OBI Moderately Cautious

OCM Asset Management

Independent Financial Planners | Discretionary Asset Managers | Tax Advisers

October 2025

Objective

This portfolio is NOT a risk-free portfolio, rather, it is suitable for a client who is prepared to take a moderate degree of risk through investing in equities. 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 moderately higher than the long-term return on cash, after fees and costs. This portfolio can take up to 50% 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%, the portfolio allocation may be held solely in cash and cash-like securities during severe market events, in order to protect investors and mitigate volatility. The recommended time-horizon for this portfolio is a minimum of 4 years.

Management

The benchmark we use for comparison purposes for volatility is **IA Mixed Investment 20-60%** noting that this benchmark currently holds **45.74% in Equity** (Analytics, 1st October 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 16/02/2007
OBI Moderately Cautious Portfolio	1.48%	4.85%	9.68%	8.78%	10.29%	19.47%	25.58%	26.41%	215.21%
Benchmark	1.52%	3.80%	7.04%	7.31%	7.25%	25.21%	25.66%	29.15%	98.40%
UK Gilts	0.72%	-0.51%	0.58%	-2.04%	1.24%	2.28%	-25.42%	-12.89%	98.40%
UK Equities	1.53%	5.77%	11.49%	14.23%	15.15%	47.51%	78.93%	52.41%	159.90%

Asset Allocation

- MONEY MARKET (22.59%)
- UK FIXED INTEREST (3.04%)
- GLOBAL FIXED INTEREST (35.36%)
- OTHER NON-EQUITY (1.75%)
- UK EQUITY (10.20%)
- US EQUITY (5.11%)
- EUROPEAN EQUITY (9.39%)
- ASIAN EQUITIES (5.25%)
- OTHER INTERNATIONAL EQUITY (7.32%)

Equity 37.27% - Non-Equity 62.37%

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 20-60%

Inception Date
16 February 2007

Historic Yield
3.51% per annum

Ongoing Strategy Charge
0.42% per annum

Volatility
5.78%

Max Loss
-5.97%

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

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Market Outlook

Global financial markets delivered strong returns throughout the third quarter of the year, driven by robust artificial intelligence demand, a strong corporate earnings season, and a well-anticipated rate cut from the US Federal Reserve. Despite a volatile period for government bond markets amid fiscal and political uncertainty, investment grade and high yield assets made significant contributions to portfolio performance as the US HY market outperformed on the back of the prospect of a more dovish US Fed.

A series of weaker than expected US labour market data forced the US Federal Reserve to shift its focus away from stubborn price pressures as it looked to meet its dual mandate of full employment and stable prices. A significant slowdown in job creation allowed policymakers to lower the Fed funds rate by 25bps at its September meeting, and signalled that further easing lay ahead, although the path remains clouded by the ongoing government shutdown.

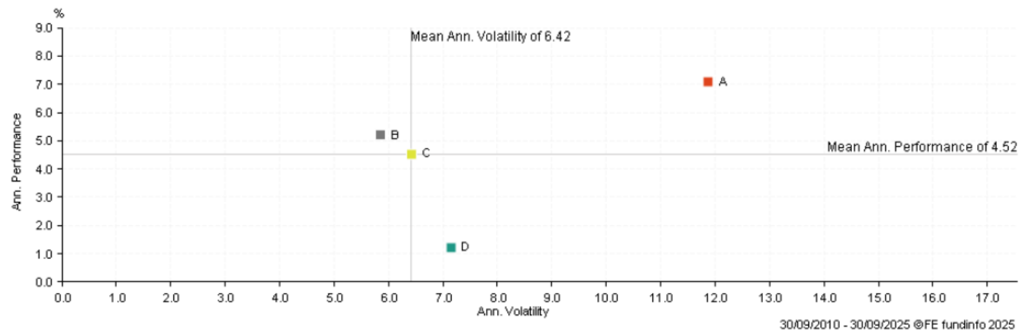
Positive sentiment fed into European equity markets which rallied despite heightened political uncertainty in France and a lacklustre period for the German economy. Meanwhile, a weaker US dollar and robust AI demand fed into a period of outperformance for Asian and Emerging Market equities, with Japanese equities delivering strong returns on the prospect of a more pro-growth political backdrop and looser fiscal policy.

Portfolio Positioning

While concerns about US trade policy eased somewhat, and robust corporate earnings and AI demand led to a number of all-time highs across key equity markets, uncertainty persists as the US government shutdown in particular clouds the outlook. As a result, with valuations stretched, price pressures remaining elevated, and ongoing geopolitical tensions continue to present potential challenges for investors, we took the decision to take profits on US, Global, UK and European equities in order to reduce risk across the OBI Volatility Managed portfolios.

As we move into the final months of 2025, we are watching the data closely in search of opportunities to redeploy the cash holdings within the OBI models, looking to identify pockets of opportunity where upside potential outweighs the downside risks. As always, we will keep you updated should anything change in our outlook or positioning.

Portfolio Volatility



Key	Name	Annualised Performance	Annualised Volatility
A	UK Psv UK Equities TR in GB	7.09	11.87
B	OCM OBI Moderately Cautious TR in GB	5.22	5.85
C	IA Mixed Investment 20-60% Shares TR in GB	4.52	6.42
D	UK Psv UK Gilts TR in GB	1.22	7.15

This scatter chart reflects annualised volatility and return in GBP over the past 15 years. Over the long term, we would expect the OBI portfolio to exhibit a lower level of volatility than the benchmark.

Important Information

OCM Asset Management is a trading name of OCM Wealth Management Limited, which is authorised and regulated by the Financial Conduct Authority Number 418826, OCM Wealth Management Limited registered in England No: 5029800 | Registered Office; St Clair House, 5 Old Bedford Road, Northampton, NN4 7AA

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