

Long Hold Balanced Income

OCM Asset Management

Independent Financial Planners | Discretionary Asset Managers | Tax Advisers



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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 **69.61% in Equity** (Analytics, 1st October 2025) 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.

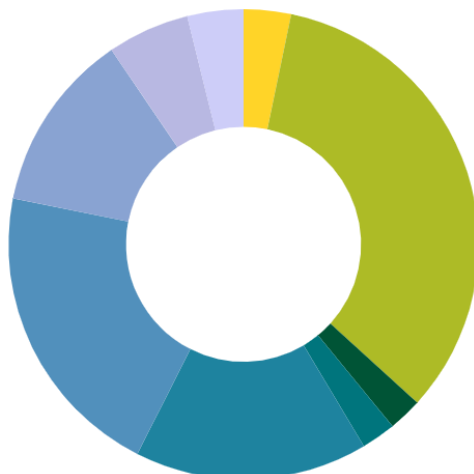
Performance

Asset	1 Month	3 Months	6 Months	12 Months	YTD	Since Launch 01/01/2024
Balanced Income	1.53%	5.33%	10.59%	13.98%	11.81%	25.96%
Benchmark	1.90%	5.28%	9.33%	9.33%	8.00%	17.69%
UK Gilts	0.72%	-0.51%	0.58%	-2.04%	1.24%	-2.64%
UK Equities	1.53%	5.77%	11.49%	14.23%	15.15%	25.42%

Source: FE Analytics, 1st October

Asset Allocation

- MONEY MARKET (3.25%)
- GLOBAL FIXED INTEREST (33.53%)
- UK FIXED INTEREST (2.30%)
- OTHER NON-EQUITY (2.37%)
- UK EQUITY (16.02%)
- US EQUITY (20.66%)
- EUROPEAN EQUITY (12.38%)
- ASIAN EQUITY (5.63%)
- OTHER INTERNATIONAL EQUITY (3.87%)



Equity 58.86% - Non-Equity 41.44%

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

4.35% per annum

Ongoing Strategy Charge

0.60% per annum

Volatility

6.95% (1Y)

Max Loss

-3.30% (1Y)

Rebalancing Frequency

Quarterly



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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, strategic bond holdings within the Long Hold Income portfolios 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.

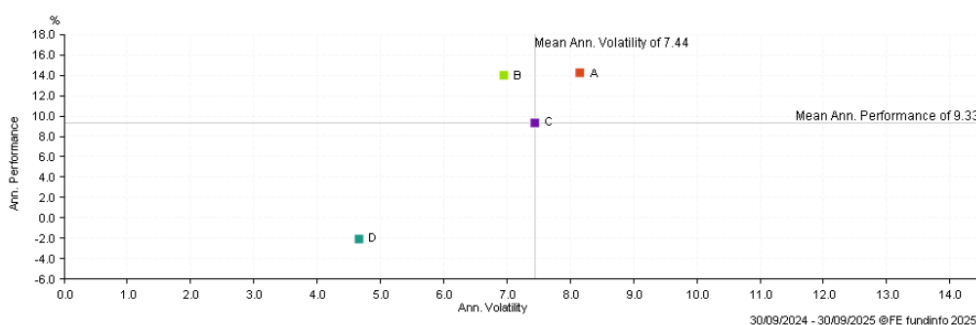
Positive sentiment fed into European equity markets which rallied despite heightened political uncertainty in France and a lacklustre period for the German economy. Meanwhile, a weaker US dollar and robust AI demand fed into a period of outperformance for Asian and Emerging Market equities on the prospect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

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 1-Year. Over the long term, we would expect the Balanced Income portfolio to exhibit volatility in line with the benchmark.

Important Information

All data in this document has been extracted from Analytics as of 1st October 2025. 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.