

# Fusion Alpha H5 | Sterling

## Key Data

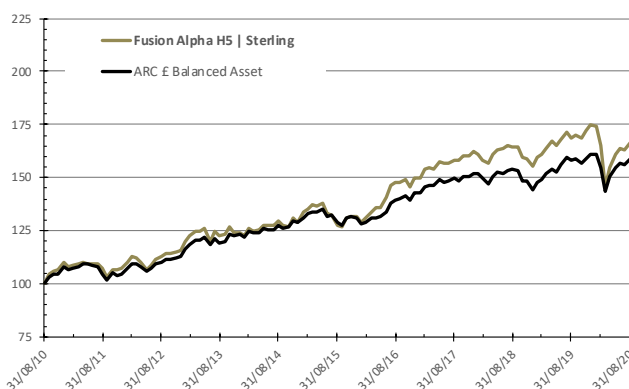
Currency: Sterling | US Dollars | Euro  
 Minimum Initial Investment: £75,000 | \$150,000 | €150,000  
 Dealing Frequency: Daily  
 Initial Charge: Nil  
 Exit Charge: Nil  
 Annual Management Charge: 0.75%  
 Investment Manager: Capital International Limited  
 Custodian: Capital International (Nominees)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

## Absolute Return Profile

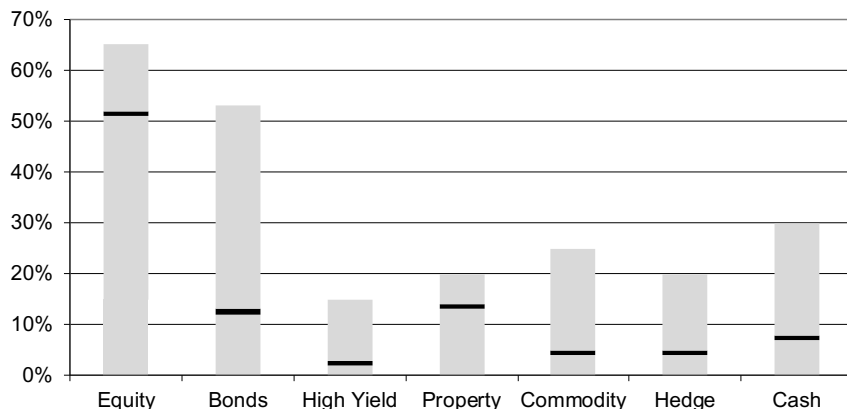
Target Return Range: 7.0% to 9.0%  
 Expected Volatility Range: 8.0% to 10.0%  
 Investment Time Horizon: 5 Years (Rolling)

## Performance

	Fusion Alpha H5 / Sterling	ARC Balanced Asset
1 mth	1.97%	1.60%
3 mths	3.44%	2.65%
6 mths	0.88%	2.71%
1 year	-1.44%	0.52%
3 years	5.07%	6.03%
5 years	30.82%	23.10%
10 years	66.51%	58.88%

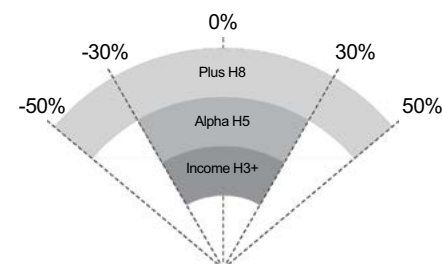


## Asset Allocation



## 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 rose despite a further resurgence in COVID infections. After better than expected company earnings season during July, most markets were up for the month of August with the S&P 500 returning 4.76% for the month.

Europe lead the increase in number of COVID cases and Spain was back to its previous highs. Death rates however remain low, as they did in July, supporting the view that the virus continues to have a diminishing impact both on human safety and health care services. Global boarder closures however continue to restrict overall trade, preventing markets from returning to full capacity.

The month of August was all about the 'K shaped recovery' rather than the 'V-recovery'. Certain companies continue to remain weak while others have been very strong. Developed markets saw inflation figures rising, suggesting that consumer demand is intact and recovering. However, this was to be expected from the wall of record money printing and stimulus from central banks and governments. Gold responded during the month making a new all-time high of \$2,072 an ounce.

In the short term, markets have the tail wind of money printing and fiscal stimulus but are facing the headwinds of US elections, UK Brexit deal or no deal, global trade tensions and boarder closures. 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.