

CG AJ Bell Cautious

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,

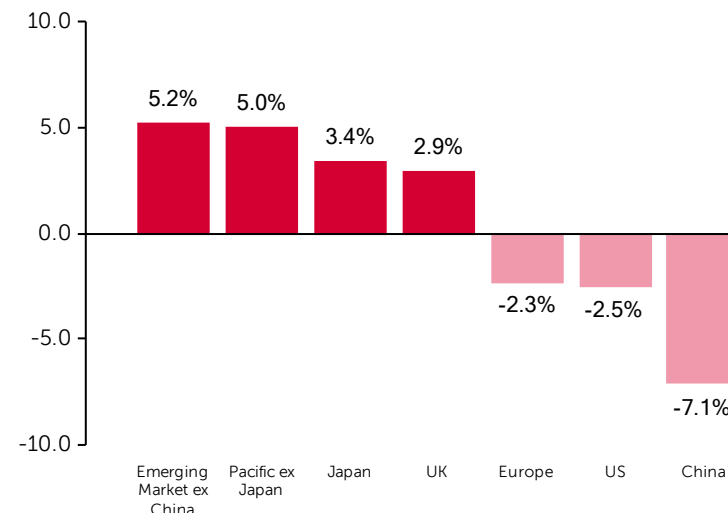
South Korea has been a standout performer, benefiting from growing appreciation of its role within the AI supply chain. Closer to home, UK equities have outperformed, supported by the market’s heavyweight exposure to the energy sector, with the major oil companies buoyed by rising crude prices.

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.

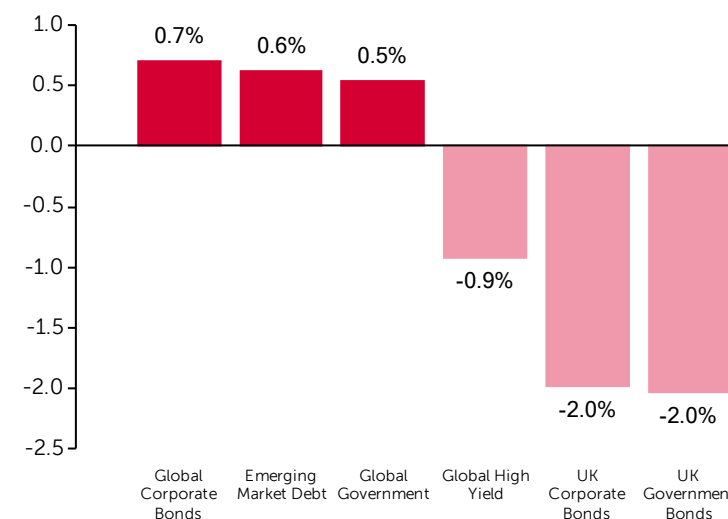
In the near term, oil prices are likely to remain the key variable for both inflation dynamics and market sentiment. Beyond energy, however, the conflict has reinforced a broader reassessment of supply chain vulnerabilities, defence spending trajectories, and energy security – themes that are likely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

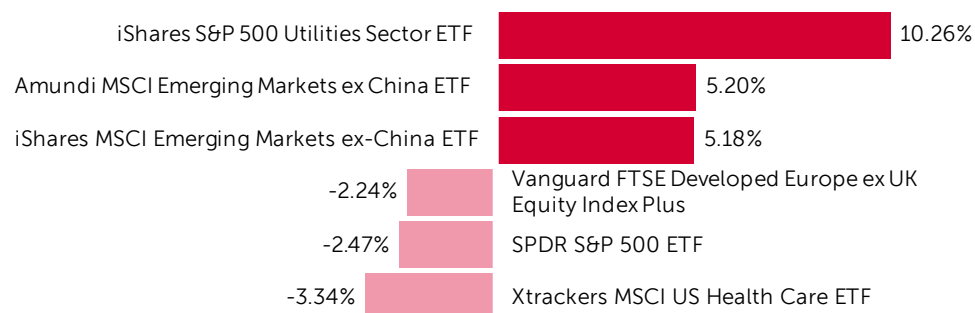


Portfolio commentary

Due to a rocky March caused by war in Iran, the AJ Bell Cautious fund delivered a slightly negative return for the quarter of -0.5%. Higher oil prices, leading to shifting interest rate and inflation expectations, caused changes for the bond market. Bond yields have gone up to reflect higher interest rate expectations. We have been actively buying more short-dated bonds using cash reserves to lock in better returns.

The stocks and shares side of the fund makes up 26% of assets. One helpful area here was the UK stock market, which was buoyed by BP and Shell as energy prices surged. Over the past five years, the fund has returned 14.7%. Looking ahead, we will monitor how central banks try to balance any requirement to tame inflation and avoid higher rates contributing to an economic slowdown.

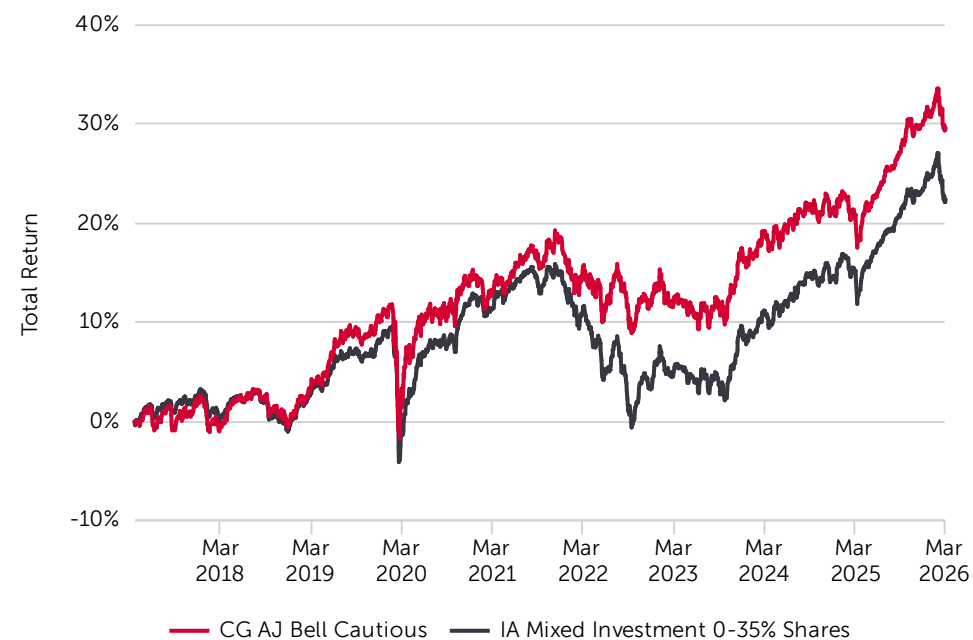
Q1 2026 best/worst performers



Performance

| Cumulative (%) | 3 months | 6 months | 1 year | 3 years | 5 years | Since inception |
|----------------------------------|----------|----------|--------|---------|---------|-----------------|
| CG AJ Bell Cautious | -0.52 | 1.97 | 7.65 | 15.85 | 14.74 | 29.67 |
| IA Mixed Investment 0-35% Shares | -0.89 | 1.26 | 6.49 | 16.58 | 10.01 | 22.46 |

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 | 24 |
| Inception date | 18 Apr 2017 |
| Fund size | £148.86m |
| ISIN | (I Acc) GB00BYW8RV97 |

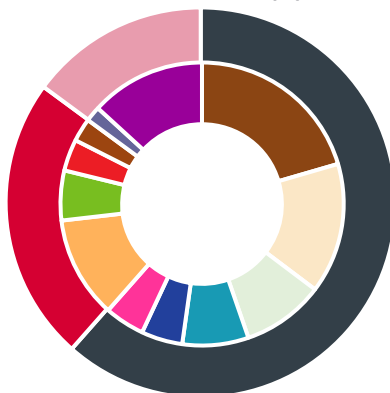
Top 10 holdings

| Holding | Weight (%) |
|---|------------|
| UK government bonds | 12.19 |
| US inflation-linked treasuries (GBP hedged) | 10.80 |
| iShares £ Ultrashort Bond ETF | 10.35 |
| iShares ESG Overseas Corporate Bond Index | 9.36 |
| SPDR S&P 500 ETF | 6.06 |
| US Treasuries (GBP hedged) | 4.85 |
| European government bonds (GBP hedged) | 4.78 |
| State Street Emerging Markets Hard Currency Government Bond Index | 4.71 |
| Invesco GBP Corporate Bond ETF | 4.22 |
| Vanguard FTSE UK All-Share Index | 3.63 |

Risk profile

For investors who can tolerate some shorter-term capital loss from their portfolio, as markets fluctuate. 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 (%)



| | |
|--------------------------------------|--------------|
| Fixed Income | 61.52 |
| Global government bonds (GBP hedged) | 20.43 |
| UK government bonds | 14.90 |
| Global corporate bonds (GBP hedged) | 9.36 |
| UK corporate bonds | 7.56 |
| Emerging market debt | 4.71 |
| Global high yield bonds (GBP hedged) | 4.57 |
| Equity | 23.58 |
| North America equity | 11.60 |
| UK equity | 5.71 |
| Emerging markets ex-China equity | 3.61 |
| Europe ex-UK equity | 2.66 |
| Cash | 14.90 |
| Cash | 1.73 |
| Cash equivalent | 13.17 |

Fixed income breakdown (%)



| | |
|--------------------------------------|--------------|
| GBP Bonds | 90.98 |
| Global government bonds (GBP hedged) | 39.17 |
| UK government bonds | 28.56 |
| UK corporate bonds | 14.50 |
| Global high yield bonds (GBP hedged) | 8.75 |
| International Bonds | 9.02 |
| Emerging market debt | 9.02 |

Equity breakdown (%)



| Sector | |
|------------------------|-------|
| Technology | 17.67 |
| Financial Services | 15.87 |
| Healthcare | 15.83 |
| Utilities | 11.69 |
| Industrials | 10.52 |
| Consumer Defensive | 6.54 |
| Consumer Cyclical | 6.36 |
| Energy | 4.74 |
| Communication Services | 4.62 |
| Basic Materials | 4.47 |
| Real Estate | 1.68 |

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.