

Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client who is prepared to invest a larger portion of their overall portfolio into equities, whilst maintaining a balance between risk and 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 materially higher than the long-term return on cash after fees and costs. This portfolio can take up to 65% 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 15% in core, long-term assets which may be less liquid in nature, such as investment trusts. The recommended time-horizon for this portfolio is a minimum of 7 years.

Management

The benchmark we use for comparison purposes for volatility is **AFI Balanced**, noting that this benchmark currently holds **68.82% in Equity** (Analytics, 1st May 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 Balanced	-0.58%	3.88%	12.77%	10.97%	3.72%	-0.13%	28.92%	30.88%
Benchmark	-0.31%	3.65%	12.32%	8.32%	2.96%	2.53%	19.86%	19.51%
UK Gilts	-2.67%	-1.97%	3.51%	-1.37%	-4.43%	-22.44%	-17.53%	-15.73%
UK Equities	2.55%	7.01%	14.33%	7.68%	5.80%	22.70%	27.76%	28.76%

Source: FE Analytics, 1st May

Asset Allocation

- MONEY MARKET (3.90%)
- UK FIXED INCOME (4.83%)
- GLOBAL FIXED INTEREST (17.68%)
- OTHER NON-EQUITY (4.12%)
- COMMODITIES (4.89%)
- UK EQUITY (15.53%)
- NORTH AMERICAN EQUITY (22.47%)
- EUROPEAN EQUITY (13.87%)
- ASIAN EQUITY (5.04%)
- OTHER INTERNATIONAL EQUITY (4.12%)



Equity 65.92% - Non-Equity 34.08%

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 Balanced

Inception Date

31 August 2018

Historic Yield

2.39% per annum

Ongoing Strategy Charge

0.48% per annum

Volatility

10.94%

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

W: ocmwealthmanagement.co.uk





Market Outlook

Investor sentiment soured over the month of April as economic data out of the US saw investors push back expectations for interest rate cuts on a global scale, lifting global government bond yields higher whilst US equities suffered their worst month of the year. Despite the US Federal Reserve leaving interest rates on hold as expected, focus turned to the hotter-than-expected inflation data which fed into a turbulent month for financial markets.

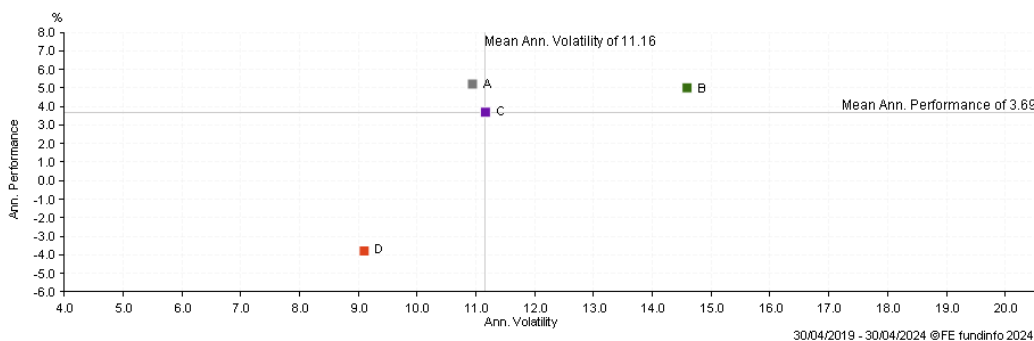
Within equity markets, US earnings season has seen a divergence between consumer facing names which have pointed to a weakening in consumer spending as households become more cautious, whilst key large-cap tech names have continued to benefit from the ongoing euphoria surrounding generative AI. Volatility has remained a consistent theme across recent earnings reports as both earnings beats and misses have resulted in sharp swings in share price, often feeding into wider sentiment given the current index concentration towards large tech names.

Fixed income markets have also faced significant volatility over the month, as US economic growth and inflation data resulted in a paring back of expectations regarding potential rate cuts from the US Federal Reserve. Whilst global bond yields moved higher over the month in tandem with US markets, we continue to believe that the short-term outlook for fixed income assets remains positive, particularly in the UK as inflation data becomes more supportive of a pivot towards rate cuts from the Bank of England.

Portfolio Positioning

Whilst the 'higher for longer' narrative in the US fed into a difficult month for the portfolios, we believe that the diversified asset allocation remains well positioned to take advantage of a more sustained uplift in risk appetite as key macroeconomic headwinds clear over the medium to long-term. With clear signs that price pressures are easing in key developed economies, the potential for interest rate cuts over the coming months is widely expected to provide a more attractive investment backdrop for risk assets to deliver strong returns moving forward. Whilst believe that portfolio volatility is likely to persist in the short-term as interest rate expectations fluctuate, it remains our view that the more favourable inflation backdrop in the UK will feed into a positive period for the long-hold portfolios which carry an exposure to European and UK equities which we would expect to perform positively in a declining rate environment.

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	Balanced TR in GB	5.21	10.94
B	UK Psv UK Equities TR in GB	5.02	14.59
C	AFI Balanced TR in GB	3.89	11.16
D	UK Psv UK Gilts TR in GB	-3.78	9.10

Important Information

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