

Fusion Income H3+ | Euro

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

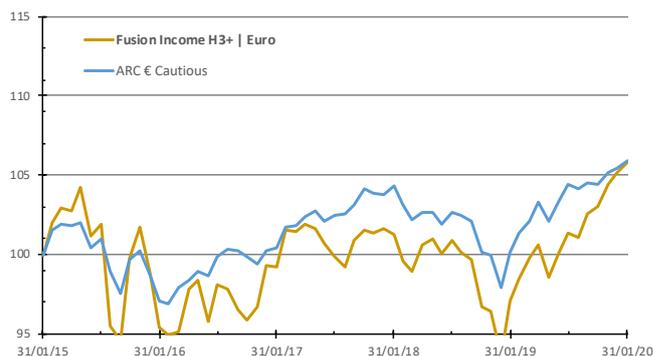
Target Return Range: **6.0% to 7.0%**

Expected Volatility Range: **5.0% to 7.0%**

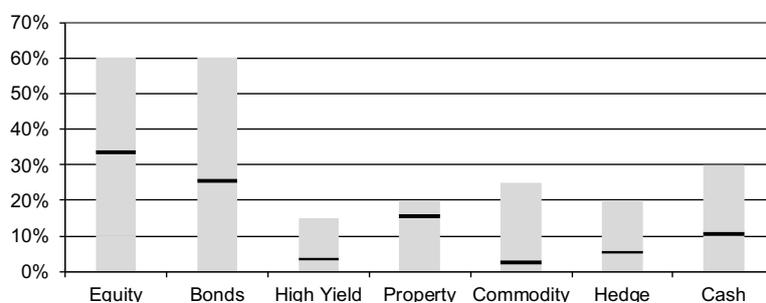
Investment Time Horizon: **3.5 Years (Rolling)**

Performance

| | Fusion Income H3+ / Euro | ARC Cautious Asset |
|-----------------|-------------------------------------|-------------------------------|
| 1 mth | 0.59% | 0.40% |
| 3 mths | 2.74% | 1.43% |
| 6 mths | 4.37% | 1.44% |
| 1 year | 8.96% | 5.71% |
| 3 years | 6.62% | 5.46% |
| 5 years | 5.82% | 5.90% |
| 10 years | - | - |

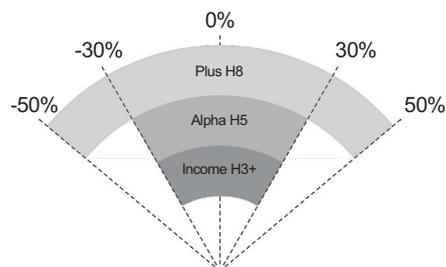


Asset Allocation



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+ | Euro

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.

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