



# Quarterly Platform Factsheet

## Psigma Fusion Balanced Income Portfolio

Quarter 3 2018

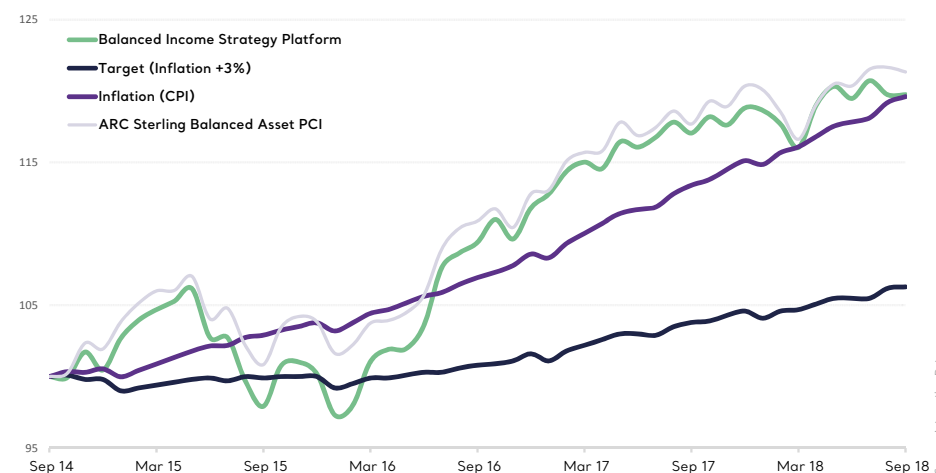
### Overview

The Psigma Fusion Balanced Income Portfolio invests in a diverse range of asset classes, where the asset allocation is actively managed. The strategy uses a number of qualitative and quantitative inputs to decide on the asset allocation. A key focus of the Balanced Income Strategy is to deliver returns in line with inflation whilst generating a high level of income. This strategy aims to deliver these returns with low volatility and a reduced potential for capital loss.

### Investment Objective

This strategy aims to preserve your wealth above the rate of inflation and given this, to maximise income available to investors. Given this target, it also attempts to generate balanced returns through diversified investments with a maximum equity weighting of 60%.

### Net Performance Chart



### Performance

#### CUMULATIVE NET PERFORMANCE

	1 Month	3 Months	6 Months	1 Year	ITD*
<b>Strategy</b>	0.01%	0.23%	3.19%	2.30%	19.75%
<b>Inflation</b>	0.09%	0.76%	1.52%	2.40%	6.28%

### STRATEGY CHARACTERISTICS

Launched	September-2014
Target Return	Inflation +3%
Max Equity	60%
Max Higher Risk Fixed Interest	15%
Estimated Yield	3.27%
Recommended Investment Period	7 Years
ISA Eligible	Yes

### PSIGMA PORTFOLIO CHARGES

Psigma AMC (Ex VAT)	0.40%
Fund Expenses (OCF)#	0.72%
Total Charges (Inc VAT)	1.20%

### MINIMUM INVESTMENT

For minimum investment levels please contact Fusion directly

### DISCRETE NET PERFORMANCE

	ANNUAL RETURN	ANNUAL VOLATILITY
2014*	0.46%	2.27%
2015	-0.27%	6.56%
2016	11.60%	6.25%
2017	6.27%	2.71%
2018	0.78%	3.96%

Source: Interactive Data

Inflation Source: CPI from the Office for National Statistics. Crown Copyright material is reproduced with the permission of the Office of Public Sector Information (OPSI). Reproduced under the terms of the Click-Use License.

Annual volatility statistics are reported on a rolling 12 month basis. Annual Volatility is a measure of the price variation of an investment over time. It is a contributor to defining the risk characteristics of a specific asset class or a portfolio of diverse investments.

#OCF is an overall total annual charge for investing in a fund

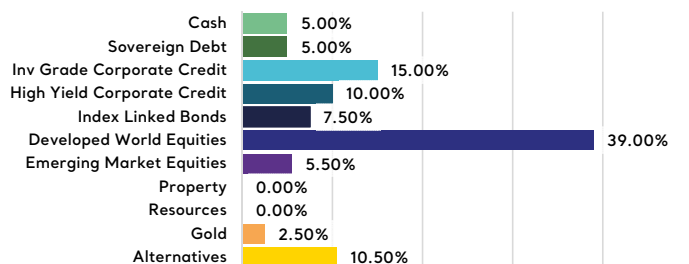
\*Inception to Date. Inception from September 2014.

Unless otherwise stated, all data is from Morningstar as at 30/09/2018. All performance figures shown on this factsheet are net of underlying fund charges and net of Psigma Investment Management fees but gross of platform and adviser fees.

Past performance is not a guide to future performance.

*This investment portfolio is managed by Psigma and the use of the Fusion name is only present to indicate that this portfolio is available on the Fusion Platform. Please note, Fusion and its agents or representatives do not endorse or in any respect warrant any third party products or services by virtue of any advertisement, information, material or content referred to, or included on, or linked from or to this factsheet.*

## ASSET ALLOCATION



## Market View

Risk assets broadly made good ground in the third quarter, as they continued to climb the wall of worry, with seemingly mounting headwinds. Trade war rhetoric remained in the headlines, while investors were also keeping an eye on rising bond yields and the strength of the US dollar. On the positive side, the economic backdrop remained robust, as did the outlook for corporate earnings. US equities were the stand out performer, having their best quarter of performance since 2013 and are head and shoulders above their developed peers over the course of 2018. Japanese equities also had a good quarter, supported by a weaker Yen and confirmation of PM Abe's re-election as leader. Continental European equities were solid, but UK equities finished in negative territory, with the shadow of Brexit continuing to hang over the market. Sterling continued to be at the whim of Brexit chatter, with the currency weakening on the European Union's rejection of PM Theresa Mays Chequers plan. Emerging markets lagged their developed counterparts, with the Asian region dragging the broad index lower. Indian equities had a difficult period, whilst Chinese equities remained under pressure due to trade war rhetoric. The EMEA (Emerging Europe, Middle East and Africa) region was also lower. On the positive side, Latin American equities put in a solid quarter of performance.

As was widely expected, the US central bank raised interest rates from 2% to 2.25%. Rates were raised on the back of an upbeat assessment of the US economy and there are expectations for another rate hike in December. The Bank of England also felt confident enough to raise rates from 0.5% to 0.75%.

## TOP FIVE HOLDINGS

FUND	ALLOCATION
Fidelity Global Inflation Linked GBP HGD	7.50%
Artemis Income	7.00%
Schroder Income Maximiser	7.00%
Artemis Global Income	6.50%
TwentyFour Asset Backed Income	6.00%

In the Eurozone, political tensions again reared their ugly head, as concerns over the Italian budget put forward by its new government spooked markets. Italian bond yields moved higher on the concerns, with the ten year bond yield moving north of 3%. With regards to its own monetary policy, the European Central Bank made no changes, noting that rates would be on hold "at least through the summer of 2019". In terms of fixed income markets, core government bond yields moved higher, with the US ten year yield accelerating to close out the quarter above 3%. UK gilt yields also moved out, which spilled into the UK corporate bond markets making small losses. US high yield again put in another solid quarter of performance, aided by the robustness of the US economy and corporate earnings.

## Portfolio Activity

We took the decision to reduce our position in the Neuberger Berman Short Duration Emerging Market Debt fund. This decision was based on recent developments in emerging markets, especially Turkey and we felt it was prudent to reduce our exposure to emerging market debt. We rotated the proceeds into the AXA Global Short Duration fund. One of our preferred picks, Semper Focus US High Yield also became available in the high yield space, so we added a position in place of Neuberger Berman US High Yield.

In respect of all trading costs, recommended minimum investment levels and all other associated costs above those stated by Psigma, please contact your Financial Adviser or Platform provider. The terms and conditions of each Platform provider differ. You can contact them directly on [info@fusionwealth.co.uk](mailto:info@fusionwealth.co.uk).

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### Investment risk:

- The value of investments and the income from them can fall as well as rise. An investor may not get back the amount of money that he/she invests. Past performance is not a guide to future performance.
- Foreign currency denominated investments are subject to fluctuations in exchange rates that could have a positive or adverse effect on the value of, and income from, the investment.
- Investors should consult their professional advisers on the possible tax and other consequences of their holding any of the investments contained in this publication.

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