AJ BELL INCOME FUNDS

ADVISER FAQS

INTELLIGENT INVESTING MADE EASY



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Past performance is not a guide to future returns and there is a risk of loss to capital. The value of investments and the income from them can go down as well as up. The target yields are not guaranteed and can fluctuate. Full details of the fund specific risks are available in the fund prospectus and Key Investor Information Document.

The AJ Bell Income funds

So, you've launched some income funds. Why?

As more investors take advantage of their new pension freedoms, there's a clear swell in demand for funds that generate regular income to replace the role that annuities used to perform.

We launched income options for advisers through our Managed Portfolio Service (MPS) back in 2018, and the success of those portfolios gives us the confidence to offer the opportunity of accessing these strategies in either fund or MPS format – consistent with our commitment to leading the market on choice.

In a world that seems to be increasingly focused on short-term results, we take the view that long-term thinking is critical when it comes to investing. That's why our investment process is built upon the cornerstones of risk-first, long-term investing with a valuation-driven approach. This allows us to focus on positioning the funds for secular changes in the economy, rather than short-term trends. We manage these funds with a five-year horizon, and recommend that investors adopt a similar approach.

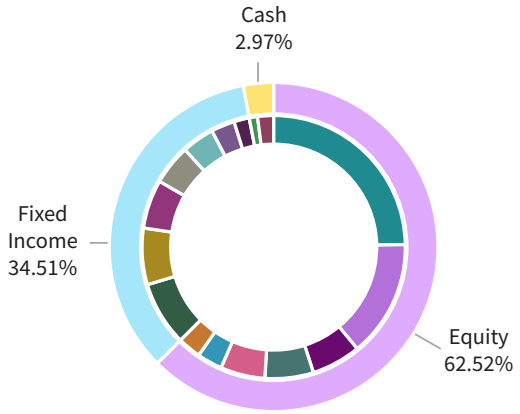
Who are the funds designed for?

Our two income fund options both look to offer investors a target yield of 3% - 5% p.a. with income paid monthly.

The CG AJ Bell Income fund will seek a 3% - 5% income return, with the expectation of holding its capital value over time. The CG AJ Bell Income & Growth fund will aim for a 3% - 5% income whilst also looking to grow the capital in line with inflation. So, for investors who are looking to improve their returns on cash or generate an income in retirement, the funds offer a competitive yield – albeit with the day-to-day fluctuations in value that come with investments in risky assets such as shares and bonds.

How will the funds achieve their aims?

Built largely upon fixed-income assets from around the globe, the CG AJ Bell Income fund aims to deliver its target yield of 3% - 5% from a portfolio of largely government and corporate bonds. As well as making the income generated in the fund more predictable, the focus on fixed-income also brings with it the prospect of capital stability over time.

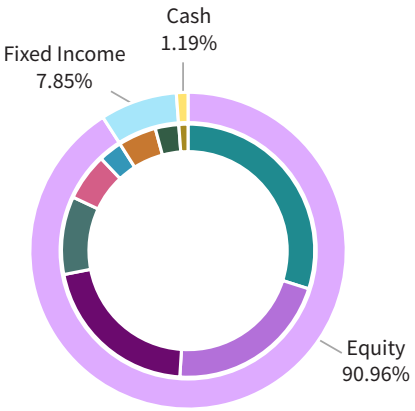


24.70%	North America equity	6.93%	Global high yield bonds (GBP hedged)
14.34%	UK equity	6.00%	UK corporate bonds
6.09%	Japan equity	4.93%	Emerging market debt
5.94%	Europe ex-UK equity	3.97%	Global corporate bonds (GBP hedged)
5.47%	Emerging markets equity	2.91%	UK index-linked gilts
3.09%	Emerging markets ex-China equity	1.89%	UK government bonds
2.88%	China equity	1.01%	Cash
7.88%	Global government bonds (GBP hedged)	1.96%	Cash equivalent

Totals may not sum to 100% due to rounding

The **CG AJ Bell Income & Growth** fund builds its yield of 4% from a portfolio containing mostly 'real' assets, such as property and equities. This should allow the fund to grow capital and income over time in line with inflation, albeit at the expense of bigger fluctuations in value from day to day.

Both funds are scheduled to pay equal, pre-determined levels of income each month, with any retained income above the target level returned at the final distribution ('balancing') payment at the end of the period (31 March).



29.88%	North America equity	3.00%	Asia Pacific ex-Japan equity
21.17%	Emerging markets equity	4.87%	Global high yield bonds (GBP hedged)
20.94%	UK equity	2.97%	Emerging market debt
9.94%	Europe ex-UK equity	1.19%	Cash
6.04%	Japan equity		

Totals may not sum to 100% due to rounding.

What can I expect?

It is important for your clients to understand how the level of risk taken in the funds translates into returns over time. We have put together the chart below to help you consider the range of returns that you could expect to see in a one-year period, when invested for the long-term. These returns focus on income generation but are expected to also include capital appreciation.

The longer you invest, the more predictable your returns become. That is because, over time, the good and the bad years tend to cancel each other out.

As the output is based on statistical forecasts, the actual outcome and performance could differ from the scenarios outlined below.



The green and red bars show the range of outcomes you can expect to see in 80 out of 100 years, whilst the white triangle shows the average annual return in these years.

Occasionally, markets may perform exceptionally well or exceptionally badly. In these years, statistically 20 in 100 years, the actual return may sit outside the range of expectations indicated by the green and red bars.

A market stress scenario, such as that suffered during the financial crisis, can be expected to occur 5 out of 100 years. This data, alongside the expected volatility of the portfolio, can be seen in the table format below:

AJ Bell Fund	Good Return	Average Return	Bad Return	Stress Scenario	Expected Volatility
Income	18.2%	6.4%	-5.3%	-8.4%	8.4% - 10.5%
Income & Growth	25.2%	7.3%	-8.8%	-13.2%	12.6% - 14.7%

(1) Five-year back-tested performance is the annualised return from 1 Jan 2020 - 31 Dec 2025. Returns are simulated using the fund's model portfolio as at 31 January 2026. When the ETF has not been trading for the full period, a representative index has been used.

Important information:

- Forecasted returns are based on AJ Bell's target weights for different asset classes in each fund. We then allow for the capital market assumptions of AJ Bell for the relevant indices for each asset class. If we believe certain asset classes are over or undervalued at any point in time, we may vary the asset allocation weightings accordingly.
- The expected return is the arithmetic mean return over a single holding period.
- There is a 10% chance of getting a return above the green bar.
- There is a 10% chance of getting a return below the red bar
- Future returns are assumed to be in line with market returns and conditions experienced over at least the last 15 years.
- Projected returns include estimated ongoing charge figure (OCF) for the underlying products but do not include AJ Bell's annual management charge (AMC) or platform charge.
- The projected returns shown may vary according to the tax treatment of your investment.
- If your client pays tax on this investment, their returns may be lower. Tax depends on their personal circumstances and the rules can change at any time in the future.
- Expected volatility is a statistical measurement of how widely the returns of each portfolio may vary from its average over time. This is measured on a forward-looking basis and is used to help you understand the level of risk taken in each portfolio.
- The data used in this illustration is valid as at January 2026.

The value of investments can go down as well as up and your client may not get back their original investment.

What about costs and charges?

Both of our Income Funds have an Overall OCF of 0.50%. This includes the underlying OCF, the annual management fee, and the costs for running and administering the fund structure. The annual management fee is variable, as it consists of the fixed OCF, minus all other costs.

Your other funds have a fixed OCF of 0.31%. Why aren't these income funds the same?

The aim of the income funds to generate a 3% - 5% target yield requires the use of portfolio holdings that also focus on delivering income. Current market conditions are such that these portfolio holdings generally come at a higher cost, reflected through a higher underlying OCF. These higher costs, combined with the fixed costs associated with administering a fund structure, make a fixed OCF of 0.31% impossible to implement. A fixed OCF of 0.50% will apply to the Income Funds.



This guide provides general information about the AJ Bell Income funds. It should not be read or construed as investment advice. It is your responsibility to assess your client's circumstances and make a personal recommendation that is suitable for their needs.

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