

2025

Change is as good as a rest; reflections on a successful but challenging 2025.

By James Penny, Chief Investment Officer at TAM Asset Management

Few would disagree that 2025 has been a year defined by change. Structural shifts across global equity markets have continued to reshape how we invest clients' capital, while changes in interest rates, spending habits, working practices and, closer to home, the UK tax landscape, have altered the economic backdrop against which portfolios are built. The scars of the pandemic remain visible, global conflict persists, and the realities of climate change and an increasingly polarised political environment feel ever closer to our everyday lives, and will no doubt be the cause of lively debate as families come together this Christmas period.

Yet change rarely travels in one direction alone. On the other side of the ledger, markets, governments and consumers have firmly embraced artificial intelligence and machine learning as engines of innovation. The pace has been striking. Technology, media and telecommunications, healthcare and life sciences, autonomous transport, corporate efficiency and even space exploration are all undergoing meaningful transformation. Over time, these advances should also contribute to solutions addressing climate change, food security and disease, progress that has the potential to ease social pressure and temper political extremes. Innovation, when harnessed through the crucible of change, remains one of the most powerful long-term forces available to us.

In investing, we remain a firm believer in the idea that almost everything we interact with moves through cycles. It is a simple principle, but a powerful one, and 2025 has played a pivotal role in advancing several of those cycles simultaneously. As Heraclitus observed, the only constant in life is change.

Within TAM Asset Management, 2025 has been a year of meaningful evolution. Our investment team has walked a narrow path, navigating markets that have repeatedly attempted to flip from bull to bear and back again. Clients have been rewarded through our positioning, but what headline performance rarely captures is the discipline required to step into markets with conviction when uncertainty is elevated. That challenge has been real, persistent and, in our view, central to delivering durable outcomes rather than short-term reassurance.

Beyond performance, we have invested heavily in strengthening the foundations of our investment process. Led by James Baxter, our quantitative team has doubled down on enhancing the value we bring to each client's investment journey. Risk and reward analysis, research frameworks, investment screening and performance attribution have all undergone fundamental rebuilds during the year, with artificial intelligence thoughtfully integrated where it genuinely improves insight and efficiency. We have expanded our research capability through the appointment of an additional fund analyst and introduced external consultants into our investment discussions to provide challenge, debate and fresh perspective. The objective is simple but demanding, to embed long-term investment excellence into everything we do.

It is tempting to view our industry purely through the lens of performance. Performance matters, but like any endeavour built to last, end quality is ultimately a function of a quality process. Managing client wealth requires trust in that process and confidence in our ability to adapt and refine it as markets evolve. When that is done well, performance tends to follow as a consequence rather than an objective in isolation.

From a product perspective, 2025 has also been an important year. Our newly launched income range has now established a one-year track record while maintaining its 5 percent yield target. TAM's Enhanced Passive range continues to perform strongly and grow in popularity, as its blend of active oversight and passive efficiency resonates with advisors and their clients. We have also launched three new unitised multi-asset funds, Cautious, Balanced and Adventurous, broadening our range to support advisors with a more comprehensive and flexible toolkit. A particular highlight has been our collaboration with BNY in launching these funds, a significant milestone for both organisations and a rare partnership between a global institution and an independent UK asset manager.

Our sustainable range has continued to stand out in what has been a challenging period for sustainable assets. Recognition of this came with Daniel Babington being named Investment Week's Sustainable Fund Selector of the Year, an achievement of which we are rightly proud.

To support this investment innovation, TAM has continued to advance its technological capabilities across platform rebalancing, execution and client servicing. These enhancements materially strengthen our tactical and strategic flexibility in both rising and falling markets. Today, the team can manage more than 300 investment models in the time it would have taken to manage just 50 a year ago, with further advances planned for 2026.

Beyond markets, TAM's charitable efforts once again demonstrated the power of collective purpose. Our annual charity ride saw 100 individuals from across wealth and asset management cycle from Brussels to Paris, raising almost £150,000 for children's charities whilst continuing to promote gender equality in finance via growing its base of female industry participants. It was a reminder that, for all the noise of markets, there are moments when the industry can come together in support of something far more important.

From my perspective as the Chief Investment Officer at TAM, I can say with confidence that the structure supporting TAM's investment, dealing and operational teams is stronger than at any point in our 16-year history. It has been a privilege to help guide the firm through a year that has been both challenging and rewarding. I say this as our illustrious CEO Lester Petch steps down after his 16-year journey steering this company into the successful position it is in today. Lester hands the mantle over to Mike Williams whom we put great stock in to supercharge this business, drive its growth and its people into the next chapter for TAM Asset Management.

Looking ahead, if 2026 resembles 2025 in any way, markets will continue to present both threats and opportunities from multiple directions, alongside an industry landscape that will test asset managers and advisors alike. We believe it is helpful to frame change, even uncomfortable change, as an opportunity to build resilience, efficiency and long-term strength. As Marcus Aurelius observed, there is no life in which some rain does not fall.

As the year draws to a close, we encourage clients and their advisors to reflect on the challenges faced and overcome in 2025, and to consider the goals and opportunities that lie ahead in 2026. Our role remains to adapt, to steward capital responsibly, and to partner with you through whatever the next cycle brings, guided by diversification, discipline and a long-term perspective.

If you would like to speak with us about anything in this note, or to discuss our discretionary investment management services in general, please get in touch with our UK business development manager David Terry today.



ASSET
MANAGEMENT

+44(0)207 549 7650 | info@tamassetmanagement.com
City Tower | 40 Basinghall Street | London | EC2V 5DE



© 2025 TAM Asset Management Ltd (TAM). All Rights Reserved. This document is a marketing communication intended for investment professionals only. Its contents should not be distributed to, or relied on by, retail clients. This document on its own is not intended as an offer, solicitation or recommendation to use or invest in any of the services or products mentioned in it. The investments and services referred to in this document may not be suitable for all investors and TAM does not give any guarantee as to the performance or suitability of an investment for a retail client. Advice or guaranteed returns. Past performance is not a guide to future returns. The value of an investment and the income from it, may go down as well as up and may fall below the amount initially invested. The value of investments denominated in foreign currency may fall as a result of exchange rate movements. TAM Asset Management Ltd is authorised and regulated by the Financial Conduct Authority, No. 208243. Registered in England, No. 04077709. Registered Office: 10th Floor, City Tower, 40 Basinghall Street, London, EC2V 5DE.