

## Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client whose is prepared to invest into equities for most of the time and is focused more on the return than the risk, hoping that by doing this they can achieve greater long-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 75% 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 15% following a significant event and 8% in normal market conditions and to target an annualised total return averaged out over a full economic cycle (5 – 7 years) of 8% plus, 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 Balanced** noting that this benchmark currently holds **70.14% in Equity** (Analytics, 1st August 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 16/02/2007 |
|-------------------------------|---------|----------|----------|-----------|--------|---------|---------|---------|-------------------------|
| <b>OBI Active 7 Portfolio</b> | 0.15%   | 1.50%    | 6.64%    | 23.12%    | 6.49%  | 17.97%  | 39.51%  | 59.50%  | 235.94%                 |
| <b>Benchmark</b>              | 0.48%   | 2.40%    | 7.07%    | 19.31%    | 6.77%  | 20.03%  | 42.62%  | 63.13%  | 113.37%                 |
| <b>UK Gilts</b>               | 2.50%   | 3.55%    | -1.34%   | -3.55%    | -2.61% | 12.63%  | 11.13%  | 36.29%  | 98.26%                  |
| <b>UK Equities</b>            | 0.56%   | 1.93%    | 11.93%   | 25.33%    | 11.21% | 4.37%   | 30.05%  | 39.89%  | 82.15%                  |

Source: FE Analytics, 1st August

## Asset Allocation

- MONEY MARKET (8.03%)
- GLOBAL FIXED INTEREST (10.23%)
- OTHER NON-EQUITY (7.13%)
- PROPERTY (5.49%)
- UK EQUITY (21.11%)
- NORTH AMERICAN EQUITY (16.36%)
- EUROPEAN EQUITY (13.85%)
- ASIAN EQUITY (12.38%)
- OTHER INTERNATIONAL EQUITY (5.42%)



Equity 69.12% - Non-Equity 30.88%

## 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 Balanced

**Inception Date**  
16 February 2007

**Historic Yield**  
1.64% per annum

**Ongoing Strategy Charge**  
0.80% 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  
St Clair House, Old Bedford Road  
Northampton, NN4 7AA

T: 01604 621467

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

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





Our OBI Active 7 portfolio is a balanced portfolio with the delivery of outcome and capital preservation at its core which aims to achieve a return outcome of 8% per annum.

## Market Outlook

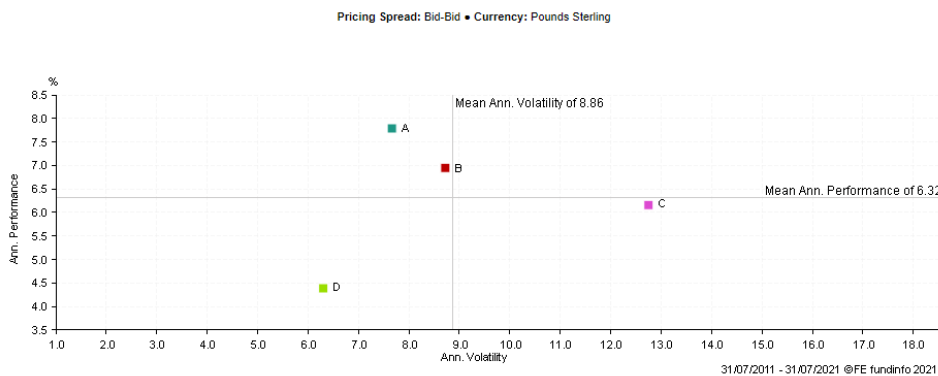
Having started the year on strong footing, the majority of global regions have seen their economic fundamentals continue to improve, as vaccination rates and policy stimulus help to drive upward revisions in economic data. The UK, US, and Europe are leading the global inoculation efforts, which has subsequently resulted in upward revisions to their GDP forecasts for 2021. Although the improving outlook contributed to the acceleration in government bond yields in February and March, financial markets maintained their positive trajectory until the start of May, when inflation and policy expectations increasingly dominated news flows. Despite experiencing elevated volatility in the short-term, both growth-oriented and value-oriented assets have performed positively over the month, as investor sentiment improves, and inflation concerns abate. Despite the recent uptick in the Delta Covid cases over recent weeks, investors have so far looked through this as they continue to price in the improving economic outlook for 2021 and beyond.

As long-term investors, we have viewed much of the excess volatility 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 market participants focus on the pace of the recovery, inflation pressures, and future policy, 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 over the month, with lower 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   | OBI Active 7 - Jun 2021 TR in GB | 7.79                   | 7.86                  |
| B   | AFI Balanced TR in GB            | 6.95                   | 8.72                  |
| C   | UK Psv UK Equities TR in GB      | 6.16                   | 12.75                 |
| D   | UK Psv UK Gilts TR in GB         | 4.39                   | 8.30                  |

## Important Information

All data in this document has been extracted from Analytics as at 1st August 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 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.