DEFAULT FOCUS BALANCED PORTFOLIO

tam WORKPLACE PENSIONS

FACTSHEET AND COMMENTARY — 30 JUNE 2022

PORTFOLIO INFORMATION

Inception	19 March 2015
Benchmark	25% FTSE All Share 25% FTSE All-World Index 25% FTSE Gilts All-Stocks Index 25% FTSE World Government Bond Index
TAM management charge	0.20%[1]
Underlying fund charge	0.30%[2]
Total charge	**0.38%[3]**

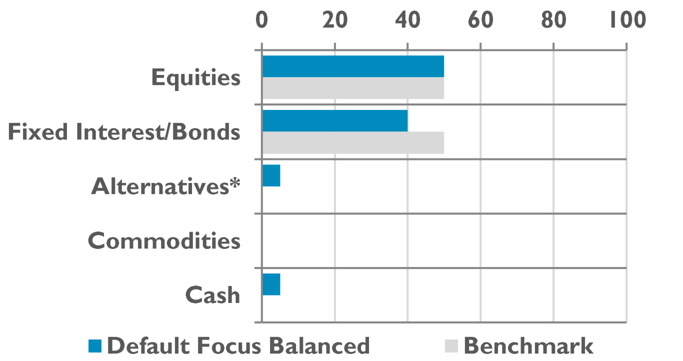
[1]This includes administration, platform and custody charges.
[2]Underlying fund charge is at quarter end and subject to minor fluctuations.
[3]Plus execution fee of 0.5% up to 50p per transaction.

INVESTMENT STRATEGY

This default Focus Balanced portfolio comprises of mainstream investment vehicles including 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, alternatives, commodities and cash. Absolute return, multi-asset and property may all feature within the alternatives classification.

Focus Balanced seeks to generate capital growth over the medium to longer term, with the aim of riding out short term fluctuations in value. The portfolio will have a balanced approach to equity exposure, typically comprising of 50% equity and 50% non-equity, though weightings may deviate within set parameters, allowing managers to react to market conditions.

ASSET ALLOCATION



**Commodities, absolute return, multi-asset and property may all feature within the alternatives classification.*

PORTFOLIO HOLDINGS

1.	JPM Global Bond Opportunities	22.00%
2.	Invesco UK Gilts ETF	15.00%
3.	Blackrock FTSE 100 UK Equity tracker	21.00%
4.	Nomura Global High Conviction Fund	10.00%
5.	Wellington US Dynamic Equity Fund	10.00%
6.	TAM Balanced ICAV	18.00%
Total number of holdings		**6**

PERFORMANCE

Cumulative				
6 Month	1 Year	3 Year	5 Year	Since Inception
-14.18%	-9.70%	-3.71%	7.08%	22.03%

Calendar Year			Annualised
2020	2021	2022 YTD	Return
-2.34%	10.40%	-14.18%	3.00%

Source: TAM Asset Management Ltd. Default Focus Balanced portfolio return from inception to 30 June 2022 net of TAM fees.

PORTFOLIO ACTIVITY

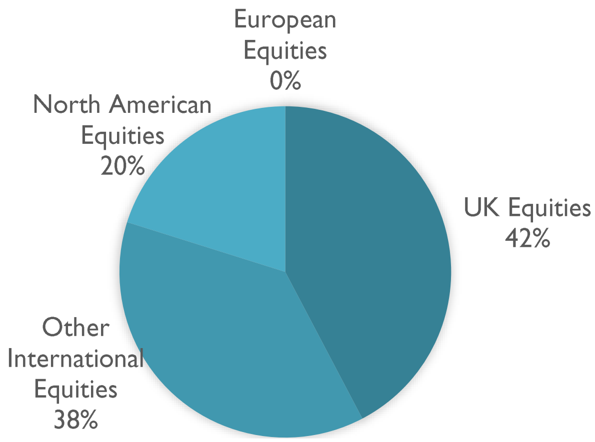
Portfolios in Q2 were actively traded to protect client portfolios from adverse effects occurring in the equity market. Capital was rotated into higher quality equity stocks with a focus on recession proofing the portfolios. Investment was, in aggregate also removed from equity markets and kept in cash which proved to be a boon for the capital protection we were able to deliver to clients in this portfolio.

TAM also increased its investment to its flagship global multi asset fund which has been able to deliver a high level of additional diversification from across the entire global market. This investment has proven very additive to these portfolios in increasing both diversification and exposure to the best ideas from across TAM's entire investment portfolio range.

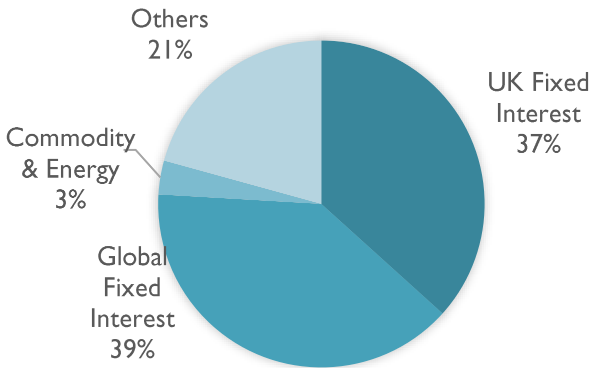
The existing underweight to government bonds was paired back over the quarter with more interest coming back to government and corporate bonds after the heavy selling which had been seen through Q1 and which clients in this portfolio remained underweight, to their benefit.

Portfolios stand in good stead moving into Q3 with a more defensive positon having been adopted to the benefit of investors. Additional longer term investments have been introduced to the portfolio to help drive those all-important compounded returns which are so essential to long term pension investing.

EQUITY EXPOSURE



NON-EQUITY EXPOSURE



MARKET REVIEW

Much of what happened in Q2 has oscillated around two factors, inflation and what this means for interest rate rises. As inflation continued to head towards 9%, stock markets sold off on fears of more interest rates rises than previously thought. Economic growth around the world continued to flatten in Q2 which caused further jitters in the market that the global economy was headed towards a worldwide recession.

These jitters saw more indiscriminate selling of a broader range of stocks than just those classified as "growth" stocks which bore the brunt of the selling pressure in the first months of the year. Likewise, the fears around the economic environment saw investors move back towards the bond market which has always been a safe haven in times of uncertainty and given the steep selling which occurred in Q1 investors were eyeing some bargains in this sector.

In this style of market, it pays to shorten one's investment scope to companies which have low levels of debt, high levels of surplus cash and products and services that remain in demand regardless of the economic environment.

OUTLOOK AND STRATEGY

Looking forward there remain things to be positive about and things to be cautious about which usually means volatility is going to be dictated by news on inflation. On the positive side of the argument, the US consumer is still considered to be in good health which, if inflation in the US starts to trend down meaningfully will be taken as a very strong indication that the US will be able to avoid a recession providing a boost to equity markets. Conversely, if inflation remains persistently high this will likely mean more rate hikes are needed and could prompt more volatility in markets.

As we remain in "wait and see" mode on inflation and interest rates, it makes sense to remain underweight equities as both a measure of defence if the market moves lower but also as a strategy to keep dry powder if we want to buy into a recovering equity market.

Let's not forget a few key elements to investing which we think are worth mentioning half way into this challenging year. A recessionary market is not a disaster, it's a normal healthy function of the economy and market and as we move closer to the prospect of a recession it should be seen as a chance to reset the investment clock and get back to owning high-quality businesses at steep discounts for the long term. Approaching these tricky markets with the right mindset to capture long term value for clients whilst protecting where we can in the short term forms the core of what it means to be a good investment manager.

TAM Asset Management Ltd | www.tamassetmanagement.com | +44(0)207 549 7650 | info@tamassetmanagement.com