

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 3 years
Total Ongoing charges for underlying funds	0.21%
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

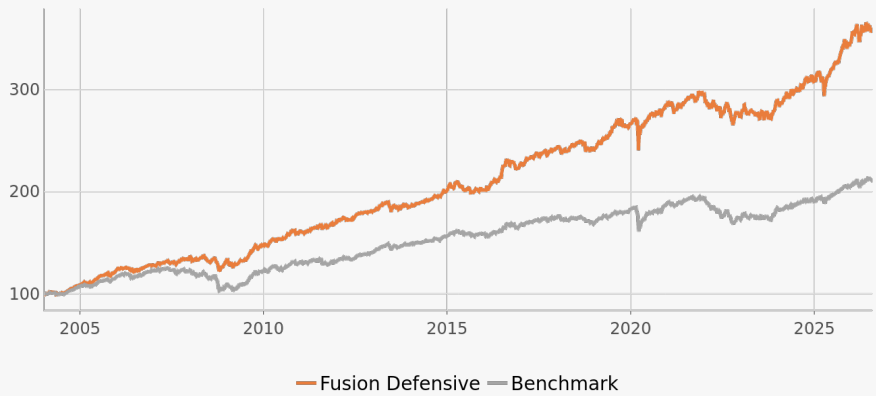


MARKET COMMENTS

July was a relatively flat month for overall portfolio performance, with global equities slipping -0.9% and global bonds returning -1.9% (GBP terms). July was characterised by a pivot between two distinct market narratives – geopolitics and the AI-led investment cycle. Early in the month, escalating tensions between the US and Iran briefly pushed oil prices back above \$100 per barrel, lifting energy prices and commodities (+6.0%). This revived inflation concerns and reinforced expectations that interest rates will remain higher for longer, leading to a broad-based rise in government bond yields.

As geopolitical concerns eased, attention shifted back to the sustainability of returns across the AI landscape. Semiconductor companies (-10.4%) and other AI beneficiaries came under significant pressure as elevated valuations and concerns over the durability of outsized profits weighed on sentiment. This triggered a rotation away from the technology sector (-3.8%) towards more traditional, value-oriented sectors, which was reflected in regional returns. The UK was the top performing region (+3.8%), benefiting from its relatively low exposure to technology and greater weight in energy and financials. US equities (-1.2%) finished the month broadly unchanged. Although company earnings remained strong, investors wanted greater confidence that the significant sums being invested in AI would ultimately translate into sustainable profits. The weakest performance came from emerging markets (-4.3%) and Asia (-4.5%), where AI exposure is concentrated in the semiconductor manufacturing supply chain. Concerns surrounding advanced semiconductor technology from China caused Taiwan (-9.0%) and South Korea (-16.5%) to give up some of their spectacular year-to-date gains, more than offsetting China's (+7.5%) positive contribution.

PERFORMANCE



CUMULATIVE PERFORMANCE

	1m	3m	1y	3y	5y	SI
Portfolio	-0.90%	0.04%	9.45%	28.24%	23.06%	258.33%
Benchmark	-0.57%	1.42%	6.37%	20.15%	9.95%	111.75%

RISK CHARACTERISTICS

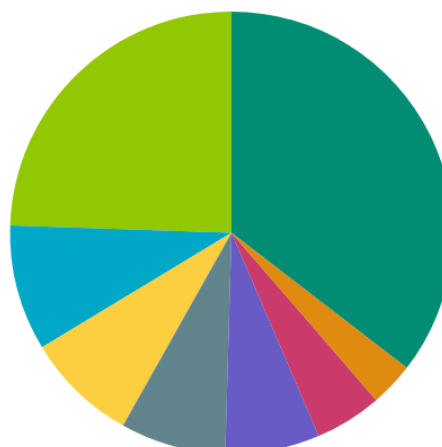
	Volatility			Sharpe Ratio			Maximum Drawdown
	1y	5y	SI	1y	5y	SI	
Portfolio	6.42%	6.08%	5.16%	1.47	0.61	0.83	-11.62%
Benchmark	3.57%	4.59%	4.51%	1.78	0.30	0.41	-17.91%

*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.

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 CORE FTSE 100 UCITS ETF ACC
- AMUNDI CORE S&P 500 SWAP UCITS ETF ACC
- SPDR BLOOMBERG BARCLAYS 1-5 YEAR GILT UCITS ETF
- ISHARES \$ TREASURY BOND 3-7YR UCITS ETF
- VANECK DEFENCE ETF
- UBS ETF - BLOOMBERG BARCLAYS MSCI US LIQUID CORPORATES SUSTAINABLE UCITS ETF

ASSET ALLOCATION



- Developed Government Bonds (35.5%)
- Investment Grade Bonds (9.2%)
- Cash and Short Maturity Bonds (7.7%)
- Alternatives (4.9%)
- Developed Market Equities (24.5%)
- Emerging Market Equities (8.2%)
- Commodities (6.9%)
- High-Yield Bonds (3.2%)

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>

Past performance is not a reliable indicator of future results. The value of any investment and the income from it is not guaranteed and can fall as well as rise, so that you may not realise the amount originally invested. The performance figures, portfolio components and the corresponding fund fees vary slightly between different investment platforms, depending on the availability of funds. The portfolio components and all the figures presented in this factsheet are based on the portfolio available on the Abrdn platform. Where an investment is denominated in a currency other than sterling, changes in exchange rates between currencies may cause investment values or income to rise or fall. The portfolios may invest in funds or other financial products which have limited liquidity, or which individually have a relatively high-risk profile and/or be unregulated by the Financial Conduct Authority (FCA). This document is issued and approved by Fusion Asset Management LLP ("Fusion"), which is authorised and regulated by the FCA (FRN: 401334). The information and opinions contained in this document are for background purposes only and do not purport to be full or complete. Nor does this document constitute investment advice. No representation, warranty, or undertaking, express or limited is given as to the accuracy or completeness of the information or opinions contained in this document by any of Fusion, its Group Companies, partners or employees and no liability is accepted by such persons for the accuracy or completeness of any information or opinions. As such, no reliance may be placed on the information and opinions contained in this document. This material is directed only at persons in the UK and is not an offer or invitation to buy or sell securities.

Fusion is not registered as an investment advisor with the SEC and therefore this document is neither directed at nor intended for US investors. Nothing in it constitutes advice to undertake a transaction, and professional advice should be taken before investing. This document is not investment research. Opinions expressed (whether in general or both on the performance of individual securities and in a wider economic context) represent the views of Fusion at the time of publication. They should not be interpreted as investment advice. All performance figures are gross of all fees and are as of the publication date of the document.

Fusion Registered Head Office: 22 Dartmouth Street, London, SW1H 9BP. Registered in England and Wales, No: OC308197