

# CG AJ Bell Balanced

As at 31 March 2026

**Market commentary:**

March was dominated by the outbreak of conflict in Iran, which caused significant market upheaval and brought an abrupt end to what had been a broadly positive start to the year. Rising geopolitical risk had already been a defining feature of the early months of 2026 – first with the US intervention in Venezuela, and then with President Trump’s posturing towards Greenland – but the escalation in Iran swiftly eclipsed both to command global attention.

The principal channel through which the conflict has affected markets and the wider global economy is oil prices. Initial market reaction centred on the implications for inflation; however, as the conflict has dragged on, the consequences for economic growth have increasingly been reflected in forecasts.

Bond markets have faced a challenging reversal in 2026. Expectations of inflation returning to 2% targets have required meaningful upward revision in light of sharply rising oil prices, and central banks have responded with a notably hawkish tone – moving swiftly to convince markets of their willingness to raise interest rates decisively. This has prompted a broad repricing across fixed income. Whilst the most pronounced volatility and yield rises have been concentrated at the shorter end of the yield curve, it is longer-dated bonds that have delivered the weakest total returns.

Equity markets have been volatile throughout the quarter, responding to an unpredictable flow of news regarding the trajectory and potential escalation of the conflict. Whilst most markets have felt its effects, first-quarter returns have also been shaped by how individual markets were positioned heading into the crisis.

In the US, a softer start to the year somewhat obscures what has been a degree of relative resilience since the conflict began. Japanese equities delivered strong gains after a decisive election result provided a clear mandate for the continuation of economic reform. Within emerging markets,

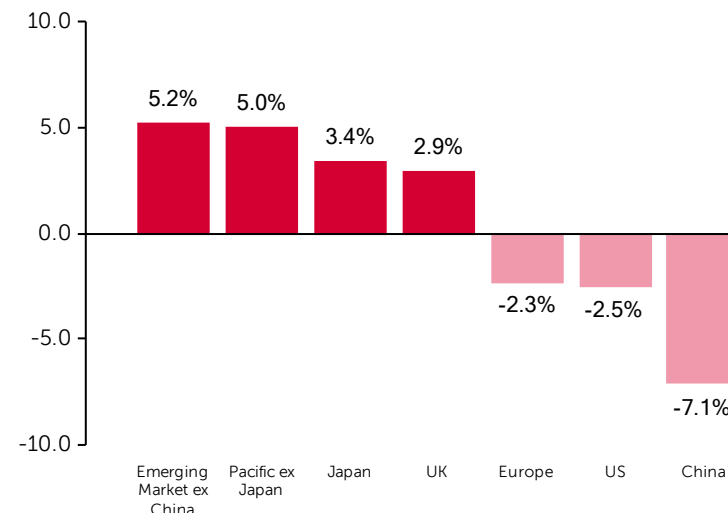
South Korea has been a standout performer, benefiting from growing appreciation of its role within the AI supply chain. Closer to home, UK equities have outperformed, supported by the market’s heavyweight exposure to the energy sector, with the major oil companies buoyed by rising crude prices.

As with any event that dominates market attention, the range of potential outcomes is wide and largely contingent on political decisions that are, by their nature, difficult to forecast. Scenarios span from a relatively swift de-escalation – which would provide immediate relief to risk assets and take pressure off energy prices – through to a prolonged conflict that continues to weigh on growth expectations and keeps central banks in a difficult position. The latter would present the more challenging environment to navigate: one in which policymakers face the unenviable task of responding to inflation driven by factors largely outside their influence, whilst simultaneously managing the risk of tipping economies into recession.

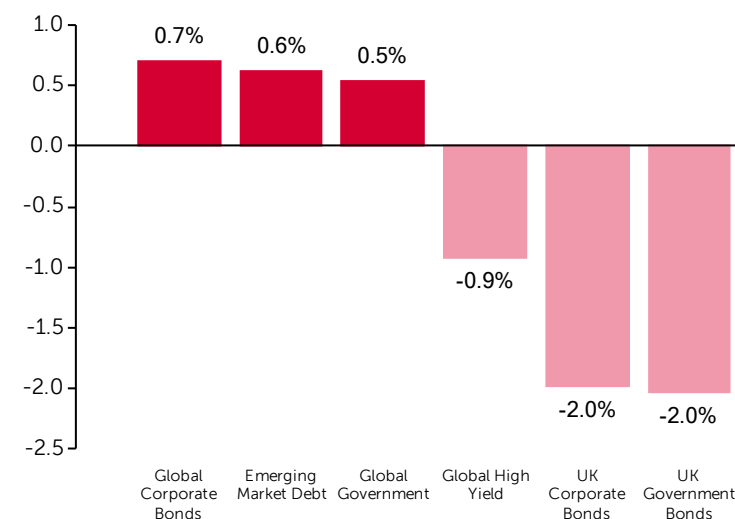
In the near term, oil prices are likely to remain the key variable for both inflation dynamics and market sentiment. Beyond energy, however, the conflict has reinforced a broader reassessment of supply chain vulnerabilities, defence spending trajectories, and energy security – themes that are likely to shape investment narratives well beyond the immediate volatility.

Ultimately, against a backdrop of elevated geopolitical and event risk, ensuring that portfolios are resilient across a range of scenarios – and positioned to deliver an appropriate journey for clients – feels more important than ever.

**Equity performance - last quarter**



**Fixed income performance - last quarter**

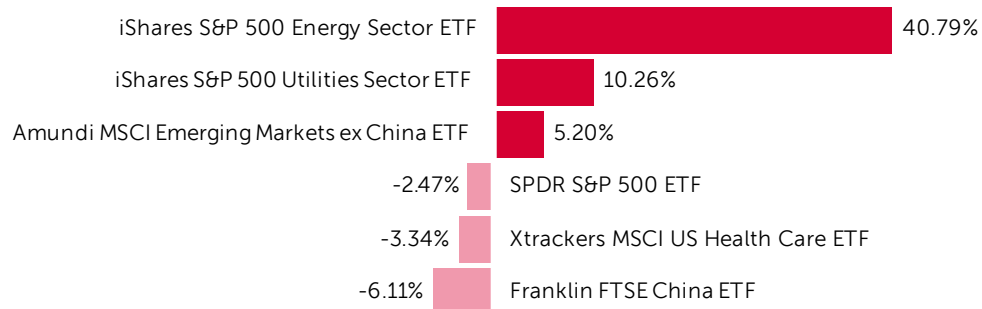


**Portfolio commentary**

The AJ Bell Balanced fund posted a positive quarter despite a turbulent March brought on by the US-Iran war. The UK was a notable bright spot as markets had reached new highs before the conflict began. Once war broke out, BP and Shell's share price gains helped the fund's performance. Emerging markets excluding China did well for the fund, rising over 5%, helped by strong performances from Korea's Samsung and semiconductor company SK Hynix.

Bonds, which make up a quarter of the portfolio, faced a more challenging environment. Rising inflation and interest rate expectations typically make cash more appealing to investors, and bonds will need to pay out more to stay an attractive asset. But our tilt toward shorter-term government bonds provided some insulation and better yields emerged. We were able to deploy cash from the fund into buying more of these bonds. While market bumps like the last quarter can be intimidating, investing is a long-term journey. Over the past five years, the AJ Bell Balanced fund has returned 35.7%.

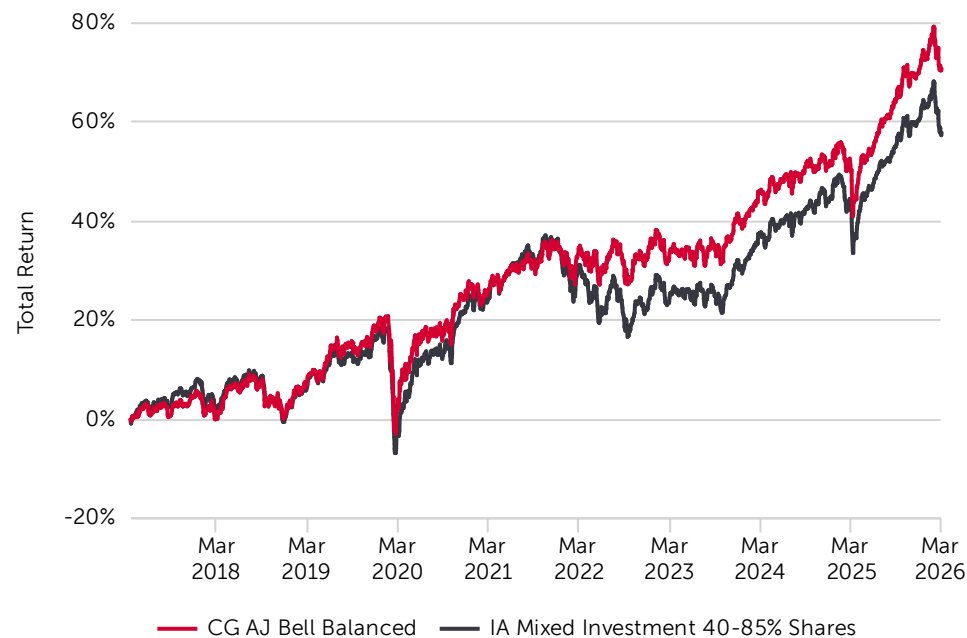
**Q1 2026 best/worst performers**



**Performance**

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Balanced	0.10	3.69	13.95	27.83	35.68	70.85
IA Mixed Investment 40-85% Shares	-1.72	1.55	11.05	26.27	26.92	57.89

The above table displays the total return of the fund on a cumulative basis. This is taken from the most recent month end.



Past performance is not indicative of future performance. The value of investments may go down as well as up and the income generated by investments is not guaranteed and may fluctuate. You may receive back less than the amount that you invested.

**Portfolio snapshot**

Number of holdings	27
Inception date	18 Apr 2017
Fund size	£1,735.65m
ISIN	(I Acc) GB00BYW8RX12

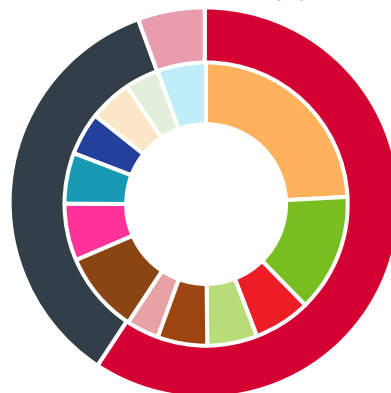
**Top 10 holdings**

Holding	Weight (%)
SPDR S&P 500 ETF	14.48
Vanguard FTSE UK All-Share Index	12.08
US inflation-linked treasuries (GBP hedged)	9.27
Amundi Prime Japan ETF	5.71
Vanguard FTSE Developed Europe ex UK Equity Index Plus	5.69
Amundi MSCI Emerging Markets ex China ETF	4.19
iShares £ Ultrashort Bond ETF	3.88
iShares ESG Overseas Corporate Bond Index	3.85
State Street Emerging Markets Hard Currency Government Bond Index	3.39
Invesco S&P 500 Equal Weight Swap ETF	3.39

**Risk profile**

For investors who can tolerate short-term dips in portfolio value and understand the importance of investing for the long term to help in achieving higher overall returns. The portfolio invests in funds and exchange traded funds (ETFs), using a defined strategic asset allocation process to deliver returns while meeting the targeted level of risk.

**Asset allocation (%)**



<b>Equity</b>	<b>59.26</b>
North America equity	24.21
UK equity	13.44
Emerging markets ex-China equity	6.52
Japan equity	5.71
Europe ex-UK equity	5.69
China equity	3.69
<b>Fixed Income</b>	<b>35.18</b>
Global government bonds (GBP hedged)	9.27
Global high yield bonds (GBP hedged)	6.51
UK corporate bonds	5.81
Emerging market debt	4.89
UK government bonds	4.86
Global corporate bonds (GBP hedged)	3.85
<b>Cash</b>	<b>5.56</b>

**Fixed income breakdown (%)**



<b>GBP Bonds</b>	<b>84.40</b>
Global government bonds (GBP hedged)	29.57
Global high yield bonds (GBP hedged)	20.76
UK corporate bonds	18.55
UK government bonds	15.52
<b>International Bonds</b>	<b>15.60</b>
Emerging market debt	15.60

**Equity breakdown (%)**



Sector	
Technology	16.88
Financial Services	16.36
Industrials	12.22
Healthcare	11.87
Consumer Cyclical	8.60
Energy	8.37
Consumer Defensive	6.62
Utilities	6.53
Communication Services	6.06
Basic Materials	4.59
Real Estate	1.90

The Ongoing charges figure (OCF) 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.

Transaction costs represent the net costs incurred by the fund in buying and selling underlying investments. These are the gross costs offset with any pricing mechanisms used by the fund to protect investors from the cost of transactions (such as swing pricing). In some instances this may result in a negative number.

Due to its multi-asset nature, no financial instrument or index represents a fair benchmark for the Fund. The Fund does not aim to track the IA sector as a benchmark. Performance is calculated on a net of fees basis.

Totals may not sum to 100% due to rounding.

**Currency Risk:** The Fund invests in overseas markets and the value of its investments and may rise or fall as a result of changes in exchange rates.

**Emerging Markets Risk:** The Fund invests in less economically developed markets (i.e. emerging markets) which can involve greater risks and fluctuations in valuations compared to developed market places.

**Index Trading Risk:** The performance of any passively managed funds may not exactly track that of their indices. This is referred to as 'Tracking error'.

**Interest Rate Risk:** Fluctuations in interest rates may affect the value of the Fund and your investment.

**Liquidity Risk:** The Fund invests within underlying funds and there is a risk that these suspend or defer the payment of redemption proceeds, which may impact the Fund's ability to meet redemption requests.



Past performance is not indicative of future performance. The value of investments may go down as well as up and the income generated by investments is not guaranteed and may fluctuate. You may receive back less than the amount that you invested.

This information is for indicative purposes only and is not intended, and should not be construed, as investment advice. The information contained in this document has been taken from the sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted or guaranteed to be wholly correct. The views and opinions expressed in this document are not forecasts or recommendations in relation to investment decisions. The information and data presented in this document were believed to be correct at the time of writing and we are not liable for any subsequent changes.

©2026 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/ or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.