

## Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client who is prepared to invest into a higher allocation towards equities than OBI Active 3. The portfolio is managed dynamically by altering the asset allocation and by predominantly using low-risk assets that carry low market risks and using all assets that are available from the investment universe. The asset allocation on this portfolio will vary between a benchmark of 0% equity and 45% equity on average to achieve the portfolio objectives, provided economic conditions permit. As non-equity assets are in some cases becoming riskier than equity assets, we feel that the current positioning is acceptable when we take into account our mandate regarding a client’s capital loss acceptance and by altering the asset allocation based on OBI and the ability to cyclically adjust the portfolios. **The portfolio will be managed to try and limit the indicative capital loss in any 12-month period to 8% in a significant event and 5% in normal market conditions and to target an annualised total return averaged out over an economic cycle (5 – 7 years) of 5% per annum before any adviser, custodian, switch and/or discretionary investment management fees, but after fund manager charges.**

## Management

The benchmark we use for comparison purposes for volatility is **AFI Cautious** noting that this benchmark currently holds **51.13% in Equity** (Analytics, 3rd May 2021) and is therefore more aggressive than this portfolio. The benchmark also has no capital preservation mandate. It would therefore be expected that this benchmark would outperform the model and that the volatility of the benchmark would be higher. The model performance therefore cannot be directly compared to the benchmark.

## Performance

Asset	1 Month	3 Months	6 Months	12 Months	YTD	3 Years	5 Years	7 Years	Since Launch 01/06/2009
<b>OBI Active 4 Portfolio</b>	2.26%	1.30%	7.67%	14.18%	2.37%	11.10%	26.43%	34.16%	129.10%
<b>Benchmark</b>	2.18%	2.11%	10.67%	18.04%	2.96%	15.35%	32.40%	42.33%	117.64%
<b>UK Gilts</b>	0.17%	-4.07%	-4.91%	-6.66%	-5.95%	9.53%	16.77%	33.09%	68.17%
<b>UK Equities</b>	3.68%	8.30%	24.35%	26.80%	9.12%	6.04%	36.41%	36.31%	139.42%

Source: FE Analytics, 3rd May

## Asset Allocation

- MONEY MARKET (7.42%)
- UK FIXED INTEREST (11.15%)
- GLOBAL FIXED INTEREST (14.84%)
- OTHER NON-EQUITY (7.52%)
- PROPERTY (14.96%)
- UK EQUITY (13.65%)
- NORTH AMERICAN EQUITY (17.96%)
- EUROPEAN EQUITY (7.30%)
- ASIAN EQUITY (5.23%)



Equity 44.14% - Non-Equity 55.86%

## Outcome Based Investing

At OCM, we believe that assets in a client portfolio should be adjusted through each phase of the economic cycle.

In line with the OBI strategy, at the extreme point when the cycle is at its most extended and the economies are overheating, it is our view that by moving defensively and focusing on the core portfolio assets, we are able to provide the desired outcome with the least amount of expected volatility.

The key with the strategy of “Outcome Based Investing” is to limit the surprises and capture as much of the upside as possible, with a focus on delivering the client’s strategised outcome.

## Key Facts

**Benchmark**  
AFI Cautious

**Inception Date**  
01 June 2009

**Historic Yield**  
2.30% per annum

**Ongoing Strategy Charge**  
0.74% per annum

**Rebalancing Frequency**  
Quarterly (or as required as per the OBI strategy)



**Jason Stather-Lodge**  
Founder/CEO/CIO



**Georgina Stone**  
Deputy CIO

## Contact Us

OCM Wealth Management Limited  
3 Bouverie Court,  
The Lakes, Northampton, NN4 7YD  
T: 01604 621467  
E: info@ocmwealthmanagement.co.uk  
W: ocmwealthmanagement.co.uk



OBI Active 4 is a cautious portfolio with a slightly higher equity allocation than OBI Active 3, with the delivery of outcome and capital preservation at its core which aims to achieve a return outcome of 5% per annum.

## Market Outlook

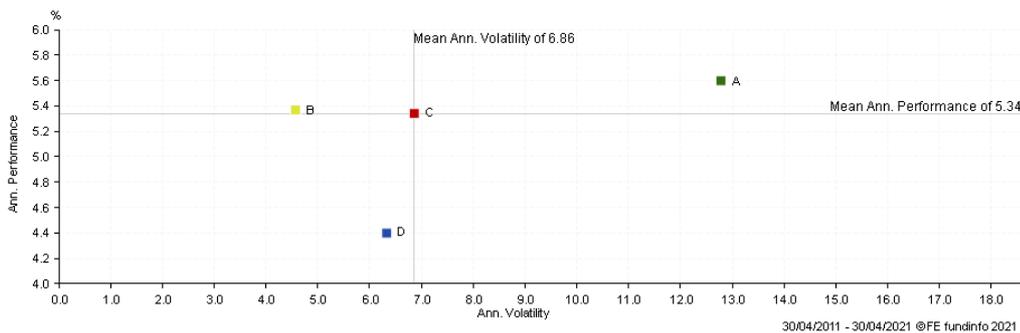
Having started the year on strong footing, the majority of global regions have seen their economic fundamentals continue to improve as vaccination rates and policy stimulus help to drive upward revisions in economic data. The UK and US have been leaders in the inoculation efforts since January, and Europe’s vaccination efforts have surged over the past month, helping to support the forecast of an economic boom later this year. Although the improving outlook contributed to the acceleration in government bond yields in February and March, yields thereafter remained stable in April, helping to mitigate investor concerns over future rises in interest rates. As April came to a close, global investors increasingly drew their attention to the Federal Reserve, principally focusing on the policy maker’s inflation expectations and potential policy response. With the recent events considered our economic outlook remains strong, and we see the economic data continuing to improve as policy makers remain accommodative concurrently.

As long-term investors, we have viewed many of the market movements in 2021 as short-term noise, with no changes to our underlying assumptions on the global recovery and market outlook. Looking further ahead, although it is clear that volatility remains in the short-term as early cycle dynamics unfold, we remain optimistic and continue to see opportunities arising as the outlook improves, with global growth remaining well supported by governments and central banks.

## Portfolio Positioning

The portfolio has been constructed with a high level of diversification in terms of asset classes and geographies, with a mix of bond, equity, and property exposure to meet portfolio objectives over the long term. The exposure is gained through a high-quality mix of actively managed and passive, globally diverse equity and multi asset funds. The portfolio has recently benefitted from its diverse asset allocation, reducing recent market volatility when compared to the benchmark. While we expect to see further volatility in the short term, we remain content with our positioning, and we remain well placed to benefit from an improvement in economic fundamentals over the year.

## Portfolio Volatility



This scatter chart reflects annualised volatility and return in GBP over the past 10 years. Over the long term, we would expect the OBI portfolio to exhibit a lower level of volatility than the benchmark.

Key	Name	Annualised Performance	Annualised Volatility
■ A	UK Psv UK Equities TR in GB	5.60	12.78
■ B	OBI Active 4 - May 2021 TR in GB	5.37	4.57
■ C	AFI Cautious TR in GB	5.34	6.86
■ D	UK Psv UK Gilts TR in GB	4.40	6.33

## Important Information

All data in this document has been extracted from Analytics as at 3rd May 2021. Past performance cannot be used as a guide to future performance and the value of your investment will fall as well as rise in value. You may not get back all of your investment and the final value of your investment will depend on the performance of your portfolio. Performance figures quoted include fund manager charges but exclude adviser, discretionary, custodian and switch charges. Unless stated, income is reinvested into the portfolio. The information contained in in this document is for information purposes only. It does not constitute advice or a recommendation or an offer or solicitation for investment. Portfolio Expense is based on the Fusion platform and may vary for other platforms.