

Model Portfolio Growth



March 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 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 **86.20% in Equity** (Analytics, 1st March 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 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	Since Launch 31/08/2018
OCM Growth	1.91%	6.00%	7.28%	8.13%	1.76%	2.31%	32.74%	28.36%
Benchmark	2.14%	6.74%	6.93%	6.13%	1.69%	4.98%	29.95%	21.67%
UK Gilts	-1.17%	1.47%	3.17%	0.47%	-3.66%	-21.41%	-15.50%	-15.11%
UK Equities	-0.07%	3.49%	3.82%	0.48%	-1.20%	23.26%	25.79%	20.24%

Source: FE Analytics, 1st March

Asset Allocation

- MONEY MARKET (4.29%)
- GLOBAL FIXED INTEREST (9.55%)
- OTHER NON-EQUITY (2.91%)
- COMMODITIES (4.36%)
- PROPERTY (3.80%)
- UK EQUITY (17.46%)
- NORTH AMERICAN EQUITY (28.48%)
- EUROPEAN EQUITY (16.29%)
- ASIAN EQUITY (9.95%)
- OTHER INTERNATIONAL EQUITY (2.91%)



Equity 79.38% - Non-Equity 20.62%

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 portfolio changes are made on a strategic rather than tactical basis, taking a long-term view on key themes and opportunities within the asset allocation.

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 underperformance or positioning shifts.

Key Facts

Benchmark
AFI Aggressive

Inception Date
31 August 2018

Historic Yield
2.36% per annum

Ongoing Strategy Charge
0.53% per annum

Volatility
10.95%

Max Loss
-14.09%

Rebalancing Frequency
Quarterly



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Market Outlook

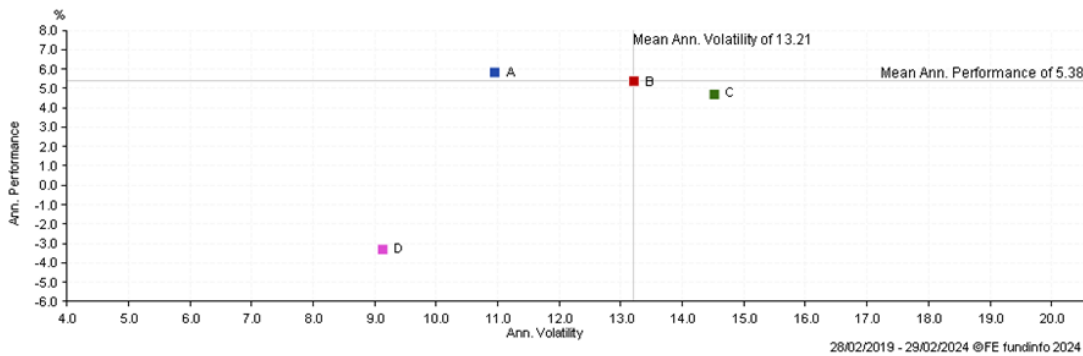
Despite a difficult macroeconomic backdrop of slowing growth and elevated inflation, key US large-cap tech names drove equity indices broadly higher over the month, with the US equity market outperforming its peers. Tech giant Nvidia, which has remained a key driver of sentiment throughout the AI driven boom in equity valuations, reported robust earnings which came in above already lofty expectations, reigniting the recent euphoria within tech markets. With key names accounting for a significant portion of their respective indices, the latest earnings reports had the potential to rock equity markets, as investors braced for an 11% swing in Nvidia's share price following their earnings announcement, a move which could have had a huge impact on the index as well as wider sentiment. Whilst sentiment has continued to fluctuate over the year-to-date, we have captured the upside within equity markets, with our asset allocation well positioned to capture the upside potential during periods of positive investor sentiment.

Fixed income markets remained relatively muted over February as policymakers urged for patience as investors await a clear signal regarding the outlook for monetary policy in the coming months. An upside surprise in US inflation data and ongoing strength within labour markets meant that bond yields remained volatile over the month, with investors dialling back recent optimism over immediate rate cuts.

Portfolio Positioning

The portfolio delivered positive risk adjusted returns over the month following further strength in global equity indices, reinforcing our belief that the diversified asset allocation within the portfolios remains appropriate given the ongoing turbulence within financial markets. Despite short-term noise being expected to persist amid a challenging economic backdrop, the portfolios have displayed their ability to capture the upside within markets, reinforcing our belief that the current asset allocation remains appropriate as key macroeconomic headwinds begin to fade moving through 2024. Within the portfolio, we have looked to take advantage of the more resilient global economic situation compared to initial expectations, with the US economy in particular continuing to display robust growth, by increasing our exposure to Japan, whilst retaining our exposure to US equity assets which have outperformed in recent months.

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	5.83	10.95
B	AFI Aggressive TR in GB	5.38	13.21
C	UK Psv UK Equities TR in GB	4.70	14.52
D	UK Psv UK Gilts TR in GB	-3.31	9.13

Important Information

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