

FUND FACTSHEET

September 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 September 2018	£69.66 million
Fund price as at 28 September 2018	A Acc Class 97.32p
Historic Yield as at 28 September 2018	3.22%
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 is an estimated figure. The actual OCF figure will be available from Q4 2018.	

Omnis Strategic Bond Fund

Investment Manager Market Review

Quarter 2, 2018



The Fund's return was negative during the quarter as global bonds posted mixed returns, with government bonds outperforming corporate bonds. We saw political uncertainty in Italy, escalating trade war rhetoric and rising volatility in emerging markets, which stoked demand for safe haven assets and led to widening of credit spreads. Against this backdrop, exposure to European high-yield names across a range of sectors weighed on returns. However, conservative positioning at the security and sector level partially offset the losses.

The exposure to index credit default swaps (used to reduce credit risk in the Fund) partially offset the negative effect from widening credit spreads. The portfolio's skew towards dollar duration (sensitivity to changes in US interest rates) was a negative as US treasury yields rose over the quarter amid a strengthening economy and signs that inflation could accelerate further. This was partially offset by exposure to sterling and euro interest rate risk as both gilt and German bund yields fell.

We believe that the frequency of risk events for the market to deal with has undoubtedly increased amid a backdrop of tightening liquidity, dollar strengthening and central bank transition from quantitative easing to tightening. Our focus remains on selective alpha generation and downside protection.

Top 10 Holdings		Fund%
1	US Treasury 2.25% 2027	15.20
2	US Treasury 2.75% 2028	14.79
3	Bundesrepub. Deutschland 0.5% 2028	3.68
4	UK Treasury 1.25% 2027	3.25
5	UK Treasury 1.75% 2019	2.40
6	Mexican Index Linked Bond 4.5% 2025	1.71
7	BAT International Finance	1.56
8	Virgin Media 5.125% 2025	1.19
9	Province of Alberta 0.625% 2025	0.96
10	UK Treasury 2.75% 2047	0.92

Source: StatPro as at 28 September 2018

Portfolio Breakdown		Fund%
1	United States	38.77
2	United Kingdom	17.69
3	Germany	5.90
4	France	4.99
5	Netherlands	4.66
6	Cash	3.43
7	Italy	3.05
8	Mexico	2.99
9	Luxembourg	2.94
10	Others	15.58

Source: StatPro as at 28 September 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.