

FUND FACTSHEET

October 2017

Investment Manager	Threadneedle Asset Management Limited
Investment Objective	To achieve a return of a combination of income and capital growth
Inception date/ Fund launch	3 February 2014
Ongoing charge figure as at 30 December 2016	0.49%
ISIN	GB00BDZR8B35
Sedol	BDZR8B3
AUM as at 31 October 2017	£943.81 million
Fund price as at 31 October 2017	A Inc Class 115.75p
Base Currency	Pounds Sterling
Type of Shares	A Income Shares
Distribution Dates	31 May 30 November
Fund Managers	Alasdair Ross Ryan Staszewski

Omnis UK Bond Fund Investment Manager Market Review Quarter 3, 2017



The sterling bond market weakened slightly over the quarter. This was driven by a rise in gilt yields during September, as geopolitical fears eased somewhat and investors anticipated tighter monetary policy from the Bank of England.

Credit spreads over gilts continued to narrow, supported by strong corporate earnings. The fund was marginally down for the period, but held up better than the market. Strategies relating to the outlook for interest rates hampered performance fractionally, but this was more than offset by the overweight in corporate bonds and favourable credit selection within it. Here, holdings in bonds issued by Annington Funding and Digital Realty were especially beneficial.

The UK bond market remains supported by a weak domestic economic environment. UK consumers face falling real wages and rising personal debt. Brexit-related uncertainty will likely continue to hamper private-sector investment. More positively, exports should provide some support for the economy, given the weaker pound, and the recent spike in inflation should be temporary. The outlook for UK fixed income remains challenging, clouded by the lofty gilt valuations and tighter corporate bond spreads. Given this background, we expect a continuation of the more muted returns seen this year compared to 2016.

Top 10 Holdings		Fund%
1 UK Treasury 1.75% 2037		11.57
2 UK Treasury 1.75% 2019		7.85
3 UK Treasury 0.75% 2023		7.77
4 UK Treasury 1.5% 2047		5.96
5 UK Treasury 4.75% 2030		4.39
6 UK Treasury 2% 2020		3.84
7 UK Treasury 4.25% 2055		3.57
8 UK Treasury 2.5% 2065		2.78
9 UK Treasury 3.5% 2045		2.69
10 UK Treasury 1.25% 2027		2.52

Source: StatPro as at 31 October 2017

Portfolio Breakdown		Fund%
1 Public		66.93
2 Financial		15.40
3 Industrial		10.19
4 Utility		6.44
5 Cash		1.04

Source: StatPro as at 31 October 2017

Historical Performance		Fund%
1 Month		0.41
3 Months		-0.43
6 Months		-0.69
1 Year		1.66
Since Inception		22.64

All performance in this factsheet is based on income shares with income reinvested, in GBP. Past performance is not indicative of future results. Source: StatPro as at 31 October 2017

• ABOUT THE FUND MANAGER

Alasdair Ross joined Columbia Threadneedle in 2003 and is Head of Investment Grade Portfolio Management and lead portfolio manager for UK, European and Global credit portfolios. Prior to becoming a portfolio manager in 2007, he had responsibility for covering the technology, media, telecommunications, utility and energy sectors, as well as the sterling whole business securitisation sector. Alasdair has a first class honours degree in Politics, Philosophy and Economics from the University of Oxford. He also holds the Chartered Financial Analyst designation.

Ryan Staszewski joined Columbia Threadneedle in 2012 and has responsibility for European credit portfolios. Previously, he worked as a credit analyst, undertaking fundamental analysis across a number of sectors within the investment grade universe. Ryan has a degree in Economics and Finance from Curtin University, Western Australia. He also holds the Chartered Financial Analyst designation.

• INVESTMENT POLICY

The Fund intends to invest (directly or indirectly) primarily in non-Sterling denominated government and non-government fixed and variable interest rate securities. The Fund may also invest in other transferable securities (for example, Sterling denominated fixed and variable interest rate securities), units in collective investment schemes, money market instruments, deposits, derivative instruments and warrants as detailed in the Prospectus. No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Use may also be made of stock lending, temporary borrowing and cash holdings. Derivatives may also be used for the purposes of hedging and efficient portfolio management.

The Omnis UK Bond Fund is permitted to invest more than 35% of its assets in Government and Public Securities ("GAPS") listed in the United States, United Kingdom and Japan.

• ABOUT OMNIS INVESTMENTS

Omnis Investments Limited is wholly owned by Openwork Holdings Limited, bringing established specialist providers together to create a tailored investment solution. It is focused on delivering maximum returns to investors for well-defined levels of risk via a series of funds.