

## 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	0.24%
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
5	5	6

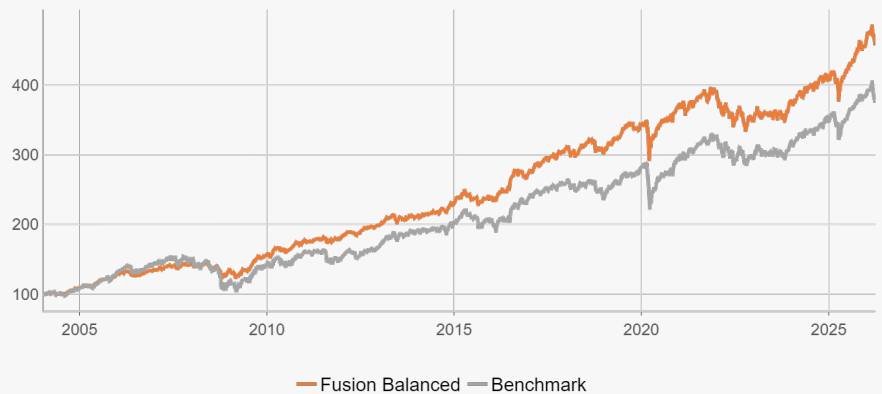


## MARKET COMMENTS

In March, geopolitical risks turned into reality as the US and Israel embarked on war with Iran, triggering retaliatory fire across the Gulf region. The resultant spike in energy prices rekindled inflation fears and clouded the global growth outlook in a negative month for portfolio performance. The conflict escalation has effectively closed the Strait of Hormuz, a vital shipping lane for 25% of the world's oil and 20% of natural gas, causing a surge in global energy prices. Global equities (-4.5%) suffered in response to the major energy price shock. Major net energy importers bore the brunt of the sell-off, such as Europe (-8.7%) and Japan (-10.6%), as surging energy costs fed directly into higher input costs for industry and squeeze household budgets. In contrast, US equities fared better (-3%), boosted by currency movements as the US dollar appreciated in its traditional safe haven capacity. Global bonds (-1.2%) suffered as inflation fears led to a markedly higher repricing of central bank policy rates, pushing yields materially higher. Performance diverged across emerging markets. Latin America fared relatively well (-2.4%), buoyed by exporters such as Brazil (0%). Yet, Asian markets (-12.1%) underperformed as rising oil prices, a stronger US dollar and higher global bond yields proved a particularly punishing combination for energy-importing and externally-financed economies.

Commodities reaped the rewards of surging oil prices to be the month's top performing class, rising 13.5% to dampen overall portfolio losses. The Fusion portfolios remain well diversified across geographies and asset classes, and we continue to monitor the conflict closely - we see any credible path to de-escalation, or stabilisation in energy prices, as a potential catalyst to unlock meaningful upside.

## PERFORMANCE



## CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	-5.34%	0.14%	14.80%	28.54%	26.19%	360.93%
Benchmark	-6.95%	-2.23%	9.96%	24.43%	25.38%	276.08%

## RISK CHARACTERISTICS

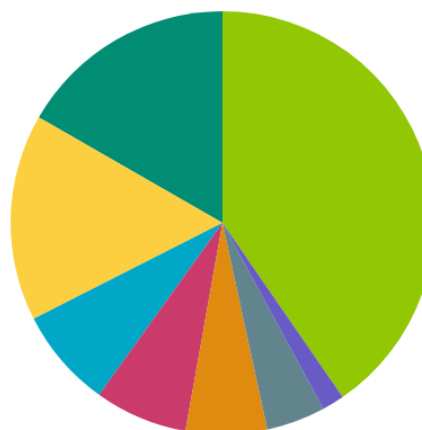
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	8.64%	8.07%	7.32%	1.71	0.53	0.76	-16.73%
Benchmark	7.83%	8.45%	9.96%	1.27	0.49	0.46	-31.77%

\*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

- ISHARES CORE FTSE 100 UCITS ETF ACC
- HSBC MSCI EUROPE ETF
- ISHARES GLOBAL HIGH YIELD CORP BOND UCITS ETF
- VANECK DEFENCE ETF
- HSBC MSCI EMERGING MARKETS UCITS ETF
- SPDR REFINITIV GLOBAL CONVERTIBLE BOND UCITS ETF
- INVESCO FTSE RAFI US 1000 ETF
- INVESCO FTSE RAFI EMERGING MARKETS UCITS ETF
- INVESCO GBP CORPORATE BOND UCITS ETF
- AMUNDI CORE S&P 500 SWAP UCITS ETF ACC

## ASSET ALLOCATION



- Developed Market Equities (40.4%)
- Emerging Market Equities (15.8%)
- Alternatives (7.1%)
- Cash and Short Maturity Bonds (4.5%)
- Developed Government Bonds (16.7%)
- Investment Grade Bonds (7.6%)
- High-Yield Bonds (6.2%)
- Commodities (1.7%)

## 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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