

TAM launches multi-asset fund solution for global investors

During a recent tour to visit IFAs in Spain and Portugal, Tom Worthington at TAM Europe found that one particular conversation had become prevalent in discussions - inherited clients

Due to an increase in regulation around Europe, advisers, particularly those using product via Malta, are under increased pressure to have a professional investment manager at the helm of their clients' portfolios. This becomes particularly difficult when IFAs are taking on clients whose portfolios were constructed by a previous adviser, creating a significant workload for the new adviser, but for less fees than they would receive for writing a new piece of business.

The vast majority of these portfolios we have seen are invested

term... or can they?

TAM have taken the initiative to launch a mirror of our balanced portfolio and its long-term successful strategy into an Irish Collective Asset-Managed Vehicle (ICAV) fund. It is a daily priced UCITs product which essentially mirrors our balanced portfolio, with the added advantage of being able to purchase ETFs and ETCs through the ICAV which many life companies have stopped. This means that TAM can further diversify client portfolios into assets such as gold and keep the OCFs at a minimum with the use of ETFs. The gleaming advantage to this is the fact that all trading done within the fund is not subject to life company execution / trading fees.

The good news does not stop there. UCITs funds can, we believe, be used as tax efficient vehicles in Spain and some other European countries. Spain, we understand, does not view a client holding an ICAV as taxable for capital gains until funds are partly or wholly withdrawn. Therefore, while the client holds the fund, the Capital Gains Tax (CGT) rolls on, giving the client the option of when they will be subject to tax.

Below is a summary of the key advantages of the TAM Balanced ICAV:

- A standalone investment option for clients, available to purchase via TAM's platform, a Life or Trust product, or directly
- A possible tax efficient vehicle
- Increased diversity of asset class options compared to those directly available within life bonds

- Almost complete eradication of trading costs
- Simple and straightforward to set up
- Can be purchased on platforms / bonds as part of a strategy
- AMC of just 0.15%
- Total cost (including OCF) of circa 1% (on 30 September 2022)
- Daily traded and highly liquid
- A proven 15-year investment strategy
- A celebrated 3-year track record

If you would like more information about the TAM Balanced ICAV, please get in touch with **Tom Worthington** at tom.worthington@tameurope.com



in life bonds. If these are left unattended or overtraded, this can create a negative effect on the client's possible returns. In a volatile market such as the current one, usually a manager will be more active with their trades to help protect the portfolios' downside. Every time a trade is made a life bond will charge a dealing fee.

We have done an in-house study and these fees (varying from €20 a trade all the way up to €100) have an obvious detrimental effect on the value of the portfolio. At just 30 trades a year this can have a five-year effect of between 5.4% and nearly 20% on the client's portfolio (based on a €50k value).

To maintain a well-balanced and active portfolio one must execute appropriate trades over time, and therefore it would appear that the associated charges cannot be avoided long