OBI Balanced Growth

OCM Asset Management

Independent Financial Planners | Discretionary Asset Managers | Tax Advisers

April 2025

Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client who is prepared to take a medium to large degree of risk by investing a larger portion of their overall portfolio into equities, whilst maintaining a balance between risk and reward. The portfolio is managed dynamically by altering the asset allocation using assets that carry market risk and using all assets that are available from the investment universe. The primary objective of this portfolio is to achieve a long-term total return and income above the Bank of England's base rate and generate growth in real terms (above inflation) over the medium term which is materially higher than the long-term return on cash, after fees and costs. This portfolio can take up to 75% of the risk of investing in the global equity market, as measured by the worst expected loss and annualised volatility of returns. This portfolio has a capital preservation mandate of 100% in order to protect investors and mitigate volatility during severe market events, however, the portfolio may also hold 25% in core, long term assets which may be less liquid in nature, such as investment trusts, meaning portfolio volatility is likely to be higher than the more cautious models. The recommended time-horizon for this portfolio is a minimum of 5 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 more aggressive than this portfolio. The benchmark also has no capital preservation mandate. It would therefore be expected that this benchmark would outperform the model and that the volatility of the benchmark would be higher. The model performance therefore cannot be directly compared to the benchmark.

Performance

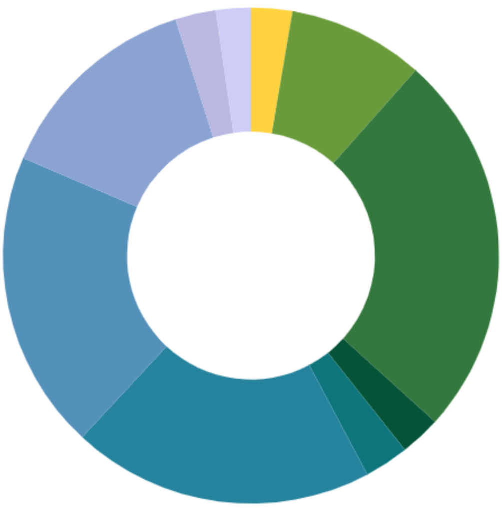
Asset	1 Month	3 Months	6 Months	12 Months	YTD	3 Years	5 Years	7 Years	Since Launch 08/03/2016
OBI Balanced Growth	-2.79%	-0.11%	-2.80%	-0.39%	-0.11%	3.41%	42.73%	25.41%	52.75%
Benchmark	-3.21%	-1.20%	0.02%	3.36%	-1.22%	8.68%	44.60%	38.76%	67.25%
UK Gilts	-0.87%	0.65%	-2.60%	-1.41%	0.65%	-16.93%	-24.91%	-14.75%	-8.81%
UK Equities	-2.42%	3.28%	2.46%	9.04%	3.28%	20.32%	72.21%	47.59%	81.35%

Source: FE Analytics, 1st April

Performance shown since inception on 08/03/16

Asset Allocation

- MONEY MARKET (2.68%)
- GLOBAL FIXED INTEREST (8.89%)
- UK GILTS (25.11%)
- OTHER NON-EQUITY (2.66%)
- PROPERTY (2.89%)
- UK EQUITY (19.69%)
- US EQUITY (19.54%)
- EUROPEAN EQUITY (13.62%)
- OTHER INTERNATIONAL EQUITY (2.66%)
- ASIAN EQUITY (2.27%)



Equity 57.78% - Non-Equity 42.22%

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 Mixed Investment 40-85%

Inception Date
08 March 2016

Historic Yield
2.99% per annum

Ongoing Strategy Charge
0.30% per annum

Volatility
8.26%

Max Loss
-6.32%

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

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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 OBI Volatility Managed portfolios, thanks to their overweight to UK fixed income assets, have been able to mitigate large levels of the volatility seen across global financial markets in recent months, benefitting from flows into safe haven assets as well as the rotation away from richly valued US tech names. Whilst UK large-caps performed positively over Q1 2025, small and mid-cap companies suffered amid ongoing concerns surrounding the UK's growth outlook as tariff fears lingered and Chancellor Rachel Reeves faces a period of fiscal uncertainty.

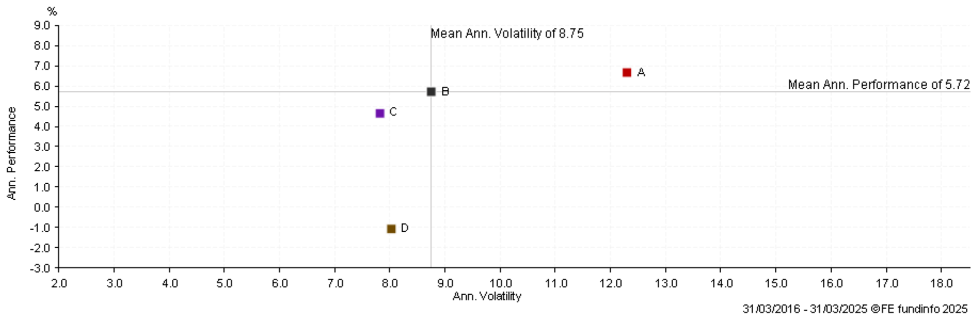
European equities were a key beneficiary of the rotation away from US growth names over the quarter as investors looked to take advantage of attractive valuations in pockets of the market. February brought the German elections and optimism that the new administration led by Friedrich Merz would pursue 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

During periods of heightened uncertainty, it is our view that a focus on diversification and quality is key in mitigating excess financial market volatility and protecting investor capital during periods of negative investor sentiment. Whilst government bond yields initially rose off the back of increased inflationary concerns surrounding US tariff implementation, the decline in yields as investors considered the outlook for global economic growth allowed us to take the opportunity to trim the overweight position in UK Gilts within the OBI portfolios.

After providing stability throughout the recent turbulence, we have redeployed the proceeds from the Gilt sales in order to take advantage of the recent sell-off in global and US equity markets as the value at risk outlook became more attractive when looking beyond the short-term noise. We retain a preference for actively managed, high-quality assets which can deliver positive risk adjusted returns during periods of turbulence such as those seen in the first months of 2025.

Portfolio Volatility



Key	Name	Annualised Performance	Annualised Volatility
A	UK Psv UK Equities TR in GB	6.67	12.30
B	IA Mixed Investment 40-85% Shares TR in GB	5.72	8.75
C	OBI Balanced Growth TR in GB	4.65	7.82
D	UK Psv UK Gilts TR in GB	-1.06	8.03

This scatter chart reflects annualised volatility and return in GBP over the past 8 years. Over the long term, we would expect the OBI portfolio to exhibit a lower level of volatility than 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.