OBI Moderately Cautious

OCM Asset Management

Independent Financial Planners | Discretionary Asset Managers | Tax Advisers

July 2026

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 **47.53% in Equity** (Analytics, 1st July 2026) and is therefore less aggressive than this portfolio. The benchmark also has no capital preservation mandate. It would therefore be expected that this benchmark would underperform 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	0.78%	6.98%	7.52%	16.37%	7.52%	30.30%	24.68%	46.72%	249.86%
Benchmark	0.46%	6.53%	5.50%	12.49%	5.50%	30.11%	22.31%	37.03%	115.05%
UK Gilts	0.88%	2.08%	0.18%	2.77%	0.18%	7.98%	-19.21%	-15.53%	56.04%
UK Equities	0.40%	5.40%	7.15%	20.21%	7.15%	50.29%	63.10%	71.77%	195.56%

Source: FE Analytics, 1st July 2026

Asset Allocation

- MONEY MARKET (4.81%)
- GLOBAL FIXED INTEREST (34.48%)
- OTHER NON-EQUITY (2.09%)
- PROPERTY & INFRASTRUCTURE (3.88%)
- UK EQUITY (10.90%)
- US EQUITY (7.48%)
- EUROPEAN EQUITY (10.40%)
- OTHER INTERNATIONAL EQUITY (12.14%)
- ASIAN EQUITIES (8.83%)

Equity 49.75% - Non-Equity 50.25%

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
3.56% per annum

Ongoing Strategy Charge
0.51% per annum

Volatility
5.98%

Max Loss
-5.97%

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

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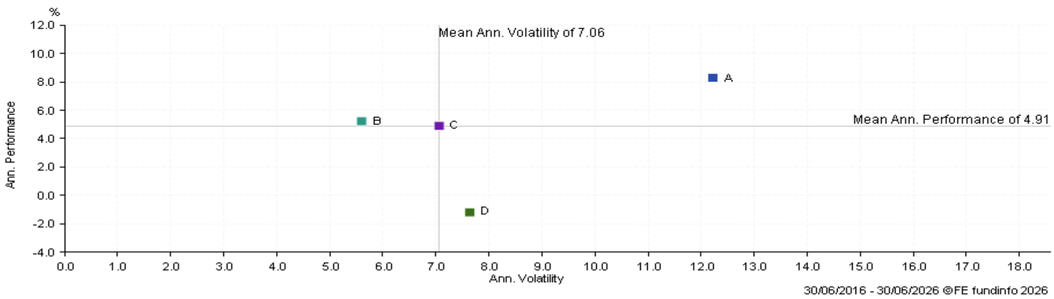
Market Outlook

Global financial markets delivered strong returns over the second quarter of 2026, with geopolitics and technology once again at the forefront of market movements. Risk sentiment turned decisively positive as the war in the Middle East began to de-escalate, with Brent crude prices retracing sharply from their April peak following a US-Iran memorandum of understanding that was expected to support the reopening of the Strait of Hormuz and a normalisation of energy flows. This helped ease fears that the energy shock would force a broad-based re-pricing of developed market interest rates, although inflation risks remained a key focus for policymakers. Technology stocks continued to lead markets higher, as investors gained confidence that the AI infrastructure investment cycle remained intact, supported by robust earnings momentum and continued upgrades to hyperscaler capital expenditure plans. Central bank decisions were closely watched over the quarter: the European Central Bank raised its three key policy rates by 25bps in June, citing inflation pressures from the Middle East conflict, while the Federal Reserve and Bank of England left rates unchanged as they balanced still-elevated inflation risks against uncertainty around growth and energy prices. The improved backdrop supported a strong quarter for the OBI Volatility Managed portfolios, with Emerging Market and Asian equity holdings outperforming delivering strong returns across the portfolios. Across the OBI suite, the focus on active management, diversification and disciplined volatility management enabled portfolios to participate in the risk-on environment while maintaining a focus on downside resilience. While the broad expectation remains that the conflict is likely to represent a temporary supply disruption rather than a structural shift in the global economic outlook, the outlook remains sensitive to the durability of the ceasefire, the pace of energy-flow normalisation and the path of central bank policy.

Portfolio Positioning

After entering the quarter with elevated cash levels due to risks and stretched valuations in pockets of the market, the OBI volatility managed portfolios were well positioned to navigate short term uncertainty caused by the current conflict in the Middle East. This also presented an opportunity for rapid capital deployment upon an easing of tensions later in the quarter. Following the announcement of a ceasefire between US & Iran, the cash was tactically redeployed into Global, European & UK opportunities with a focus on quality in order to take advantage of the improving sentiment and positive medium-term outlook. We continue to focus our asset allocation on diversification, quality and income assets in order to manage volatility and uncertainty across the medium term horizon.

Portfolio Volatility



Key	Name	Annualised Performance	Annualised Volatility
A	UK Psv UK Equities TR in GB	8.29	12.22
B	OCM OBI Moderately Cautious TR in GB	5.24	5.60
C	IA Mixed Investment 20-60% Shares TR in GB	4.91	7.06
D	UK Psv UK Gilts TR in GB	-1.16	7.64

This scatter chart reflects annualised volatility and return in GBP over the past 10 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 of 1st July 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 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.