

Fusion Income H3+ | US Dollar

Key Data

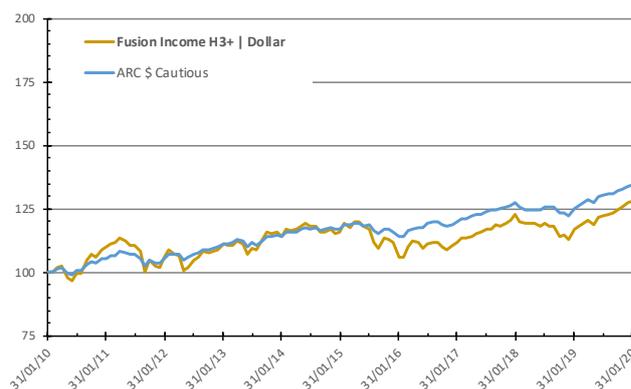
Currency: Sterling | US Dollars | Euro
Minimum Initial Investment: £75,000 | \$150,000 | €150,000
Dealing Frequency: Daily
Initial Charge: Nil
Exit Charge: Nil
Annual Management Charge: 0.75%
Investment Manager: Capital International Limited
Custodian: Capital International (Nominees) Limited

Absolute return profile

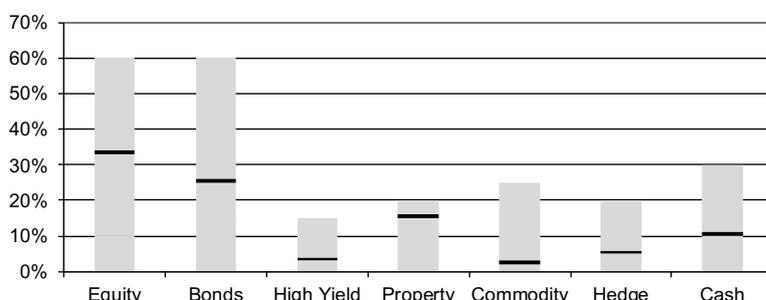
Target Return Range: 6.0% to 7.0%
Expected Volatility Range: 5.0% to 7.0%
Investment Time Horizon: 3.5 Years (Rolling)

Performance

	Fusion Income H3+ / USD	ARC Cautious Asset
1 mth	0.51%	0.40%
3 mths	2.69%	1.73%
6 mths	4.50%	2.76%
1 year	9.28%	7.24%
3 years	14.53%	12.13%
5 years	10.60%	14.43%
10 years	28.03%	34.16%

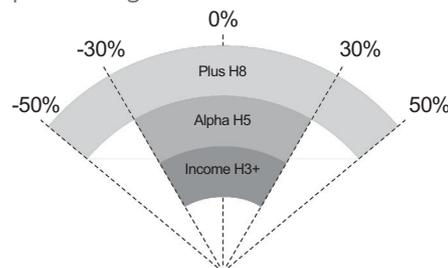


Asset Allocation



Swing Factors

Fusion Income H3+ is actively managed using a 30% swing factor around its strategic targets. This allows us to respond to the investment climate, reducing risk during periods of turbulence and increasing it during periods of growth.



Fusion Income

H3+ | US Dollar

Investment Commentary

Global equities continued their rally into 2020 but progress was halted by political tensions following a targeted strike by the US, which resulted in the killing of elite Iranian General, Soleimani.

Economic data showed signs of improvement with Chinese GDP growth as expected at 6.0%, improving industrial production and manufacturing data, and robust employment. Central banks continue to indicate they will remain supportive and the US and China signed the US-China phase one deal.

Despite these factors, strategy performance was ultimately hindered by the volatility caused by 2019-nCoV, the coronavirus epidemic originating in Chinese Wuhan province. Pacific emerging markets have been most effected, with travel and leisure industries feeling the immediate demand effects of the outbreak and luxury goods companies expected to be hit as consumers quarantine themselves at home. The Central Bank of China has injected USD245 billion of liquidity into the markets to support the sudden economic halt.

Safe haven assets have performed well. The pace and intensity of the disease's transmission is still being assessed but it is clear at this stage that Chinese Q1 economic growth will be severely hampered. The extent to which this has a knock on impact on the global economy is yet to be seen and promotes caution in the near-term.

Strategy Overview

In pursuit of attractive targeted returns, Fusion invests in a broad range of asset classes designed to maximise its ability to deliver returns whilst minimising the associated risk.

The Fusion Strategies are constructed around a managed portfolio of collective investment schemes, delivering a unique combination of diversification, flexibility and efficiency.

Fusion Income H3+ Strategy focuses on lower risk asset classes in order to achieve its return targets.

Investment exposure is weighted to lower risk asset classes such as fixed interest, arbitrage strategies and commercial property; the strategy includes some exposure to equities and other higher risk investments.

Targets a strategic currency exposure of 89% in the portfolio base currency.

Three and a half year rolling investment horizon and as a result focuses on lower risk asset classes whilst accepting lower returns.

capital-iom.com

t +44 (0) 1624 654200 e info@capital-iom.com

The information contained herein is believed to be correct, but its accuracy cannot be guaranteed. Performance is calculated based on the average actual performance of Fusion portfolios. Individual Fusion portfolios can vary from the average. Any reference to past performance is not necessarily a guide to the future. The information contained in this document is provided solely to enable the customer to make their own investment decisions. A composite benchmark has been used from inception until December 2011 and from that point a more representative private client index, based on real performance numbers provided by participating investment managers, has been used. This document has been prepared for information purposes only and does not constitute an offer or an invitation, by or on behalf of any company within the Capital International Group of companies or any associated company, to buy or sell any security. Nor does it form a constituent part of any contract that may be entered into between us. The price of a security may go down as well as up and its value may be adversely affected by currency fluctuations. Full terms and conditions of Fusion are contained in the Brochure, Terms of Business and associated literature which is available upon request.

Regulated activities are carried out on behalf of Capital International Group by its licensed member companies. Capital International Limited, Capital Treasury Services Limited, CIB Limited and Capital Financial Markets Limited are all licensed by the Isle of Man Financial Services Authority. Capital International Limited is a member of the London Stock Exchange. Registered Address: Capital House, Circular Road, Douglas, Isle of Man, IM1 1AG. CILSA Investments (PTY) Ltd (FSP No. 44894) and CILSA Solutions (PTY) Ltd (FSP No. 6650), t/a Capital International SA are licensed by the Financial Sector Conduct Authority in South Africa as Financial Service Providers. Registered Address: Office NG101A, Great Westerford, 240 Main Road, Rondebosch 7700, South Africa. All subsidiary companies across both jurisdictions are represented under the Capital International Group brand.