

OBI Balanced Growth

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 **69.61% 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

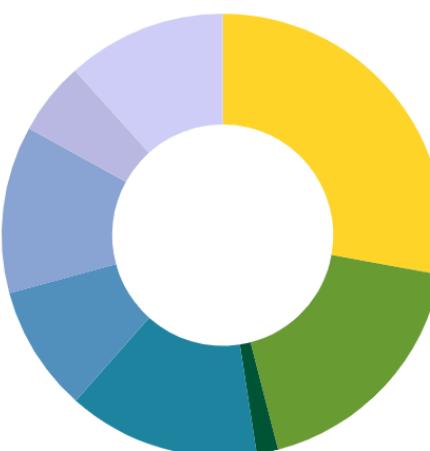
Asset	1 Month	3 Months	6 Months	12 Months	YTD	3 Years	5 Years	7 Years	Since Launch 08/03/2016
OBI Balanced Growth	1.92%	6.19%	12.40%	9.25%	12.28%	24.09%	39.20%	34.07%	70.51%
Benchmark	1.90%	5.28%	9.33%	9.33%	8.00%	30.84%	37.11%	42.59%	81.43%
UK Gilts	0.72%	-0.51%	0.58%	-2.04%	1.24%	2.28%	-25.42%	-12.89%	-8.62%
UK Equities	1.53%	5.77%	11.49%	14.23%	15.15%	47.51%	78.93%	52.41%	99.01%

Source: FE Analytics, 1st October

Performance shown since inception on 08/03/16

Asset Allocation

- MONEY MARKET (27.86%)
- GLOBAL FIXED INTEREST (18.11%)
- OTHER NON-EQUITY (1.57%)
- UK EQUITY (14.03%)
- US EQUITY (9.20%)
- EUROPEAN EQUITY (12.24%)
- OTHER INTERNATIONAL EQUITY (5.34%)
- ASIAN EQUITY (11.65%)



Equity 52.46% - Non-Equity 47.54%

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

2.71% per annum

Ongoing Strategy Charge

0.40% per annum

Volatility

7.88%

Max Loss

-6.32%

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.

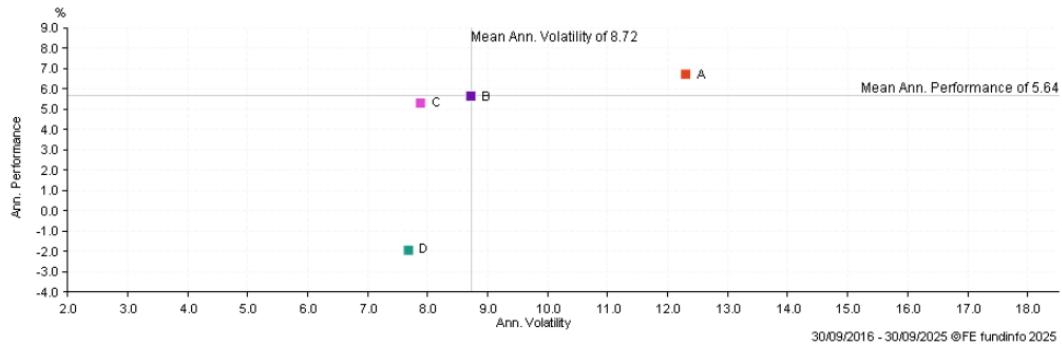
Positive sentiment fed into European equity markets which rallied despite heightened political uncertainty in France and a lacklustre period for the German economy. Meanwhile, a weaker US dollar and robust AI demand fed into a period of outperformance for Asian and Emerging Market equities, with Japanese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

Portfolio Positioning

As concerns about US trade policy eased somewhat, robust corporate earnings alongside AI demand led to a number of all-time highs across key equity markets, although an ongoing shutdown of the US government continues to cloud the outlook. As a result, with valuations stretched, price pressures remaining elevated, and ongoing geopolitical tensions presenting potential challenges for investors, we took the decision over the quarter to take profits on US, Global, UK and European equities in order to reduce risk across the OBI Volatility Managed portfolios. The portfolios continue to hold exposure to a diverse basket of high-quality assets, although we are holding slightly higher levels of cash to allow us to tactically manage any further volatility expected in the short-term.

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	6.72	12.30
B	IA Mixed Investment 40-85% Shares TR in GB	5.64	8.72
C	OCM OBI Balanced Growth TR in GB	5.30	7.88
D	UK Psv UK Gils TR in GB	-1.93	7.68

This scatter chart reflects annualised volatility and return in GBP over the past 9 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 at 1st April 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.

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