

# Omnis Managed Fund range



We spoke to the team at Columbia Threadneedle Investments who manage the Omnis Managed Funds. They explained how they designed the range to match the different attitudes investors have towards risk, and what goes on behind the scenes.

The Omnis Managed Funds range has been designed to help investors with the difficult task of choosing the right blend of investments to suit their goals and attitude to risk. There are three options – the Omnis Managed Cautious Fund, the Omnis Managed Balanced Fund and the Omnis Managed Adventurous Fund.

A managed fund is simply one that usually invests in a wide range of asset classes and underlying funds, but where a single fund manager makes the decisions about both. Our funds suit a broad range of investors, from those who are more cautious to those who are willing to accept a higher level of risk.

The three funds in the range invest in a globally diversified blend of assets, including equities and bonds. Each has a different mix of asset classes in the portfolio depending on its approach to risk. While we expect the Adventurous fund to deliver the highest returns over the long term, we also expect it to be the most volatile because this investment strategy takes the most risk (the fund contains a higher proportion of higher-risk assets such as equities).

In contrast, we expect the Cautious fund to deliver the lowest returns of the three over the long term, but performance should be less volatile because the investment strategy takes the least risk (the fund contains a greater proportion of traditionally lower-risk assets such as bonds).

The fund range aims to achieve a return consisting of a combination of income and capital growth that exceeds the benchmark (which consist of a mix of global indices, such as the FTSE All Share Total Return Index, in line with the fund's long-term strategy) over a five-year rolling period after all fees and expenses. Full details of the funds can be found [here](#).

## Investment approach

The team at Columbia Threadneedle Investments carefully combine assets not only to achieve growth in each fund but also to ensure they always remain within their respective risk profiles. They draw upon the full resources of their firm globally and take a collaborative approach when selecting investments, which enables them to refine investment ideas.

## Meet the manager

Columbia Threadneedle Investments is one of the largest asset managers in the UK, managing over £550 billion<sup>1</sup> for investors globally. It employs more than 2,500 people around the world, including over 650 investment professionals in Europe, North America and Asia. The firm offers a broad array of investment strategies, and the investment manager has the capability to create bespoke solutions matched to specific requirements.



<sup>1</sup> As at 31 December 2021

The investment process is built on sharing and debating ideas, with collaboration across teams and sectors in order to find investment opportunities in global markets. The funds are actively managed, which means the managers use their expertise to pick investments that meet its objectives.

The funds invest in Columbia Threadneedle's own funds across equities, fixed income and cash. The underlying managers of the equity funds tend to look for high-quality companies that can achieve growth, though the investment team is also able to add more income orientated funds if they deem appropriate given the market background.

As part of the research process, the underlying fund managers engage with the companies they are thinking about selecting to get a better understanding of their growth potential. The manager measures and monitors risk and performance in detail on all the investments held within the funds so that they always know what's driving returns.

The Omnis team provide additional oversight and we regularly meet with the investment manager and team to ensure the funds are being managed appropriately and meet their investment objectives.

## Responsible investing

Responsible investing plays a significant role in the team's investment process when selecting companies. Analysts and portfolio managers regularly engage with companies on environmental, social and governance (ESG) and sustainability issues and they have a strong record in influencing positive change. Companies with strong ESG credentials are believed to be better managed and able to anticipate future risks and opportunities.

One company Columbia Threadneedle has been actively engaging with is Marathon Petroleum in an attempt to reduce its carbon emissions. As a result, Marathon is now investing more in sustainable fuels and is discussing what it can do to improve net zero emissions targets at board level.



The team has also been working with Volkswagen, which it believes will become the world's largest electric vehicle producer over the next 10 years. Volkswagen has considerably improved its ESG performance in recent years and expects electric cars to account for around 50% of its sales by 2030, approaching 100% by 2040.



## Investment outlook

Following Russia's invasion of Ukraine, the market's focus has shifted from Covid and tightening monetary policy to geopolitics. The main impact on the most directly affected stock markets is twofold. First, the immediate effects of Western sanctions on companies doing business in the region, and second, uncertainty as to how the conflict unfolds from here.

Meanwhile, in the near term, the conflict has exacerbated the inflationary pressures being felt globally, given further increases in energy prices and the risk of further disruption to supply chains already hit by Covid-19. However, over time, we still feel that inflation – along with growth – should gradually slow towards trend levels, removing pressure on central banks to raise rates meaningfully from here.

Risk assets, such as equities, should benefit as central banks remain supportive of the economy relative to history and we are seeing reasonable growth in corporate earnings. For example, over the last three months of 2021, corporate results have generally beaten expectations.

The manager believes that while the pace of the global economic recovery continues to ease and valuations feel the impact of changes in central-bank policy expectations (i.e. rising rates), there is still value in certain areas such as in the US, where there has been little impact from the invasion on corporate earnings and inflation.

As the pace of the recovery will affect regions, industries and companies differently, the manager believes that active management remains critical to adding value through asset allocation and security selection.

## Why did we pick Columbia Threadneedle Investments to manage the fund range?

Columbia Threadneedle is a leading investment firm that has been managing multi-asset funds for over 25 years and with one of the most diverse fund ranges, it was clear they are extremely well-placed to manage the range. The firm has delivered market-leading returns for multi-asset funds for many decades and is highly experienced in actively managing portfolios. The size and global reach of the company also means the managers have access to expertise in all kinds of assets and access to a wide range of funds.

The Omnis Managed Fund range is headed by Alex Lyle, who has been Columbia Threadneedle's head of managed funds for Europe, the Middle East and Africa since 2003. He is supported by deputy portfolio manager Matt Rees, who is a portfolio manager within the global asset allocation team and responsible for managed funds.

*To read more details about how the funds are managed by the team, please read our dedicated [Omnis Managed Funds Brochure](#), or speak to your financial adviser.*

[www.omnisinvestments.com](http://www.omnisinvestments.com)

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