# OBI Balanced Growth

OCM Asset Management
Independent Financial Planners | Discretionary Asset Managers | Tax Advisers

October 2026

## 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 **70.07% in Equity** (Analytics, 1st October 2026) 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.

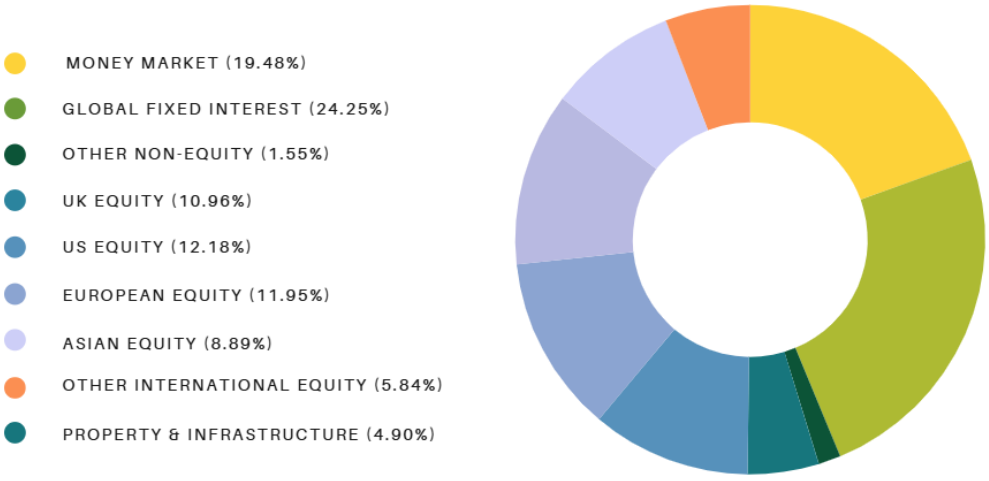
## Performance

| Asset | 1 Month | 3 Months | 6 Months | 12 Months | YTD | 3 Years | 5 Years | 7 Years | Since Launch 08/03/2016 |
|---|---|---|---|---|---|---|---|---|---|
| OBI Balanced Growth | -1.22% | 0.26% | 9.18% | 13.97% | 9.81% | 33.48% | 28.42% | 61.46% | 94.13% |
| Benchmark | -0.61% | 0.74% | 10.28% | 12.01% | 8.41% | 39.42% | 31.67% | 53.27% | 104.67% |
| UK Gilts | -1.08% | -2.55% | -0.66% | 0.52% | -2.51% | 5.79% | -20.02% | 22.32% | -8.00% |
| UK Equities | -1.61% | 2.87% | 8.48% | 16.97% | 10.28% | 51.79% | 63.85% | 74.46% | 135.03% |

Source: FE Analytics, 1st October 2026

Performance shown since inception on 08/03/16

## Asset Allocation




Equity 50.18% - Non-Equity 49.82%

## 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**
3.16% per annum

**Ongoing Strategy Charge**
0.48% per annum

**Volatility**
7.80%

**Max Loss**
-6.32%

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

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Founder/CEO/CIO

**Georgina Stone**
Deputy CIO

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## Market Outlook

Global financial markets faced a more challenging backdrop over the third quarter of 2026 albeit still delivered positive returns, with geopolitics once again at the forefront of market movements. The resurgence of tensions between the US and Iran reversed the de-escalation seen in the previous quarter, with Brent crude again rising above $100 a barrel as surging energy prices added to inflationary pressures across key developed economies. Government bond yields moved higher as a result, with markets reassessing the outlook for inflation and monetary policy. The rise in fuel and broader energy costs increased concerns that inflation could remain above central bank targets for longer than previously expected, reversing earlier expectations that interest rates could begin to fall which weighed on overall fixed income performance over the quarter. Corporate fundamentals, however, remained a source of support, as strong earnings growth from key AI names lifted sentiment over the quarter, although investors became more discerning towards the theme, as the bar for revenue and capital expenditure continues to be raised in order for the sector to justify their current valuations.

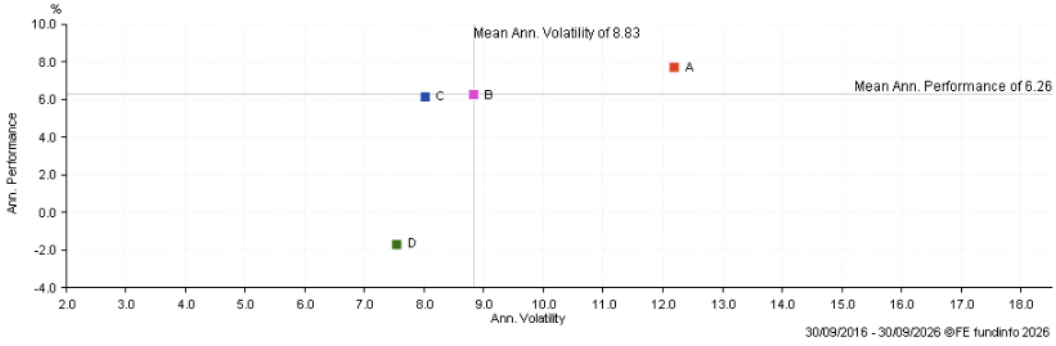
Central bank policy remained a key driver of sentiment over the quarter, as both the Federal Reserve and the European Central Bank raised interest rates in response to rising inflation. The Bank of England held interest rates at 3.75% at both its July and September meetings, although a 6-3 vote split in September, signalled growing concern within the committee that higher energy prices could feed through to more persistent domestic inflation. Against this backdrop, the OBI Volatility Managed portfolios edged higher over the quarter. However, fixed income and infrastructure assets weighed on performance as the prospect of tighter monetary policy fed through. Across the OBI Suite, the focus on active management, diversification and disciplined volatility management helped portfolios navigate a more volatile environment while maintaining a focus on downside resilience. Looking ahead, the outlook remains sensitive to the trajectory of the US-Iran conflict and it's impact on energy prices alongside the pace and extent of further monetary tightening.

## Portfolio Positioning

Following a period of strong performance across the OBI Volatility Managed Suite over the quarter, we have taken the decision to take some profits and modestly reduce risk within the portfolios. While our medium-term outlook remains favourable, several factors could drive heightened volatility over the coming months which include developments in the Middle East, a potentially significant UK Budget and continued uncertainty surrounding interest rates, inflation and Sovereign debt.

Within the OBI VM portfolios, we have raised cash from strongly performing Asian assets, together with global, UK and European passive holdings, allowing us to reduce broad asset class exposure while retaining the selective active positions. The proceeds from the sales have been invested into money market assets in order to generate an attractive yield, whilst also reducing portfolio volatility and providing liquidity to redeploy should attractive opportunities arise later in the year.

## Portfolio Volatility




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.

| Key | Name | Annualised Performance | Annualised Volatility |
|---|---|---|---|
| A | UK Psv UK Equities TR in GB | 7.71 | 12.19 |
| B | IA Mixed Investment 40-85% Shares TR in GB | 6.26 | 8.83 |
| C | OCM OBI Balanced Growth TR in GB | 6.14 | 8.02 |
| D | UK Psv UK Gilts TR in GB | -1.69 | 7.54 |

## Important Information

All data in this document has been extracted from Analytics as of 1st October 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.