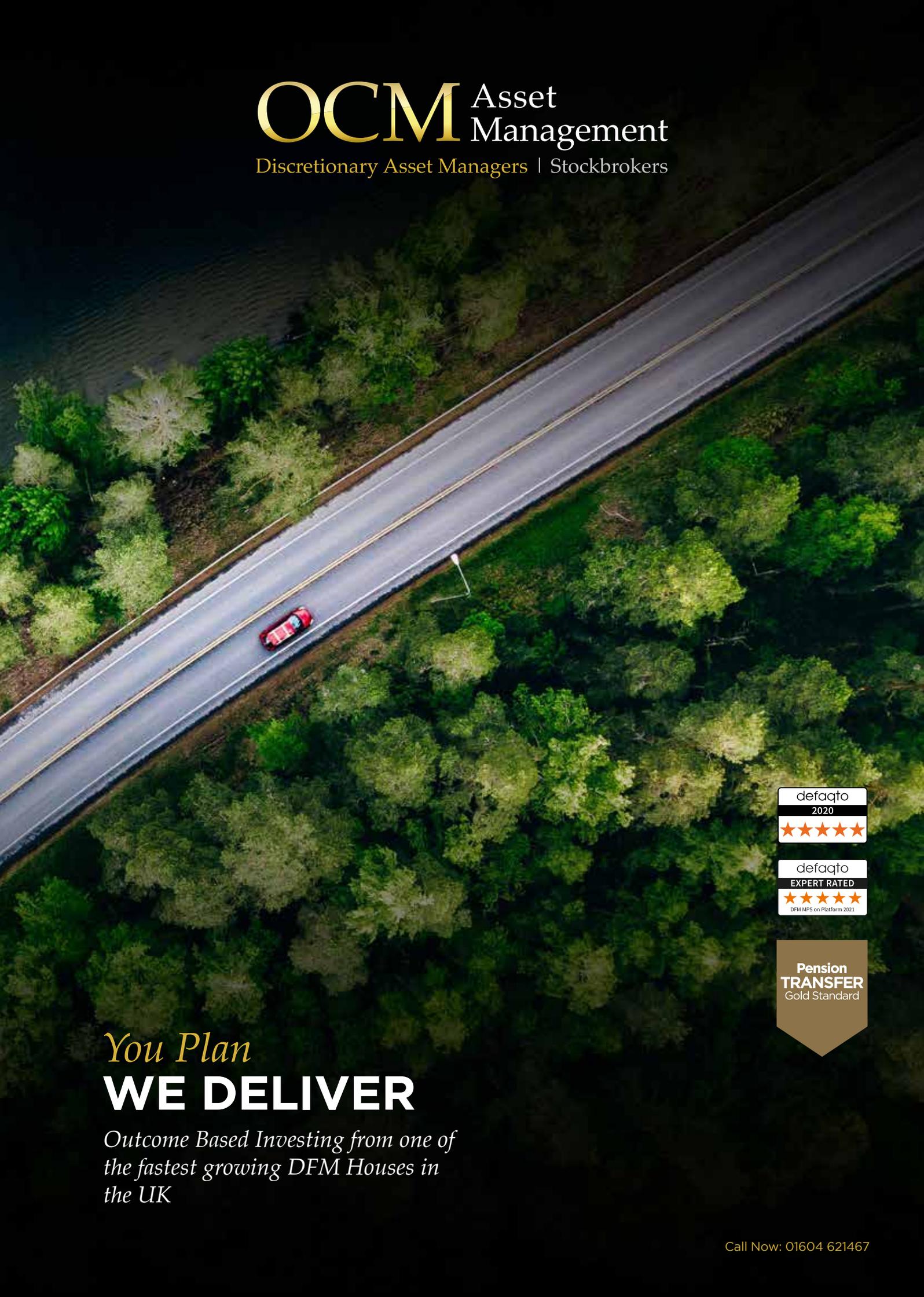


# OCM Asset Management

Discretionary Asset Managers | Stockbrokers



## *You Plan* **WE DELIVER**

*Outcome Based Investing from one of the fastest growing DFM Houses in the UK*

## WELCOME



Following a career at a 'Big Four' financial services company, our founder and CEO Jason Stather-Lodge founded OCM Wealth Management in 2004 with a mission to shake up the investment offering available to clients and IFAs across the industry. Six years later, after gaining discretionary permissions from the FSA, Jason went on to form OCM Asset Management in 2010, with a vision of offering OCM's unique Outcome Based Investment strategy as an alternative to the traditional, more static investment solutions which dominated the market.

With our team of experienced Investment Managers, supported by a young and dynamic Asset Management team, we started the journey to offer a more comprehensive, active model portfolio service to a wide variety of market participants across the industry. Over the years, we have chosen to remain independent and continue to offer our investment solutions on a whole of market basis.

At OCM, we want to gain a reputation for being the best in the UK at what we do, and by putting the client first at all times, we believe we will achieve this aim. The journey is still our "collective work in progress", and as a team, we will achieve all the firm's ambitions.

## You Plan WE DELIVER

By choosing **OCM ASSET MANAGEMENT** as your investment partner, you entrust us with the important task of helping your clients to achieve their financial goals. We aim to achieve these goals using a clear and simple investment strategy which is designed to provide a smoother journey for you and your clients.

## WHO WE ARE

- 1 An independent firm run by its owners
- 2 A growing, highly experienced team dedicated to delivering the returns your clients need
- 3 Skilled Asset Managers with a proven track record of delivering strong returns at lower levels of volatility than our peers
- 4 One of the top 10 fastest growing DFMs in the country
- 5 A risk aware DFM with an 'Expert' 5 Star Defaqto DFM MPS Platform rating

Clients and customers of OCM Asset Management can expect a personalised service that is backed up by strong processes and robust investment solutions, designed to deliver strong risk adjusted returns and take action when something unexpected happens.

We strive every day to improve because **"Our Clients Matter"**.

## Seamless INTEGRATION

*We work closely with our partners to integrate our solution into the investment process, providing support every step of the way.*

Advisers today are obliged to ensure the initial and continuing suitability of a client's underlying asset allocation of any recommended financial solutions in terms of risk, capacity for loss, outcome required and long term performance objectives.

While there is no single solution to help an adviser achieve this objective, we believe that OCM's Outcome Based Investment strategy, underpinned by a quantamental analysis of the investment universe, is a perfectly aligned Centralised Investment Proposition (CIP) which allows firms to meet these requirements.

The CIP works in partnership with the firm's TCF principles and supports the modern strategic financial planning concept, of strategizing required investment return outcomes for clients using cash flow modelling.

With each firm we work with, we spend time with the internal process team and compliance to understand the sales process, where the clients are invested today and provide our due diligence on the UK platform market.

We then create a bespoke plan to integrate our CIP into the firm's sales process from a risk profiling and model selection basis to ensure strong TCF process management and ensure consistency.

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*Our experience on both sides of the industry means that we have a thorough understanding not only of what the FCA wants to see, but also what the client is focused on.*

## OCM Asset Management WHAT MAKES US DIFFERENT

*As a Discretionary Manager, the **OCM OUTCOME BASED INVESTMENT STRATEGY** is what makes us fundamentally different to our competitors.*

**While others favour a long hold strategy which remains invested in various asset classes throughout the cycle, We believe that by cyclically adjusting our asset allocation based on the position in the market cycle, we can produce returns in line with the outcome expectation at a lower level of volatility than the market.**

In doing so, we do not try to beat the market, instead we remain focused on delivering the client's expected outcome within the prescribed parameters of risk within the portfolio.

**At OCM, we offer a Bespoke Outcome-based Discretionary Management Service which is centred around your need:-**

- We have evolved from the in-house investment team of an IFA. We have walked in your shoes – a DFM designed by an IFA for IFAs.
- Our whole focus is to deliver at least the Outcome required by each client, as established through your Cash Flow Modelling.
- Frequent communication enables you to continuously assess the suitability of the investment proposition to the investment needs of each of your clients, as required by the FCA.
- You are our partner, and we are always on hand to help you to meet the needs of our mutual clients.

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*In concentrating on the “Outcome”, this focus provides a discipline that drives our research and understanding of the markets, and constantly reinforces what we are doing and why. This discipline reduces the shocks and ensures our clients are treated fairly, stops us trying to beat the market and keeps the client truly at the centre of everything we do.*

**JASON STATHER-LODGE, CEO & FOUNDER**

# Our Proposition

## OUTCOME BASED INVESTING

A **UNIQUE INVESTMENT PROPOSITION** designed to achieve client goals and mitigate excess market risk across the full economic cycle.

At OCM, we have a fundamental view that all assets apart from cash and very low risk government bonds are subject to varying degrees of market risk during different stages of the economic cycle. Our philosophy looks at the macro economic situation, political environment, technical analysis and short term (quarterly) movements in assets, on the basis that we have conviction that some assets are generally predictable during certain stages of a macro economic cycle.

The key then is to compile a portfolio of assets which are expected to provide a positive contribution to the portfolio given market conditions and our expectations, while removing assets that in our opinion will not add a positive contribution to the overall client outcome we are trying to deliver.

While the strategy takes short-term macroeconomic movements into consideration, we recognise that the smaller the timescale of observation in the cycle, the less predictable it becomes and the more susceptible we become to irrational behaviour. For this reason, we do not try to day trade or pick individual stocks. Instead, we focus on the macro data and “cyclically adjust” the assets to match the point we are in the macro economic cycle.

### Challenging Industry Assumptions

Modern Portfolio Theory (MPT) states that investors should design and optimise a diversified portfolio of assets and then hold that entire portfolio throughout a full economic cycle, readjusting the portfolio to the original weightings at fixed points, irrespective of the economic conditions.

The foundation of MPT is the argument that you cannot consistently time the markets, therefore you should hold that portfolio of assets through a full cycle. Through this approach, it is argued that you can achieve a balanced return, with different assets providing varying contributions, positive or negative, however over a complete cycle it is estimated that the overall outcome will be positive. Although we agree with many aspects of MPT, in practice, we see no reason to hold an asset which we know is going to erode portfolio returns based on economic data, positioning in the economic cycle and past performance in similar conditions.

As such, while we agree that a long hold strategy may provide positive returns over the long term, OBI is based on the principle that by cyclically rotating assets based on asset class outlook during that stage of the market cycle, we can reduce downward drags on portfolio performance in favour of assets with a more positive outlook, producing higher risk-adjusted returns over the long term. In doing so, we do not try to time the market, but rather seek to avoid the significant declines in certain asset classes which can be avoided considering the macroeconomic outlook and asset class expectations.



### Taking Action When Required

Our Asset Management team prides itself in its ability to remain flexible and agile at all times, using all available data and expertise in its constant analysis of markets.

While we cannot remove all negative shocks from the investor journey, the key aim of the OBI strategy is to limit the negative market surprises and capture as much of the upside as possible, to achieve the outcome. We do this by taking action immediately when we see a material change to the outlook, adjusting the portfolio allocation to reflect the changing risk landscape.

Our ability to react to significant market events can be seen in the track record of the portfolios, with data going back to 2007. If a situation arises when all assets are toxic given the macroeconomic backdrop, irrespective of tolerance and acceptance of risk, under the OBI strategy, we will move to the asset that will display the lowest level of volatility, and least level of risk, as we did in 2008, 2011 and 2020.

When a significant market event occurs, it is our view that staying invested and riding the market down is not a better solution than selling to cash or fixed interest assets, before repurchasing equity when the market has found a floor. We take the view that if we cannot tell you what is going on, it would be foolish to stay invested and lose multiple years of gains, rather than watching from the side-lines and formulating a coherent strategy to reinvest.

As well as making the big decisions, we also make small decisions throughout the economic cycle development to be in the right assets at the right time.

# Our Discretionary MANAGEMENT SERVICES



*The aim is to deliver the clients' required outcome and protect capital, with asset split depending on our perception of asset and portfolio volatility and the clients' acceptance of it.*

## DFM MODEL PORTFOLIO SERVICE

At OCM Asset Management, **OUR MODEL PORTFOLIO OFFERING** consists of four suites of portfolio models:

Our Model Portfolios operate with an equity allocation of between 0% up to a maximum position of 85% equity, and will invest across the whole of the investment universe, applying passive and active strategies when appropriate. Each portfolio has clear risk and return objectives, and clients are individually allocated to one at a time, with the ability to move between models based on:

- 1 The outcome we are trying to achieve for that individual client.
- 2 The clients' indicative / emotional acceptance of capital losses over a 12-month period.
- 3 Our analysis of where the market is in relation to perceived capital at risk.
- 4 Our house view of expected volatility and short / medium term momentum.

While the main portfolio offering is based around the OBI Investment philosophy, the Long Hold model suite presents a long hold, more static alternative for those clients who prefer a more traditional approach and have sufficient risk tolerance to ride markets throughout all market conditions.

<p><b>MODEL SUITE 1</b> Six main OBI Models</p>	<p><b>MODEL SUITE 2</b> Three OBI Sustainable ESG Models</p>
<p><b>MODEL SUITE 3</b> Three LHX Long Hold Models</p>	<p><b>MODEL SUITE 4</b> Four OBI Passive Models</p>

## Platform-based OFFERING

Our **FLEXIBLE INVESTMENT SOLUTION** can be accessed across a wide range of platforms and wrappers, with options available to suit our partners' needs.

Our models operate across a wide range of platforms, with arrangements in place with many individual financial solutions in the pensions and offshore bond sectors. It is our strategy to provide all DFM IFA customers with a platform research pack every six months so that you can see exactly what services are offered across the platforms.

Our platforms can be accessed by third party wrappers, therefore ensuring that you are not tied into a restricted range of in-house Platform wrappers. This way you can remain truly independent.



*The aim of our discretionary offering is to remain flexible and provide our partner firms with a service which is tailored to them, taking into account their needs and preferences while maintaining OBI as an overriding principle*

The platforms on our current panel also integrate well with key adviser back-office systems such as Intelligent Office and Adviser Office, while also having the reporting competencies to satisfy ongoing compliance requirements.

With us, funds can be liquidated without cost or penalty and remitted to the clients' bank accounts, allowing clients to take advantage of any fixed term deposit offers suitable to their needs directly with third party providers or satisfy any liquidity requirements.

#### We Offer our Discretionary Models Across the following Platforms:

- Transact
- SEI Fusion
- Fidelity Fundsnetwork
- Standard Life Wrap
- Standard Life Elevate
- Aviva for Advisers
- AJ Bell
- Novia

We also have existing relationships with other platforms through our Wealth division, therefore this list can be extended based on demand.

## Full Discretionary MANAGEMENT SERVICE

Providing a **TAILORED INVESTMENT SOLUTION** centred around your needs.

At OCM, we offer a full discretionary management service to firms seeking a more comprehensive investment solution for their clients. This service is tailored directly to the firm's needs, providing access to our full suite of investment portfolios alongside bespoke portfolio options where required.

The full Discretionary Management Service is available across a wide range of platforms, with our platform of choice being Fusion SEI. This service operates on a client as client basis for investment advice.

## Ongoing Support YOU & YOUR TEAM

At OCM, we look to build **STRONG RELATIONSHIPS WITH OUR PARTNERS**, providing continuous support and assistance where needed and a direct line to portfolio decision makers.

Each firm using our DFM services is assigned a relationship manager to look after the relationship (between OCM and the firm) and ensure that the firm is satisfied with the service level. The relationship manager sits on the investment committee panel to relay the views of the firm and ensure all questions regarding the outlook and investment decisions can be answered.

Each firm is also assigned an office-based account manager that works with the client accounts to address any specific queries. They also have access to the investment managers who are making the asset allocation decisions when required.

Ongoing services include:-

- 1 Administration support
- 2 Weekly market and portfolio updates
- 3 Monthly market commentary and Model Portfolio factsheets
- 4 Regular meetings with Investment Managers
- 5 Platform Due Diligence every six months
- 6 Access to our white labelled products with leading providers
- 7 Compliance and process development support

## Becoming an OCM PARTNER

Established by an **IFA FOR IFAS**, we intrinsically understand what you and your clients want. We are focused on linking the investment strategy with your sales process, and will work with your compliance team to create an on-boarding map for all the different elements, as well as providing you with whole of market research on all of the Platforms. We will work with you to ensure the solution is embedded into your firm and is robust to help with governance.

### OUR PARTNER ONBOARDING PROCESS

#### STEP 1

Meeting to discuss OCM Asset Management Partnership programme with Relationship Manager.

#### STEP 2

Meeting with Relationship Manager and Investment Manager to discuss in depth the OBI strategy and how it can benefit your firm, reduce risk and make the business more scalable by introducing an outsourced centralised investment proposition.

#### STEP 3

Meeting to introduce the Implementation and Compliance team that will work with your internal compliance to build an on boarding map for seamless integration of your existing sales process.

At the end of this process, should you wish to proceed, a firm representative would sign a terms of business and letter of intent to work with OCM.

Once the Letter of Intent is completed, our implementation team will look to work with you to:

- 1 Appoint an Account Manager so you have a point of contact at OCM;
- 2 Build a robust due diligence document to justify the use of OCM Asset Management;
- 3 Review existing sales process and seamlessly integrate our processes in a compliant manner;
- 4 Provide you with our Whole of Market Platform due diligence;
- 5 Agree a strategy for new clients and the onboarding process.

Throughout the whole process, our implementation team and account managers will be focussed on managing the process to ensure that compliance needs are met and that the clients' needs are placed at the very centre of the activity at all times. We also recognise that all firms are different, and therefore, our service to you is an organic one which is tailored to your needs and those of your clients.

## Contacting OCM

For further information please speak to your contact at OCM Wealth Management or contact any of our advisers at the offices below:

**Telephone:** 01604 621 467

**Email:** [info@ocmwealthmanagement.co.uk](mailto:info@ocmwealthmanagement.co.uk)

Further information can also be found on our website:

[www.ocmwealthmanagement.co.uk](http://www.ocmwealthmanagement.co.uk)

### HEAD OFFICE

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We have access to office suites in every major city in the UK.

## Important Information

This document is intended to be for information purposes only and it is not intended as promotional material in any respect. Reliance should not be placed on the views and information in the document when taking individual investment and/or strategic decisions.

OCM Asset Management is a trading name of OCM Wealth Management Limited and has expressed its own views and opinions in this document and these may change. The data contained in this document has been sourced by OCM Wealth Management Limited and it should not be further publicised or used.

Past performance cannot be used as a guide to future performance and the actual performance of an individual clients' portfolio may differ due to varying funds being used and also by being restricted in relation to asset allocation due to investment parameters being constrained.

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An aerial photograph showing a dark asphalt road that curves through a dense forest of green trees. To the left of the road is a large, calm body of water with a dark, rippled surface. A single car is visible on the road, moving away from the viewer. The overall scene is serene and natural.

### Contacting OCM

For further information please speak to your contact at OCM Wealth Management or contact any of our advisers at our head office: -

### Head Office

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