

**PORTFOLIO OBJECTIVE**

In contrast to our portfolios of active investment products, this TAM Passive portfolio comprises solely passive investment vehicles (such as unit trusts and exchange traded funds) that simply track a market and aim to deliver returns reflective of how that market is performing. Asset classes you could find in this portfolio are government bonds, corporate bonds, alternatives and cash. Property and exchange traded commodities may all feature within the alternatives classification.

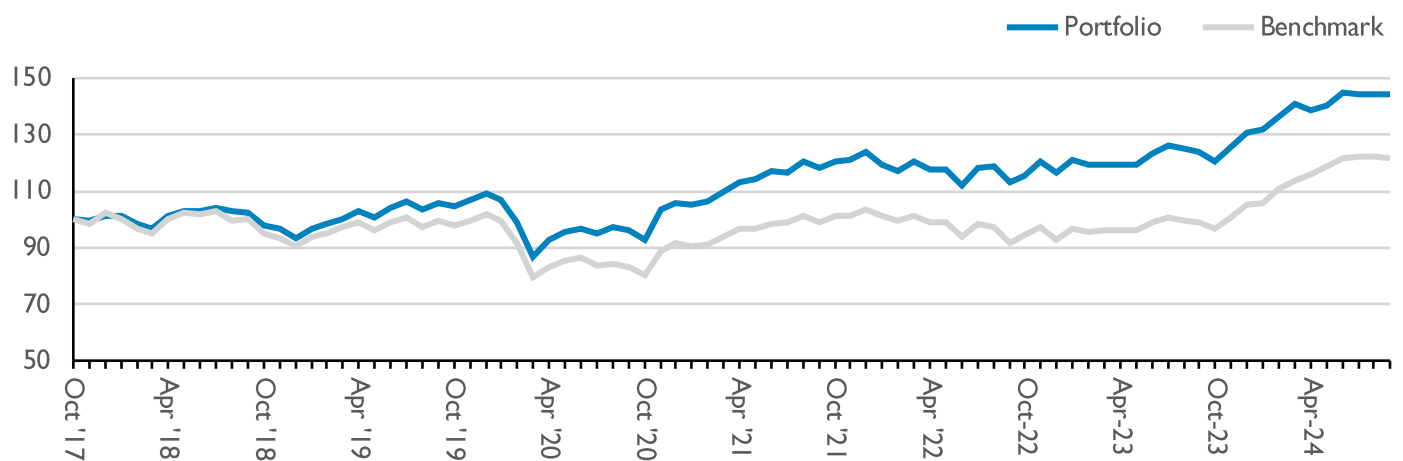
The portfolio seeks to generate strong capital growth over the long term (7 years or more) and can experience potentially frequent and high levels of volatility. Portfolios will typically comprise 90% equity and 10% non-equity, though weightings may deviate within set parameters, allowing managers to react to market conditions.

**KEY INFORMATION**

|                              |                              |
|------------------------------|------------------------------|
| Portfolio Benchmark          | Bloomberg Global EQ:FI 90:10 |
| Inception Date               | 01/10/2017                   |
| Minimum Investment           | Any size                     |
| TAM Annual Management Charge | 0.15%                        |
| TAM Platform Fee             | 0.25%                        |
| Underlying OCF               | 0.13%                        |

Please note that the information in this document refers to the model directly on the TAM Platform. The model is also available on a range of other third party platforms where underlying holdings, performance and charges may vary. Please get in touch if you would like more information.

**PERFORMANCE**



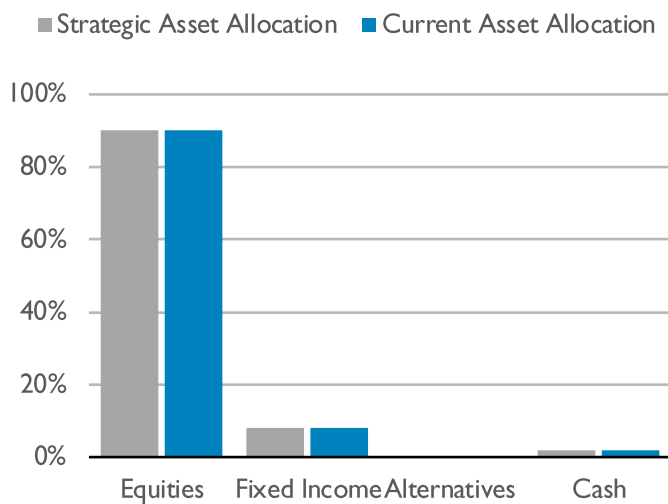
|                   | Cumulative Return %     |         |        |        |          |           |
|-------------------|-------------------------|---------|--------|--------|----------|-----------|
|                   | 3 Month                 | 6 Month | 1 Year | 3 Year | 5 Year   | Inception |
| <b>Portfolio</b>  | -0.30                   | 2.55    | 16.59  | 21.91  | 36.79    | 46.42     |
| <b>Benchmark</b>  | -0.01                   | 1.76    | 17.05  | 19.24  | 23.77    | 22.70     |
| <b>Difference</b> | -0.29                   | 0.79    | -0.46  | 2.67   | 13.02    | 23.72     |
|                   | Calendar Year Returns % |         |        |        |          |           |
|                   | 2020                    | 2021    | 2022   | 2023   | 2024 YTD |           |
| <b>Portfolio</b>  | -3.23                   | 16.85   | -5.95  | 12.09  | 10.75    |           |
| <b>Benchmark</b>  | -10.47                  | 18.16   | -8.93  | 13.35  | 10.34    |           |
| <b>Difference</b> | 7.24                    | -1.31   | 2.98   | -1.26  | 0.41     |           |

All performance figures are net of TAM's investment management fee.

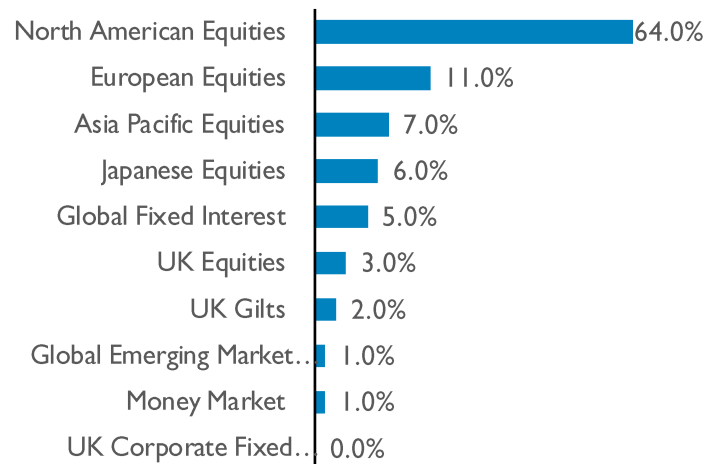
**RISK**

|                   | Volatility % |         |         | Maximum Drawdown % |         |         |
|-------------------|--------------|---------|---------|--------------------|---------|---------|
|                   | 1 Year       | 3 Years | 5 Years | 1 Year             | 3 Years | 5 Years |
| <b>Portfolio</b>  | 8.12         | 9.19    | 12.01   | -2.73              | -9.37   | -20.71  |
| <b>Benchmark</b>  | 8.46         | 9.72    | 12.39   | -2.89              | -10.58  | -22.36  |
| <b>Difference</b> | -0.34        | -0.53   | -0.38   | 0.16               | 1.21    | 1.65    |

**STRATEGIC V CURRENT ASSET ALLOCATION**



**TOP 10 ASSET ALLOCATION**



**PORTFOLIO ACTIVITY**

Tactical asset allocation changes within the Enhanced Passive range were to both the bond and the equity book across the third quarter, which helped to rotate the portfolio into improving areas of the market and reduce fees. Following a technical correction in US large cap technology names, we decided to take profits from this exposure and increase the portfolio's exposure to value biased equities. Weakness in Japanese markets also pushed us to remove direct exposure to Japanese equities, whilst increased optimism towards the UK following its political shake up saw the portfolio size up its position in UK equities. In fixed income, bond markets benefited from a reduction in interest rates helping push yields lower and prices higher. With more upside potential seen in government bonds, we trimmed our corporate bond positions to top-up the portfolios' exposure to global government bonds.

**TOP 10 PORTFOLIO HOLDINGS %**

|  |       |
|--|-------|
| 1) SSGA SPDR S&P 500 UCITS ETF UH Acc GBP          | 22.50 |
| 2) T. Rowe Price US Research Equity I9 Acc GBP     | 15.00 |
| 3) Aberdeen World Equity Index N Acc GBP           | 14.00 |
| 4) Xtrackers S&P 500 Equal Weight UCITS ETF IC GBP | 9.00  |
| 5) HSBC Multi Factor US Equity Acc GBP             | 8.00  |
| 6) Invesco Perpetual Euro Stoxx 50 ETF GBP         | 8.00  |
| 7) SSGA SPDR FTSE UK All Share UCITS ETF GBP       | 7.00  |
| 8) iShares Emerging Markets Equity Index D Acc GBP | 6.50  |
| 9) Aberdeen Gbl Corp Bond Tracker N Acc GBP        | 3.00  |
| 10) Invesco Markets II UK Gilts UCITS ETF GBP Acc  | 3.00  |

## QUARTERLY REVIEW

At the headline level for Q3, a 50/50 portfolio of market cap weighted global stocks and bonds delivered a performance gain in the region of 0.7%. Specifically, global stocks lost -0.3% and global bonds rallied +1.3%. Given this, one can see how client portfolios that owned more bonds than stocks did slightly better over Q3 and vice versa in Q2. The global bond market's 1.3% gain pared some of the previous six months' losses of 2.35%. Clearly, there has been a market step change in the performance of government bonds over Q3, which has been heavily influenced by the US finally starting to cut interest rates. This is a fantastic development in which many clients who are invested in bonds can finally start to see this part of their portfolio delivering profits. With American stocks powering the lion's share of investor returns, up 15% in the first six months of the year, Q3 was another marked step change in which the US stock market delivered -0.67%. Beneath the surface, investors were stepping back from buying those 7 mega-cap tech stocks, and instead investing in more attractive opportunities from across the global market rather than just the US, which was undoubtedly a positive development in Q3.

## RISK RATINGS

This model is rated 7 out of 8 on the TAM Risk Scale.

## AWARDS



## QUARTERLY OUTLOOK

Looking forward to Q4, with global inflation now convincingly below 3% and all major economies having cut interest rates by at least 0.25%, most investors have agreed that the inflation battle is, for now, won. This scenario of inflation coming down, economic growth proving resilient, and interest rates being cut, should see the equity and corporate bond market powering higher off the back of resilient economies and strong company earnings into Christmas. On the flip side, if we see corporate earnings contract and economic growth slow, we don't see a deep recession but something shallower, and importantly something which the investment community can look through without a broad stock market panic. Further, if the global economy slips into a steeper recession than predicted, central banks can cut interest rates down to the 1% range in short order, which should help to quickly stabilise the market and stimulate the global economy. If this happens, we see a large upside of more than 25% in government bonds which we would look to heavily overweight.

## PLATFORM AVAILABILITY

The model is available on the following third party platforms:

|                    |              |
|--------------------|--------------|
| 7IM                | Novia Global |
| Abrdn              | Nucleus      |
| Aviva              | Quilter      |
| Fidelity           | Transact     |
| Morningstar Wealth |              |

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