

PORTFOLIO SUMMARY

- Low-to-medium risk portfolio within the Optima ETF portfolio range
- Suitable for investors who are prepared to accept some risk, but are uncomfortable with large swings in the value of their portfolio
- Designed to achieve stable income with some participation in 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 3 years
Total Ongoing charges for underlying funds	0.23%
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
4	4	5

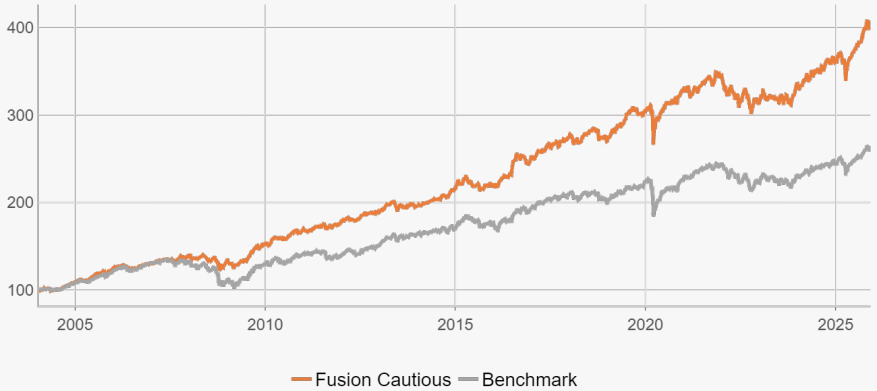


MARKET COMMENTS

Portfolio performance was relatively flat in November, as markets took a breather from the strong returns of recent months. Global equities returned -0.5%, as bonds fared similarly, -0.6% in GBP terms. Beneath a calm surface, we observed a remarkable rotation as sectors with more certain cashflows outperformed technology and sectors with greater dependence on the strength of the overall economy – a significant reversal of the trend observed since the recovery in May. Markets were influenced by growing concerns about the elevated valuations of technology and AI-related stocks, which prompted this shift towards more defensive, previously unloved, sectors like healthcare and consumer staples, while tech-oriented names faced broader pullbacks.

Strong earnings and revenue beats failed to ignite another leg up in the US market (-0.8%), indicating that investor’s expectations are sky-high. Excellent earnings by AI-chipmaker Nvidia provided temporarily relief, however valuations fears and overly optimistic profit expectation worries surrounding the AI ecosystem drove sentiment. Despite weeks of intense speculation, the UK budget was largely uneventful. Greater fiscal headroom and lower projected gilt issuance helped to stabilise markets. UK equities (+0.5%) edged higher as a weaker pound supported globally oriented companies and softer inflation data increased future rate cut expectations. Europe (+0.7%) was the month’s top performing region, thanks to limited AI exposure and strength in financials and healthcare. Performance diverged across emerging markets (-3.2%). Technology-heavy markets (Korea -7.9%, Taiwan -5%), which have risen sharply this year, suffered losses. Indian equities (+1.7%) outperformed the broader region due to lower AI exposure, policy stability and easing inflation. The top performing emerging region was Latin America (+5.2%), which surged on strong commodity prices and currency gains.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	-0.82%	5.44%	10.54%	26.69%	25.14%	303.52%
Benchmark	-0.60%	3.73%	6.30%	16.90%	17.58%	162.31%

RISK CHARACTERISTICS

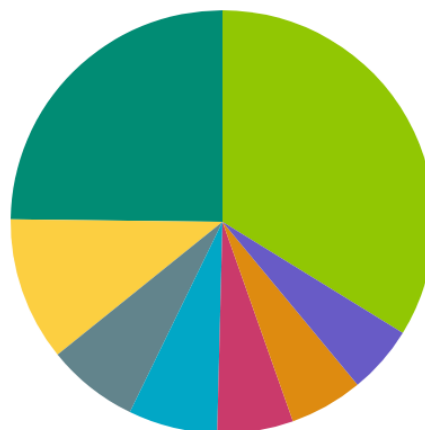
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	7.05%	6.89%	6.15%	1.50	0.59	0.82	-14.58%
Benchmark	6.10%	6.23%	6.59%	1.03	0.44	0.45	-23.57%

*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 LF Prudential Risk Managed Active 3 Fund which has one of the lowest tracking errors with the IA Mixed investments 20-60 index. Performance prior to June 2014 is reconstructed from the index performance.

TOP HOLDINGS

- LYXOR CORE FTSE ACTUARIES UK GILTS DR UCITS ETF
- ISHARES GBP ULTRASHORT BOND UCITS ETF
- ISHARES CORE FTSE 100 UCITS ETF ACC
- INVESCO FTSE RAFI US 1000 ETF
- ISHARES GLOBAL HIGH YIELD CORP BOND UCITS ETF
- ISHARES CORE S&P 500 UCITS ETF USD DIST
- HSBC MSCI EUROPE ETF
- SPDR BLOOMBERG BARCLAYS GLOBAL AGGREGATE BOND UCITS ETF
- ISHARES GLOBAL GOVT BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS 1-5 YEAR GILT UCITS ETF

ASSET ALLOCATION



- Developed Market Equities (33.8%)
- Emerging Market Equities (11.0%)
- Investment Grade Bonds (6.8%)
- High-Yield Bonds (5.6%)
- Developed Government Bonds (24.8%)
- Cash and Short Maturity Bonds (7.0%)
- Alternatives (5.8%)
- Commodities (5.2%)

HOW TO ACCESS OUR PORTFOLIOS



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>

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