

# Omnis appoints additional investment manager to the UK Smaller Companies Fund

4 May 2022

As part of the ongoing development of Omnis' fund range, we are delighted to confirm the appointment of a second manager within the Omnis UK Smaller Companies Fund.

UK All Companies 	Japanese Equity <b>Schroders</b>	Diversified Returns <b>FULCRUM</b>
<b>UK Smaller Companies</b> 	Asia Pac. Ex Japan Veritas — Asset Management	Absolute Return Bond <b>Federated Hermes</b>
Income & Growth <b>JUPITER</b> ASSET MANAGEMENT	Emerging Markets Leaders <b>Fidelity</b> INTERNATIONAL	Short Dated Bond <b>Investment Managers</b>
US Equity Leaders <b>T.RowePrice</b> INVEST WITH CONFIDENCE	Emerging Markets Opportunities <b>SOMERSET</b> CAPITAL MANAGEMENT LLP	Managed Funds <b>COLUMBIA THREADNEEDLE</b> INVESTMENTS
US Smaller Companies <b>T.RowePrice</b> INVEST WITH CONFIDENCE	UK Gilts <b>COLUMBIA THREADNEEDLE</b> INVESTMENTS	Multi-Manager Funds <b>PineBridge</b> INVESTMENTS
European Leaders <b>Fidelity</b> INTERNATIONAL	Sterling Corporate Bond <b>COLUMBIA THREADNEEDLE</b> INVESTMENTS	Multi-Asset Income <b>NEWTON</b> Investment Management
European Opportunities <b>BARINGS</b>	Global Bond <b>WESTERN ASSET</b>	
	Strategic Bond <b>Fidelity</b> INTERNATIONAL	

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## Why appoint a second manager?

There are several reasons we have decided to appoint a second manager within the Omnis UK Smaller Companies Fund:

- 1. Diversification** – Using more than one manager means we can provide additional diversification to you as an investor through the deployment of complementary investment strategies within the objectives of the fund.
- 2. Capacity constraints & liquidity** – When investing in UK smaller companies, capacity constraints (how much money we can invest in these types of companies) and liquidity (how quickly we can sell the investments) can be significantly improved by adding a second manager.
- 3. Cost-effective and lower administrative burden for you** – In appointing a second manager (instead of launching an additional fund), there is no action required from you and there will be no material increase in costs (other than those stated in the [shareholder notification](#)).

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4. **Consolidated Reporting** – you will continue to invest in the Omnis UK Smaller Companies Fund, and effective from July the fund factsheet will show a consolidated view of the two investment managers for you.

## Who will be the second manager of the fund?

Following a careful and considered selection process, we are delighted to appoint Fidelity International (under its legal entity FIL Pensions Management) to be the second manager, alongside the existing manager Franklin Templeton.

The reasons that Omnis selected Fidelity include:

1. **Track Record** – Fidelity have a long, enviable UK smaller companies track record, which since launch in February 2008 has generated strong risk-adjusted returns via a repeatable and stable investment philosophy and process.
2. **Dedicated investment team** Fidelity are one of the few UK smaller companies managers that have a dedicated analyst team that cover this part of the market explicitly; this helps unearth ideas across an eclectic universe of different companies.
3. **Liquidity** – Fidelity invests in highly liquid UK smaller companies, as does the existing manager, Franklin Templeton.
4. **Investment Style** – Fidelity has a different and complementary investment style to Franklin Templeton. Franklin Templeton looks for companies with good-quality fundamentals that are likely to grow; meanwhile Fidelity, looks for companies presently unloved that are going through a period of positive change.
5. **Overlap in investments** – There is a low crossover of company holdings between the companies that Fidelity intends to invest in with those that Franklin Templeton currently holds. This low commonality will result in two approaches which are complimentary and highly differentiated.

## What happens next?

The earliest the changes will take place will be on 7<sup>th</sup> June 2022. To appoint a second manager, the fund will need to change from a 'concentrated' portfolio to an 'unconcentrated' portfolio. This means that the current limitation in terms of the number of securities the fund may hold (between 35 and 60) will be removed on or after this date when Fidelity assumes management alongside Franklin Templeton.

**There is no action needed from you** and you will continue to be invested in the Omnis UK All Companies Fund. We will of course continue to provide updates on the fund on our [website](#) and through your financial adviser.

## Omnisinvestments.com

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