

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 **AFI Balanced**, noting that this benchmark currently holds **68.40% in Equity** (Analytics, 1st July 2024) 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	3 Years	5 Years	Since Launch 31/08/2018
OCM Balanced	1.06%	3.65%	9.19%	12.29%	4.82%	1.04%	30.91%	32.75%
Benchmark	1.20%	3.74%	9.03%	10.75%	4.20%	3.93%	22.92%	20.94%
UK Gilts	0.36%	-0.45%	1.02%	2.51%	-4.09%	-22.40%	-19.34%	-15.45%
UK Equities	2.39%	9.64%	13.46%	14.58%	8.33%	23.91%	35.11%	31.83%

Source: FE Analytics, 1st July

Asset Allocation

- MONEY MARKET (2.00%)
- UK FIXED INTEREST (3.01%)
- GLOBAL FIXED INTEREST (14.42%)
- UK GILTS (44.42%)
- OTHER NON-EQUITY (2.12%)
- PROPERTY (4.78%)
- UK EQUITY (11.47%)
- US EQUITY (5.79%)
- EUROPEAN EQUITY (6.18%)
- OTHER INTERNATIONAL EQUITY (7.76%)
- ASIAN EQUITY (4.89%)



Equity 67.42% - Non-Equity 32.58%

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

AFI Balanced

Inception Date

31 August 2018

Historic Yield

2.73% per annum

Ongoing Strategy Charge

0.48% per annum

Volatility

10.93%

Max Loss

-14.09%

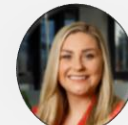
Rebalancing Frequency

Quarterly



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Market Outlook

An uplift of investor sentiment fed into a positive month for the long-hold portfolios, with equity market returns largely being driven by positive earnings reports and more encouraging signs that inflation was returning to target in key global economies. Commodity markets cooled somewhat as oil prices in particular retreated over the month due to concerns regarding the outlook for demand against increased levels of supply.

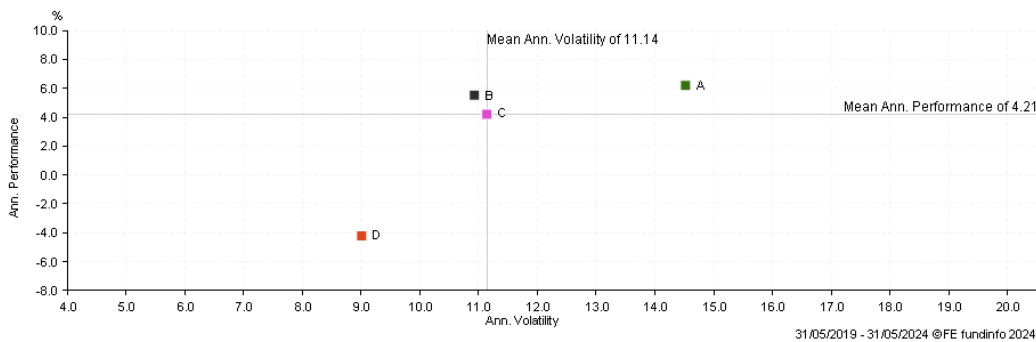
Positive earnings reports over the month from key US large-cap tech names were a key driver of sentiment over the month as names such as Nvidia continue to reap the rewards from the significant investment being made towards generative AI. UK equities delivered strong returns, with mid-cap companies in particular delivering strong returns as the medium-term outlook begins to brighten with inflationary pressures moderating. With the UK economy rebounding strongly over Q1 following the 2023 recession, the positive start to the year looks set to continue as moderating price pressures boost real income growth and feeding into a more attractive medium-term outlook.

Fixed income markets remained volatile over the month, with comments from US Fed officials resulting in a sell-off before inflation data out of the US and UK boosted hopes of interest rate cuts over the remainder of the year. With further price declines expected in the UK, inflation is widely expected to fall below 2% over the summer, opening the door for the Bank of England to begin its rate cutting cycle and providing a greater sense of clarity regarding the path for interest rates.

Portfolio Positioning

Whilst financial markets remained volatile over the month, the long-hold portfolios were able to take advantage of an uplift in sentiment as economic data releases offered a more constructive outlook on the fight to tame inflation. Whilst portfolio performance in April was dampened by remarks from US Federal Reserve officials, signs that key central banks were positioning to cut interest rates over the summer allowed the long-hold portfolios to deliver positive returns over the month, with the portfolios well positioned to perform going into the second half of the year as we gain further clarity surrounding the path for interest rates. As we move towards the end of the first half of 2024, we remain constructive regarding the outlook for the UK and Europe in particular as valuations appear attractive given the recovery in economic growth and consistent declines in headline inflation. An expected decline in these interest rates in these regions is expected to feed into a period of strong performance for the long-hold portfolios.

Portfolio Volatility



This scatter chart reflects annualised volatility and return in GBP over the past 5 years. Over the long term, we would expect the Growth 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	6.21	14.52
B	Balanced TR in GB	5.53	10.93
C	AFI Balanced TR in GB	4.21	11.14
D	UK Psv UK Gilts TR in GB	-4.20	9.01

Important Information

All data in this document has been extracted from Analytics as at 1st July 2024. 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.