

Strong conviction  
STABLE RETURNS



OBI Active 8 – July 2017 Portfolio Update

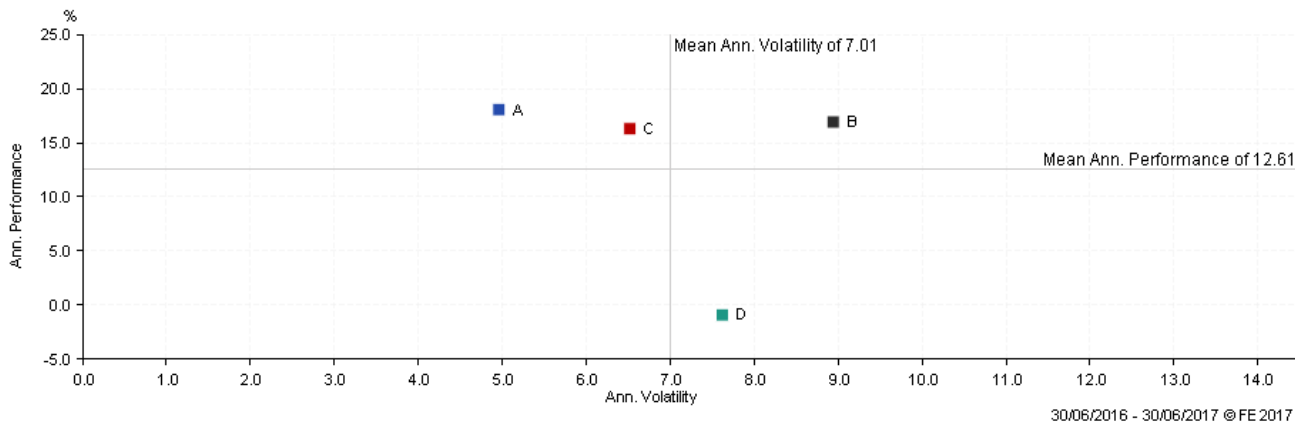
Investment Objective

This type of portfolio is not a risk-free portfolio, rather, it is suitable for a client whose is prepared to invest into equities for the majority of the time and is focused more on the return than the risk, hoping that by doing this they can achieve greater medium term returns. The portfolio is managed dynamically by altering the asset allocation using assets that carry market risk, and using all assets that are available from the investment universe. The asset allocation in this portfolio will vary between a benchmark of 0% equity and 85% equity to achieve the portfolio objectives, provided economic conditions permit. The portfolio will be managed to try and limit the **indicative capital loss in any 12-month period to 18% following a significant event and 9% in normal market conditions** and to target an **annualised total return averaged out over a full economic cycle (5 – 7 years) of 9%**.

The benchmark we use for comparison purposes for volatility is **AFI Balanced** noting this benchmark currently **holds 65% in Equity (Analytics 1<sup>st</sup> July 2017)** and although this is now the same as the portfolio, we have only recently made it similar in equity content and it has been more aggressive and has no capital preservation mandate. It cannot therefore be used for performance comparison purposes. It would be expected therefore that the benchmark volatility and performance would be similar apart from when we are in capital preservation mode.

OBI Active 8 Performance – Source Analytics 1st July				
Asset	1 Month	3 Months	6 Months	1 Year
OBI Active 8 Portfolio	-1.32%	3.87%	7.80%	16.33%
Benchmark	-0.98%	1.71%	6.11%	13.65%
UK Gilts	-1.93%	-2.08%	1.27%	-1.50%
FTSE 100	-2.02%	2.45%	5.09%	16.63%

Scatter Chart Reflecting Volatility and Annualised Return in GBP over 1 Year (launched March 2016)



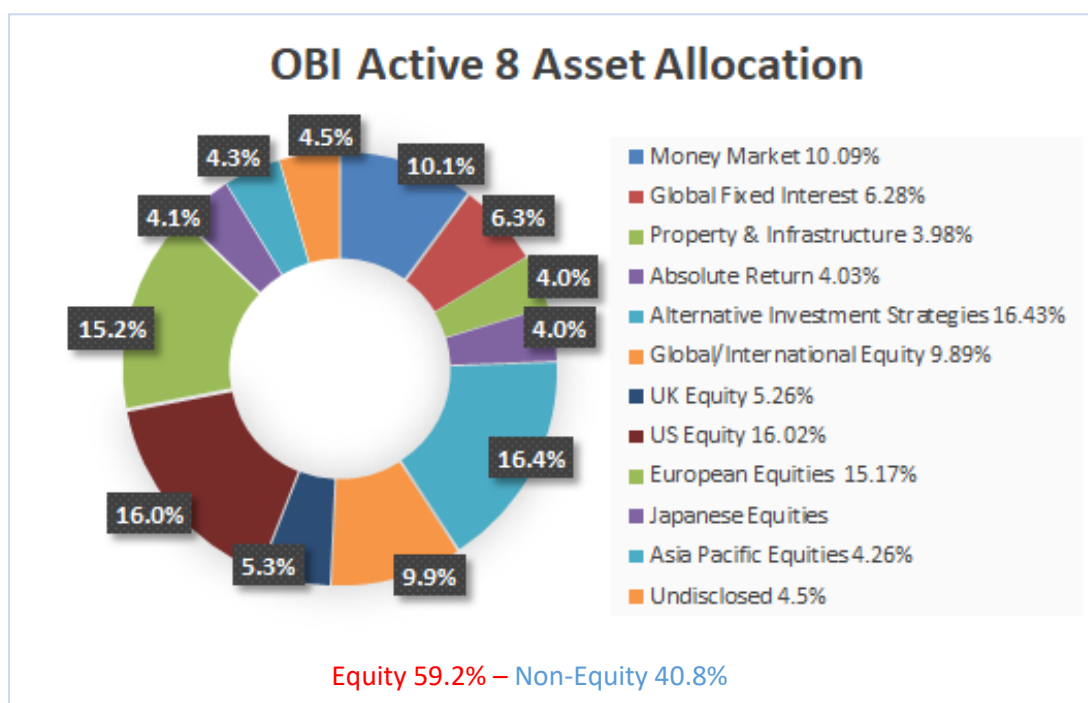
Key	Name	Annualised Performance	Annualised Volatility
A	OBI Active 8 - June 8 2017 TR in GB	18.07	4.96
B	FTSE 100 TR in GB	16.92	8.94
C	AFI Balanced TR in GB	16.31	6.52
D	FTSE Actuaries UK Conventional Gilts All Stocks TR in GB	-0.88	7.62

## Outlook & Positioning

OBI Active 8 is the fourth and most aggressive main stream balanced portfolios that is still considered balanced as regards to the underlying asset allocation which can vary anywhere between 0% and 85% noting it tends to average about 65% and only spends short periods of time at the highest asset allocation. As with all of our portfolios the mandate is balanced between delivering the Outcome and protecting capital, noting this portfolio will spend longer than any other invested in risky assets and will therefore be the most volatile. The start of 2017 has been positive, with most markets rallying off the back of positive economic data that has started to slow down as we enter July 2017. Global data is still positive; however, volatility seems to have returned into the markets and this is not identifying anything serious at this juncture. Momentum will start to raise again when we get some clarity over various social, political and economic issues.

Our non-equity exposure is achieved through Global and UK High Yield and Absolute Return assets, multi assets funds that are cautious, and finally Infrastructure. From an equity perspective, most of the asset allocation is achieved through a high exposure to globally managed funds with directional exposure to markets we believe show upward growth. The remaining assets are held in globally diverse funds which will be tactically rotated by the underlying funds managers with a 13% directional asset allocation to UK, Europe and Asia. We will remain underweight UK until we see better data and stability in the underlying UK economy.

From an equity perspective, we are holding circa **60.2% in equities** which is still circa 5% less than the benchmark. We would expect this to fluctuate during 2017 as we take profits and only repurchase again following periods of volatility and falling valuations, in line with the mandate of the portfolio. Following this, we will rotate lesser performing assets from within the non-equity sector and add to our equity allocation.



## Portfolio Facts

**Benchmark Index for Volatility –** AFI Balanced

**Historical Yield:** 1.34%

**Portfolio Expense:** 0.89% p.a

## Important Information

- All data in this document has been extracted from Analytics as at **1<sup>st</sup> July 2017**.
- The value of investments may fluctuate in price or value and you may get back less than the amount originally invested. Past performance is no guarantee of future performance.
- Performance figures quoted include the fund manager charges but exclude other fees such as any adviser, custodian, switch and/or discretionary investment management fees.
- Unless otherwise instructed any accrued income is reinvested into the portfolio.

OCM Asset Management is a trading name of OCM Wealth Management Limited which is authorised and regulated by the Financial Conduct Authority Number 418826. OCM Wealth Management Limited registered in England No 5029809. Registered Office @ 3 Bouverie Court, The Lakes, Northampton, NN4 7YD. Telephone 01604 621 467 - Web Address [www.ocmwealthmanagement.co.uk](http://www.ocmwealthmanagement.co.uk)