

Long Hold Balanced



April 2025

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 **IA Mixed Investment 40-85%**, noting that this benchmark currently holds **68.39% in Equity** (Analytics, 1st April 2025) and is therefore less aggressive than this portfolio. It would therefore be expected that the benchmark would underperform the portfolio and that the volatility of the benchmark would be lower. 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	-3.92%	-1.94%	-0.23%	2.93%	-1.94%	7.06%	46.10%	36.85%
Benchmark	-3.21%	-1.20%	0.02%	3.36%	-1.22%	8.68%	44.60%	29.97%
UK Gilts	-0.87%	0.65%	-2.60%	-1.41%	0.65%	-16.93%	-24.91%	-14.48%
UK Equities	-2.42%	3.28%	2.46%	9.04%	3.28%	20.32%	72.21%	37.77%

Source: FE Analytics, 1st April

Asset Allocation

- MONEY MARKET (3.45%)
- UK GILTS (5.27%)
- GLOBAL FIXED INTEREST (14.30%)
- OTHER NON-EQUITY (2.89%)
- COMMODITY (4.49%)
- UK EQUITY (16.52%)
- US EQUITY (27.93%)
- EUROPEAN EQUITY (14.31%)
- ASIAN EQUITY (4.22%)
- OTHER INTERNATIONAL EQUITY (6.62%)



Equity 74.09% - Non-Equity 25.91%

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
IA Mixed Investment 40-85%

Inception Date
31 August 2018

Historic Yield
2.53% per annum

Ongoing Strategy Charge
0.46% per annum

Volatility
9.83%

Max Loss
-9.62%

Rebalancing Frequency
Quarterly



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Market Outlook

Investors faced sharp swings in sentiment over the first quarter of 2025 as US President Donald Trump’s trade policy forced economists to reassess their expectations for global economic growth over the coming year. After driving equity market performance in recent years, the US tech sector has faced headwinds in recent months, driven initially by concerns regarding Chinese tech start-ups which have been able to deliver comparable results at a fraction of the cost, with President Trump’s ‘Liberation Day’ also weighing on risk appetite as recessionary concerns increased.

The Long Hold portfolios, due to their exposure to more growth-oriented assets, have largely been subject to full levels of intraday volatility over Q1, although our focus on diversification and quality assets has allowed the portfolios to recover strongly during periods of positive investor sentiment. Financial markets are likely to remain sensitive to news flows surrounding US tariff implementation, and it therefore remains our view that short-term portfolio volatility is to persist over the coming weeks as investors are forced to adjust their expectations for global economic growth.

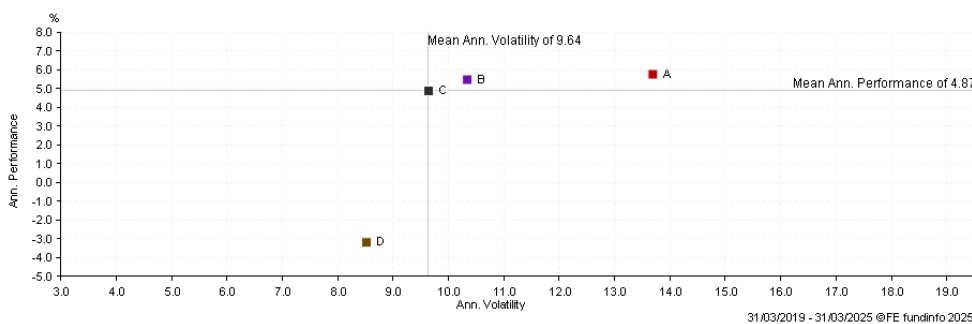
European equities were a key beneficiary of the rotation away from US growth names over the quarter as investors looked to take advantage of attractive valuations in pockets of the market. February brought the German elections and optimism that the new administration led by Friedrich Merz would pursue a pro-growth agenda. However, gains were capped with markets pulling back in March amid worries over the US imposing tariffs on imports.

Portfolio Positioning

After a turbulent start to the year in which investor sentiment has swung rapidly amid ongoing tariff uncertainty and geopolitical tensions, it is important that we retain a long-term investment outlook. Despite US equities facing headwinds as the outlook for US economic growth outlook becomes increasingly clouded, it remains our view that long-term outlook remains positive, and we expect US equities to drive portfolio returns over the medium to long-term.

Whilst the short-term outlook for global economic growth remains clouded as key economies look set to negotiate trade deals with the US, the Long-Hold portfolios continue to carry an exposure to those assets which appear well positioned benefit from a brightening medium-term economic backdrop. It remains our view that a cooling of inflationary pressures and uncertainty surrounding economic growth can provide the backdrop for a further easing of monetary policy as central banks look to stimulate a period of positive economic growth.

Portfolio Volatility



This scatter chart reflects annualised volatility and return in GBP over the past 6 years. Over the long term, we would expect the Balanced portfolio to exhibit volatility in line with the benchmark.

Important Information

All data in this document has been extracted from Analytics as at 1st April 2025. 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.