

OMNIS MANAGED PORTFOLIO SERVICE



**Toni Meadows**  
Chief Investment Officer

# OMPS Managed Portfolio Service monthly update for Adventurous investors

## Who is this investment for?

The Service is designed for an adventurous investor, who should be:

- An experienced investor who has used a range of different investment products in the past.
- In general terms, they will understand that investment products should be held for a minimum period of five years.
- They will be prepared to accept fluctuation in the value of their investments in order to be able to obtain a higher rate of return in the long run.
- They are similarly not likely to be concerned if the value of their investments were to fall in the short term.

The Service aims to deliver a total return and actively manage short-term risks through increasing or decreasing holdings in asset classes and individual funds. These allocations are determined by the Openwork Wealth Services Limited investment team, which benefits from full transparency of the funds' underlying investments, and is controlled through a strict governance framework.

## How we are managing your money?

January saw the portfolio benefit from a change we made in late December, which was to trim our exposure to Omnis Income & Growth Fund in favour of Omnis UK Equity Income Fund.

Omnis UK Equity Income Fund is a new addition to the portfolio, having been launched on 5 December. It is managed by Royal London Asset Management's Martin Cholwill, who is looking for companies with strong balance sheets and sustainable dividend growth. Cholwill anticipates around 5% dividend growth from the UK stockmarket in 2018.

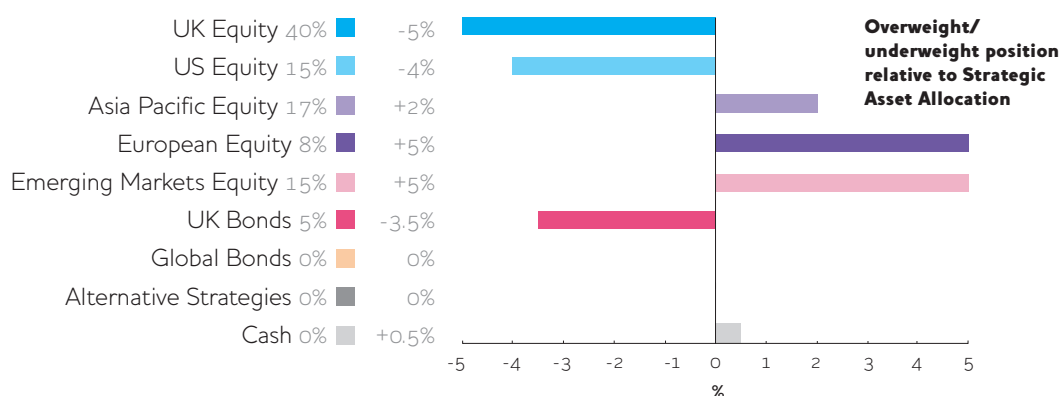
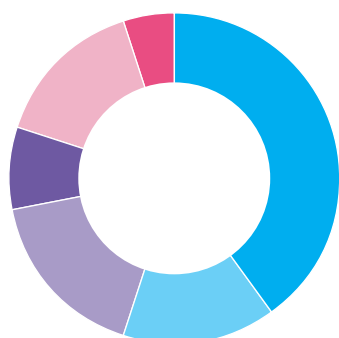
Omnis UK Equity Income Fund has broadly performed in line with Omnis UK Equity Fund, and has outperformed its FTSE All Share benchmark and Omnis Income & Growth Fund. The latter fund has suffered from a period of poor stock picking, but manager Neil Woodford has a proven track record of delivering over the long term in spite of periods like the present.

The addition of the new fund gives the portfolio valuable diversification across what is now three funds investing in the domestic market, which makes up an important asset class within the portfolios.

The best performing funds during the month were Omnis Asia Pacific Equity Fund and Omnis European Equity Fund. The former has benefited from strong stock selection in growth stocks, particularly in Japan and Hong Kong, from manager Baillie Gifford.

Investors in Europe have benefited from rises in 'peripheral' economies, such as Italy, Greece and Spain, which have rallied on the back of ongoing strong economic growth on the continent. Managed by established stock pickers Jupiter, the Omnis European Equity Fund is well placed to benefit from further growth in markets across the eurozone and beyond.

## Strategic Asset Allocation



## Who is managing your money?

 woodford	Omnis Income and Growth Fund managed by Woodford Investment Management	19%
 Schroders	Omnis UK Equity Fund managed by Schroder Investment Management	10%
 ROYAL LONDON	Omnis UK Equity Income Fund managed by Royal London Asset Management	6%
 T. Rowe Price® INVEST WITH CONFIDENCE	Omnis US Equity Fund managed by T. Rowe Price	11%
 BAILLIE GIFFORD	Omnis Asia Pacific Equity Fund managed by Baillie Gifford & Co	19%
 JUPITER	Omnis European Equity Fund managed by Jupiter Asset Management	13%
 JUPITER	Omnis Emerging Markets Equity Fund managed by Jupiter Asset Management	20%
 COLUMBIA THREADNEEDLE INVESTMENTS	Omnis UK Bond Fund managed by Threadneedle Asset Management	1.5%
	Cash	0.5%

## The month in review

January proved to be a good month for equity markets on the back of the passing of tax reforms in the US, and strong economic data coming out of Europe and Asia. Closer to home, investors remain preoccupied with Brexit, though there was cheer as the UK and the EU finally agreed on the former's so-called 'divorce bill' in December, paving the way for a second round of negotiations this year.

There have also been prolonged talks ongoing in the attempt to form a new coalition government in Germany between Angela Merkel's Christian Democrats, sister party the Christian Social Union (CSU), and the Social Democrats (SPD), which were still not resolved by the end of the month. The eurozone continues to impress having grown at its fastest rate in a decade in 2017, according to Eurostat data. It reported that GDP expanded by 2.5% in the bloc last year, which represented the most rapid rate of growth since the 3.4% achieved in 2007.

The US has started the year at close to full employment, while average hourly earnings in the country have been on the rise at 2.9% for the month, which suggests that employers are having to increase pay to attract scarcer labour. The US could well see three or four interest rate rises this year, which would in turn have a big impact on the global economy. That the major regions of the world continue their coordinated upwards trajectory in economic terms is reason to stay positive for the time being.

## Ongoing Charges Figure

The OCF provides a measure of the combined cost of investing in each of the individual Omnis funds that make up the portfolio but excludes any portfolio service charge (which was 0.25% excluding VAT up until 31 January 2018). The combined OCF is subject to change in line with the underlying composition of the portfolio.

0.86%

The value of investments and any income from them can go down as well as up and you may not get back the original amount invested. Past performance is not a guide to future performance and should not be relied upon. Always seek professional advice before acting.

*The Omnis Managed Portfolio Service is provided by Openwork Wealth Services Limited (OWSL), a member of the Openwork group of companies. Openwork Wealth Services Limited is registered in England and Wales under registration number 10266077.*

*The Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC are authorised Investment Companies with Variable Capital. The authorised corporate director of the Omnis Managed Investments ICVC and the Omnis Portfolio Investments ICVC is Omnis Investments Limited, registered in England and Wales under registration number 06582314. Omnis Investments Limited does not offer investment advice nor make recommendations regarding investments. Potential investors are particularly advised to read the specific risks and charges applicable to the Funds which are contained in the Prospectus and Key Investor Information Documents (KIIDs).*

*Openwork Wealth Services Limited and Omnis Investments Limited are both authorised and regulated by the Financial Conduct Authority, 25 North Colonnade, London E14 5HS and the Registered Office for both companies is: Washington House, Lydiard Fields, Swindon, Wiltshire, SN5 8UB.*