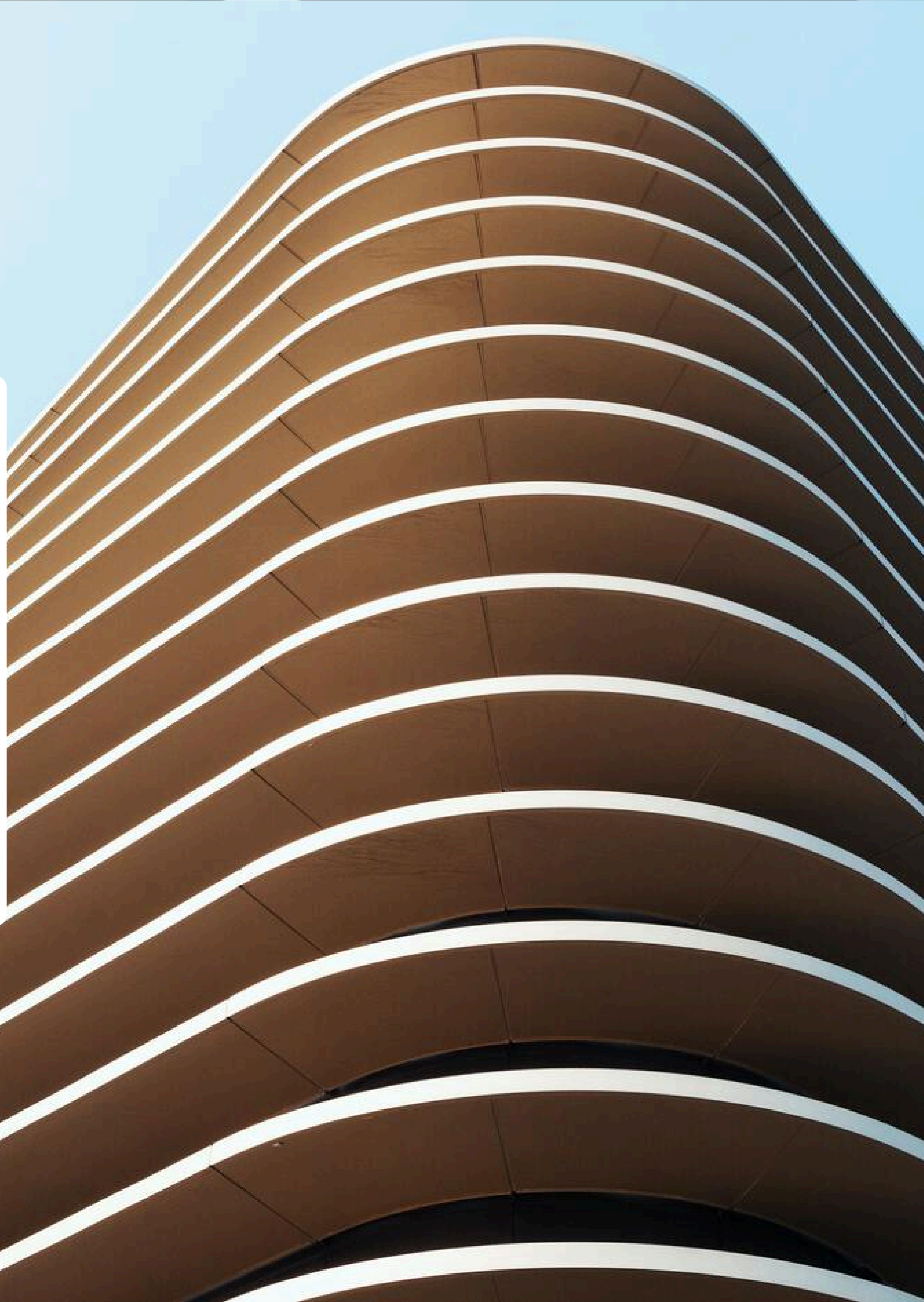
2022 Investment Outlook

January 2022

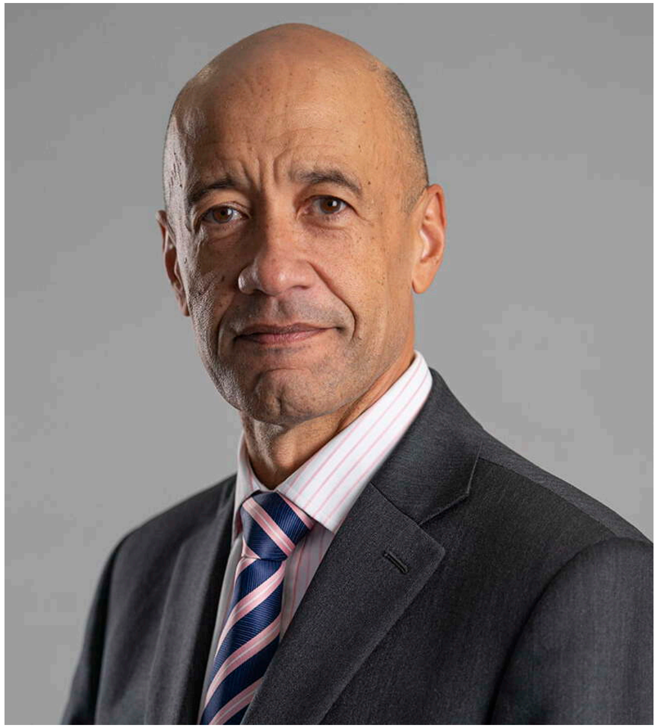
Omnis INVESTMENTS



Welcome from our CEO

Dominic Sheridan

Welcome from our Chief Executive Officer, Dominic Sheridan



The coronavirus pandemic dominated headlines once again in 2021, with economies around the world bouncing back from recession. The rapid rollout of vaccines helped bolster investor confidence and markets were also buoyed by other positive developments, including economic stimulus measures, strong corporate earnings and rising consumer demand.

The spread of new variants has extended the end of the pandemic and delayed the return to normal, hampering the global economic recovery. While economies rebounded strongly after the slump, the surge in demand for goods led to widespread supply chain issues, causing inflation to rise.

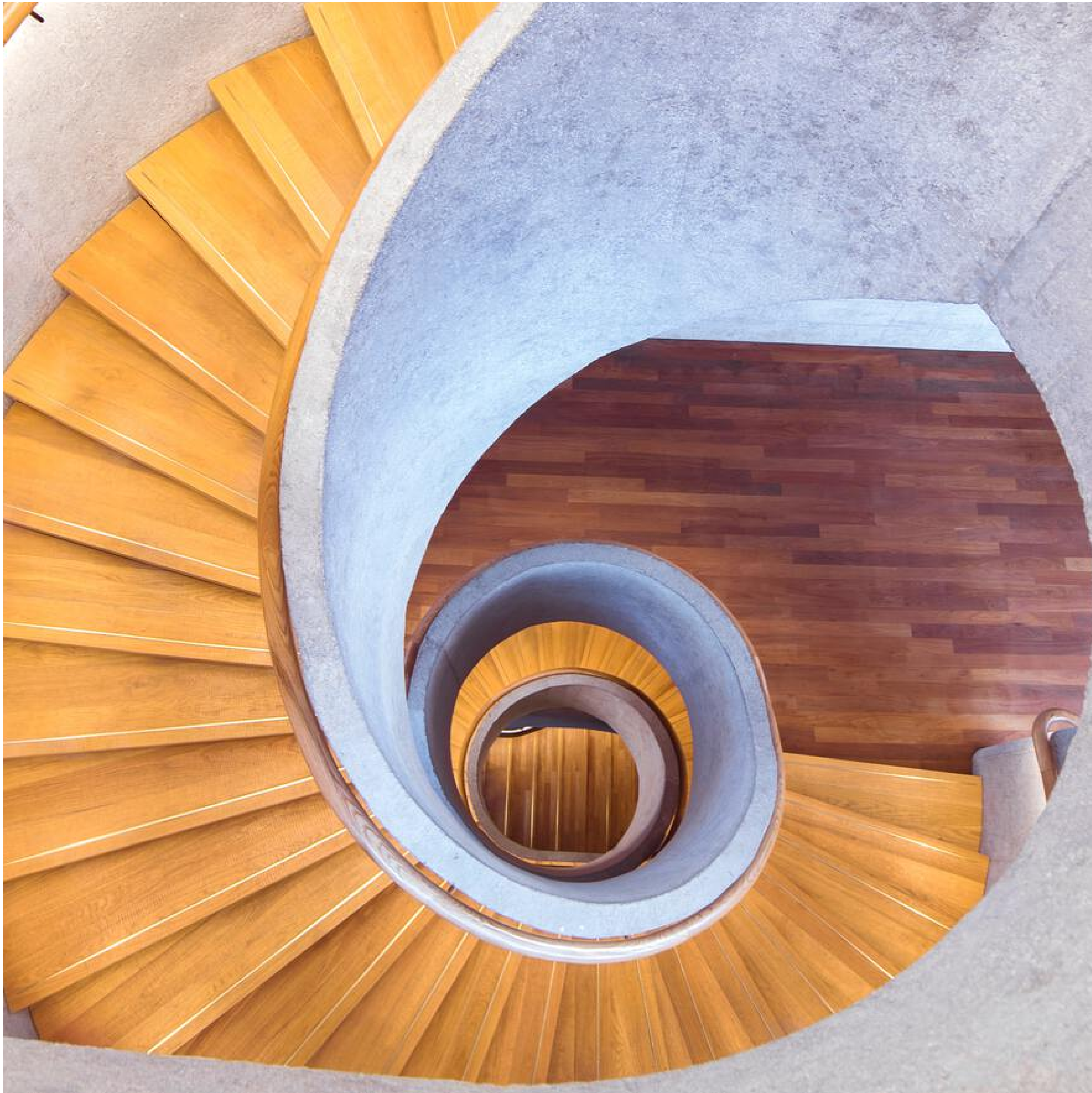
The rollercoaster ride reminds us of some valuable lessons about investing that stand the test of time. Perhaps the most important of these is that patience and commitment tend to reward investors over the long term. It can be difficult to hold your nerve when markets are in freefall.

The last two years have been a reminder that the unexpected happens frequently, which is why it's important to construct portfolios that can weather a broad range of different conditions. Within our discretionary portfolio service, we are able to adjust the exposures to different asset classes and geographies as the environment changes. We have put together this guide to explain what themes are likely to impact markets and influence our investment decisions over the coming months.

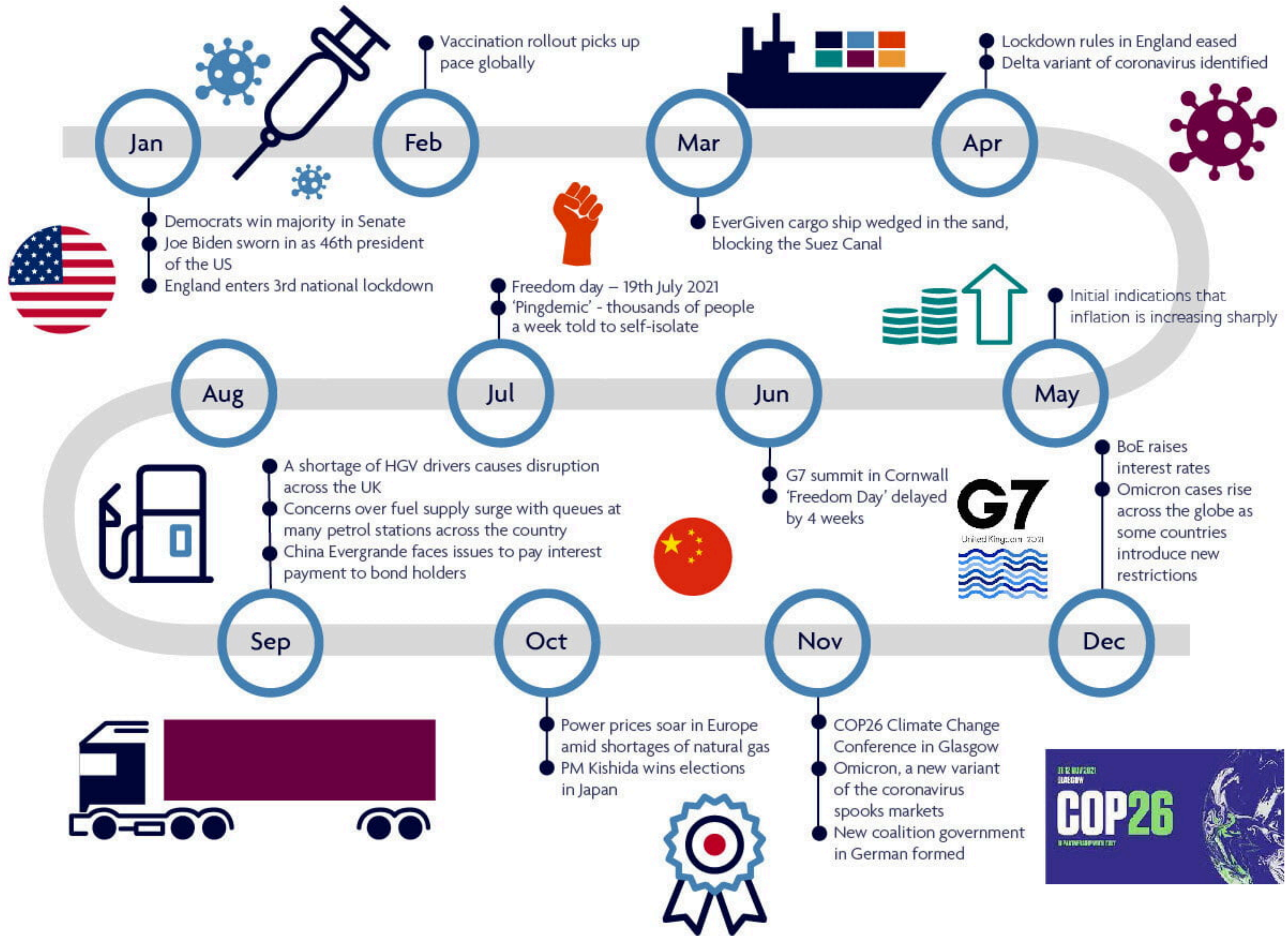
Dominic Sheridan
Chief Executive Officer

Looking back on 2021

2021 was a roller coaster of a year - we take a look back at some of the important news items



The year that was...



Market performance

Total returns of major global stock market indices in 2021 (GBP)

Global	UK	Europe	US	China	Japan
19.6%	18.4%	15.7%	29.3%	-0.1%	-5.2%
MSCI ACWI	FTSE 100	Euro STOXX 50	S&P 500	CSI 300	Nikkei 225

Source: FE fundinfo. 31st December 2020 to 31st December 2021

Asset Class Returns

The dispersion of asset class returns was particularly wide in 2021. While the US stock market had a slow start and higher volatility, it was the strongest performer in sterling terms, while UK stocks also did well. Fixed income struggled due to rising yields, rising inflation and an outlook of rising interest rates. But thinking back to 2020, if it taught us anything it's that in challenging market periods bonds bring well-needed defensive properties to portfolios.

This chart illustrates the performance of different asset classes for the last decade and an illustrative balanced portfolio, which has a combination of the different asset classes. It's always tricky to pick the next best asset class. A portfolio that blends asset classes in line with your risk profile remains the best long-term approach to investing because it matches your tolerance to risk and smooths returns from the different asset classes.

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
High Yield Bonds 37.11	US Small Cap. 35.72	US Equities 20.02	Japanese Equities 18.16	US Small Cap. 44.06	EM Equities 25.40	Global Bonds 5.06	US Equities 25.65	US Small Cap. 15.81	US Equities 29.34
UK Small Cap. 27.82	UK Small Cap. 32.77	Gilts 13.86	UK Small Cap. 9.17	EM Bonds 33.28	UK Small Cap. 18.15	US Equities 0.96	European Equities 20.45	EM Equities 14.65	UK Small Cap. 23.04
European Equities 17.82	US Equities 29.10	Corporate Bonds 12.58	US Equities 6.58	US Equities 32.67	European Equities 17.53	Cash 0.72	US Small Cap. 20.17	US Equities 14.12	UK Equities 18.32
Corporate Bonds 15.78	European Equities 25.19	US Small Cap. 11.00	High Yield Bonds 5.43	EM Equities 32.63	Japanese Equities 15.60	Gilts 0.57	UK Equities 19.17	Corporate Bonds 9.30	European Equities 17.40
EM Equities 13.03	Japanese Equities 25.03	Global Bonds 7.59	European Equities 5.35	Japanese Equities 23.41	UK Equities 13.10	EM Bonds -0.14	UK Small Cap. 18.82	Japanese Equities 9.14	US Small Cap. 15.55
UK Equities 12.30	UK Equities 20.81	Balanced Portfolio 7.26	Global Bonds 2.88	Global Bonds 21.86	Balanced Portfolio 10.72	High Yield Bonds -1.65	Balanced Portfolio 15.21	European Equities 8.62	Balanced Portfolio 9.27
US Small Cap. 10.76	Balanced Portfolio 12.1	High Yield Bonds 5.65	Balanced Portfolio 1.65	Balanced Portfolio 19.84	US Equities 10.62	Corporate Bonds -2.30	Japanese Equities 14.91	Gilts 8.27	High Yield Bonds 3.83
US Equities 10.16	High Yield Bonds 11.84	EM Equities 3.90	UK Equities 0.98	European Equities 19.69	High Yield Bonds 7.86	Balanced Portfolio -4.61	EM Equities 13.86	UK Small Cap. 7.15	Japanese Equities 1.69
EM Bonds 9.93	Corporate Bonds 1.76	Japanese Equities 2.39	US Small Cap. 0.72	UK Equities 16.75	EM Bonds 5.25	US Small Cap. -5.85	High Yield Bonds 13.37	Global Bonds 5.58	Cash 0.09
Balanced Portfolio 9.72	Cash 0.51	EM Bonds 1.25	Gilts 0.57	UK Small Cap. 14.29	Corporate Bonds 5.16	Japanese Equities -8.58	Corporate Bonds 11.42	Balanced Portfolio 4.65	EM Equities -1.64
Japanese Equities 2.82	Gilts -3.94	UK Equities 1.18	Cash 0.57	Corporate Bonds 11.90	US Small Cap. 4.32	EM Equities -9.27	EM Bonds 9.43	High Yield Bonds 4.59	EM Bonds -2.84
Gilts 2.70	EM Equities -4.41	UK Small Cap. 0.89	Corporate Bonds 0.53	High Yield Bonds 10.45	Gilts 1.83	European Equities -9.45	Gilts 6.90	Cash 0.30	Corporate Bonds -3.27
Cash 0.83	Global Bonds -4.46	Cash 0.54	EM Equities -9.99	Gilts 10.10	Cash 0.36	UK Equities -9.47	Global Bonds 2.73	EM Bonds -1.80	Global Bonds -4.36
Global Bonds -0.32	EM Bonds -10.22	European Equities 0.16	EM Bonds -12.18	Cash 0.50	Global Bonds -2.30	UK Small Cap. -9.52	Cash 0.81	UK Equities -9.82	Gilts -5.16

Source: FE fundinfo. All returns as at calendar year end in GBP

A note from our Chief Investment Officer, Robert Jeffree

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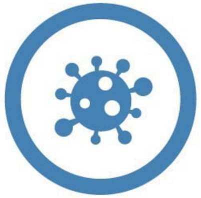
Last year was a roller coaster ride for markets and we're preparing for 2022 to be every bit as eventful, particularly from an investor's perspective. There are three key factors that will influence financial markets and the investments our investment managers may look to make. These are **economic growth, inflation and interest rates**.

The world continues to be in a state of flux, so things are likely to move in different directions at different times throughout the year. This creates uncertainty for investors who will be closely watching the likely directions of travel of these three variables.

As the world works its way through these uncertainties, it would be reasonable to expect a higher level of volatility in markets over the shorter term but our outlook for markets remains positive over the medium term.

To help shape our view of the long term and guide our approach to investing over the year ahead, we've identified five key issues we think are going to determine the outlook for economic growth, inflation and interest rates. Over the next few pages you'll get a better understanding of these five themes.



Covid-19

Supply Chain

Labour Markets

Policymakers

Private Sector

Covid-19: From pandemic to endemic

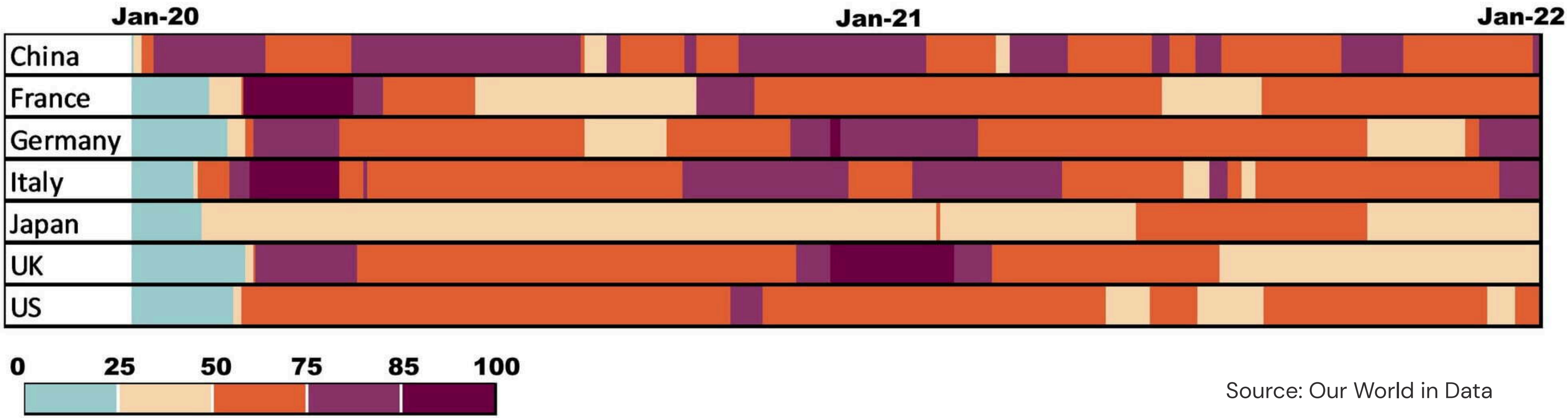
Covid-19: From pandemic to endemic

Two years into the global pandemic, Covid-19 is still with us, but the economic impact is receding. The Omicron variant, which hit in late 2021, has now become the dominant strain globally. Despite fears it might be more contagious and resistant to vaccines, early evidence suggests that, while highly transmissible, the symptoms caused by Omicron are less severe than previous variants. In the UK, soaring infection rates are now easing, while the rapid booster rollout and better treatments mean death rates and hospitalisations have been lower than expected.

It's important to note that we've come a long way since the emergence of Covid-19 in early 2020. Governments and businesses have become more adept in managing the pandemic and handling outbreaks, while vaccines have provided much-needed protection from disease and death for millions of people around the world. The introduction of oral anti-viral pills should provide another line of defence against the virus, and potentially hold the key to ending the cycle of periodic lockdowns.

Figure 1: The Covid-19 Stringency index across the world.

The stringency index is a composite measure based on nine response indicators including school closures, workplace closures, and travel bans, rescaled to a value from 0 to 100 (100 = strictest).



Source: Our World in Data

As 2022 progresses, accelerated vaccination rates and acquired immunity should reduce the need for drastic measures to control the virus such as lockdowns. However, while the vaccine rollout has been a huge success, the potential for new variants to emerge continues to pose a risk for global economic activity. Vaccine inequality between the developed and the developing world is a key contributor to this risk.

What does this mean for investors?

So far, the hospitalisation rate for Omicron has been low compared with previous waves and fewer restrictions have been needed, meaning the economic impact of the variant has not been as significant as first feared. If things continue as they are at the moment, Omicron will simply delay the return to normal we have been anticipating but won't derail it.

As economies open up, people are likely to spend less on goods and more on services. For example, they might spend less on furniture and more on eating out in restaurants as restrictions continue to ease. This shift should reduce some of the inflationary pressures in the system, which means there is less need for interest rates to rise. This means that the extent to which bond yields rise (which means bond prices fall) should be limited in 2022.

While global economic growth is slowing, it is doing so from a very high level, and we continue to expect growth across major economies in 2022. This global growth outlook means we should see another year of positive equity returns, with travel and leisure stocks set to benefit from the reopening. How all this plays out will be different for each country, depending on infection and vaccination rates, as well as to how different countries tackle subsequent waves. For example, China is persisting with its zero-Covid policy, locking down regions when a small number of cases is detected, which obviously hampers economic activity and companies' ability to generate earnings.

Global supply chain disruptions should continue to ease, albeit slowly

Global supply chain disruptions should continue to ease, albeit slowly

In 2021 global trade rebounded strongly after the slump caused by the Covid-19 pandemic. The surge in demand for goods combined with disruption to shipping schedules, lack of containers and a shortage of lorry drivers disrupted supply chains and led to shortages of many goods. Bottlenecks were made worse by workers with Covid having to isolate, while the impact of Brexit contributed to problems in the UK.

We have seen early signs of supply chain issues easing and this should continue throughout the year. However, it will take some time to fully unwind. In the meantime, we may go through periods of product shortages in some sectors.

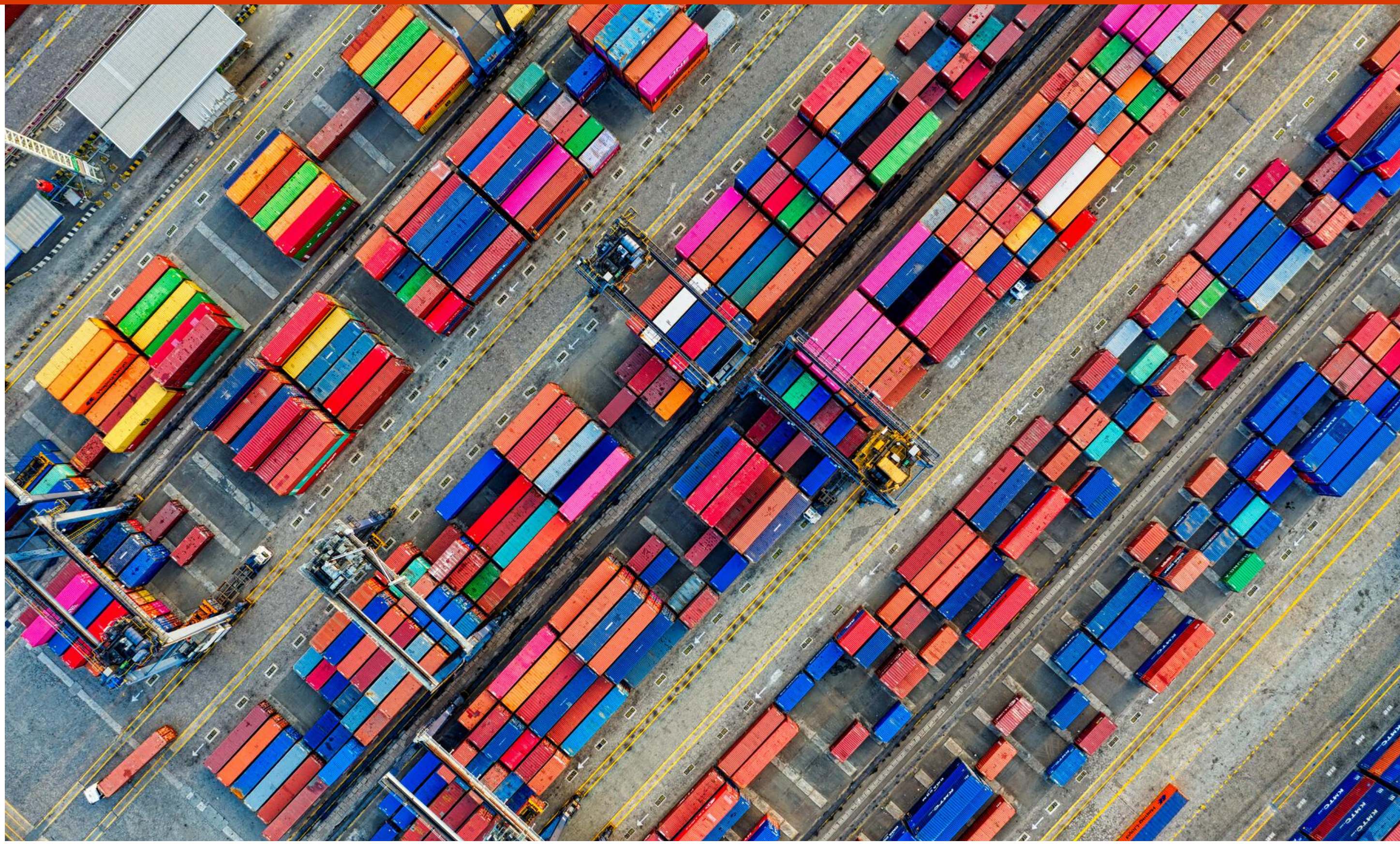
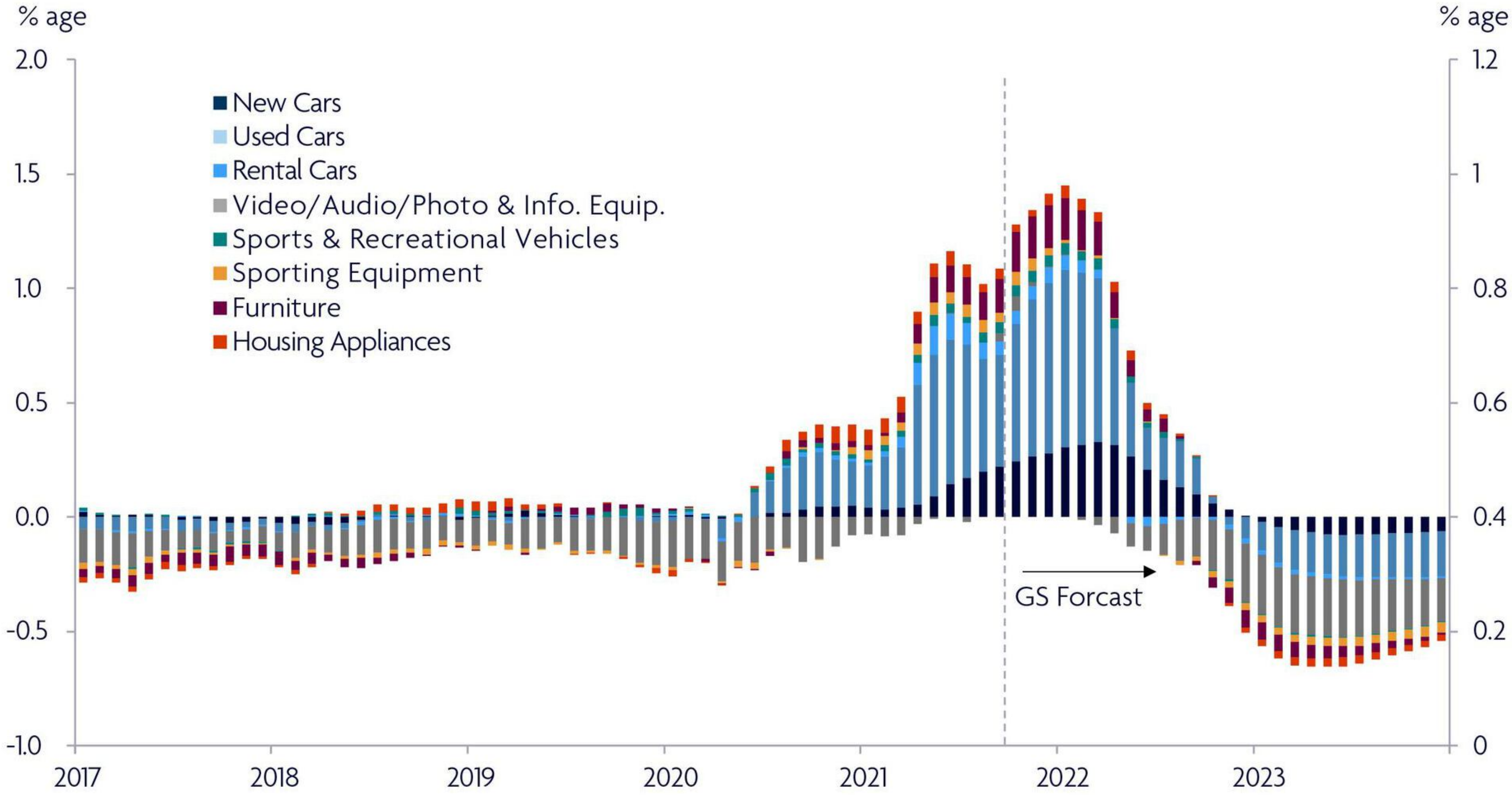


Figure 2. Contributions to Year-on-Year Core PCE Inflation from Supply-Constrained Categories.

This chart shows the impact that areas exposed to supply chain challenges in 2021 had on inflation. Looking forwards, falling prices for these goods are expected to reduce inflation throughout 2022 and into 2023.



Source: Goldman Sachs

As consumers begin spending more money on services, this should help to ease the pressure on global supply chains. However, there is likely to be sporadic disruption to supply chains in zero-Covid regions, such as China, if workers have to go into lockdown or quarantine. Possible new variants could also pose a risk, albeit a low one, to supply chains if they prove resistant to vaccines and countries have to reintroduce social restrictions.

Hear what **Ian Shepherdson, Chief Economist at Pantheon Macroeconomics**, has to say on supply chains. Pantheon Macroeconomics is a partner of Omnis and provides us access to economic data and intelligence.

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What does this mean for investors?

Inflation has rocketed around the world as prices jumped higher due to shortages of products and firms having to pay more for transportation. While inflation is likely to remain elevated in the shorter term, some companies will be in a stronger position than others to pass on higher costs to their customers. In this environment, it is important to actively choose which companies to invest in and which to avoid. For example, companies that have pricing power, such as supermarkets, are likely to pass on higher costs to consumers, thereby protecting their profit margins.

As bottlenecks ease, inflation should start to moderate. If inflation falls and global growth slows as we expect, central banks are unlikely to increase interest rates too much in 2022. We expect only a moderate hike to interest rates across the world, which would be positive for growth companies, such as those in the technology sector. Our investment managers actively invest in companies with sound fundamentals that can navigate supply chain issues.

Here are some thoughts from Fidelity International, who currently manager the Omnis Global Emerging Markets Equity Leaders Fund, the Omnis European Equity Leaders Fund and the Omnis Strategic Bond Fund. Overall, there is a mixed global picture on supply chain issues due to pressures from freight and supply chain issues. The majority of our analysts are expecting costs to rise, but also suggest that pressures could be easing slightly. Analysts still expect shortages to bite into some companies' earnings and margins in 2022.

Developed markets:

Port congestion across both North America and Europe remains at record levels with little signs of improvement, resulting in very high freight rates. Due to the strong consumer demand environment, product shortages were common during the most recent Christmas period. We are hopeful that these challenges will fade, but our industrials analysts have not seen particularly strong evidence of supply chains easing yet and it's possible issues continue throughout the year.

Developing markets:

Supply chain disruptions predominately relate to logistical challenges and we have seen some companies that used middleman freight suppliers shifting to direct contracts with shipping companies over the recent months in order to save costs and have better visibility.

Within India, for example, we are witnessing some easing in supply chain problems in areas like Autos and Chemicals. Companies like Maruti and Eicher motors are now close to returning to more normal production levels. In areas like Pharmaceuticals and Chemicals, whilst availability of raw material has improved, prices remain elevated.

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Labour Markets: The return to work

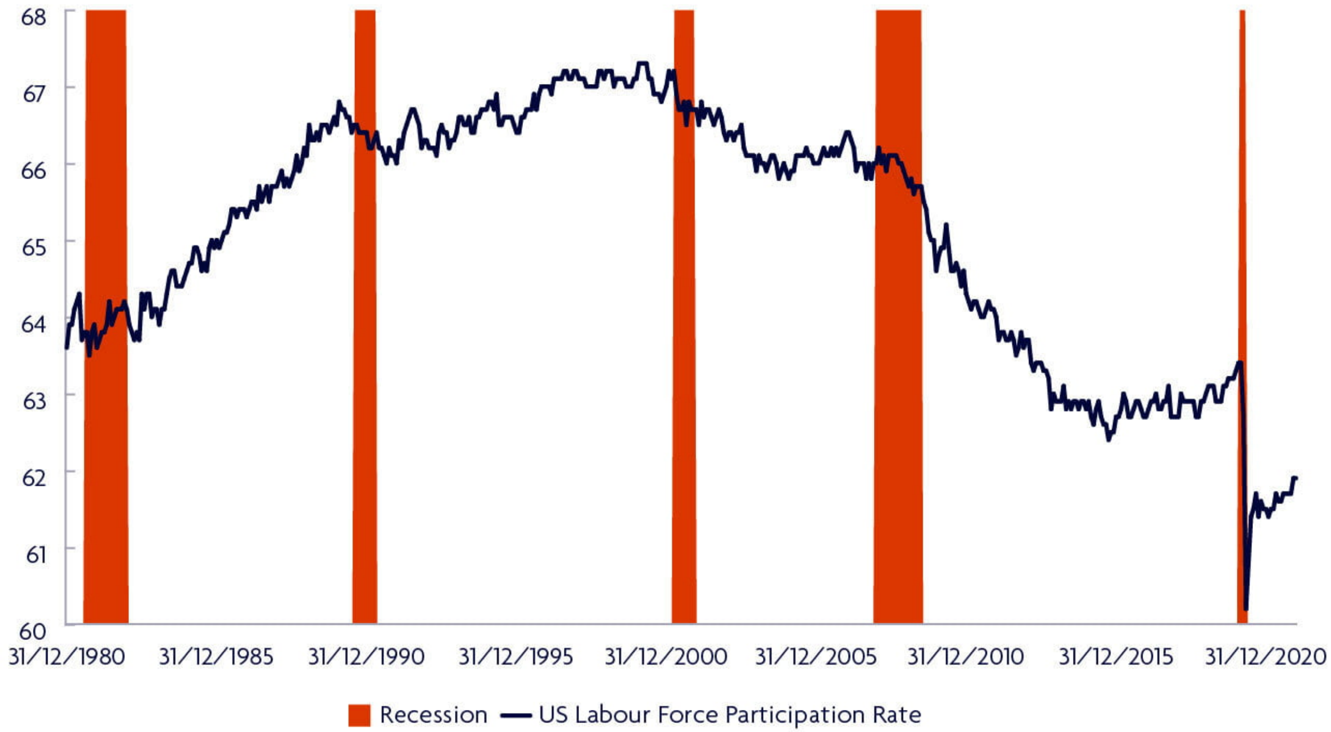
Labour Markets: The return to work

The UK labour market has staged an impressive comeback since the lockdown ended in 2021. Unemployment has remained low, mainly thanks to the furlough scheme, while demand for labour is back to pre-pandemic levels. However, labour shortages abound and the number of job vacancies has topped one million for the first time.

Meanwhile, workers in the US who are wary of catching Covid or have benefited from government stimulus cheques have been reluctant to return to work as the economy opened up last year. Job openings are at record highs and employers are desperate to fill vacancies. The number of Americans quitting their jobs is at the highest on record, with workers taking advantage of the better opportunities available.

Figure 3. The US labour force participation rate has not fully recovered yet to pre-pandemic levels.

The percentage of working age people who are in the labour force is still well below historical



Source: Bloomberg.

As of 31st December 2021.

Health risks associated with Covid are likely to continue to affect the return to work for front-line workers in sectors like restaurants, bars and retail. At the same time, the value of personal assets for some has increased during the pandemic and as a result many are looking to retire earlier. Meanwhile, people who have been able to amass higher savings may feel they have a buffer, giving them time to wait before rejoining the workforce.

As time progresses, labour participation rates should increase, which is likely to reduce the power employees have to negotiate terms that suit them. While labour shortages have helped to drive up wages, the pace of increase will probably slow as workers return to the labour force.

An interview with Catherine Matthews of Western Asset Management.

Western Asset Management is the investment manager of the Omnis Global Bond Fund.

What is going on in the US labour market?

The trend in of recent months has been that jobs growth has been slowing since last spring. In the spring, restaurants and hospitality generated much of the stronger job growth. By the middle of the year, however, both restaurant sales and payroll levels had nearly reached pre-Covid trends. Meanwhile, the other service sectors hardest hit by Covid restrictions also saw a brief surge in activity in 2021 as restrictions were eased, but these topped out around July as remaining restrictions and consumer fears inhibited further growth.

The manufacturing and construction sectors have recovered strongly and are seeing some further job growth, but nothing like what they experienced in late-2020 and we think growth in these sectors is almost complete. In the remaining service sectors, employment levels are still way below pre-Covid trends so perhaps these other sectors will see better gains in early-2022.

The unemployment rate has fallen as some people have left the labour force, but we expect labour force growth to pick in months to come now that extended unemployment benefits have expired and the holidays are behind us. If this happens, unemployment is likely to rise.

What about UK's labour market?

While the effects of the pandemic clearly dominated the higher inflation we saw in 2021, another factor to consider is the impact from the UK's withdrawal from the European Union. As the fog of the pandemic clears, there are two main ways that we expect the post-Brexit effects on inflation to become clearer.

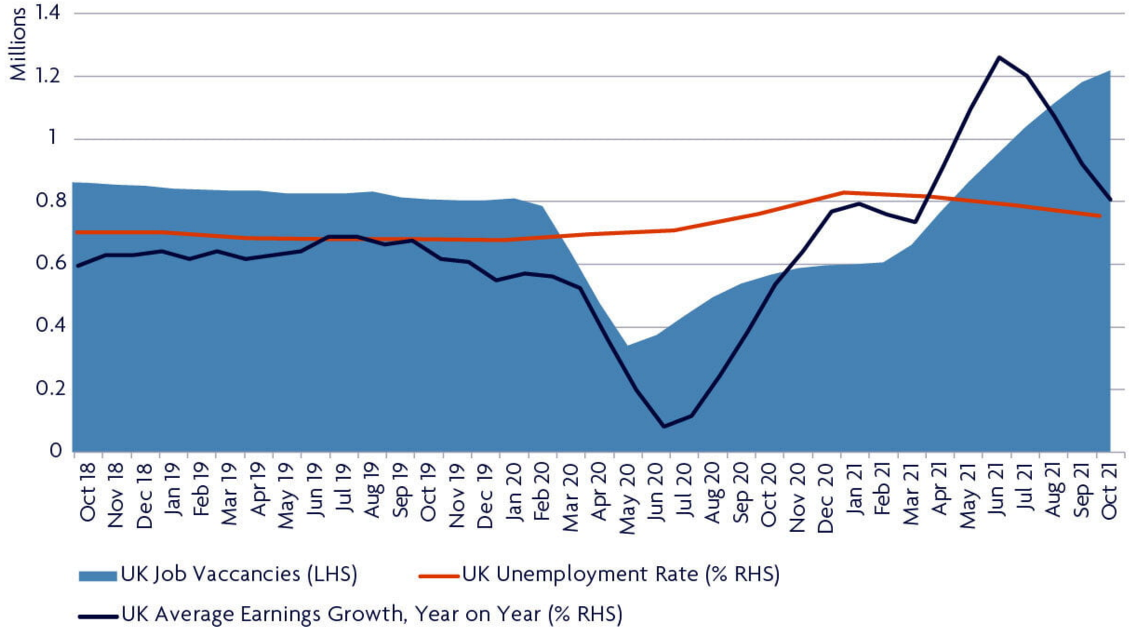
The first relates to the labour market where a large number of European nationals left the UK during the pandemic. Consider for example a European national that had moved to the UK in recent years, worked in hospitality and lived in rented accommodation. If pandemic rules meant that their job was lost or furloughed and there were heavy restrictions on any social interactions, returning to live with family in their home country would likely be an appealing option. Post-Brexit visa rules make it much more difficult for EU nationals to work in the UK and employers have reported significant difficulties in hiring.

The Bank of England is concerned that the tight labour market will continue to push wages higher, which could combine with the current high headline inflation rates to cause medium and longer-term inflation expectations to become entrenched.

The unemployment rate is relatively low at 4.2%, and there are a record 1.2 million job vacancies (Fig. 4). These factors are likely to continue to exert upward pressure on wage

Figure 4. UK Job vacancies, Unemployment rate and Wage growth

Source: Bloomberg. As of 31st December 2021.



growth, which could combine with the current high inflation to cause medium-term inflation expectations to be stickier than in the US. Against these concerns, in December 2021 the Bank of England became the first G7 central bank to raise interests since the outbreak of the pandemic.

The second challenge is the greater trade frictions post-Brexit. While there are hopes that businesses will adjust to new the new rules and requirements, there are costs associated with doing so and these could feed through into higher consumer prices.

What does this mean for investors?

In the UK, the Bank of England expects inflation to peak around 6% in April before falling back in the second half of the year. This could lead to further interest rate hikes later this year and an underperformance of gilts (bonds issued by the UK government). With the labour challenges more pronounced in the UK, this could be a headwind for economic growth and poses challenges for companies exposed to the domestic economy.

In the US, as more workers return to the labour force, we expect inflationary pressures to fade and growth to remain relatively strong, allowing the US Federal Reserve to raise interest rates relatively slowly.

Aside from easing inflationary pressures, people returning to work is good for the economy as they are likely to spend more when they go out – which supports economic growth and would therefore benefit companies exposed to the US economy. In particular, companies in the services and transport sectors, which were most affected by lockdowns, should benefit from this trend .

Policymakers step back their support

Policymakers step back their support

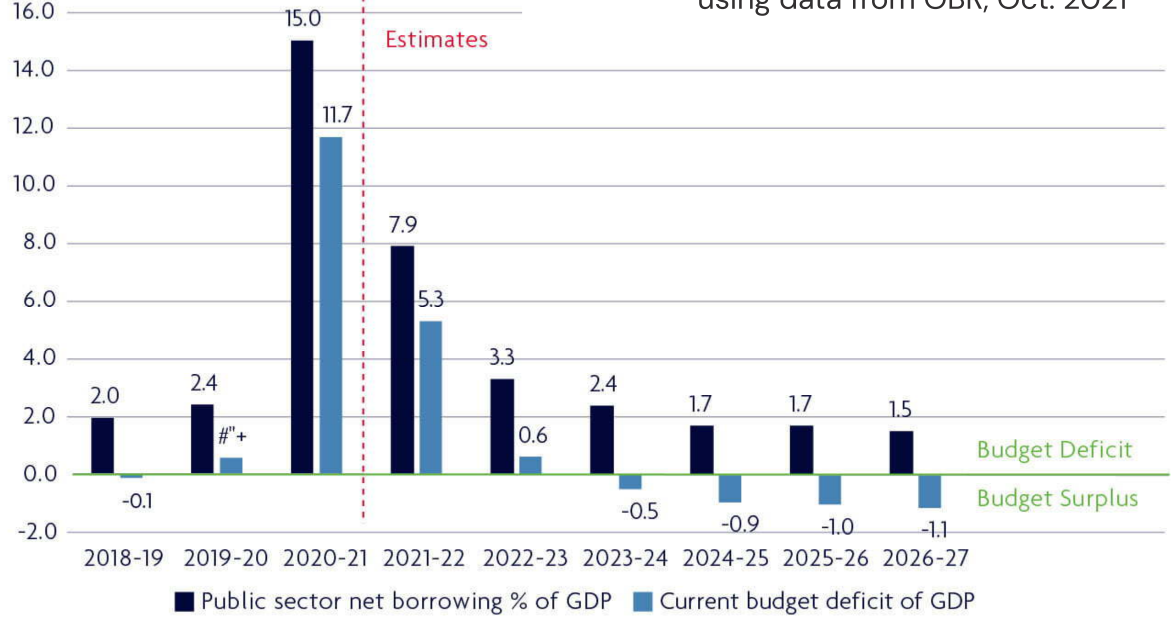
When Covid-19 struck, the global economy suffered its steepest decline on record with businesses having to close due to lockdowns. In response to the crisis, governments and central banks stepped in to help mitigate the effects by providing fiscal stimulus and monetary relief to help support their economies, assist businesses and boost growth.

With the rollout of vaccines and the easing of restrictions, economies around the world roared back into life, showing unprecedented growth. However, many countries are now experiencing their steepest rise in inflation in three decades, even as global growth is slowing. With things getting back to 'normal', many governments are looking to reduce this fiscal and monetary support.

Figure 5. UK Public sector net borrowing and current budget deficit as a percentage of GDP.

Government debt soared during the pandemic as the government sought to support the economy. Moving forwards, the government aims to both reduce its spending and generate additional revenues, for example by raising taxes.

Source: Pantheon Macroeconomics using data from OBR, Oct. 2021

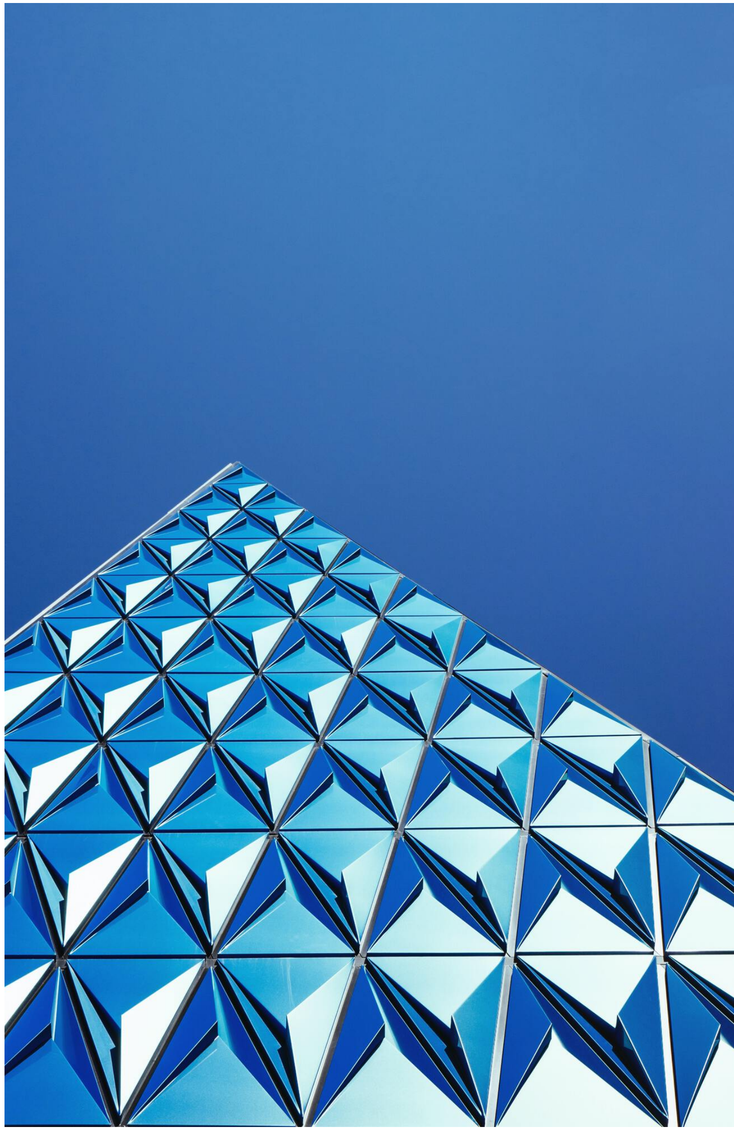


The UK government ended its furlough scheme in September 2021 and is looking to rein in its Covid spending. The Treasury is thought to have pushed back against proposals for more Covid restrictions partly because of the cost of reintroducing financial support for businesses. Meanwhile, the Bank of England became the first major central bank to raise interest rates and tighten monetary policy after the Covid-19 pandemic-focused support of the last two years.

The US government has committed nearly $6 trillion since early 2020 to fight Covid-19 and cushion the economic blow from the pandemic. However, this year it looks like the US economy will have to live without much in the way of help from the Federal Reserve (the US central bank) or the government – especially after the derailing of President Joe Biden's $1.75 trillion spending plan. The Federal Reserve has said it would not hesitate to act to contain inflation and many are expecting a few interest rate hikes in 2022.

Meanwhile, policymakers in China have recently been prioritising the balance of the economy over the pace of its growth. However, growth has now slowed to 'just' 4% - a level not seen for many years. Over the past decade China's authorities have consistently shown their willingness to loosen monetary and fiscal policy to prop up the economy.

Amid early signs that inflation may be fading, many are expecting China to roll out fiscal and monetary support to stimulate a re-acceleration of the economy.



Hear the thoughts of **Azad Zangana, Senior European Economist and Strategist at Schroders**. Schroders is one of our investment management partners and currently manage the Omnis Japanese Equity Fund.

Schroders

What does this mean for investors?

With the world returning to normality, governments are now looking to be more fiscally responsible by winding down pandemic support. Central banks controlling monetary policy around the world have also shifted their focus from stimulating the economy to combating soaring consumer prices that arrived during the recovery.

Cutting down on spending will mean there is less money circulating within the economy, which should help ease inflationary pressures. Lower inflation would also mean there is less pressure on central banks to hike interest rates.

As governments step back their support, this should provide a supportive environment for government bonds, albeit one that faces a challenge from the simultaneous withdrawal of central banks' bond purchase schemes.

There is also the possibility that as governments reduce their support, it creates a near-term headwind for economic growth. Ordinarily, this would be a challenging environment for equity markets, but we expect a boost in consumer spending to outweigh any negative impacts.

Private Sector: Businesses and households spend their savings

Private Sector: Businesses and households spend their savings

As the world learns to live with Covid and fewer restrictions are needed, more companies should be encouraged to invest in expectation of stronger future growth. After several years of increasing earnings, many have strong balance sheets, despite the shock to the system provided by Covid-19. Companies should therefore be willing and able to increase their spending. Indeed, most economists expect capital expenditure (the money used by companies to buy, upgrade or repair assets such as machinery and buildings) to grow at its fastest pace for years in 2022, helping to fuel economic growth.

Some of this increased investment is likely to come in response to rising demand and the need to respond to supply chain bottlenecks. In the UK, business investment may also be lifted by government tax incentives and the need to upgrade assets previously neglected because of Brexit uncertainty and the pandemic.

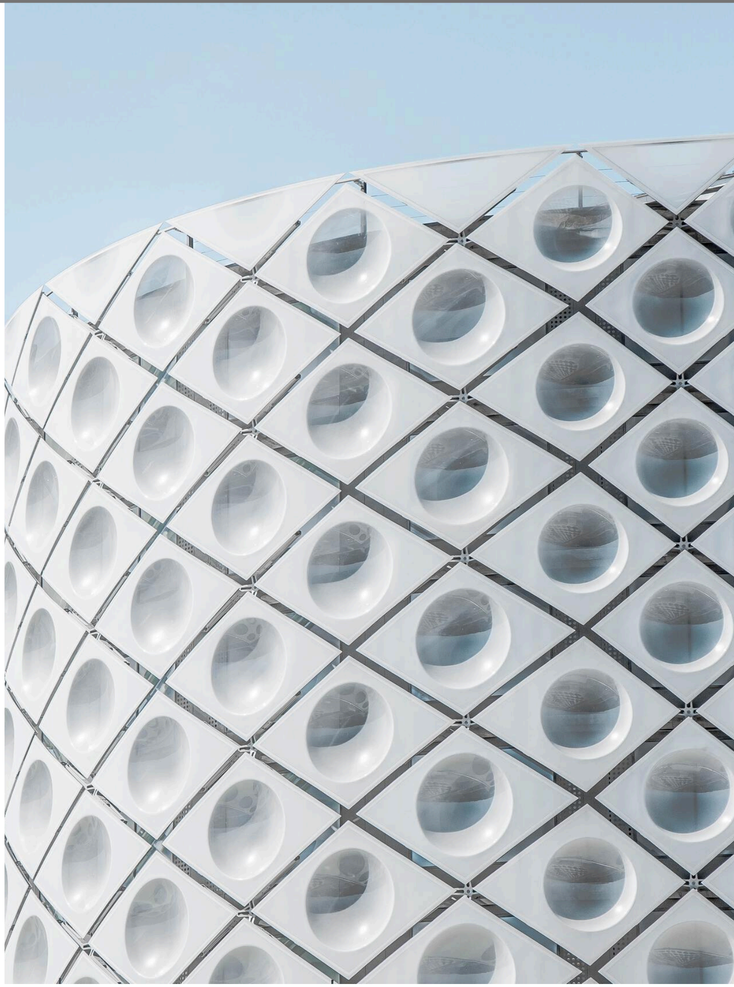
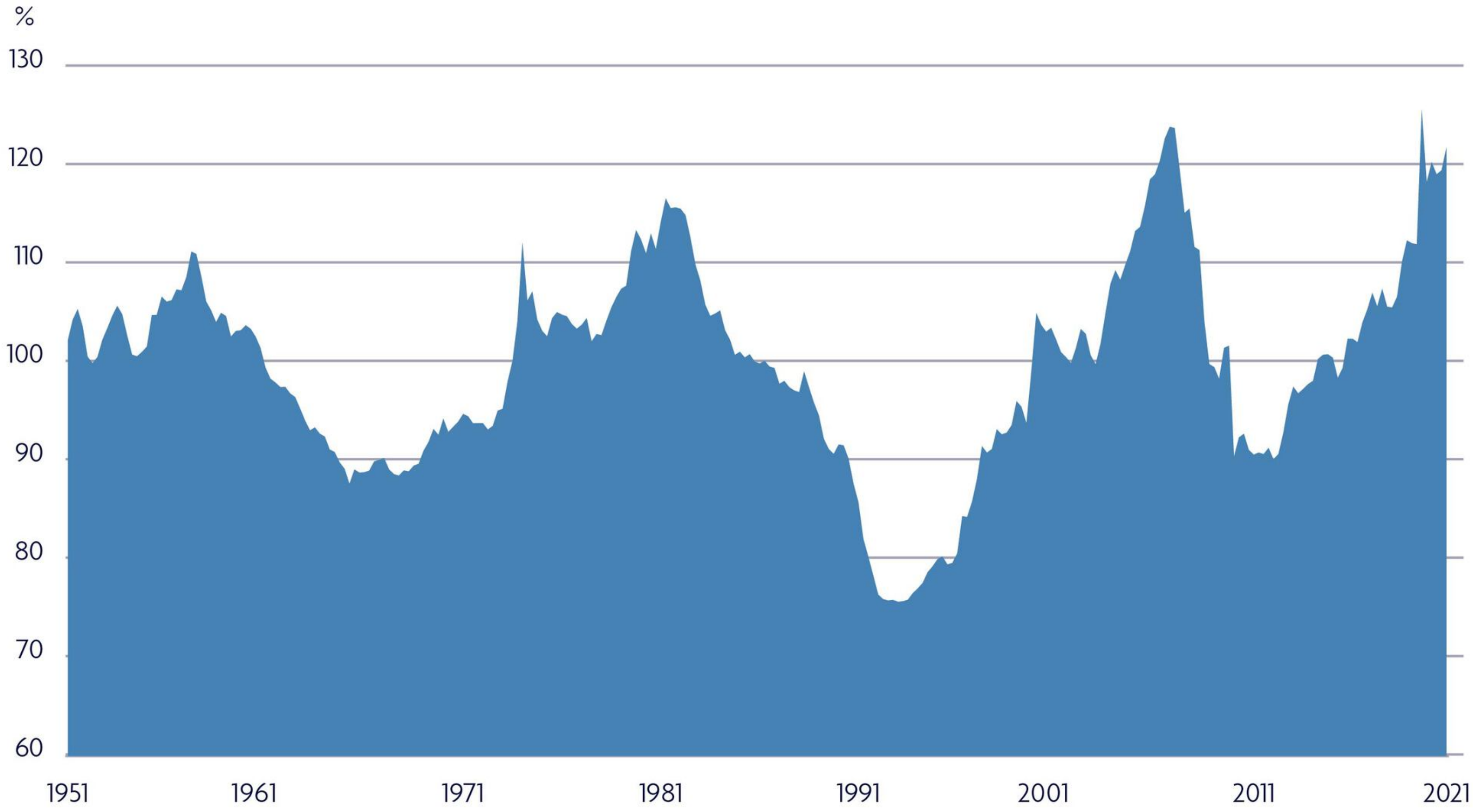


Figure. 6 – Non-financial US corporates net worth as a percentage of GDP

This chart shows that corporate America is sitting on strong balance sheets.



Source: Bloomberg.

As of 31st December 2021.

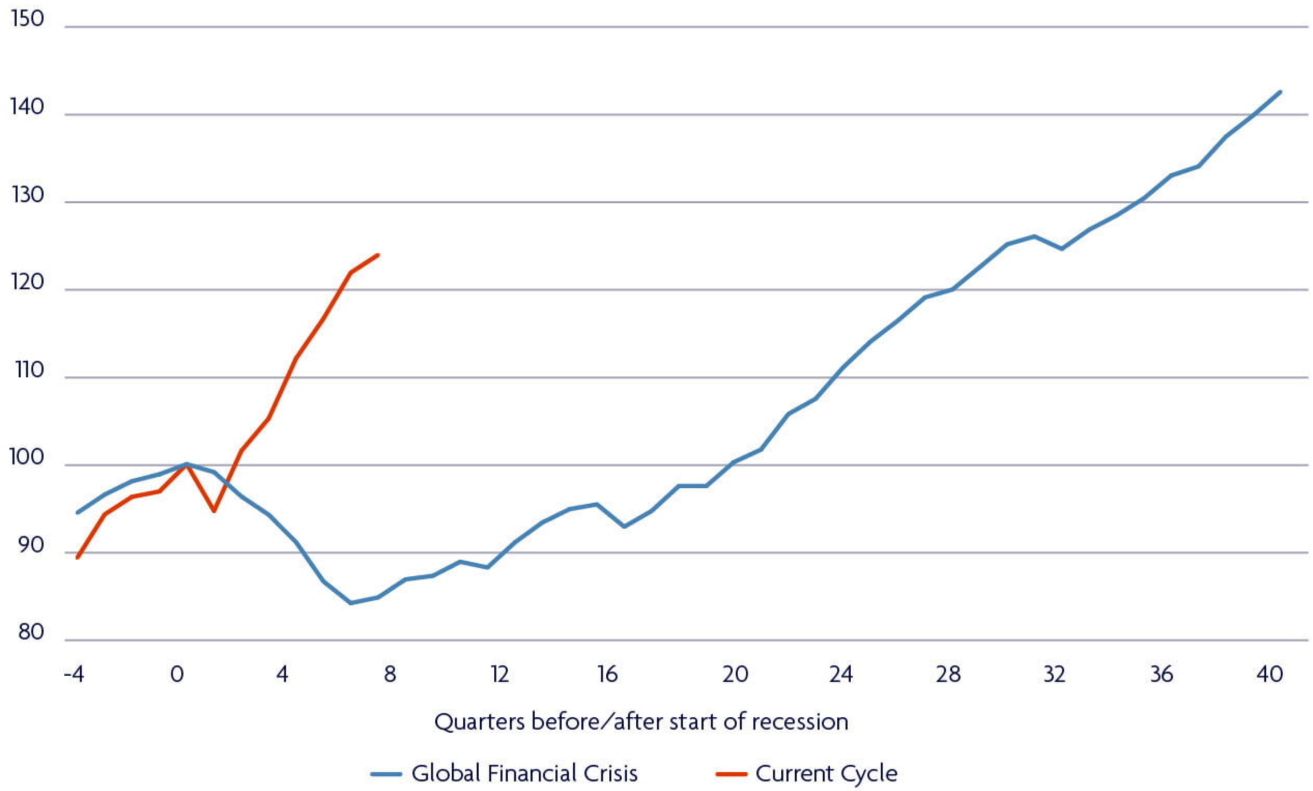
Consumers are also in a very strong position. In the UK, households built up their savings to a record £200 billion during the pandemic, largely due to lockdowns limiting their ability to spend. The savings accumulated in the US are even greater. These savings paved the way for a boom in spending on goods in 2021.

Even after this, consumers who were able to put money aside during the lockdowns still have extra savings and this war chest should help fuel continued spending throughout 2022. Consumer spending is a big driver of developed market economies and if households are able to spend at a rapid pace without accumulating more debt, this should help to power ongoing economic growth.

Figure 7. US consumer net wealth

(Rebased to 100 at start of recession).

This chart shows the amount of accumulated wealth during the pandemic. The recovery this time will be very different to the one experience in the aftermath of the Global Financial Crisis as consumers are able to spend their accumulated savings, thereby boosting economic activity.



Source: Bloomberg. As of 30th September 2021

What does this mean for investors?

We believe strong business capital expenditure along with a rise in consumer spending will lead to good growth for the global economy in 2022, despite the withdrawal of government support. This is a positive environment for investors.

For businesses to increase investment, they must be confident that the economic cycle will continue and the impact of Covid will diminish. One of the biggest benefits of capital investment for equity investors is that it provides non-inflationary growth. In contrast, an increase in consumer spending fuelled by lockdown savings will probably push up inflation further.

View from investment manager T. Rowe Price, **who currently manage the Omnis US Equity Leaders and Omnis US Smaller Companies Funds.**

We're seeing an uptick in capital investment across a range of industries. Many companies with products tied to the housing market, for example, have underinvested for the past decade and are now trying to catch up. Within certain segments of the food and protein industry, labour remains in extremely short supply, and automation is viewed as an important part of the longer-term solution.

We see this particularly within the automotive industry. The automotive original equipment manufacturers are running at full speed, and the suppliers of key components such as semiconductors and connectors will need to step up their capital investment in order to meet growing demand. Of course, this is just not a story for the auto industry.

Entegris is an example of a company we have invested in within the Omnis US Smaller Companies fund where we're expecting to see a meaningful increase in capital expenditure over coming years. It is a provider of specialty chemicals and filtration systems used in manufacturing processes across several high-tech industries, particularly semiconductors and life sciences.

The company has a leading position tied to high-growth markets and plans to increase capital investment to take advantage of strong demand. Capital expenditure (as a proportion of sales), which averaged 7% between 2016 and 2020, rose to 10% in 2021, and the company forecast that it will be 15% over the next three years.

T. Rowe Price®

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About Omnis

Who are we?

Omnis Investments is a specialist investment company providing high quality investment solutions to clients. Our funds are available exclusively through the financial advisers of The Openwork Partnership and 2Plan Wealth Management.

We work with leading global investment management firms to offer a range of funds spanning different asset classes and regions. The investment managers of each fund have been appointed by Omnis following a rigorous selection process. Using a wide range of market data and expert independent analysis, the Omnis investment team oversees each of the funds, ensuring the manager delivers over the long-term against the objectives of the funds.

Our funds are run on an active basis, which means the managers are free to select the individual investments they think will help them to outperform their segment of the market.

Where necessary, Omnis can appoint new investment managers on any of its funds at any point, following the same rigorous selection process. The advantage of this approach is that, should it be appropriate to replace any fund manager, this can be done without the need to move your money from one fund to another. It remains invested in the same Omnis fund and we simply appoint a new investment manager to manage the investments.

The Investment Team works closely with each of the Omnis investment managers and has full visibility of the composition of each of the funds. So, as potential opportunities and threats emerge and market conditions evolve, the team understands how each of the fund managers is responding.

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The Investment Team is overseen by the Omnis Board which contains a great deal of investment knowledge. Its members include senior individuals from Omnis and Openwork who are supported by external investment professionals, whose skills and expertise provide wider perspectives.

Sustainability

The coronavirus pandemic has put environmental and social issues into the spotlight over the past two years.

At Omnis, we're committed to being active investors and strive to be responsible stewards of our clients' investments within a framework of good governance and transparency. Core to our investment philosophy, is the belief that well-governed companies are better positioned to manage the risks and challenges inherent in business and to capture opportunities that help deliver sustainable growth. We firmly believe that effective stewardship will benefit companies, our clients and the economy as a whole.

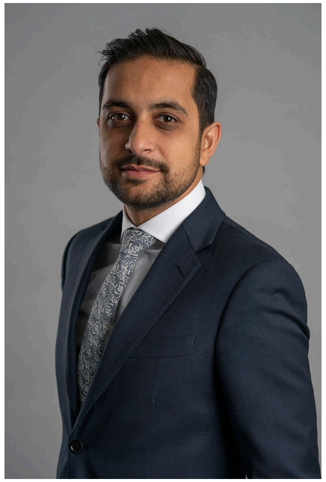
We only work with investment managers that share our same philosophy and all of them consider environmental, social and governance (ESG) factors in their investment process. To find out more about our approach, please click here.

Our Investment Team

Robert Jeffree, Chief Investment Officer
Robert joined Omnis in 2020 having begun his career at HSBC Asset Management's in 1995. He initially joined as an investment analyst before training as a fund manager on the European equities desk. After 3 years at HSBC, he moved to McKinsey as an investment management consultant. In 2004 he joined New Star Asset Management as a fund manager for their MultiAsset and Asia portfolios.

Colin Gellatly, Deputy Chief Investment Officer
Colin began his career in investment management in 2001, joining Omnis in 2013. Throughout this time, he has been heavily involved in fund manager selection and portfolio construction, while developing a specialism in tactical asset allocation strategies, informed by analysis of the macroeconomic environment and financial market characteristics.

Jonathan Gosling, Investment Manager
Jonathan Gosling joined Omnis in 2017 from Towry Investment Management, where he focused on the firms' fund manager research efforts and helped formulate asset allocation and investment strategy. At Omnis, he works closely with our third party investment managers to monitor the management of the Omnis funds and is instrumental in the selection process of new managers.



Rohit Vaswani, Client Portfolio Manager
Rohit has over 13 years' experience in financial services, in a variety of roles. He began his career at Fidelity International, working with investors globally to provide investment solutions and more recently worked with fund managers and fund buyers at Portfolio Adviser, a leading UK-based investment publication.

William Jones, Investment Analyst
William joined Omnis Investments in 2019 with a focus on research and fund analysis. William undertakes risk analysis for our funds and portfolios and assist the wider team in the investment manager oversight.

Our Funds

In this section you will find the current investment managers for the underlying funds of Omnis MPS. The current range of Omnis funds are shown below. New funds may be added to the range to enhance asset class and investment manager diversity.

AXA Investment Managers

Omnis Short-Dated Bond Fund
Invests in a range of bonds (debt) that repay the initial investment within five years. It aims to preserve this investment by building a wide-ranging portfolio based on detailed research of both the global economy and each government or company issuing the bond.

COLUMBIA THREADNEEDLE INVESTMENTS

Omnis UK Gilt Fund
Invests in UK government bonds, also known as gilts. Bonds are an important asset class to include in a portfolio, as they offer diversification from equities.

COLUMBIA THREADNEEDLE INVESTMENTS

Omnis Sterling Corporate Bond Fund
Invests in UK corporate bonds which are issued by companies seeking to raise finance, for example to expand operations. It aims to reduce the risk of default by focusing on investment-grade bonds and thoroughly researching each issuer. Compared to gilts, corporate bonds offer higher potential rewards but carry greater risk.

Omnis Strategic Bond Fund
This Fund has great flexibility as to where it can invest, making it an ideal first step for fixed income investing. It holds a mix of bonds (debt) issued by governments, companies with a minimal risk and 'high-yield' bonds which carry more risk but pay a higher income.

Omnis European Equity Leaders Fund
Invests in shares of high quality companies that the fund manager believes are undervalued because the market underestimates their ability to deliver steady and consistent earnings. It targets mid-size companies in countries across Europe, excluding the UK.

Omnis UK All Companies Fund
Invests in different types of investments, including equities (shares), bonds (debt), currencies and commodities (like gold or oil). The Fund aims to provide returns that are not linked to the movements of mainstream investments.

Omnis Global Emerging Markets Equity Leaders Fund
Invests in large and mid-size companies in developing countries across Latin America, Asia, Europe and the Middle East. It targets companies with strong balance sheets that demonstrate responsible corporate governance and employ sustainable business practices.

Omnis UK Smaller Companies Fund
This Fund provides exposure to smaller UK companies, typically with market capitalisations of between £100 million and £1 billion, aiming to build long-term value for shareholders. Like the Omnis UK All Companies Fund, it looks for attractively-priced stocks with strong balance sheets and sustainable cash flows.

Omnis Diversified Returns Fund
Invests in different types of investments, including equities (shares), bonds (debt), currencies and commodities (like gold or oil). The Fund aims to provide returns that are not linked to the movements of mainstream investments.

Omnis Absolute Return Bond Fund
Invests in a wide range of bonds (debt) that repay the initial investment within two and a half years. It typically targets larger bond issuers in the United States and Europe, but also looks for opportunities in emerging markets, such as Eastern Europe or South America.

Omnis European Equity Opportunities Fund
Invests in mid-size European companies (excluding the UK) that the fund manager believes are undervalued by the market. By thoroughly researching the factors affecting a company and its industry, it targets a wide set of opportunities across different industries and countries.

Omnis Global Bond Fund
This Fund provides exposure to global fixed income and currency markets, providing valuable diversification opportunities.

Omnis Income & Growth Fund
This Fund is another UK equity fund within our range, providing variation in a small market. It aims to invest in companies which not only provide a regular income, but also are growing.

Omnis Japanese Equity Fund
Invests in undervalued but good quality Japanese stocks, with a slight bias towards small and medium-sized companies, generating strong potential earnings growth and providing earnings visibility over the long-term. The Fund targets companies that exhibit some form of competitive advantage, such as a technological edge or dominant market share.

SOMERSET
CAPITAL MANAGEMENT LLP

Omnis Global Emerging Markets Equity Opportunities Fund
This Fund provides access to developing markets including Brazil, Russia, India and China, which can be a valuable source of returns. It invests in the shares of companies in emerging markets, which can carry a higher risk, but can also provide investors with higher returns.

T.RowePrice®
INVEST WITH CONFIDENCE

Omnis US Smaller Companies Fund
Invests in shares of smaller companies in the United States. It uses research to unearth companies that the fund manager believes have been undervalued by investors, despite having solid business plans, financial flexibility and strong leadership teams.

T.RowePrice®
INVEST WITH CONFIDENCE

Omnis US Equity Leaders Fund
Invests in the shares of larger companies in the United States. It relies on research at both a company and industry level to identify what the fund manager believes will provide the best returns for investors.

Veritas
— Asset
Management

Omnis Asia Pacific (ex-Japan) Equity Fund
This Fund aims to deliver strong real returns and relative returns over time by adopting a thematic approach and investing in stocks benefiting from structural trends in Asian economies.

The Omnis Managed Portfolio Service

The Omnis Managed Portfolio Service (OMPS) is a discretionary investment management service provided by Openwork Wealth Services Ltd, which is available exclusively through financial advisers of The Openwork Partnership and 2Plan Wealth Management.

OMPS aims to keep your investments aligned to your financial goals and deliver the right outcomes for you on a long-term basis (which we define as at least five years), whilst seeking outperformance through an active asset allocation approach. Our investment team constantly monitors the global market environment and adjusts portfolio exposures to take advantage of the most compelling investment opportunities

At the heart of our investment approach is a focus on maximising returns from well-defined levels of risk. Each of the portfolios has what we call a 'strategic asset allocation'. This is the framework for the mix of the diverse types of investments in each portfolio. The aim is to provide the level of diversification we consider appropriate to deliver strong returns while always staying true to the portfolio's risk profile. The portfolios then invest in the various actively managed Omnis funds.

The asset allocation of each portfolio can be adjusted by the investment team to reflect market conditions. The investment team considers the asset allocations on an ongoing basis and may adjust these as it deems necessary. This active or 'tactical' management is what really sets OMPS apart from more static types of investment portfolios; it is through making these regular adjustments that additional outperformance may be achieved.

To find out more about our approach, you can download our Omnis Managed Portfolio Service brochure here.

Thank you for reading

2022 Investment outlook

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The value of an investment and any income derived from it can fall as well as rise and you may not get back the original amount invested. Past performance is not a guide to future performance.

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For more information, please contact your Openwork or 2Plan financial adviser.