

Fusion Alpha H5 | Sterling

Key Data

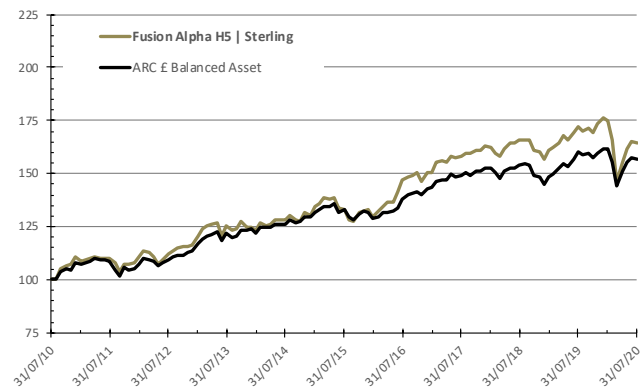
Currency: Sterling | US Dollars | Euro
 Minimum Initial Investment: £75,000 | \$150,000 | €150,000
 Dealing Frequency: Daily
 Initial Charge: Nil
 Exit Charge: Nil
 Annual Management Charge: 0.75%
 Investment Manager: Capital International Limited
 Custodian: Capital International (Nominees) Limited

Absolute Return Profile

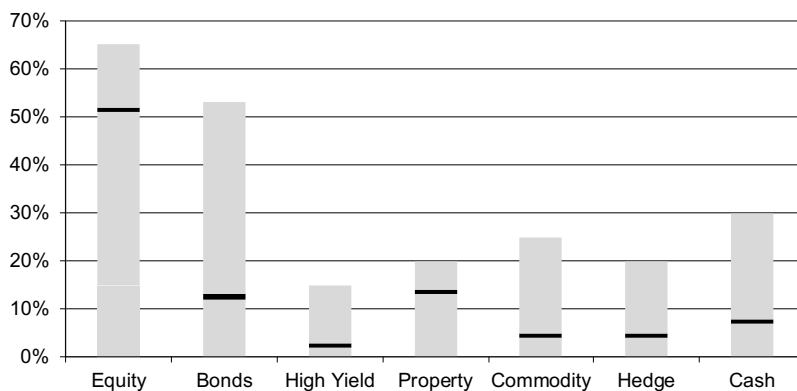
Target Return Range: 7.0% to 9.0%
 Expected Volatility Range: 8.0% to 10.0%
 Investment Time Horizon: 5 Years (Rolling)

Performance

| | Fusion Alpha H5 / Sterling | ARC E Balanced Asset |
|----------|----------------------------|----------------------|
| 1 mth | -0.43% | -0.40% |
| 3 mths | 5.70% | 3.85% |
| 6 mths | -6.22% | -2.69% |
| 1 year | -4.55% | -1.89% |
| 3 years | 3.97% | 5.38% |
| 5 years | 23.35% | 18.13% |
| 10 years | 64.32% | 57.03% |

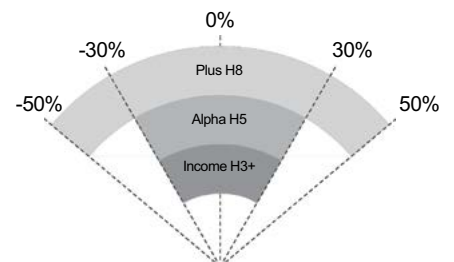


Asset Allocation



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 equity markets have been dominated by fears of a further resurgence in COVID infections. Q2 company earnings season was also a major feature providing markets with more insight into how well companies had survived the crisis. The S&P 500 was effectively flat for the month of July (-0.04%).

Despite the rise in COVID cases across the globe, death rates did not increase at anywhere near the same rate; this suggests that the virus is having a diminishing impact both on human safety and health care services.

The Q2 earnings season was more positive than expected with 84% of S&P500 companies exceeding their earnings guidance. Markets have been digesting how well companies weathered the crisis but more importantly assessing which companies will have a better chance of surviving a possible protracted negative trading environment if lockdowns persist.

In the short term, markets will be driven by how quickly countries are able to lift restrictions on travel and enable economies to return to full capacity. The third quarter returns are likely to be much more muted than the second. On balance, despite the risks that still remain, we retain our preference for adding to risk assets on any market setbacks.

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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