

Fusion Long Volatility

Fusion Long Volatility is a pure long optionality investment strategy designed to deliver consistent returns during periods of high volatility and market stress, with negatively correlated exposure to underlying asset classes.

The strategy is available to investors via:

- Fusion Fund (Cayman)
- HFR managed account platform (2x leveraged)

Brief History of Fusion Long Volatility

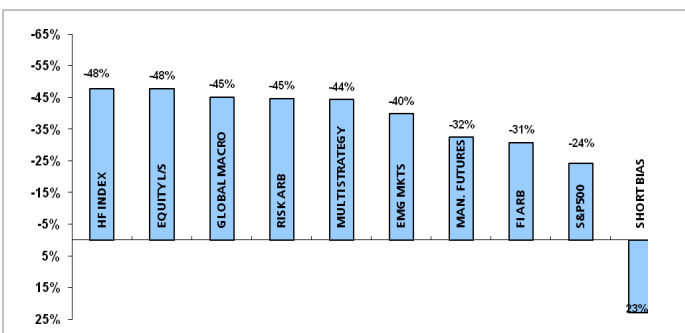
May 2004	Fusion Asset Management LLP was launched. The firm is an independent investment manager and advisor, authorised and regulated by the FSA
Nov 2006	Fusion launched its multi-asset long volatility product for a multibillion credit specialist
July 2008- Dec 2008	Fusion Volatility Fund was launched
Sept 2008- Oct 2008	Fusion Long Volatility ranked in the top 5% performing multi-strategy funds by Bloomberg
Aug 2010	Fusion Long Volatility was launched on the HFR managed account platform. Fusion Long Volatility is also a component of HFR R.V Index

Investment Strategy

The Fusion Long Volatility strategy employs proprietary quantitative models to forecast volatility and define optimal delta hedging strategies. The investment portfolio consists of diversified long option positions across Equities, FX, Commodities and Fixed Income. No short option trades are permitted, ensuring the strategy maintains the desired insurance-style return profile.

Volatility forecasts are consistently applied throughout the investment process: during capital allocation, in trade construction and also when optimal delta hedging algorithms are selected. A minimum of 25% of the NAV is invested at all times to ensure that any market disruption events and crashes are captured. Active gamma trading is also utilised, aiming to cover time decay and preserve capital gains during high volatility periods.

Correlation with Tremont HF indices and S&P500



Fusion Long Volatility Characteristics

Fusion Fund

Ticker Code	FUSVAA5 KY
Management Fee	2% Monthly
Performance Fee	20%, semi annually
High Watermark	Yes
Subscription/Redemption	Monthly
Capital Structure	Class A1-USD, Class A2-EUR
Fund Jurisdiction	Cayman Islands
Prime Broker	UBS AG
Administrator	Citi Hedge Fund Services (Ireland), Limited
Legal Adviser	Dechert LLP / Walkers
Investment Manager	Fusion Asset Management LLP
Management Company	Fusion Investment Advisors Ltd.

HFR RVA Fusion Master Trust

Management Fee	3.35%, quarterly
Performance Fee	20%, annually with high watermark reset annually
High Watermark	Yes
Subscription/Redemption	Weekly
Capital Structure	Series E, Series F
Fund Jurisdiction	Bermuda
Prime Broker	UBS AG
Administrator	Butterfield Fulcrum
Legal Adviser	Appleby (Bermuda)
Investment Manager	Fusion Asset Management LLP
Management Company	HFR Asset Management LLC

Kirill Ilinski – Managing Partner & Chief Investment Officer

Kirill is a founding partner of Fusion and also the Chief Investment Officer. Prior to Fusion, he was a Vice President at JP Morgan Chase in London from 2000 to 2004, where he co-founded the "Debt-Equity Relative Value Group" while trading equity and credit derivatives. Before that, Kirill was a Physics research fellow at the University of Birmingham from 1994 to 2000. He holds a Physics PhD from the Russian Academy of Sciences.

Ksenia Bobkova – Partner & Chief Operating Officer

Ksenia is responsible for infrastructure, compliance and legal matters at Fusion and has been a partner in the firm since 2004. Prior to Fusion, she worked at the international law firm Allen & Overy LLP and in the legal department of Credit Suisse First Boston. Ksenia is a certified solicitor in England and Wales and a qualified New York attorney.

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This Fact Sheet is issued and approved by Fusion Asset Management LLP ("Fusion"), which is authorised and regulated by the Financial Services Authority (the "FSA").

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