Omnis INVESTMENTS

Strategic Asset Allocation

Our Strategic Asset Allocation: explained

A robust asset allocation that works towards your long-term investment objectives.

February 2025

At Omnis Investments, we work with your financial adviser to help you achieve your long-term financial goals through trusted advice.

We do this in four key steps:

1. Financial planning.
Based on your conversations, your financial adviser will assign you a risk profile.

2. Strategic Asset Allocation.
For every risk profile, we confirm the long-term mix of assets that aim to deliver the best return with the appropriate level of risk.

3. Tactical Asset Allocation.
Once the Strategic Asset Allocation is set, we will tactically manage the portfolio to take advantage of short-term opportunities.

4. Manager selection.
We select experienced managers to make decisions on what specific companies and bonds to invest in.

Strategic Asset Allocation is the foundation of our investment approach. In this issue we explain what Strategic Asset Allocation is, explore its importance to long-term investing and confirm our Strategic Asset Allocation decisions for 2025.

What is Strategic Asset Allocation?

Strategic Asset Allocation (SAA) is the long-term allocation of asset classes in a portfolio based on an investor's risk tolerance, capacity for loss, investment goals and time horizon. It involves analysing, selecting and weighting different asset classes (such as shares, bonds and alternatives) according to certain return and risk profiles.

The purpose of SAA is to create a diversified portfolio that performs in line with your investment objectives and attitude to risk by balancing the unique risk and return characteristics of different asset classes. It is important that the portfolio you invest in has the most appropriate SAA, as this will be the dominant driver of your returns over the long term.

Why is Strategic Asset Allocation important?

SAA is crucial to the investment process. The performance of different asset classes can vary depending on economic conditions, so a robust SAA can optimise returns and adhere to your risk profile by balancing volatile assets with more stable ones.

We review our SAA framework annually with the trusted support of J. P. Morgan Asset Management, one of our global research partners, to ensure it continues to align with your risk tolerance and time horizon.

How do we develop our SAA?

Our annual SAA review keeps our portfolios balanced and well-positioned. We start by looking at long-term market forecasts developed by J. P. Morgan Asset Management. These forecasts predict how various asset classes might perform over a 10-15year period, including their expected returns, risks and how they correlate with one another.

We use this data alongside expertise from our risk research partner, EV (formerly EValue) to design portfolios that align with these forecasts and your investment objectives. This ensures your portfolio operates within a level of risk that you're comfortable taking.

EV (formerly EValue) is a UK-based financial technology company that provides research and tools to asset managers and financial planning firms. It combines actuarial knowledge with asset modelling and risk management to assess the risks underlying portfolios and forecast volatility journeys.

Why J. P. Morgan Asset Management

J. P. Morgan (JPM) Asset Management is a leading provider of Long-Term Capital Market Assumptions (LTCMAs) because of its robust research capabilities, deep market insights and experienced team of investment professionals.

It leverages extensive historical data and advanced analytical models to generate reliable, comprehensive projections across various asset classes. Its LTCMAs are built on a rigorous framework that incorporates multiple macroeconomic and geopolitical factors.

J. P. Morgan Asset Management's expertise equips us with the insights we need to make informed decisions about SAA which are aligned with your long-term investment objectives.

Our 2025 SAA adjustments

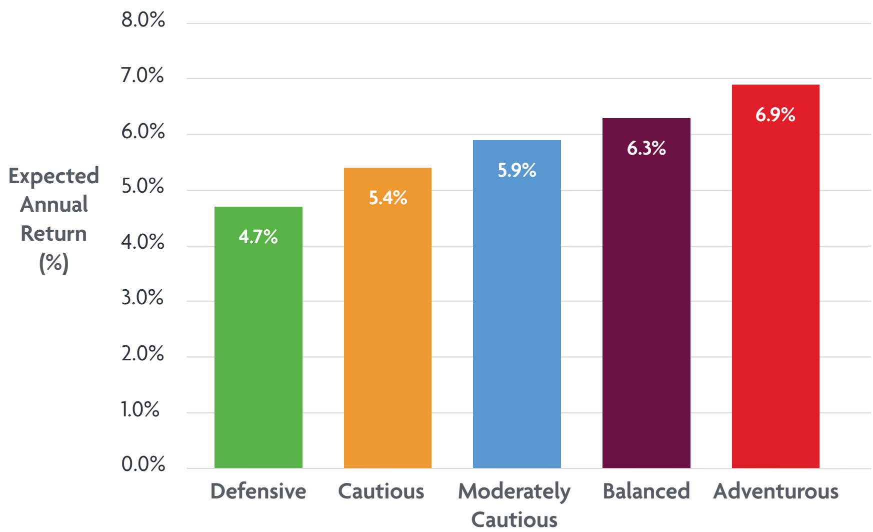
The global economic landscape has shifted from the low investment, low growth and low interest rates of the 2010s to higher growth, significant capital investment and increased interest rates. Advancements in artificial intelligence and automation are likely to support increased productivity and economic growth, creating a positive outlook for asset markets despite persistent inflationary risks and market volatility.

Based on this outlook and JPM LTCMAs, we've made some changes to reduce the concentration of UK assets in favour of other global investment opportunities:

- We reduced UK equities by 25% in 2024. We're reducing them even further in 2025 in favour of global equities.
- We've also reduced UK bonds (both government and corporate) in favour of global bonds.

We believe this will help to reduce single country risk with little to no effects on the long-term risk and return projections of your portfolio.

Here are the expected annual returns of your new Strategic Asset Allocation over the next 10-15 years:



Source: J. P. Morgan Asset Management & Omnis Investments, February 2025

Agile adjustment with Tactical Asset Allocation

We know that markets don't move in a straight line which is why we maintain consistent oversight of your investments, adjusting allocations in the short term aiming to take advantage of opportunities on the upside and offer a degree of protection to your portfolio on the downside.

This is known as Tactical Asset Allocation (TAA) and it gives us the flexibility and control to ensure your money is always working hard towards your financial goals.

To learn more about our SAA framework, tactical asset allocation, and investment selection, please visit omnisinvestments.com or speak to your financial adviser.

What happens next?

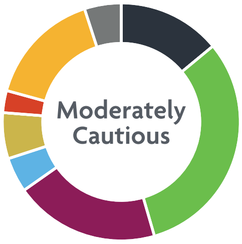
We'll gradually move the portfolio you are invested in towards the new SAA on your behalf; you don't need to do anything. We'll also provide detailed updates through your financial adviser as we make this transition.

Please visit omnisinvestments.com or speak to your financial adviser for more information.

The new SAA will be as follows:

4% UK Equities
9% US Equities
7% Other Developed Markets Equities
13.5% UK Government Bonds
3% UK Corporate Bonds
33.5% Global Bonds
30% Alternative Investments

8% UK Equities
18% US Equities
14% Other Developed Markets Equities
11% UK Government Bonds
6.25% UK Corporate Bonds
32.75% Global Bonds
10% Alternative Investments



11% UK Equities
24.75% US Equities
15.5% Other Developed Markets Equities
3.75% Emerging Markets Equities
8.75% UK Government Bonds
4.75% UK Corporate Bonds
24% Global Bonds
7.5% Alternative Investments

14% UK Equities
31.5% US Equities
19.75% Other Developed Markets Equities
4.75% Emerging Markets Equities
6.25% UK Government Bonds
3% UK Corporate Bonds
15.75% Global Bonds
5% Alternative Investments

19% UK Equities
42.75% US Equities
27% Other Developed Markets Equities
6.25% Emerging Markets Equities
1.5% UK Government Bonds
1% UK Corporate Bonds
2.5% Global Bonds

Key:

UK Equities	US Equities	Other Developed Markets Equities	Emerging Markets	UK Government Bonds	UK Corporate Bonds	Global Bonds	Alternative Investments

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