

OMNIS MANAGED PORTFOLIO SERVICE



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OMPS Managed Portfolio Service monthly update for Adventurous investors

Who is this investment for?

The Service is designed for a 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.

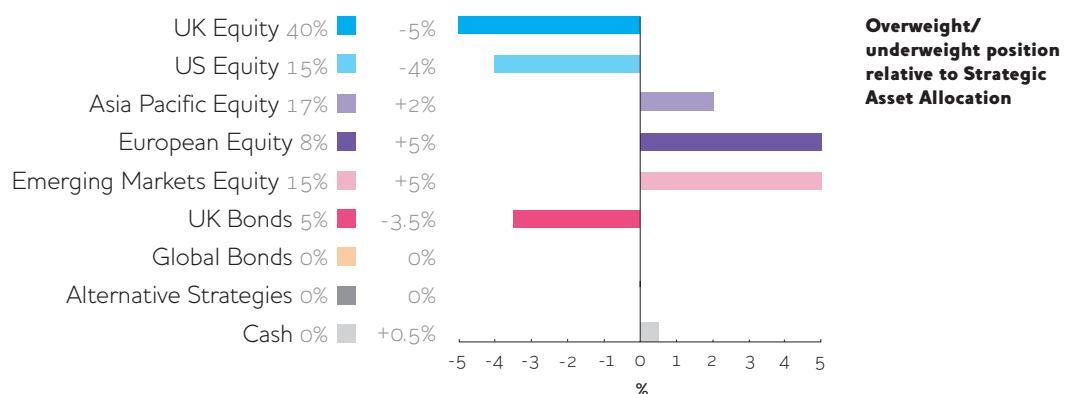
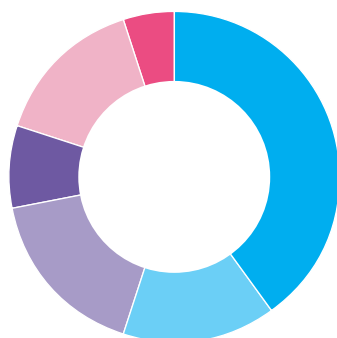
How we are managing your money?

The portfolio benefited from a change implemented in late October, taking an overweight position in developed Asian markets, via the Omnis Asia Pacific Equity Fund. The additional 2% added to the fund – taken from the portfolio's cash reserves – meant we benefited from the growth of what proved to be the best-performing Omnis portfolio fund during November. For the longer-term outlook, we hope the fund manager Baillie Gifford can take advantage of attractive equity valuations in the region, particularly in Japan.

Since we topped up our UK equity exposure - implemented as part of a rebalance of the portfolio in late August - we have seen something of a rebound in the fortunes of Omnis UK Equity Fund. The past three months have seen good performance from the manager, Schroders, which has cut down its number of holdings to take on more of a 'high-conviction' approach in sticking to its best ideas. However, we remain underweight the UK, believing there to be better growth opportunities elsewhere and this conviction has paid off as other developed markets have delivered better performance.

Being overweight equities has been a positive for us as the stock markets have continued to outperform bonds. Looking ahead, a new fund to be added to the portfolio in December is the Omnis UK Equity Income Fund, run by Royal London, which offers the benefit of a more value-based approach to investing in the domestic market in buying what currently appear to be under-priced stocks. This fund should fit alongside our existing Omnis UK Equity and Income & Growth funds, adding further diversification to both our sources of growth and income. The addition of the new fund will be reflected in the next Omnis Managed Portfolio Service update.

Strategic Asset Allocation



Who is managing your money?

	Omnis Income and Growth Fund managed by Woodford Investment Management	21%
	Omnis UK Equity Fund managed by Schroder Investment Management	14%
	Omnis US Equity Fund managed by T Rowe Price	11%
	Omnis Asia Pacific Equity Fund managed by Baillie Gifford & Co	19%
	Omnis European Equity Fund managed by Jupiter Asset Management	13%
	Omnis Emerging Markets Equity Fund managed by Jupiter Asset Management	20%
	Omnis UK Bond Fund managed by Columbia Threadneedle Investments	1.5%
	Cash	0.5%

The quarter in review

For UK investors, arguably the most significant event of the month was the Bank of England's decision to raise the base interest rate from 0.25% to 0.5% - the first rise in over a decade. This was a reversal of the cut that was immediately put in place following last year's EU referendum, and was a signal that policy makers are alert to the impact of inflation (remaining unchanged at a five-year high of 3% during October). Crucially the Bank's announcement was accompanied by minutes that painted a cautious picture on future interest rate increases due to the fragile nature of the economy and uncertainty over Brexit. Indeed, the UK economic growth forecasts put forward by the Office for Budget Responsibility (OBR) reflected Brexit-related concerns with rises in gross domestic product (GDP) now predicted to come in at 1.5% for this year and 1.4% in 2018, down from previous predictions of 2% and 1.6%.

Across the Atlantic, the US central bank, the Federal Reserve, will welcome in its new chair Jerome Powell early next year. He was chosen to replace the current incumbent Janet Yellen, who has endured a rocky relationship with president Donald Trump. The Fed chair is considered to be the second-most powerful post in government though, considered a safe pair of hands, Powell's appointment has not had a significant impact on markets. Investors have nonetheless been preoccupied with another momentous change – the detail of Trump's tax reforms. The legislation is likely to most benefit American's highest earners, and it could be a boon for markets for the remainder of 2017.

In Europe, analysts are most concerned with the formation of stable government in Germany. Talks collapsed following the withdrawal of the Free Democratic Party (FDP) from talks, though chancellor Angela Merkel's Christian Democratic Union (CDU/CSU) party has since pushed for the formation of an alternative 'grand coalition' with the second-biggest party, the Social Democrats (SPD).

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.

0.87%

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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