

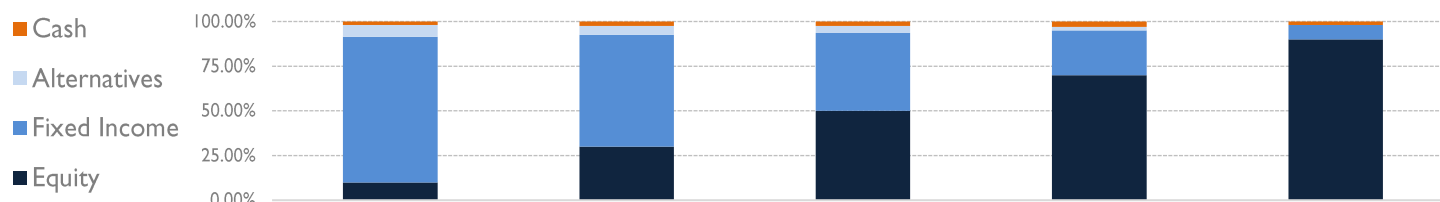
# ENHANCED PASSIVE MPS UPDATE



28<sup>th</sup> February 2025

	DEFENSIVE	CAUTIOUS	BALANCED	GROWTH	ADVENTUROUS
<b>Risk Profile</b>	Low	Low/Medium	Medium	Medium/High	High
3 Month	1.10%	0.94%	0.67%	0.83%	0.38%
6 Month	3.64%	4.64%	5.24%	6.20%	7.27%
1 Year	7.01%	9.27%	10.56%	11.81%	13.45%
3 Year	4.04%	11.83%	18.65%	25.03%	32.36%
5 Year	7.60%	20.44%	31.62%	43.40%	55.85%
Inception	11.16%	23.77%	35.15%	44.69%	56.79%
<b>Annualised Return</b>	1.44%	2.92%	4.15%	5.11%	6.26%
<b>Volatility</b>	3.65%	5.26%	6.92%	9.38%	11.16%
<b>2025 YTD</b>	1.89%	1.84%	1.96%	1.86%	1.05%
2024	4.01%	7.92%	10.60%	13.32%	17.36%
2023	1.49%	4.41%	7.20%	9.61%	12.09%
2022	(5.54%)	(5.76%)	(5.72%)	(6.11%)	(5.95%)
2021	3.39%	7.24%	10.16%	14.08%	16.85%
2020	1.65%	0.32%	(0.50%)	(2.44%)	(3.23%)

## EXPOSURE



## PORTFOLIO REVIEW

Following a strong start to 2025, the momentum behind the US exceptionalism narrative eased in February. In contrast, the MSCI Europe ex-UK Index led major equity markets, rising 3.4%, supported by optimism around a potential ceasefire in Ukraine. UK equities posted modest gains in February, with the FTSE All-Share Index supported by strength in larger companies, while small and mid-sized firms faced headwinds from growth concerns.

Emerging markets posted a 0.5% gain in February, outperforming developed markets as Chinese tech stocks continued their strong run, supported by optimism around regulatory easing and AI advancements. In contrast, US equities struggled, with the S&P 500 Index falling 0.7% amid renewed concerns over economic growth and the sustainability of mega cap tech earnings. The Russell 1000 Value Index earned 3.7% and the Russell 1000 Growth Index added 6.8%.

Global bond markets ended February on a positive note, as falling US Treasury yields helped fixed income assets recover from early pressures. Weakening business and consumer confidence in the US pushed 10-year Treasury yields lower, despite persistent concerns over inflation risks from tariffs. Meanwhile, gold pulled back from recent highs, pressured by improving risk sentiment in emerging markets and a stabilizing US dollar.

For the month of February, TAM has taken the decision to increase exposure to financials, a sector we believe is well-positioned in the current market environment. Rising interest rates in recent years have expanded bank profitability, and even as the Federal Reserve considers rate cuts, borrowing costs are expected to remain elevated. This, alongside increased credit card growth, and a recovering commercial real estate market, supports the sector's earnings potential. With valuations still attractive relative to historical levels, we see this adjustment as a strategic move to enhance long-term returns within the portfolio.

Index	February	YTD
S&P 500	▼ (1.34%)	1.38%
FTSE 100	▲ 3.35%	8.54%
Nasdaq	▼ (3.91%)	(2.31%)
MSCI World	▼ (0.96%)	2.47%
Gold	▲ 0.80%	8.64%
\$ Index	▼ (1.64%)	(1.62%)

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