

FUND FACTSHEET

June 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 29 June 2018	£76.37 million
Fund price as at 29 June 2018	A Acc Class 97.33p
Historic Yield as at 29 June 2018	3.28%
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 1, 2018



Over the quarter credit spreads widened across the board with few sectors being immune to this move. Against this backdrop, exposure to financials, telecommunications and utility sectors contributed to Fund underperformance. However, the exposure to index credit default swaps (used to reduce credit risk in the portfolio) partially offset the negative effect from widening credit spreads. The quarter also witnessed rise in government bond yields, primarily led by the US, due to a combination of better economic data, tightening monetary signals from central banks, US tax reform and/or expectations of rising US deficit. This meant that the portfolio's exposure to dollar duration was the primary detractor on the rates side.

Despite recent moves in markets, policy normalisation will be gradual as unresolved global structural issues are expected to keep yields in check. A low rates environment remains our base case scenario. Given current valuations and dispersion on the rise, 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 cycle. As credit fundamentals get more difficult, we looked for opportunities to reduce the portfolio's credit beta, given the reluctance to skew the balance of risk towards credit at this stage of the cycle. That said, we retained preference for investment grade over high-yield bonds, and for defensive over higher-beta sectors.

Top 10 Holdings		Fund%
1	US Treasury 2.75% 2028	17.36
2	US Treasury 2.25% 2027	14.01
3	UK Treasury 1.25% 2018	5.27
4	Bundesrepub. Deutschland 0.5% 2028	3.37
5	UK Treasury 1.25% 2027	3.01
6	Aviva 6.125% 2021	1.49
7	Mexican Index Linked Bond 4.5% 2025	1.45
8	BAT International Finance	1.42
9	Electricite de France 6% 2114	1.19
10	HSBC Bank Capital Funding 5.844% 2032	1.11

Source: StatPro as at 29 June 2018

Portfolio Breakdown		Fund%
1	United States	40.33
2	United Kingdom	20.90
3	France	5.83
4	Germany	5.30
5	Netherlands	3.89
6	Mexico	2.96
7	Cash	2.90
8	Italy	2.56
9	Luxembourg	1.91
10	Others	13.42

Source: StatPro as at 29 June 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.