

OBI Model Portfolio Ultra Cautious



March 2024

Objective

This portfolio aims to deliver a return that is in line with the Bank of England's base rate whilst providing a greater level of liquidity than fixed term deposits. The portfolio will achieve this objective by investing solely in cash and money market securities, using a dynamic and diversified approach to fund selection to manage risk over the long term. **The portfolio is managed in line with an ultra-cautious risk profile, with the ability to move to 100% cash if required in line with market conditions. This portfolio will not take any risk other than investing in money market assets.**

Management

The benchmark we use for comparison purposes for total return is the **IA Standard Money Market** sector, which is representative of the combined performance of the money market sector.

Yield Comparison

Asset	Yield
Average IA Standard Money Market	5.18%
Bank of England Base Rate	5.25%
Gilts (UK 10 Year)	4.10%
Ultra Cautious Portfolio	5.32%

Source: FE Analytics, 1st March

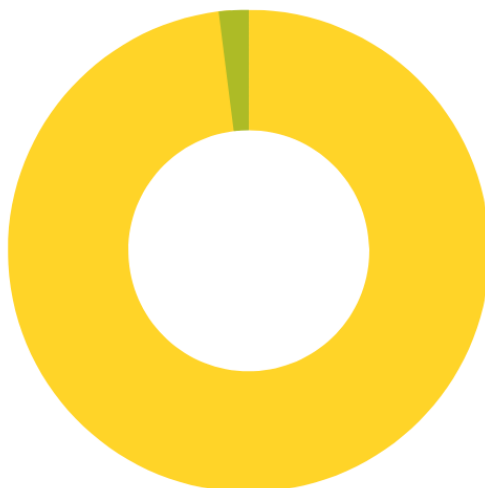
Performance

Asset	1 Month	3 Months	6 Months	12 Months	YTD	3 Years	5 Years	7 Years	Since Launch 01/09/2023
OBI Ultra Cautious	0.41%	1.31%	-	-	0.87%	-	-	-	2.68%
Benchmark	0.42%	1.33%	2.72%	5.06%	0.88%	6.97%	8.06%	8.81%	2.70%
UK Gilts	-1.17%	1.47%	3.17%	0.47%	-3.66%	-21.41%	-15.50%	-14.69%	3.43%

Source: FE Analytics, 1st March

Asset Allocation

- MONEY MARKET (98.00%)
- CASH (2.00%)



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
IA Standard Money Market

Inception Date
01 September 2023

Current Yield
5.32% per annum

Ongoing Strategy Charge
0.16% per annum

Rebalancing Frequency
Quarterly (or as required as per the OBI strategy)



Jason Stather-Lodge
Founder/CEO/CIO



Georgina Stone
Deputy CIO

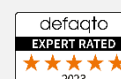
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OBI Ultra Cautious Portfolio is designed to deliver an ultra-low risk mandate, with the delivery of outcome and capital preservation at its core which aims to achieve a return in line with the Bank of England Base rate.

Market Outlook

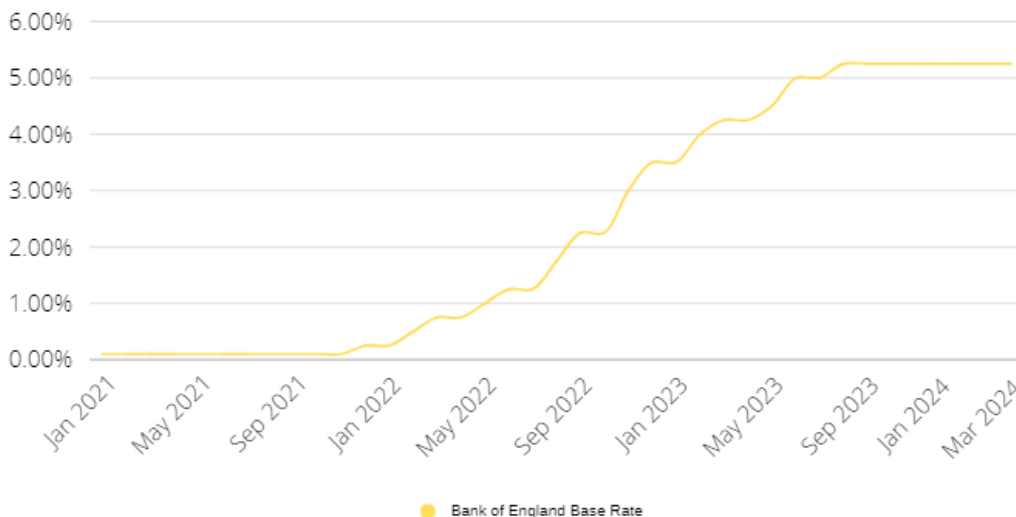
Despite interest rates remaining elevated, key US large-cap tech names drove equity indices broadly higher over the month with the US equity market outperforming its peers. Tech giant Nvidia, which has remained a key player in the AI driven boom in equity valuations, reported robust earnings which came in above already lofty expectations, reigniting the recent euphoria within tech markets. With key names accounting for a significant portion of their respective indices, recent earnings reports have had the potential to rock equity markets as investors were braced for potential 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.

Fixed income markets struggled for direction over February as policymakers urged for patience, with investors awaiting 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 of immediate rate cuts. Our outlook for fixed income remains positive, noting that economic data remains supportive of rate cuts to emerge this year and although we currently believe that equity markets are expensive, an easing of monetary policy should provide a more supportive investment environment for equities, where we are expecting to see more attractive long-term opportunities emerge later in 2024.

Portfolio Positioning

This portfolio holds a diversified blend of money market funds, that invest in short term money market instruments such as Certificates of Deposit, Government Bills and Time Deposits. Whilst this portfolio is positioned to hold 100% in money market instruments to generate a yield, we continually monitor the available money market funds for the best yield and lowest cost, to ensure this portfolio generates the highest yield possible. Through investing in open-ended money market funds, we believe the portfolio can continue to generate an attractive yield at a low cost, whilst allowing a greater sense of flexibility in comparison to fixed deposits.

Bank of England Base Rate



This chart highlights the Bank of England's base rate since 01/01/2021. The yield available on Money market assets typically reflect the Central Bank's underlying interest rate.

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.