BALANCED FUND GBP (C Class ACC)

tamglobal

FACTSHEET AND COMMENTARY

28 FEBRUARY 2023

FUND OBJECTIVE

The balanced Irish Collective Asset-management Vehicle (ICAV) aims to provide a return on your investment (achieved via increasing the value of the assets held within the portfolio) over a medium term investment horizon (5 years or more). The fund's investment structure is that of a "fund of funds" portfolio which seeks to provide investors with a diversified investment portfolio consisting of UCITS compliant funds or "collectives" from across the global investment universe. Collectives invested in within the fund can include unit trusts, mutual funds and exchange traded funds (ETFs) whose managers aim to outperform their respective markets. Asset classes you could find in this portfolio are equities, government bonds, corporate bonds, multi-asset, alternatives and cash.

The fund's benchmark comprises of 50% exposure to the Bloomberg Developed Market Large & Mid Cap Total Return Index, which the fund itself seeks to replicate as the appropriate level of risk exposure in normal market conditions. The fund retains the ability to move its weighting to risk assets according to market conditions to ensure its investors retain a flexible and diversified investment portfolio across all periods.

FUND INFORMATION

Portfolio Benchmark	50% Bloomberg Developed Market Large & Mid Cap Total Return Index GBP 50% Bloomberg Barclays Global Aggregate Bond Index GBP
Inception Date	01 October 2019
Currency Options	GBP, USD & EUR
Accessibility	Direct, ISA, SIPP, & Life Wrap
Total Fund Size	£25.6m
Fund Manager	James Penny
Distribution Type	Accumulation
ISIN	IE00BJN5JG32
Sedol	BJN5JG3
AMC[1]	0.15%
Underlying Fund OCF	0.68%

[1]*VAT will be added where applicable.*

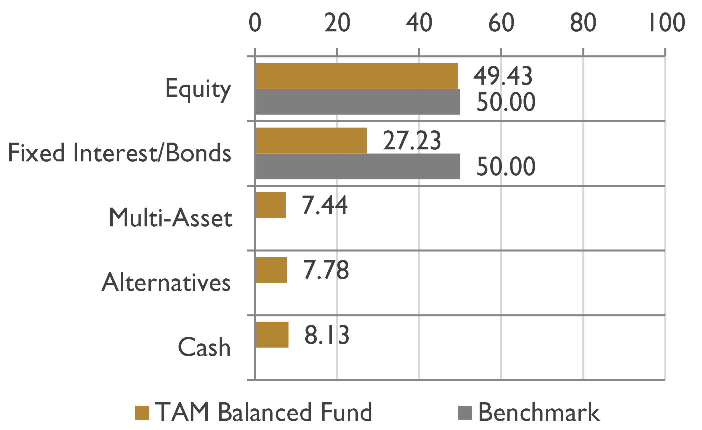
PERFORMANCE %

Cumulative Returns				
3 Month	6 Month	1 Year	3 Year	Inception
0.83	-0.91	-3.27	7.15	3.33

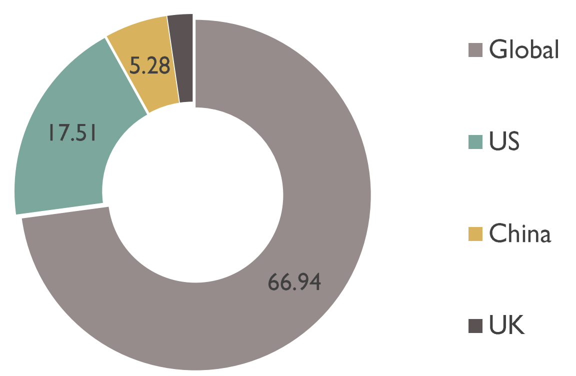
Calendar Year Returns				Annualised	
2020	2021	2022	2023 YTD	Return	Volatility
6.44	6.07	-9.43	1.29	1.56	7.81

All performance figures are net of TAM's investment management charge.

ASSET ALLOCATION %



REGIONAL EXPOSURE %



PORTFOLIO ACTIVITY

In the month of February, TAM did not make any alterations to the asset allocation of your portfolio. We remain happy with our positioning of broadly underweight to bonds and equities and instead favour a bucket of diversified alternative strategies. Where we are invested in equities, the target remains overweight to value and quality, seeking resilient companies and sectors in those areas we see potential upside after difficult periods.

Considering existing holdings, European equities, specifically value opportunities, performed well last month. This was in line with global value funds which were able to outperform the market. Stock selection was critical in February as TAM's UK mid cap income focused funds contributed positively, outperforming both the UK and the global market. With both equities and bonds underperforming, TAM's tactical underweight stance on these asset classes helped to deliver outperformance to clients. Finally, funds focussed on benefiting from an increase in volatility were good havens to invest client capital in February. On the flipside, investments into Emerging markets and precious metals suffered at the hands of a stronger dollar and Chinese stocks suffered from investors pausing for breath after a very strong Q4 rally in 2022. Also, the geopolitical flare-up between the US and China served to push the Chinese index down.

TOP 10 HOLDINGS %

1. X Trackers - S&P500 Equal Weight	8.50
2. Amundi Volat Wrld Fund I2 Gbp C	7.78
3. T.Rowe-Dyn Glob Bond Fund Ih Gbp	7.60
4. Tm Fulcrum Div Cor Abs Rtn Fd C-Gbp	7.44
5. Jp Morgan Global Bond Opps C Acc Gbph	7.35
6. Pzena Glb Expanded Value Fund A Gbp	7.26
7. Lf Havelock Global Select Fund A	6.32
8. Ssga Spdr Bb Barclays Gbl Agg Bnd Etf Dist	5.89
9. Polar Capital Fds-China Stars Fund	5.28
10. Merian Gold & Silver Fund R Gbp Acc	4.83

MARKET REVIEW

Markets continued their strong run as we moved into February, as positivity around a more muted inflation picture in the US caused investors to keep buying the "deflation and rate cut" trade, which boosted fixed income, sold off the dollar and boosted growth focused equities. These moves were reminiscent of the 2021 rally, where the time-tested strategy of owning bonds and growth stocks began to roar once again. Alas, this tranquil positivity began to unwind as inflation numbers in the US started to come in above expectations. This forced investors to face the prospect of a more resilient inflation picture and proved to be the start of a reversal in sentiment which saw the February market finish in negative territory.

Specifically, the pain was felt in bonds which resumed their slide, with corporate bonds particularly coming down harder than the government backed equivalent. The dollar rallied, to the detriment of emerging markets and China (which was due a break from its impressive Q4 rally). The Dollar strength also helped push the UK's benchmark FTSE 100 to all-time highs, as well as boosting more domestic focused US stocks. In absolute terms, both the equity and bond markets both finished in negative territory, making it a difficult market to outperform.

OUTLOOK AND STRATEGY

The outlook from here continues to remain bifurcated. Either we have inflation coming back convincingly to target (2%) or it settles at 3-4%. If we get a convincing transition to on-target inflation then more strength is going to come back to the market. Bonds will rally and stocks, particularly those with a stronger focus on growth, will do better in absolute terms. Unfortunately, one must raise the question: with some of the forces of inflation remaining very much engrained, how do we get back to 2% inflation? One would need demand for goods to contract and for that to happen, one must expect to see job losses from across the global economy.

In this instance, one should expect a positive market reaction from a slowing jobs report in the US. Should we see more labour market strength in the US then it stands to reason that inflation returning to 2% will be harder to achieve. Further strength will entail higher rates for longer which will likely not be positive for equities and specifically those growth focused names. For now, as we grapple with month-on-month inflation prints dictating the narrative, we must remain data dependent.

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