

Long Hold Balanced Income



January 2026

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 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 **72.15% in Equity** (Analytics, 2nd January 2026) 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.

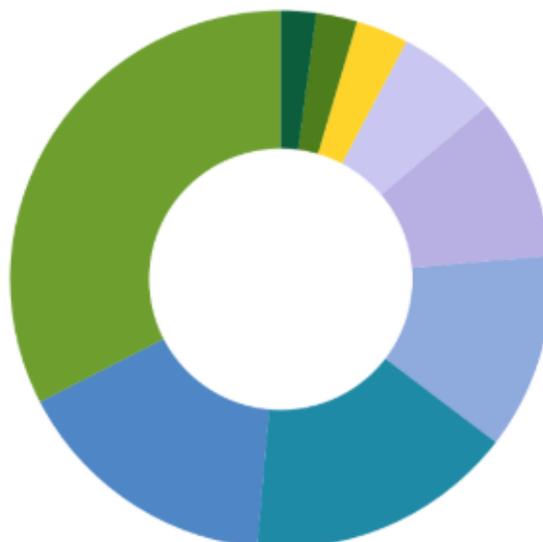
Performance

Asset	1 Month	3 Months	6 Months	12 Months	YTD	Since Launch 01/01/2024
OCM Balanced Income	1.63%	4.60%	10.18%	16.95%	0.00%	31.75%
Benchmark	0.44%	3.31%	8.76%	11.58%	0.00%	21.59%
UK Gilts	0.08%	3.11%	2.58%	4.39%	0.00%	0.39%
UK Equities	2.13%	6.07%	12.19%	22.13%	0.00%	33.03%

Source: FE Analytics, 2nd January

Asset Allocation

- Global Fixed Interest (32.56%)
- North American Equity (16.04%)
- UK Equity (16.03%)
- European Equity (11.77%)
- Other International Equity (9.80%)
- Asian Equity (6.11%)
- Money Market (3.14%)
- UK Fixed Interest (2.44%)
- Other Non-Equity (2.11%)



Equity 59.75% - Non-Equity 40.25%

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

01 January 2024

Historic Yield

4.22%

Ongoing Strategy Charge

0.59%

Volatility

6.73%

Max Loss

-5.64%

Rebalancing Frequency

Quarterly



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Market Outlook

Global financial markets delivered steady returns throughout the fourth quarter of the year, as central bank monetary policy easing and a decline in tariff uncertainty fed into risk appetite. A number of factors fed into a year in which non-US equities outperformed US markets, with a weaker dollar and attractive valuations driving a rotation away from US tech stocks toward the end of the year. There was a marked divergence across global government bond markets as key central banks continued to cut interest rates. The Bank of England and US Federal Reserve voted in favour of a 0.25% decline in borrowing costs, although both decisions were closely contested, with signs of a widening divide between committee members.

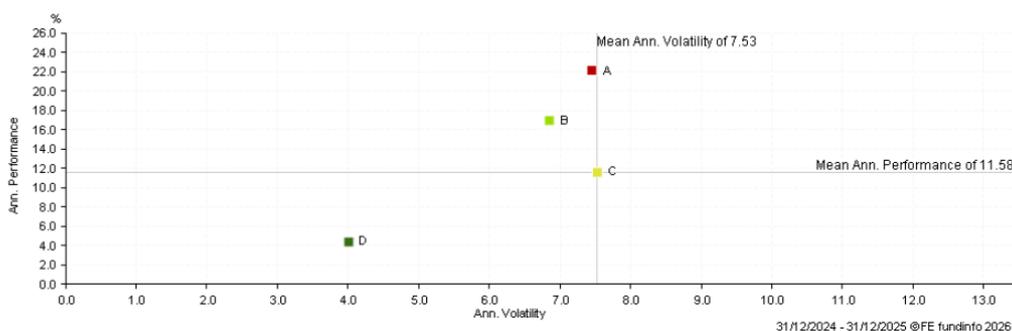
UK gilts were a notable outperformer over the quarter as the Labour Party's Autumn Budget was well received by markets as the government announced a larger than expected fiscal buffer alongside a smaller than forecast gilt remit for the year. The news eased fears that the government would be forced to deliver another fiscal event over the coming months. The positive reaction across financial markets provided the Bank of England with the opportunity to lower borrowing costs at their final meeting over the year, voting 5-4 in favour as Governor Bailey was again forced to cast the deciding vote. In contrast, the European Central Bank left borrowing costs unchanged, whilst the Bank of Japan was a notable outlier as policymakers raised interest rates by 0.25% as inflationary pressures remained stubborn and wage growth continued to support consumption. Structural reform and the prospect of fiscal loosening drove Japanese equity valuations close to record highs, supporting portfolio performance over a robust year.

Portfolio Positioning

The OCM income portfolios are positioned to take advantage of attractive, yield generating assets across a range of asset classes. Through a diverse exposure to income producing assets such as bonds, dividend paying equities and short-term deposits, these portfolios are designed to be long hold in nature whilst paying an attractive rate of natural income. The portfolio holds exposure to several actively managed strategic bond funds that look to generate a higher-than-average yield through rotating their exposure and investing in global debt markets from Government debt and corporate credit to high yield and emerging market bonds. Following the rapid rise in interest rates over the last 2 years, the OCM income portfolios also have exposure to money market assets that generate an attractive yield at a very low level of downside risk.

On the equity side, a focus on high quality, dividend payers ensures that the portfolios maximise their income potential. Through strong diversification across sectors and geographies, it is our view that these portfolios are well positioned to weather any market volatility that may occur during the holding period, whilst a focus on quality in the underlying companies is expected to support dividend growth and consistency.

Portfolio Volatility



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

Key	Name	Annualised Performance	Annualised Volatility
A	UK Psv UK Equities TR in GB	22.13	7.45
B	OCM Balanced Income TR in GB	16.95	6.85
C	IA Mixed Investment 40-85% Shares TR in GB	11.58	7.53
D	UK Psv UK Gilts TR in GB	4.39	4.01

Important Information

All data in this document has been extracted from Analytics as of 2nd January 2026. 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.