

AJ Bell Funds

Income Funds quartely report Q1 2024

As at 31 March 2024

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VT AJ Bell Income Q1 2024 Report

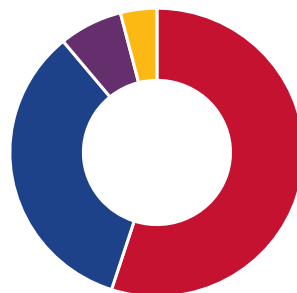
Commentary

The first three months of the year saw global stock markets continue to rise as there was more optimism about growth in the global economy. Bonds, however, had a tricky quarter as we saw continued uncertainty over when and by how much interest rates in the UK and US will be cut this year. The possibility of waiting longer for interest rate cuts weighed on bond prices, particularly for bonds that had a longer period until they mature. This was a headwind for the fund's government bond holdings. Within stock markets, both the Energy and Financial sectors, which are typically solid dividend payers, had a good quarter. Energy was buoyed by a rising oil price, which came in response to continuing geopolitical tensions and a better outlook for demand.

In January we increased the fund's allocation to Japanese stocks, which proved the best performing developed stock market over the quarter. Investors warmed to reform of corporate governance in Japan and the recent rise in inflation, which has been largely absent for the last three decades. The US stock market also performed well, and wasn't so heavily reliant on the performance of the so-called 'Magnificent Seven' technology-focused companies. The fund's 7% allocation to cash protected the fund from some of the volatility in bond markets and continues to benefit from higher interest rates.

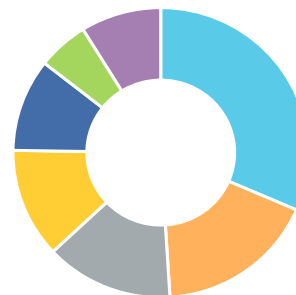
Overall, the fund recorded a 2.9% increase over the quarter.

Asset Breakdown



Shares	55.0%
Bonds	34.0%
Cash	7.0%
Other	4.0%

Shares Regional Breakdown



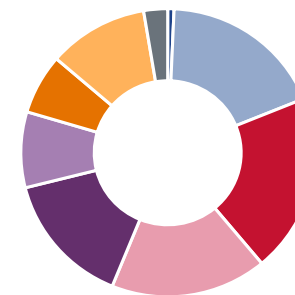
United Kingdom	31.5%
North America	17.5%
Asia Emerging	12.2%
Japan	5.6%
Other	8.8%

Shares Sector Breakdown



Financial Services	17.5%
Technology	13.2%
Industrials	11.3%
Consumer Cyclical	10.3%
Consumer Defensive	9.2%
Healthcare	8.7%
Energy	6.8%
Other	23.1%

Bond Maturity Breakdown



Less than 1 Year	0.7%
1-3 Years	18.2%
3-5 Years	20.1%
5-7 Years	17.2%
7-10 Years	14.9%
10-15 Years	8.5%
15-20 Years	6.7%
20-30 Years	11.1%
30+ Years	2.6%

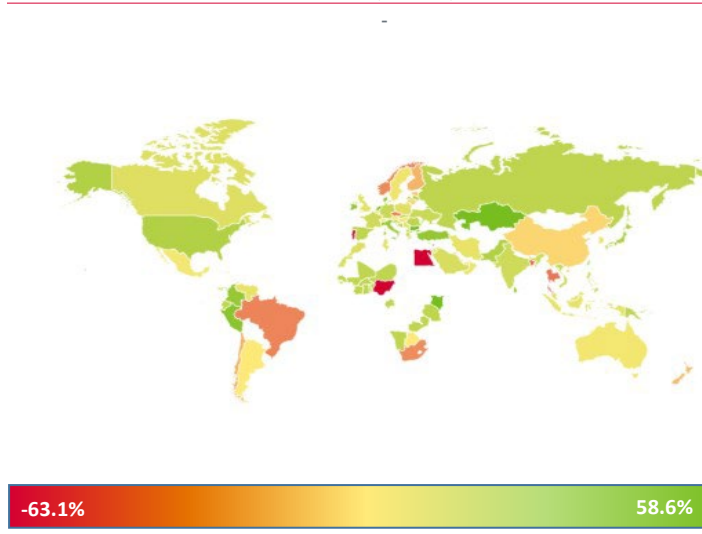
Trailing Returns (%)

Last quarter	2.9
Year to Date	2.9
1 Year	8.3

Historic Performance



Q1 2024 Stock Market Performance (in GBP)



Top 10 Holdings

	Weight (%)
Invesco GBP Corporate Bond ETF	15.0
iShares Core FTSE 100 ETF	14.0
Vanguard Emerging Markets Stock Index	11.1
iShares ESG Overseas Corporate Bond Index	7.0
Cash	6.6
Vanguard FTSE Japan ETF	6.1
Fidelity US Quality Income ETF	6.0
Fidelity Emerging Markets Quality Income ETF	6.0
Invesco S&P 500 High Dividend Low Volatility ETF	4.1
Vanguard USD Emerging Markets Government Bond ETF	3.0

Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7522
ISIN (Accumulating Class)	GB00BH3W7446
Inception Date	08/04/2019
Ongoing Charge	0.65%
Fund Size (£m)	48.71
12 Month Yield (Reinvested)	3.68%

The value of investments can go down as well as up and you may get back less than you originally invested. We don't offer advice, so it's important that you understand the risks, if you're unsure please consult a suitably qualified financial adviser. Past performance is not a guide to future performance and some investments need to be held for the long term. Totals may not sum to 100% due to rounding. All returns are cumulative and calculated net of ongoing fees, but not including platform costs.

VT AJ Bell Income & Growth Q1 2024 Report

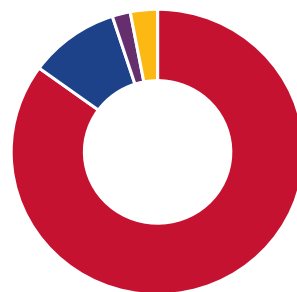
Commentary

The first quarter of 2024 saw global stock markets rise as there was more optimism about the state of the global economy. However, continued speculation around interest rates – specifically, that cuts may come later in the year than expected – caused government bond prices to fall. That said, the fund’s allocation to high yield bonds, which tend to have a shorter period until they mature, continued to perform well amid this interest rate uncertainty, largely because the outlook for companies around the globe improved.

After increasing the fund’s allocation to Japanese stocks in January, it was pleasing to see them performing strongly during the quarter on the back of increasing investor awareness of the corporate reforms that have happened over the past decade. UK stocks joined the global stock market rally but lagged other markets. The US stock market again had a good quarter, but wasn’t as positively influenced by the so-called ‘Magnificent Seven’ technology-focused companies as previous quarters, with returns coming from a variety of sectors, such as Energy and Financials. Emerging market stocks were a mixed bag, although both Indian and Chinese stocks markets ended the quarter higher.

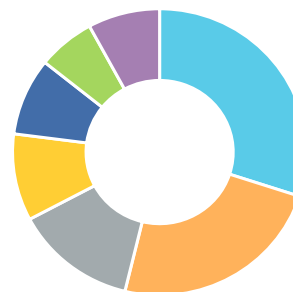
Overall, the fund was up 4.2% over Q1 2024.

Asset Breakdown



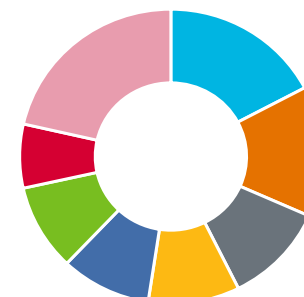
Shares	85.0%
Bonds	10.0%
Cash	2.0%
Other	3.0%

Shares Regional Breakdown



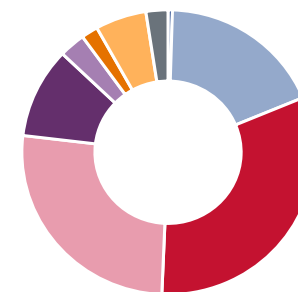
United Kingdom	30.0%
North America	23.8%
Asia Emerging	13.4%
Asia Developed	9.8%
Europe Developed	8.7%
Japan	6.3%
Africa	7.9%

Shares Sector Breakdown



Financial Services	17.3%
Technology	14.3%
Industrials	11.0%
Consumer Cyclical	9.8%
Consumer Defensive	9.7%
Healthcare	9.5%
Energy	7.0%
Other	21.4%

Bond Maturity Breakdown



Less than 1 Year	0.5%
1-3 Years	18.3%
3-5 Years	31.9%
5-7 Years	26.2%
7-10 Years	10.3%
10-15 Years	2.9%
15-20 Years	1.9%
20-30 Years	5.7%
30+ Years	2.4%

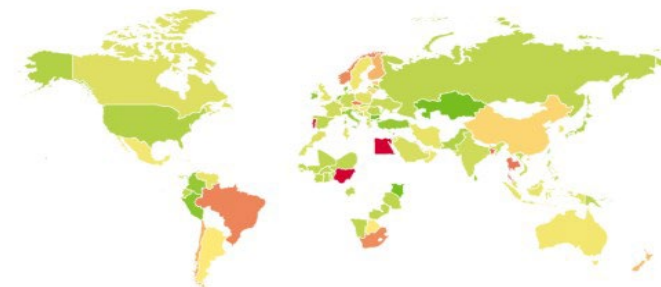
Trailing Returns (%)

Last quarter	4.2
Year to Date	4.2
1 Year	10.5

Historic Performance



Q1 2024 Stock Market Performance (in GBP)



-63.1% 58.6%

Top 10 Holdings

	Weight (%)
iShares Core FTSE 100 ETF	17.9
Vanguard Emerging Markets Stock Index	14.8
Fidelity Emerging Markets Quality Income ETF	10.0
Fidelity US Quality Income ETF	9.6
Invesco S&P 500 High Dividend Low Volatility ETF	8.0
Vanguard FTSE UK All-Share Index	6.2
iShares MSCI Europe Quality Dividend ETF	6.0
iShares MSCI World Quality Dividend ETF	5.5
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	3.8
Vanguard FTSE Japan ETF	3.5

Fund Snapshot

ISIN (Distributing Class)	GB00BH3W7990
ISIN (Accumulating Class)	GB00BH3W7883
Inception Date	08/04/2019
Ongoing Charge	0.65%
Fund Size (£m)	59.79
12 Month Target Income	3.70%

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Based on target weights at portfolio rebalance.

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