AJ BELL RESPONSIBLE MANAGED PORTFOLIO SERVICE

Adviser guide



Responsible investing made easy

For professional intermediaries only. Not for distribution to retail clients.

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Easy, transparent, low-cost responsible investing

A strong pedigree

AJ Bell Investcentre is part of AJ Bell, one of the UK's largest investment platforms.

As a company that is always striving to make investing easier and more accessible, we want to provide you with a simple way of selecting the right investment solutions for your clients. With that in mind, we have designed the AJ Bell Responsible Managed Portfolio Service (MPS) – built for investors who care about people and the planet, but who still aim to make a profit.

The Responsible MPS is an addition to our existing range of managed portfolios, all of which are designed and managed by the team at AJ Bell Investments. With more than 100 years' of combined experience in the industry, this highly-respected team currently manages over £9.5 billion of clients' money.

As you would expect from AJ Bell, the whole service is provided with a focus on transparency, clear communication, and the need to keep costs low. This is underpinned by our focus on innovation, and a desire to constantly enhance both the level of service and value we provide for you and your clients.

Adapting to demand

Now more than ever before, clients are conscious of the influence their invested capital can have on the physical environment and society. For many advisers and their clients, the incorporation of environmental, social and governance (ESG) factors into their investment strategies is becoming increasingly important.

The Responsible MPS range is designed to invest in 'best-in-class' companies and excludes companies involved in controversial industries such as firearms, genetically-modified organisms and tobacco, as defined by MSCI's Socially Responsible Investing ("SRI") indexes.

Risks and wrappers

To ensure that we cater for the needs of clients at all parts of the risk spectrum, the Responsible MPS is available in a variety of options – from the most cautious MPS 1, to the more adventurous MPS 6.

The portfolios are available in the Funds & Shares Service, in SIPP, ISA and GIA wrappers, with a suggested minimum guide investment of £20,000. Investments can be made via lump sums or through regular contributions.

What we invest in

The Responsible MPS is for clients who wish to invest for long-term growth, but who want to ensure that their money is focused on companies that meet a minimum ESG standard.

In common with the other products in the AJ Bell managed portfolio range, the Responsible MPS is made up of well-diversified, multi-asset portfolios using cash, bonds, equities, and alternatives.

The portfolios are implemented in a largely passive fashion, and predominantly made up of ETFs. Each selected ETF product is constructed to an index of companies that meet a minimum standard against a set of ESG criteria defined by MSCI.

When choosing ETF and fund providers to invest in, we undertake due diligence on the provider to ensure it is taking its responsibility towards stewardship and voting seriously. We will not use providers that do not meet our expectations.

In each portfolio, we make a 25% allocation to the CG AJ Bell Responsible Growth Fund, which is also managed by the AJ Bell Investments Team. This helps to keep costs low, and gives us a number of other advantages, including:

- the power to make investment decisions within the fund wrapper, rather than needing a full, formal rebalance of the entire model – thereby increasing the speed of implementation;
- the ability to run tactical asset allocation calls within the fund rather than in the wider portfolio, reducing capital gains tax exposure for your GIA clients if we need to sell assets; and
- broadening the investment universe, allowing us to invest in securities within the fund that may not be available within the wider portfolio, for example ETFs whose unit price would be prohibitive for smaller portfolio sizes



The value of your clients' investments can go down as well as up and they may not get back what they put in.

A responsible approach

We invest in ETFs that track an MSCI SRI index, which gives a robust range of values-based exclusions and ensures that we invest in companies with high ESG rankings. For fixed income investments, we use various ETFs taking ESG into account where appropriate.

Firstly, a series of exclusions removes companies from controversial industries. There are a wide variety of exclusion criteria and a non-exhaustive list is shown in the table below.

Business	Exclusion criteria
Controversial weapons	0% tolerance
Civilian firearms	0% tolerance for producers; 5% for distributors
Nuclear weapons	0% tolerance for manufacturers and related manufacturers
Tobacco	0% tolerance for producers; 5% for distributors
Adult entertainment	5% tolerance for producers; 15% for distributors
Alcohol	5% tolerance for producers; 15% for distributors
Conventional weapons	5% tolerance for producers; 15% for distributors
Genetically-modified organisms	5% tolerance for any activity
Nuclear power	15% tolerance based on revenues; 5% of total output or capacity
Fossil fuel reserves ownership	0% tolerance based on proven and probable coal, oil and natural gas reserves used for energy purposes
Fossil fuel extraction	0% tolerance for companies deriving any revenue from thermal coal mining or oil and gas extraction
Thermal coal power	5% tolerance

Then, a 'best-in-class' ranking system means that, of the remaining companies, only those that score more highly on ESG credentials are included.

You can find more details of the MSCI SRI methodology here: msci.com/msci-sri-indexes. Please note that the exclusions listed above are correct at the time of writing, but they are subject to change.

Traditionally, responsible investing tended to involve a simple process of screening out certain companies if they didn't meet an investor's values. We have adopted an approach within our Responsible MPS that focuses not just on exclusions, but also on positively selecting companies with solid ESG credentials, as defined by MSCI.

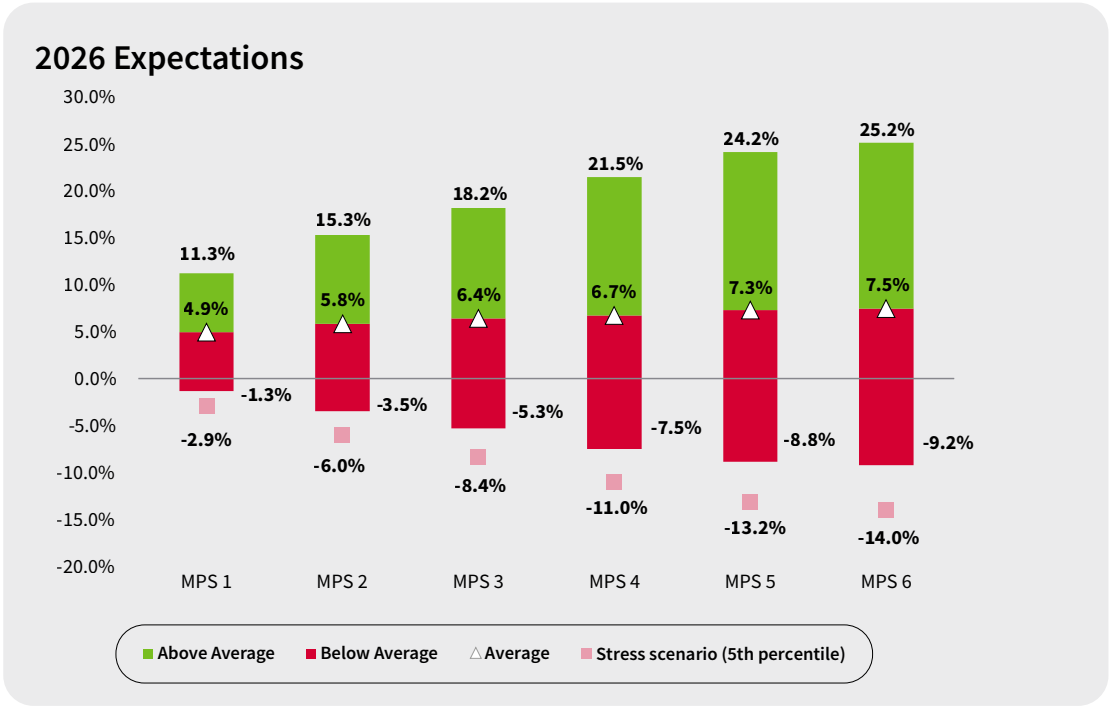
The Responsible MPS range should therefore appeal to investors who have a preference for investing in line with these values and characteristics. However it is not intended to sacrifice returns in the process.

Clients should be made aware of the risk that the portfolio may behave differently from the standard MPS products, as it invests in a restricted universe of investments.

Expectations

Since the Responsible MPS is managed to deliver only the level of risk that your clients are comfortable with, it's important that you understand how this 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. 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.



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:

	Good return	Average return	Bad return	Stress scenario	Expected volatility
MPS 1	11.3%	4.9%	-1.3%	-2.9%	4.20% - 6.30%
MPS 2	15.3%	5.8%	-3.5%	-6.0%	6.30% - 8.40%
MPS 3	18.2%	6.4%	-5.3%	-8.4%	8.40% - 10.50%
MPS 4	21.5%	6.7%	-7.5%	-11.0%	10.50% - 12.60%
MPS 5	24.2%	7.3%	-8.8%	-13.2%	12.60% - 14.70%
MPS 6	25.2%	7.5%	-9.2%	-14.0%	14.70% - 16.80%

All returns are gross of AJ Bell management fees.

Using our back-testing data over the last five years, had you invested in our Responsible MPS Range, you would have made the gains shown in the table below:

Responsible MPS	Five-year back-tested performance (1)
MPS 1	1.10%
MPS 2	2.60%
MPS 3	3.40%
MPS 4	4.80%
MPS 5	5.80%
MPS 6	4.00%

(1) Five-year back-tested performance is the annualised return from 1 January 2020 - 31 December 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.

Past performance is not a guide to future performance and some investments may need to be held for the long term.

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.

Keeping an eye on costs

We firmly believe that high charges are one of the biggest threats to investment returns, and that's why we work so hard to keep charges for our range of managed portfolios as low as possible.

In common with the rest of our MPS range, the Responsible MPS carries an investment management charge of 0.15% p.a., with no VAT applicable. This figure is lower than many of our competitors in the market.

Please note that other platform, product and dealing charges will apply in addition to the charge for the Responsible MPS – please refer to our charges and rates document on investcentre.co.uk for more details.

To ensure that the management charge remains as low as possible, we work with suppliers to make sure that the running costs of our portfolios are minimised. When investing in the underlying funds in our portfolios, we use our buying power as part of one of the UK's biggest platforms to negotiate special rates with the managers of the products whenever we can. This approach means that we can deliver a low-cost solution to you and real value for money.



This document provides general information about the Managed Portfolio Service. 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.

Why not contact us to see how we can help?

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