Fusion Generation

Factsheet | 01 Sep 2025

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	0.25%
Management Charge	0.20%

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

Based on our internal analysis, our Investment Team believes this portfolio corresponds to the following risk levels of external risk profiling tools:

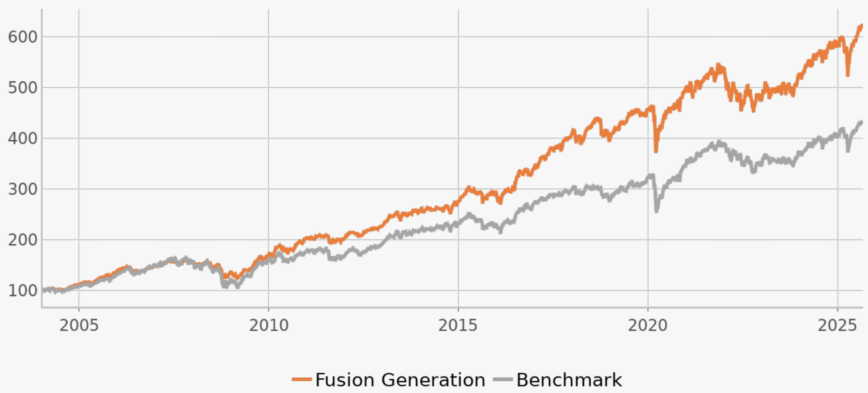
DT	Defaqto	Synaptic
7	7	8

MARKET COMMENTS

Holidaymakers didn't miss too much action as August was a relatively flat month for overall portfolio performance, with global equities rising 0.5% yet global bonds retreating -0.6% in GBP terms. The month's top performing region was Japan (+4.8%), where markets were buoyed by the US-Japan trade deal towards the end of July, combined with supportive economic growth data. Significant news came from the US (-0.1%), where a weak labour report featured a steep decline in job creation. The Federal Reserve Chair noted this could justify a change in policy stance, increasing the market's expectations of an interest rate cut at its mid-September meeting. Technology slightly underperformed over the period. While the sector has had an exceptional year, some of that momentum might have been at least temporarily short-circuited by a report from the Massachusetts Institute of Technology that found 95% of corporate AI projects failed to deliver a financial return, questioning the validity of sky-high valuations.

In the UK, the Bank of England cut interest rates to 4%. However, gilts came under further pressure following another upside surprise to inflation, casting doubt on the likelihood of further imminent cuts. Longer-dated gilts also underperformed, with the UK 30-year government bond yield reaching 5.6% (its highest level since 1998) driven by thin liquidity and ongoing fiscal sustainability concerns. Emerging market equities (-0.6%) underperformed, despite strong gains in Latin America (+6.5%) and China (+4%), where US-China trade talks resulted in another 90-day pause on tariffs. Indian markets (-3.5%) were challenged by rising US tariffs, which have increased to 50% in an attempt to discourage its purchasing of Russian oil, and foreign equity outflows.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	1.59%	6.22%	8.25%	26.91%	34.86%	520.51%
Benchmark	0.67%	5.23%	9.26%	21.68%	34.82%	333.41%

RISK CHARACTERISTICS

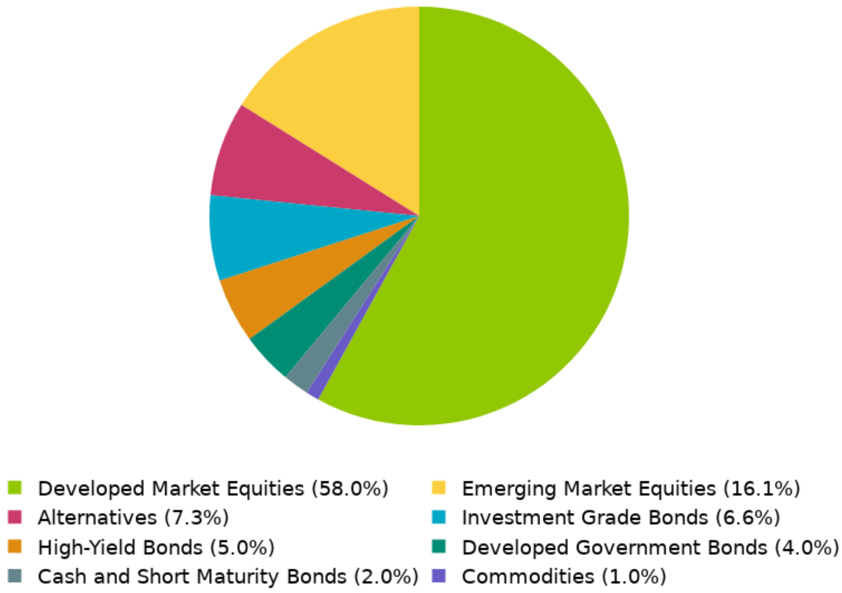
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	10.57%	10.36%	9.89%	0.78	0.54	0.73	-23.82%
Benchmark	7.98%	8.90%	10.96%	1.16	0.63	0.50	-36.64%

*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.

TOP HOLDINGS

- ISHARES CORE FTSE 100 UCITS ETF ACC
- HSBC MSCI EUROPE ETF
- ISHARES CORE S&P 500 UCITS ETF USD DIST
- INVESCO FTSE RAFI US 1000 ETF
- HSBC MSCI EMERGING MARKETS UCITS ETF
- VANECK DEFENCE ETF
- SPDR REFINITIV GLOBAL CONVERTIBLE BOND UCITS ETF
- INVESCO FTSE RAFI EMERGING MARKETS UCITS ETF
- XTRACKERS NIKKEI 225 UCITS ETF
- ISHARES GLOBAL HIGH YIELD CORP BOND UCITS ETF

ASSET ALLOCATION



HOW TO ACCESS OUR PORTFOLIOS

M&G wealth abrdn transact take control

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