

OMNIS MANAGED PORTFOLIO SERVICE



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Chief Investment Officer

Omnis Managed Portfolio Service monthly update for Balanced investors

Who is this investment for?

The Service is designed for a balanced investor, with:

- Knowledge about financial matters, and shows some interest in keeping up to date with them.
- Some experience of investment, including in funds containing assets such as shares and government bonds.
- An understanding in general terms that they will understand that investment products should be held for a minimum period of five years.
- An understanding that the value of their investments could rise or fall.

The Service aims to improve total returns and actively manage short-term risks through increasing or decreasing holdings in asset classes and individual funds. These allocations are determined by the Omnis Investment Team, which benefits from full transparency of the funds' underlying investments, and is controlled through a strict governance framework.

The month in review

August is often a difficult month for investment markets, with sharp movements often blamed on sparse trading desks with many experienced investors on their holidays.

Taking into account the tensions between the US and North Korea, further pressure on the Trump presidency, the terrorist attack in Barcelona and some mixed economic data, it is no surprise that late summer markets threw a few curveballs.

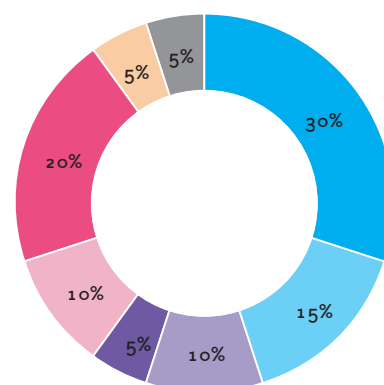
The leading US stock index, the S&P 500, took a downturn towards the end to the month, partly due to renewed concerns about Trump's ability to deliver on his business-friendly agenda.

Indeed, Trump, in common with other world leaders, is seeming struggling to keep his citizens onside. With an approval rating of just 36%, he sits at the same level of popularity as the recently elected Emmanuel Macron in France and Shinzo Abe in Japan. In July, Theresa May had an approval rating of 34% in the UK, despite having only just been elected.

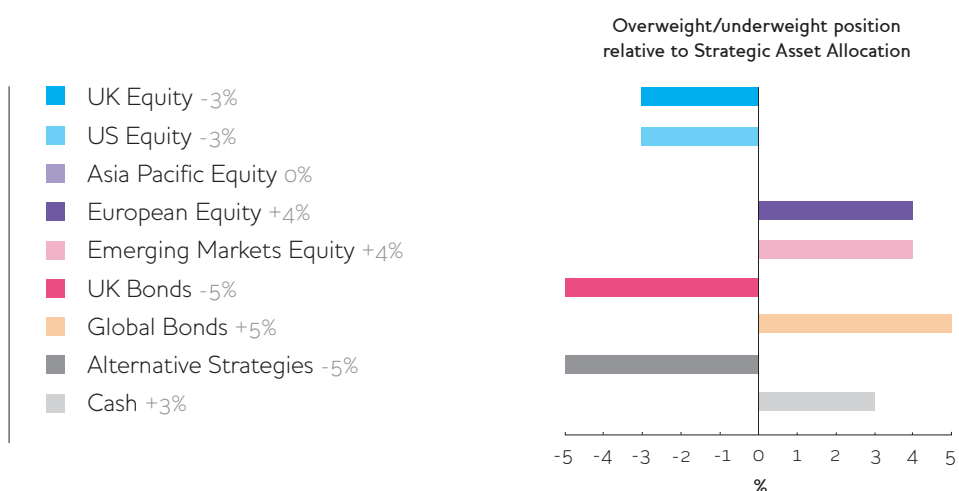
However, while the world gives its politicians a tough time, central bankers are taking extra care not to make policy mistakes – such as raising interest rates too quickly and so stifling growth. This prudent approach has been largely welcomed by markets, which have remained resilient year to date. This is particularly true of emerging market stocks; we have an overweight position in this asset class which has been a major contributor to our outperformance.

Strategic Asset Allocation

■	UK Equity 30%
■	US Equity 15%
■	Asia Pacific Equity 10%
■	European Equity 5%
■	Emerging Markets Equity 10%
■	UK Bonds 20%
■	Global Bonds 5%
■	Alternative Strategies 5%
■	Cash 0%



How we are managing your money



At the end of August, a decision was made to rebalance the Omnis Managed Portfolio Service, mostly because of the outperformance of Omnis Emerging Markets Equity Fund. As one of our largest active overweight positions, it had grown to become a bigger part of the portfolio. In order to keep in line with our strict asset allocation, we trimmed our holdings slightly and reinvested elsewhere.

We have been rewarded for favouring equities generally, particularly in Asia and Europe. However, we remain underweight UK stocks, particularly given the ongoing uncertainty around Brexit which has had an adverse impact on the confidence of companies to spend and expand, while also weighing heavily on sterling.

Because of this, domestically facing companies – as opposed to those with big business overseas – are trading cheaper. The managers of Omnis UK Equity Fund and Omnis Income & Growth Fund are looking at some of these companies as good buying opportunities.

We are also underweight UK bonds, with a preference instead for Omnis Global Bond Fund. As sterling has continued to fall versus the euro, so the performance of this fund has continued to rise.

Who is managing your money?

	Omnis Income and Growth Fund managed by Woodford Investment Management	16%
Schroders	Omnis UK Equity Fund managed by Schroder Investment Management	11%
T.RowePrice <small>INVEST WITH CONFIDENCE</small>	Omnis US Equity Fund managed by T Rowe Price	12%
	Omnis Asia Pacific Equity Fund managed by Baillie Gifford & Co	10%
	Omnis European Equity Fund managed by Jupiter Asset Management	9%
	Omnis Emerging Markets Equity Fund managed by Jupiter Asset Management	14%
	Omnis UK Bond Fund managed by Columbia Threadneedle Investments	15%
Schroders	Omnis Global Bond Fund managed by Schroder Investment Management	10%
	Cash	3%

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 the portfolio service charge of 0.25% (0.30% including VAT). The combined OCF is subject to change in line with the underlying composition of the portfolio.

0.75%

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.

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