

RISK PROFILE: DEFENSIVE (LOW RISK)

DATE: 31 December 2024

**PORTFOLIO OBJECTIVE**

This model comprises Sharia-compliant 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 Sharia equities, Sukuk bonds, Sharia approved commodities and cash.

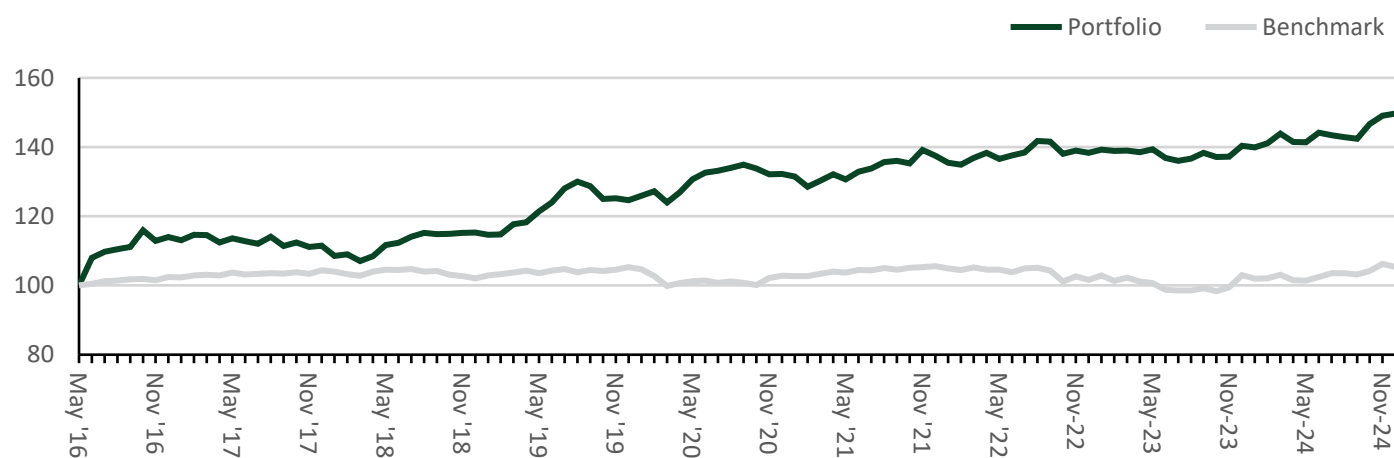
The portfolio seeks to generate modest returns higher than cash in the bank over the short to medium term (3 - 5 years or more) with potential for consistent though constrained capital growth. Portfolios will typically comprise 10% equity and 90% non-equity, though weightings may deviate within set parameters, allowing managers to react to market conditions.

**KEY INFORMATION**

Portfolio Benchmark	Bloomberg Global EQ:FI 10:90
Inception Date	12/05/2016
Minimum Investment	Any size
TAM Annual Management Charge	0.50%
TAM Platform Fee	0.25%
Underlying OCF	0.78%

Please note that the information in this document refers to the model directly via the TAM Platform only.

**PERFORMANCE**



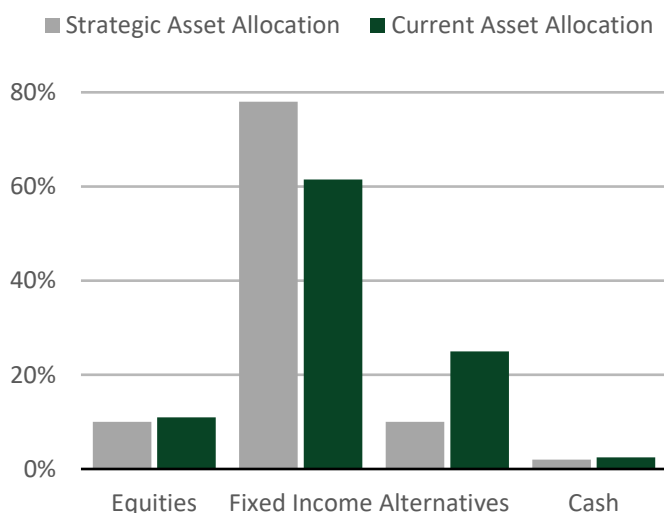
Cumulative Return %						
	3 Month	6 Month	1 Year	3 Year	5 Year	Inception
Portfolio	5.01	3.72	7.76	10.07	21.13	49.23
Benchmark	2.15	2.89	1.87	-0.5	0.64	5.82
Difference	2.86	0.83	5.89	10.57	20.49	43.41
Calendar Year Returns %						
	2020	2021	2022	2023	2024 YTD	
Portfolio	5.89	3.93	0.63	1.5	7.76	
Benchmark	-1.39	2.58	-3.5	1.21	1.87	
Difference	7.28	1.35	4.13	0.29	5.89	

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

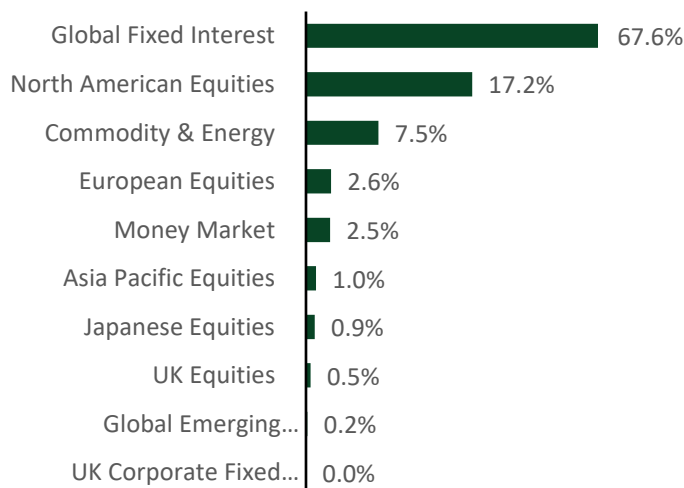
**RISK**

	Volatility %			Maximum Drawdown %		
	1 Year	3 Years	5 Years	1 Year	3 Years	5 Years
Portfolio	4.16	4.18	4.55	-1.23	-4.02	-4.86
Benchmark	3.66	4.24	3.69	-2.01	-6.65	-6.65
Difference	0.5	-0.06	0.86	0.78	2.63	1.79

**STRATEGIC V CURRENT ASSET ALLOCATION**



**TOP 10 ASSET ALLOCATION**



**PORTFOLIO ACTIVITY**

The TAM Sharia portfolios had their emerging market equity exposure downsized due to increased geopolitical risks via anticipated tensions between US-China relations, and a slower rate cutting cycle leaving a stronger dollar as a headwind. A change was also made to expand the portfolios' exposure to sectors outside of tech via the Schroder's Islamic Global Equity Fund. Despite positive AI tailwinds and resilience in mega-cap tech stocks, we anticipate the rally in equities to broaden out given lower valuations, particularly in industrial sectors and smaller-cap names. Furthermore, Europe struggled in Q4 as major stocks such as ASML and Novo Nordisk disappointed investors following downbeat management guidance and a weaker Chinese economy that continues to lower demand for European imports. The reduction in European equities was made via the Comgest Shariah Growth Europe Fund. Finally, a slight decrease in Sukuk exposure took place in the portfolio in order to create an overweight position in equities.

**TOP 10 PORTFOLIO HOLDINGS %**

1) HSBC Global Sukuk Index Acc GBP	20
2) Franklin Templeton Global Sukuk W Qdis USD	19
3) Waystone Emirates Global Sukuk I Acc USD	12.5
4) HSBC Shariah Multi-Asset Acc GBP	10
5) Principal Global Sukuk I Acc UH GBP	10
6) Principal Islamic Global Multi-Asset I UH GBP Acc	7.5
7) HANetf Royal Mint Responsible Physical Gold ETC GBP	7.5
8) Invesco Perpetual Dow Jones Islamic Global Dev Markets ETF Acc USD	6
9) HSBC Islamic Gbl Equity Index Fd I Class	5
10) Cash	2.5

**QUARTERLY REVIEW**

Q4 of 2024 was another positive quarter for markets, all be it with an increased level of volatility. US markets once again led the way with a gain of 9.61%. Gold was also up 5.97% and global bonds delivered 1.64%. European and UK stocks were down -2.34% and -0.18% respectively over the quarter. To that end, Q4 is another story of US exceptionalism in which American stocks continued to be the engine of portfolio returns. Europe’s political woes and fears around Trump’s trade tariffs saw investors exiting European markets in the final three months of 2024. The UK fared slightly better, with investors believing that the UK is slightly less impacted by US tariffs to which the US exports more to the UK than it imports. Gold continued to shine in the final quarter as investors and central banks purchased the metal as a safe haven to a possible recession, a diversifier from the dollar and inflation.

**QUARTERLY OUTLOOK**

The mood in markets right now is unashamedly bullish and this positivity is, seemingly, being carried forward into 2025. Clients should, through the TAM lens, expect the potential for an up market in 2025 led by the US with other regions such as Europe, UK and emerging markets also posting gains but likely behind that of the US for the first half at least. However, clients need to be pragmatic about the risks in assuming the same level of performance from 2025. We see economic growth continuing for 2025 and underpinning positive global sentiment alongside inflation coming back to its 2% target, which we see as a prerequisite for keeping the rally going in 2025. We see bonds remaining strong on the corporate side and challenged on the government side, but with good potential for a surge in performance should the global economy hit a recession.

**RISK RATINGS**

This model is rated 3 out of 8 on the TAM Risk Scale.

**PLATFORM AVAILABILITY**

The model is currently available directly via the TAM Platform only.

**AWARDS**



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