

## Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client who is prepared to invest a large portion of their overall portfolio into equities, accepting a high level of risk for a potentially higher reward. The primary objective of this portfolio is to generate a long-term total return and income above the Bank of England's base rate and real terms growth (above inflation) which is significantly higher than the long-term return on cash after fees and costs. This portfolio can take up to 85% of the risk of investing in the world equity market, as measured by the worst expected loss and annualised volatility of returns. This portfolio has no defined capital preservation mandate and invests in all assets that are available from the investment universe to achieve the objectives. Due to the higher risk nature of this portfolio, the recommended time-horizon is a minimum of 7 years.

## Management

The benchmark we use for comparison purposes for volatility is **AFI Aggressive**, noting that this benchmark currently holds **83.33% in Equity** (Analytics, 1st December 2023) and is therefore more aggressive than this portfolio. It would therefore be expected that the benchmark would outperform the benchmark and that the volatility of the portfolio 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	Since Launch 31/08/2018
OCM Growth	4.30%	1.14%	2.77%	4.10%	5.46%	-0.61%	28.20%	21.06%
Benchmark	4.33%	0.18%	1.40%	1.45%	2.19%	1.96%	21.63%	13.99%
UK Gilts	3.22%	2.06%	1.86%	-5.59%	-1.81%	-26.26%	-14.36%	-16.21%
UK Equities	3.16%	0.32%	0.98%	1.58%	2.83%	24.94%	24.47%	16.20%

Source: FE Analytics, 1st December

## Asset Allocation

- MONEY MARKET (7.36%)
- UK FIXED INTEREST (4.38%)
- GLOBAL FIXED INTEREST (18.15%)
- OTHER NON-EQUITY (3.39%)
- COMMODITIES (3.87%)
- PROPERTY (4.71%)
- UK EQUITY (17.26%)
- NORTH AMERICAN EQUITY (17.82%)
- EUROPEAN EQUITY (13.51%)
- OTHER INTERNATIONAL EQUITY (7.20%)
- ASIAN EQUITY (2.35%)

Equity 62.01% - Non-Equity 37.99%



## Long Hold Investing

The assets in this portfolio have been selected based on a long hold approach, with a recommended minimum investment horizon of 7 years. Unlike OCM's OBI proposition, this portfolio has no capital preservation mandate, and will likely have a lower portfolio turnover.

The general asset allocation within the portfolio will be maintained over the long term, however underlying funds may be switched at the discretion of the Investment Committee in cases of consistent underperformance or positioning shifts.

## Key Facts

**Benchmark**  
AFI Aggressive

**Inception Date**  
31 August 2018

**Historic Yield**  
3.00% per annum

**Ongoing Strategy Charge**  
0.49% per annum

**Volatility**  
11.01%

**Max Loss**  
-14.09%

**Rebalancing Frequency**  
Quarterly



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



**Georgina Stone**  
Deputy CIO

## Contact Us

OCM Wealth Management Limited  
St Clair House, 5 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)





## Market Outlook

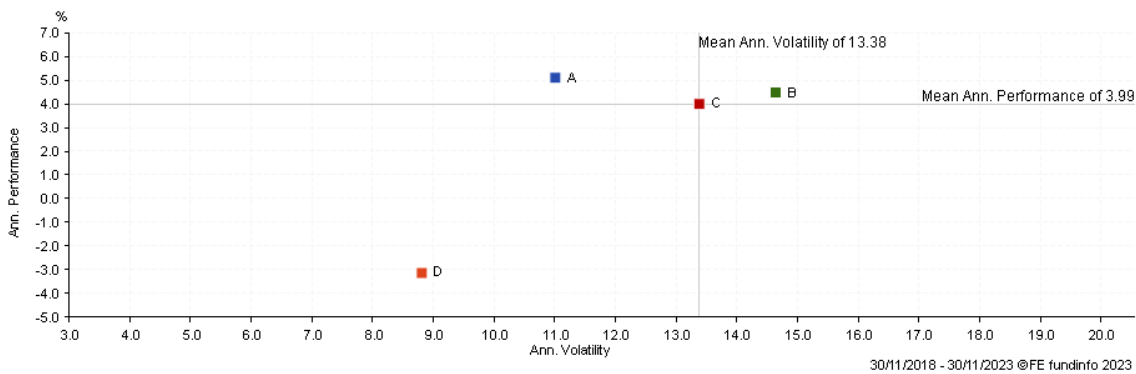
Following a difficult October in which conflict in the Middle East and concerns over higher for longer interest rates weighed on sentiment, global equity indices rebounded over the month following a decline in inflation within key developed economies, boosting bets of a ‘soft landing’. China’s equity market was the sole outlier, facing headwinds over the month as their property market continued to dampen sentiment, with the People’s Bank of China pushing lenders to support the ailing property sector. Moving forward, we remain cautious towards equities, noting that we still see a number of near-term headwinds that could dampen current valuations.

As Q3 earnings season winds down, investors have turned their attention to economic data releases over the month with inflation data back in focus. With key central banks now in ‘wait and see’ mode with regards to their next steps, the downside surprise to both US and UK inflation reports drove expectations that the next move in interest rates would likely be lower. UK inflation was driven lower as the OFGEM Energy Price cap fed through into a sharp decline in energy price inflation, whilst inflation in the US also declined on the back of the recent drop in gasoline prices. These declines raised hopes that central banks would not be required to further raise rates any further, which led to a rally in fixed income markets as investors readjusted their expectations for interest rates in the coming year.

## Portfolio Positioning

Whilst the conflict in the Middle East continues with the threat of a spillover still elevated given the recent attacks on commercial vessels, it remains our belief that the diversification within the Growth portfolio remains appropriate to support positive performance over the long term. We continue to monitor the situation in the Middle East closely, and should there be significant signs of escalation, we will look at how we can best protect the portfolios. As things stand however, we believe that the long-term outlook for the Growth portfolio remains positive noting that despite expectations for market volatility to persist in the near-term, we expect falling interest rates in 2024 and a strong basket of diversified, well positioned assets to drive positive performance moving forward. In addition, we expect long-term themes of onshoring and de-globalisation, to support commodities prices and therefore believe the exposure to natural resources added to the portfolios this year are a key asset classes to remain invested in for the long-term.

## Portfolio Volatility



This scatter chart reflects annualised volatility and return in GBP over the past 5 years. Over the long term, we would expect the Growth portfolio to exhibit a lower level of volatility than the benchmark.

Key	Name	Annualised Performance	Annualised Volatility
A	Growth TR in GB	5.10	11.01
B	UK Psv UK Equities TR in GB	4.48	14.64
C	AFI Aggressive TR in GB	3.99	13.38
D	UK Psv UK Gilts TR in GB	-3.12	8.81

## Important Information

All data in this document has been extracted from Analytics as at 1st December 2023. 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. Annualised Volatility and Max Loss Figures as detailed by FE Analytics over 5 years to period, where max loss represents the worst running return.