Fusion Cautious

Factsheet | 01 Mar 2026

FUSION ASSET MANAGEMENT

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

2 JUSTFA

defaqto
DFM MPS on Platform 2026
EXPERT RATED

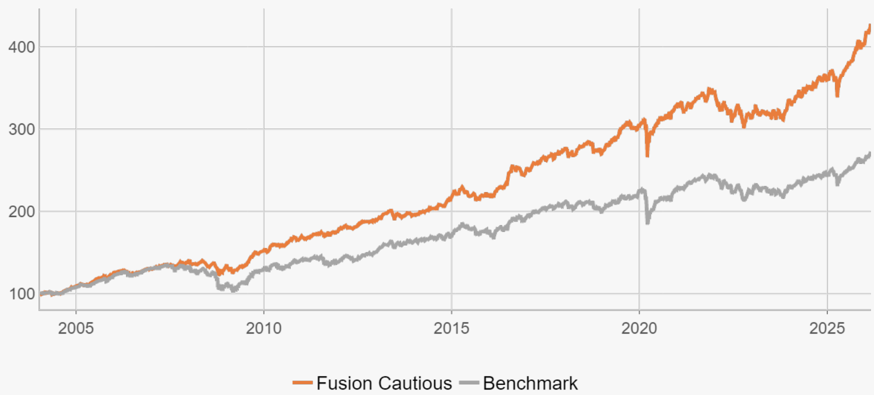
defaqto
DFM MPS (Platform) Family 2026
EXPERT RATED

MARKET COMMENTS

February provided positive returns for portfolios, as global equities (+2.8%) climbed to a fresh record high. Market leadership broadened as investors continued to rotate away from mega-cap US technology, as enthusiasm is giving way to a more disciplined reassessment of valuations and the sustainability of returns. The market punished AI hyperscalers for announcing yet more seemingly unjustified capital expenditure and the large size of these companies proved a headwind for US equities (+1.1%), which lagged global markets. Investors gravitated toward 'heavy-asset, low-obsolescence companies', and sectors such as materials, energy and utilities outperformed - particularly those that stand to benefit from the ongoing AI buildout, such as manufacturers in Asia (+7.8%) and raw material exporters in Latin America (+5.8%).

Japanese markets (+10.8%) reacted positively to the election victory for Prime Minister Takaichi, who delivered the first two-thirds supermajority since WW2 and investors factored in the increased likelihood of further fiscal stimulus. UK equities (+7%) also performed strongly, driven by their favourable sector mix that benefitted from both the AI rotation and concerns about rising oil prices. Global bonds (+3.2%) benefitted as investors looked to high quality assets amid the growing AI and geopolitical concerns while signs of cooling inflation pressures were well received. Finally, geopolitical angst took hold as tensions between the US and Iran escalated into armed conflict, though hostilities started after markets had closed for the month. We continue to monitor the situation vigilantly and remained poised to adjust portfolios accordingly.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	2.69%	6.08%	17.02%	35.01%	32.99%	328.08%
Benchmark	2.16%	3.88%	9.62%	19.49%	19.81%	172.48%

RISK CHARACTERISTICS

	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	6.83%	6.79%	6.14%	2.49	0.79	0.85	-14.58%
Benchmark	5.80%	6.20%	6.56%	1.66	0.51	0.47	-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.

FUSION ASSET MANAGEMENT

TOP HOLDINGS

- LYXOR CORE FTSE ACTUARIES UK GILTS DR UCITS ETF
- ISHARES GBP ULTRASHORT BOND UCITS ETF
- ISHARES GLOBAL HIGH YIELD CORP BOND UCITS ETF
- ISHARES CORE FTSE 100 UCITS ETF ACC
- HSBC MSCI EUROPE ETF
- VANECK DEFENCE ETF
- INVESCO GBP CORPORATE BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS 1-5 YEAR GILT UCITS ETF
- SPDR REFINITIV GLOBAL CONVERTIBLE BOND UCITS ETF
- SPDR BLOOMBERG BARCLAYS GLOBAL AGGREGATE BOND UCITS ETF

ASSET ALLOCATION

HOW TO ACCESS OUR PORTFOLIOS

M&G wealth

abrdn

transact take control

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