

Model Portfolio Growth



February 2024

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, holding up to 35% in core, long-term assets which may be less liquid in nature, such as investment trusts. Due to the higher risk nature of this portfolio, the

Management

The benchmark we use for comparison purposes for volatility is **AFI Balanced**, noting that this benchmark currently holds **64.74% in Equity** (Analytics, 1st February 2024) and is therefore more aggressive than this portfolio. It would therefore be expected that the benchmark would outperform the portfolio 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	-0.15%	8.56%	3.80%	5.79%	-0.15%	0.09%	32.49%	26.00%
Benchmark	-0.67%	8.36%	3.43%	2.51%	-0.67%	3.43%	22.30%	15.29%
UK Gilts	-2.52%	5.59%	3.94%	-1.78%	-2.52%	-24.62%	-15.23%	-14.11%
UK Equities	-1.13%	6.84%	1.61%	2.38%	-1.13%	25.92%	28.52%	20.32%

Source: FE Analytics, 1st February

Asset Allocation

- MONEY MARKET (7.52%)
- UK FIXED INTEREST (4.16%)
- GLOBAL FIXED INTEREST (17.59%)
- OTHER NON-EQUITY (3.33%)
- COMMODITIES (3.72%)
- PROPERTY (4.54%)
- UK EQUITY (17.48%)
- NORTH AMERICAN EQUITY (18.28%)
- EUROPEAN EQUITY (13.43%)
- OTHER INTERNATIONAL EQUITY (9.95%)



Equity 62.86% - Non-Equity 37.14%

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

2.93% per annum

Ongoing Strategy Charge

0.49% per annum

Volatility

10.95%

Max Loss

-14.09%

Rebalancing Frequency

Quarterly



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Market Outlook

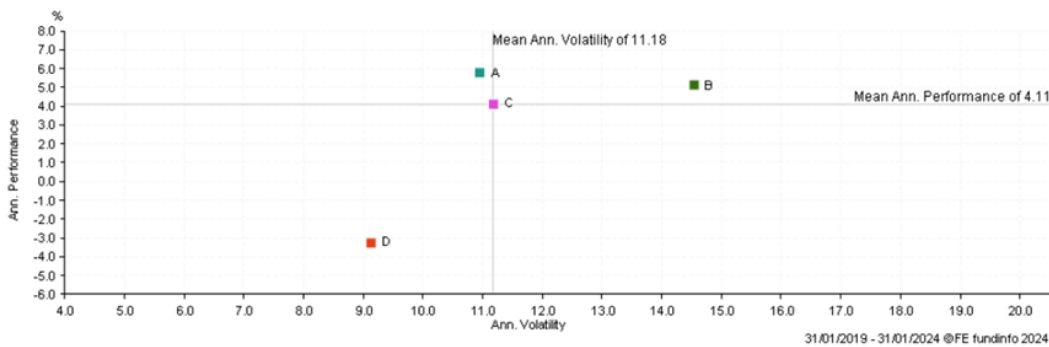
Financial markets kicked off 2024 on a more cautious footing, giving back some of the strong gains welcomed towards the end of last year as investors were forced to reconsider their expectations for interest rate cuts over the coming year. With US earnings season in full swing, large-cap tech names have so far reported mixed results, with Microsoft and Alphabet both reporting positive earnings, although investors continue to weigh the significant cost implications surrounding the rollout of generative AI alongside its potential to drive innovation. With these key tech companies making up an extensive portion of the US index, we have witnessed particularly volatile conditions in equity markets throughout the start of 2024.

Our expectations for the first quarter of 2024 to remain volatile have so far been realised, with inflation prints forcing investors to dial back the recent optimism surrounding potential interest rate cuts. As things stand however, our medium-term outlook remains positive as a decline in inflationary pressures presents central banks with the opportunity to cut interest rates in the coming months. We are optimistic that this will provide a more supportive investment backdrop for risk assets moving forward as key headwinds continue to ease.

Portfolio Positioning

Despite coming under pressure over the month, it remains our belief that the diversified asset allocation of the long-hold portfolios can continue to deliver positive risk-adjusted returns over the full economic cycle. With short-term noise to be expected over a long-term investment horizon, our focus on quality and yield have delivered a level of stability during the recent market turbulence. However, the portfolio's ability to capture the upside within markets has reinforced our belief that the long-hold portfolios are well positioned to deliver positive returns over the long-term as key headwinds begin to fade, offering a more supportive investment backdrop moving forward.

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	5.79	10.95
B	UK Psv UK Equities TR in GB	5.14	14.54
C	AFI Balanced TR in GB	4.11	11.18
D	UK Psv UK Gilts TR in GB	-3.26	9.13

Important Information

All data in this document has been extracted from Analytics as at 1st February 2024. 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.