SPDR FTSE UK ALL SHARE UCITS ETF
- ISHARES CORE S&P 500 UCITS ETF USD DIST
- FIDELITY US QUALITY INCOME UCITS ETF
- HSBC MSCI EMERGING MARKETS UCITS ETF
- XTRACKERS NIKKEI 225 UCITS ETF
- XTRACKERS (IE) PLC MSCI WORLD QUALITY FACTOR UCITS ETF (DR) 1C
- VANGUARD FTSE DEVELOPED EUROPE EX UK UCITS ETF
- ISHARES MSCI EUROPE SRI UCITS ETF
- SPDR BLOOMBERG BARCLAYS GLOBAL AGGREGATE BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS UK GILT UCITS ETF

ASSET ALLOCATION



HOW TO ACCESS OUR PORTFOLIOS

M&G wealth

abrdn

transact take control

CONTACT US

Our address

22 Dartmouth Street,
London, SW1H 9BP

Email

info@fusionam.com

Phone

+44 (0) 207 802 2280

Web

http://www.fusiondfm.com