

Fusion Alpha H5 | Sterling

Key Data

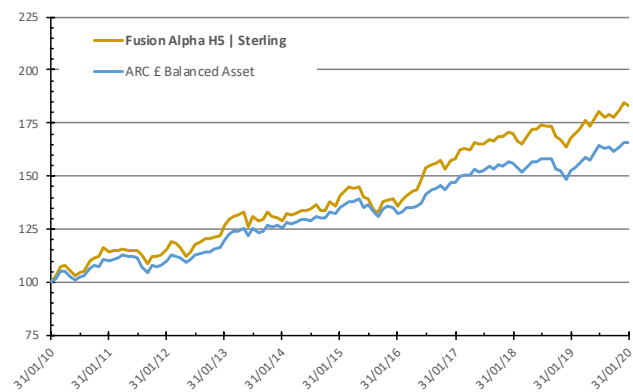
Currency: Sterling | US Dollars | Euro
Minimum Initial Investment: £75,000 | \$150,000 | €150,000
Dealing Frequency: Daily
Initial Charge: Nil
Exit Charge: Nil
Annual Management Charge: 0.75%
Investment Manager: Capital International Limited
Custodian: Capital International (Nominees) Limited

Absolute return profile

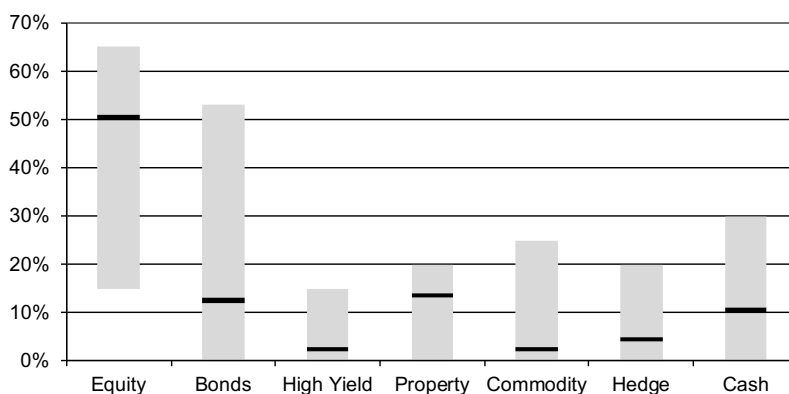
Target Return Range: 7.0% to 9.0%
Expected Volatility Range: 8.0% to 10.0%
Investment Time Horizon: 5 Years (Rolling)

Performance

	Fusion Alpha H5 / Sterling	ARC Balanced Asset
1 mth	-0.55%	-0.20%
3 mths	3.38%	2.44%
6 mths	1.78%	0.96%
1 year	9.08%	8.70%
3 years	16.21%	12.65%
5 years	30.07%	22.67%
10 years	83.42%	65.74%

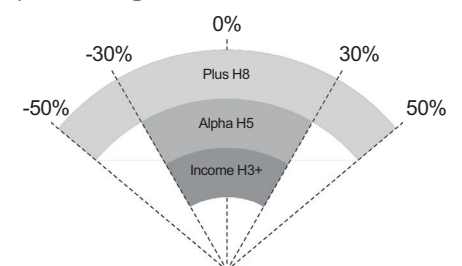


Asset Allocation



Swing Factors

Fusion Alpha H5 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.



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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 Alpha H5 Strategy is designed for investors who are prepared to accept a moderate level of risk to achieve higher potential returns:

The strategy balances a strategic exposure to equities and other higher risk investments, with a lesser weighting to lower risk investment asset classes.

Targets a strategic currency exposure of 80% in the portfolio base currency.

Five year rolling investment horizon, allowing for greater exposure to higher risk assets and the potential to achieve higher returns.

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