

FUND FACTSHEET

February 2018

Investment Manager	FIL Pensions Management
Sub-Delegated to	FIL Investments International
Investment Objective	The fund will aim to provide income and to also achieve capital growth.
Inception date/ Fund launch	5 December 2017
Estimated Ongoing charge figure*	A Acc Shares 0.65%
ISIN A Acc Class	GB00BZ7MQ728
Sedol A Acc Class	BZ7MQ72
AUM as at 28 February 2018	£60.42 million
Fund price as at 28 February 2018	A Acc Class 98.04p
Historic Yield as at 28 February 2018	*3.37%
Base Currency	Pounds Sterling
Type of Shares	A Accumulation Shares
Distribution Dates	28 February, 31 May, 31 August, 30 November
Fund Managers	Ian Spreadbury, Claudio Ferrarese, Tim Foster

*Please note that the OCF and Yield are estimated figures. The actual OCF figure will be available from Q4 2018.

Omnis Strategic Bond Fund Investment Manager Market Review Quarter 4, 2017



Synchronised global growth, low volatility and a benign inflation backdrop drove markets higher in the final quarter of 2017. Despite the US Federal Reserve (Fed) raising rates for the third time in the year times, the European Central Bank (ECB) signalling less need for accommodative policy and the Bank of England (BoE) raising its base rate for the first time in a decade, bond yields remained anchored and yield curves flattened significantly. Corporate bond outperformed government bonds as demand for yield drove credit spreads tighter. Credit strategy was a key contributor to performance with positive selection across a mix of sectors helping returns. However, gains were offset by adverse term structure positioning. Specifically, adverse positioning on US treasury yield curve weighed on returns. The losses were partially offset by overweight position at the long end of gilt yield curve.

Given expensive valuations, we remain disciplined and take a far more discerning approach to sector and credit selection. Our focus remains on selective alpha generation and downside protection at this stage of the economic cycle. We retained a preference for corporate bonds over governments on valuation grounds. Given our cautious stance on valuations in lower-quality credit, we also maintained a preference for investment grade over high-yield bonds.

Top 10 Holdings		Fund%
1	US Treasury 2.25% 2027	19.33
2	UK Treasury 1.25% 2018	9.15
3	UK Treasury 5% 2018	7.66
4	UK Treasury 1.25% 2027	2.42
5	New Zealand (Govt of) 4.5% 2027	2.36
6	BAT International Finance	1.88
7	Bundesrepub. Deutschland 0.5% 2028	1.15
8	Aviva 6.125% 2021	1.14
9	Tesco Property Finance 6.0517% 2039	0.85
10	Petroleos Mexicanos 5.35% 2027	0.85

Source: StatPro as at 28 February 2018

Portfolio Breakdown		Fund%
1	United Kingdom	30.94
2	United States	25.69
3	Cash	19.99
4	France	3.51
5	New Zealand	2.84
6	Germany	2.65
7	Mexico	2.61
8	Netherlands	2.56
9	Luxembourg	1.74
10	Others	7.47

Source: StatPro as at 28 February 2018

• ABOUT THE FUND MANAGER

Ian Spreadbury is senior portfolio manager and director at Fidelity International. He started his career in 1978, and joined Fidelity in 1995. Previously, he worked at Legal & General as a senior portfolio manager from 1985. His earlier roles at the same company include as an underwriter and assistant actuary.

Claudio Ferrarese is portfolio manager at Fidelity International and has co-manager responsibility for the company's total return franchise. He joined Fidelity in 2006 as part of the quantitative research team.

Tim Foster is a portfolio manager of Fidelity International's money market, inflation linked and total return bond disciplines. He joined the company in 2003 as a quantitative analyst and became a portfolio manager in 2007.

• INVESTMENT POLICY

The Fund will obtain global exposure by investing at least 70% in a broad range of Sterling-denominated (or hedged back to Sterling) debt instruments, which may include developed and emerging market government bonds, inflation linked bonds, investment grade and high yield corporate bonds.

The Fund may also obtain exposure to transferable securities, money market instruments, collective investment schemes, cash, near cash and deposits.

No more than 10% of the Scheme Property of the Fund will be invested in other collective investment schemes.

Derivatives may be used both for investment purposes and for efficient portfolio management.

The Omnis Strategic 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.