



U.S interest rate cut expectations have also created a weaker dollar, and with the TAM Sharia portfolios' exposure to U.S denominated assets, without the ability to hedge, has created downside pressure in the immediate term. As such, we have maintained our exposure to precious metals and multi-asset strategies in the portfolios to combat dollar weakness, as these assets help provide protection.

It's important for clients to remember that markets exhibit cyclicity, and "what goes up, must come down," is not only a mantra but the reality of how stock markets behave. The narrative that AI stocks can sustain their perpetual run higher, as well as insatiable investor expectations, is finally getting its reality check. However, we remain optimistic on the long-term trends and the utility of AI to transform businesses. Yes, some froth has been removed in valuations but the appetite for AI solutions is not going anywhere. AI demand remains strong, orders must be filled, and profits will increase for those facilitating the global rotation towards AI embedded businesses.

The TAM Sharia portfolios are poised for an AI recovery, but remain invested in other areas beyond technology that we believe provide lucrative opportunities, particularly in emerging markets. The universe for investable and permissible Islamic-compliant assets continues to grow and provide us with the building blocks to construct portfolios capable of providing protection while participating in the upside. As TAM has proven before, we lean on our ability to navigate through difficult times and keep a firm balance as we walk the tight rope towards recovery.

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***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.***

