

## PORTFOLIO SUMMARY

- Medium risk portfolio within the Optima ETF portfolio range
- The well diversified portfolio of equities and bonds aims to moderate losses from significant market drawdowns
- Designed to achieve a balanced mix of income and capital growth through a well-diversified multi-asset portfolio
- 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 5 years
Total Ongoing charges for underlying funds	0.18%
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



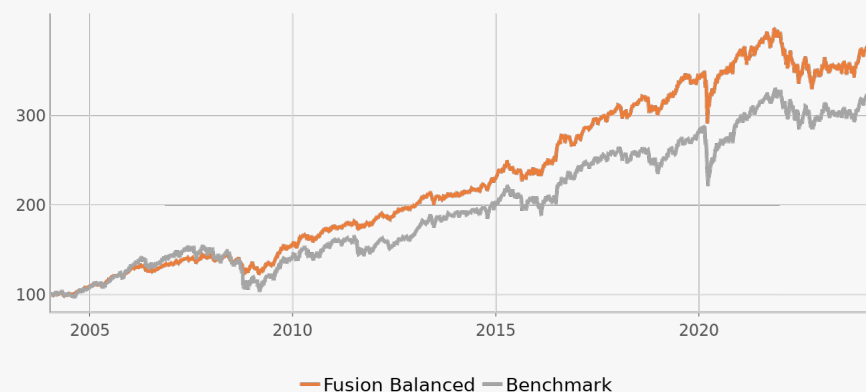
## MARKET COMMENTS

The first quarter of 2024 ended with another positive month for portfolio performance, which was reflected in the positive performance of all Fusion portfolios, with both global equities and bonds rising 3.4% and 0.7% respectively.

Gains were widespread across all developed equity markets, generally all rising around 3%. The UK fronted the pack (+4.6%), led by sectors such as materials and financials, which outperformed in the hope of impending interest rate cuts fuelled by falling inflation figures - UK shop price inflation dropped below 2% for the first time in 2 years. This also acted as tailwind for UK bonds, which were also the top performer in fixed-income, up 1.7%. US equities continued to perform well with evidence of a broadening out in the market, as sectors such as miners, energy, industrials all outperformed tech. Emerging Market equities marginally underperformed, as Chinese equities lagged slightly despite rallying 12.3% from their January lows.

The Bank of Japan made a significant policy change by ending 8 years of negative interest rates by raising rates for the first time in 17 years. This predictably had a negative impact on bonds, but didn't deter equity markets where sentiment remains strong (+3.3%). March was also a positive month for commodities, which rose 3% overall. Gold continued its climb to new highs (+6%) as investors continue to seek a hedge for sticky inflation. Within energy, oil rose however natural gas fell 3.7%, continuing its year-to-date plunge (-23%) driven by over-supply and weaker demand.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	1.92%	3.62%	9.48%	6.29%	21.24%	288.24%
Benchmark	2.27%	3.72%	9.50%	10.33%	29.51%	230.96%

## RISK CHARACTERISTICS

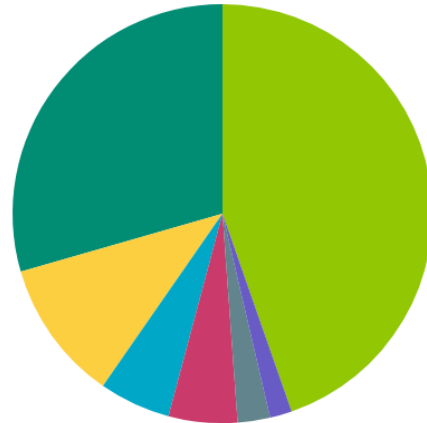
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.58%	9.11%	7.27%	1.25	0.36	0.72	-17.05%
Benchmark	7.08%	11.25%	10.16%	1.34	0.41	0.43	-31.77%

\*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 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

- 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
- LYXOR CORE FTSE ACTUARIES UK GILTS DR UCITS ETF
- SPDR BLOOMBERG BARCLAYS 15+ YEAR GILT UCITS ETF
- SPDR BLOOMBERG BARCLAYS GLOBAL AGGREGATE BOND UCITS ETF
- ISHARES GLOBAL GOVT BOND UCITS ETF
- XTRACKERS MSCI WORLD ESG UCITS ETF
- XTRACKERS NIKKEI 225 UCITS ETF

## ASSET ALLOCATION



- Developed Market Equities (44.7%)
- Emerging Market Equities (10.9%)
- Alternatives (5.3%)
- Commodities (1.7%)
- Developed Government Bonds (29.5%)
- Investment Grade Bonds (5.5%)
- Cash and Short Maturity Bonds (2.5%)

## HOW TO ACCESS OUR PORTFOLIOS



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