

## 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



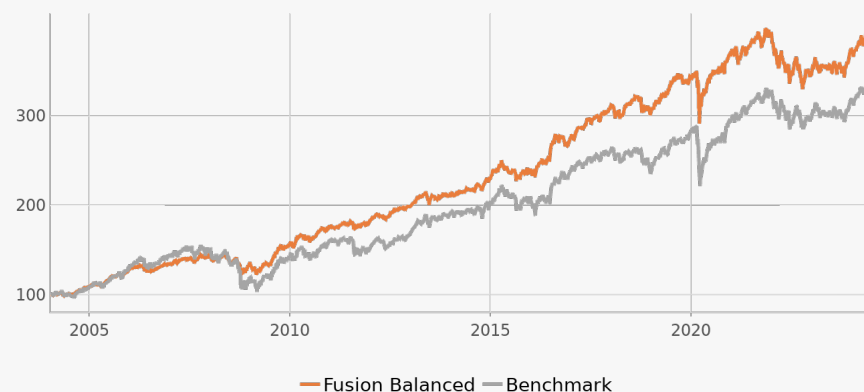
## MARKET COMMENTS

June marked the end of the second quarter with another positive month for portfolio performance, with global equities rising 2.8% and bonds also rising by 0.9% in GBP terms.

Global stocks rose to fresh highs, although this was again largely driven by the US market (+4.3%), and in particular, its AI-related mega-cap names in theme which fails to dissipate. In fact, global stocks excluding the US were flat in June, as was the equal-weighted US index. Emerging markets (+4.8%) outperformed developed markets, driven by the two large semiconductor-intensive nations, Taiwan and Korea, outperforming significantly, up 13% and 9% respectively. Several developed-market central banks began their easing cycles in June, including the European Central Bank which unsurprisingly cut its deposit rate. However, this failed to have its desired effect on markets, as news of a surprise snap French election dominated headlines and fuelled uncertainty. Days after President Macron's announcement, we saw the main French index down by more than 6%, wiping out the majority of gains year to date. This risk-off sentiment was also mirrored in the bond market with the spread between the French and German 10-year government bond yields, seen as a barometer for the risk of holding France's debt, reaching its highest point since February 2017. European equities ended the period -1.7% down.

Commodity prices fell slightly in June, particularly industrial metals and agriculture, however oil rebounded by 6%, benefiting energy positions.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	2.07%	1.46%	11.00%	3.66%	18.37%	293.91%
Benchmark	1.65%	1.05%	10.47%	6.30%	25.09%	234.45%

## RISK CHARACTERISTICS

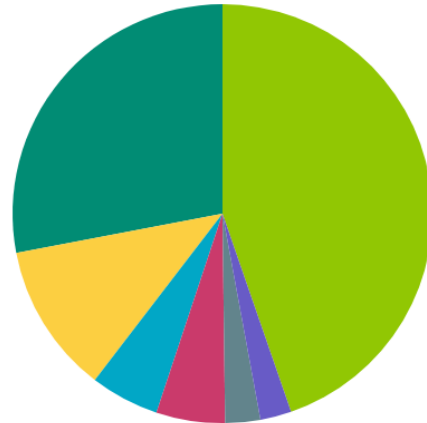
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.91%	9.16%	7.26%	1.39	0.30	0.72	-17.05%
Benchmark	7.52%	11.27%	10.13%	1.39	0.35	0.43	-31.77%

\*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 GLOBAL AGGREGATE BOND UCITS ETF
- ISHARES GLOBAL GOVT BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS 15+ YEAR GILT UCITS ETF
- XTRACKERS MSCI WORLD ESG UCITS ETF
- XTRACKERS NIKKEI 225 UCITS ETF

## ASSET ALLOCATION



- Developed Market Equities (44.7%)
- Emerging Market Equities (11.6%)
- Alternatives (5.3%)
- Commodities (2.4%)
- Developed Government Bonds (28.0%)
- Investment Grade Bonds (5.3%)
- Cash and Short Maturity Bonds (2.7%)

## HOW TO ACCESS OUR PORTFOLIOS



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