Fusion Defensive

Factsheet | 01 Feb 2026

PORTFOLIO SUMMARY

- Low-risk portfolio within the Optima ETF portfolio range
- Performance is expected to be quite moderate in return for stability and a low probability of significant drawdowns
- Designed to achieve stable income and some 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 1 year
Total Ongoing charges for underlying funds	0.22%
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
3	3	4

defaqto DFM MPS on Platform 2026 EXPERT RATED

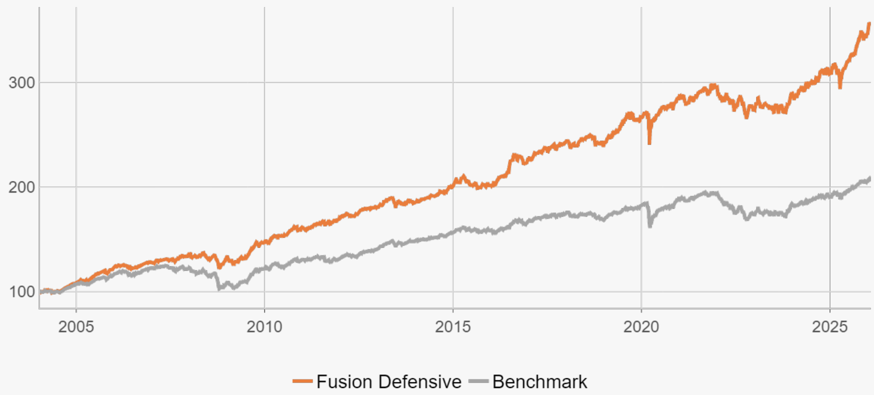
defaqto DFM MPS (Platform) Family 2026 EXPERT RATED

MARKET COMMENTS

January provided a constructive start to 2026 for global equities, with all major markets climbing higher in local terms, despite political tensions. UK investors saw these returns slightly diminished due to currency movements, with sterling notably strengthening against the dollar. Overall, global equities finished the month 0.2% higher in GBP terms, while global bonds slipped marginally, returning -1.1%.

Geopolitical risks increased significantly following the US operation to remove Venezuelan President Maduro, simmering tensions with Iran, and Trump's threats to impose tariffs on European countries that opposed his plans to take over Greenland. Although tensions have eased following the Davos gatherings, many assets sensitive to geopolitical risk reacted accordingly: gold rose 13% in January, despite a sharp 10% drop on the last trading day and European defence companies jumped 18%. Despite these headlines, broader equity markets overall remained largely unfazed in local terms (US +1.3%, EU +2.4%, UK +3.1%, Japan +4.9%). Within equities, a 'broadening' theme continued to play out, involving diversification away from US technology large caps. A beneficiary of this was emerging markets, which enjoyed a very strong month (+6.7%), outperforming developed markets by 6.5%. Performance was driven by technology stocks in Korea (+25%) and Taiwan (+13%) as AI-related semiconductor demand continued to accelerate. Latin America also strongly advanced, buoyed by higher metals prices and solid foreign inflows into Brazil (+17%). Commodities had a strong start to the year (+8%), as oil prices rose 14% while gas prices surged on colder-than-expected winter weather.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	2.97%	2.22%	12.56%	26.83%	25.40%	255.61%
Benchmark	0.66%	0.85%	7.24%	17.22%	10.48%	107.37%

RISK CHARACTERISTICS

	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	5.92%	5.87%	5.11%	2.12	0.70	0.86	-11.62%
Benchmark	3.48%	4.46%	4.51%	2.08	0.33	0.40	-17.91%

*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 Abrdn MyFolio Market I fund which has one of the lowest tracking errors with the IA Mixed investments 0-35 index. Performance prior to June 2014 is reconstructed from the index performance.

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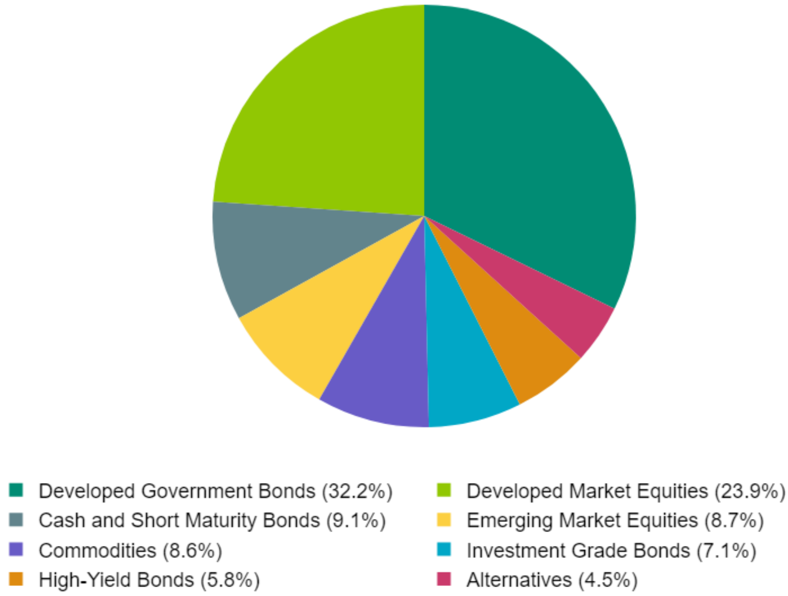
FUSION ASSET MANAGEMENT

TOP HOLDINGS

- LYXOR CORE FTSE ACTUARIES UK GILTS DR UCITS ETF
- ISHARES GBP ULTRASHORT BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS GLOBAL AGGREGATE BOND UCITS ETF
- ISHARES GLOBAL GOVT BOND UCITS ETF
- ISHARES GLOBAL HIGH YIELD CORP BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS 1-5 YEAR GILT UCITS ETF
- INVESCO GBP CORPORATE BOND UCITS ETF
- ISHARES $ TREASURY BOND 3-7YR UCITS ETF
- ISHARES CORE FTSE 100 UCITS ETF ACC
- VANECK DEFENCE ETF

ASSET ALLOCATION



HOW TO ACCESS OUR PORTFOLIOS

abrdn

M&G wealth

transact take control

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