June Market Overview

The first half of 2026 once again demonstrated the remarkable resilience of global markets. Despite heightened geopolitical tensions in the Middle East, renewed inflation concerns and ongoing uncertainty around interest rates, global equities continued to climb to fresh highs. Investors consistently looked beyond short-term headlines, focusing instead on strong corporate earnings and the long-term opportunities presented by Artificial Intelligence. Importantly, this year's rally has been driven more by improving company profits than by expanding valuations, providing a healthier foundation for equity markets than many previous advances.

Beneath the surface, however, markets became increasingly selective. Leadership shifted away from the familiar technology giants towards companies supplying the infrastructure underpinning AI, while bond markets endured a much more challenging period as investors demanded higher yields in response to inflation and rising government borrowing. These sharp rotations between sectors and asset classes reinforced the value of active management, with diversification proving increasingly important in navigating a more fragmented investment landscape.

Portfolio Positioning

The TAM Funds delivered a positive return over the June month, supported by broad based gains across both equity and fixed income holdings. The strongest contributor was the SPDR S&P 500 Leaders strategy, reflecting continued strength in large US companies, whilst additional positive contributions came from European equities, global equities and the BNY Responsible Horizons Strategic Bond Fund. Smaller gains across global bonds, Japanese equities and global smaller companies further demonstrated that returns were generated from a wide range of underlying investments rather than relying on a single market or theme.

The Fund ranges diversified approach continues to provide resilience in a changing market environment. Whilst UK equities, commodities and emerging markets made marginally negative contributions during the month, these were more than offset by stronger performance elsewhere in the portfolio. Maintaining exposure across regions, asset classes and investment styles remains central to our philosophy, helping clients participate in long term market growth whilst reducing reliance on any one sector or investment theme.

Overall, the month's performance reflects the benefits of maintaining a well diversified portfolio. Whilst equity markets continued to provide the majority of returns, the funds remain positioned to balance participation in long term market growth with resilience through changing market conditions, consistent with TAM's disciplined approach to active portfolio management.

Outlook

Looking ahead, we remain constructive on the outlook for markets, although we expect the journey to become more volatile as markets become increasingly expensive. Corporate earnings remain supportive; inflation appears to be gradually moderating and investor sentiment continues to favour equities. However, geopolitical tensions, energy prices and the outlook for interest rates are likely to create periods of uncertainty, particularly as markets have already priced in a great deal of optimism. We therefore expect opportunities to emerge alongside bouts of volatility rather than a smooth path higher.

For the funds, our focus remains on maintaining broad diversification whilst actively identifying the next areas of long-term opportunity. Artificial Intelligence continues to represent a transformational investment theme, but we are also finding attractive value across healthcare, industrials, infrastructure, real assets and selected fixed income markets. In an environment where market leadership is becoming increasingly fragmented, we believe disciplined active management, combined with a diversified investment approach, remains the most effective way to help clients achieve their long-term financial goals.

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