

CG AJ Bell Moderately 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,

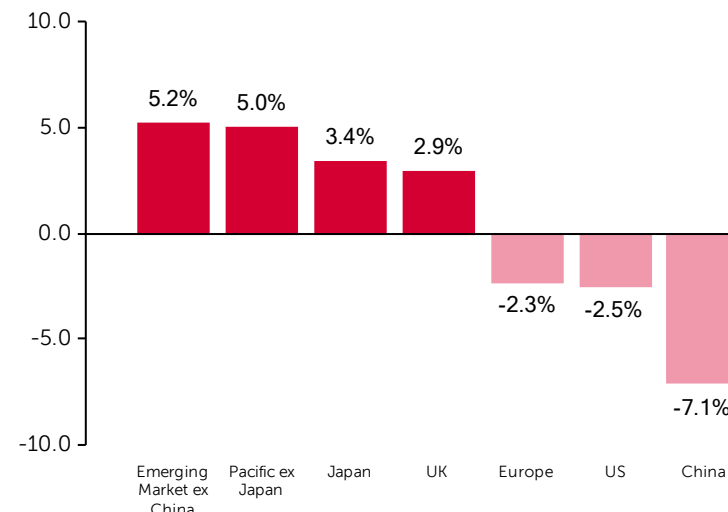
South Korea has been a standout performer, benefiting from growing appreciation of its role within the AI supply chain. Closer to home, UK equities have outperformed, supported by the market’s heavyweight exposure to the energy sector, with the major oil companies buoyed by rising crude prices.

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.

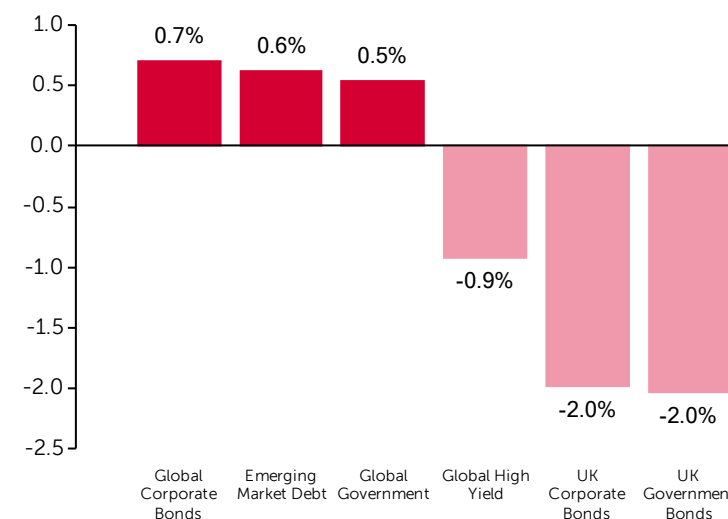
In the near term, oil prices are likely to remain the key variable for both inflation dynamics and market sentiment. Beyond energy, however, the conflict has reinforced a broader reassessment of supply chain vulnerabilities, defence spending trajectories, and energy security – themes that are likely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

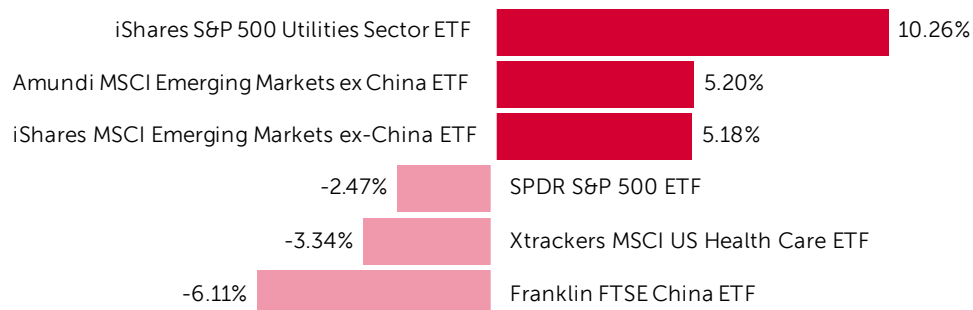


Portfolio commentary

The AJ Bell Moderately Cautious fund closed the quarter in negative territory with a narrow -0.6% loss, following the US-Iran war. Bonds, which make up about a third of the portfolio, felt some turbulence as markets shifted from pricing in interest rate cuts to suddenly expecting rate hikes. This was due to rising energy prices from the war in Iran, which fuelled rising inflation expectations. However, our holdings in short-term debt were only marginally impacted as yields went up. We added more short-term bond positions from our cash allocation, as bonds are currently paying a much better rate.

Stocks and shares, accounting for just under half the fund, also weathered a bumpy road. The UK stock market ended the quarter with a positive return, which was a strong boost for the fund. The UK market was reaching new highs until the end of February, and those early gains helped cushion a more volatile market drop in March, along with gains from oil companies BP and Shell. US stocks struggled, but the fund was protected by the US exposure we added earlier this year in the utilities sector, which was in demand during the quarter.

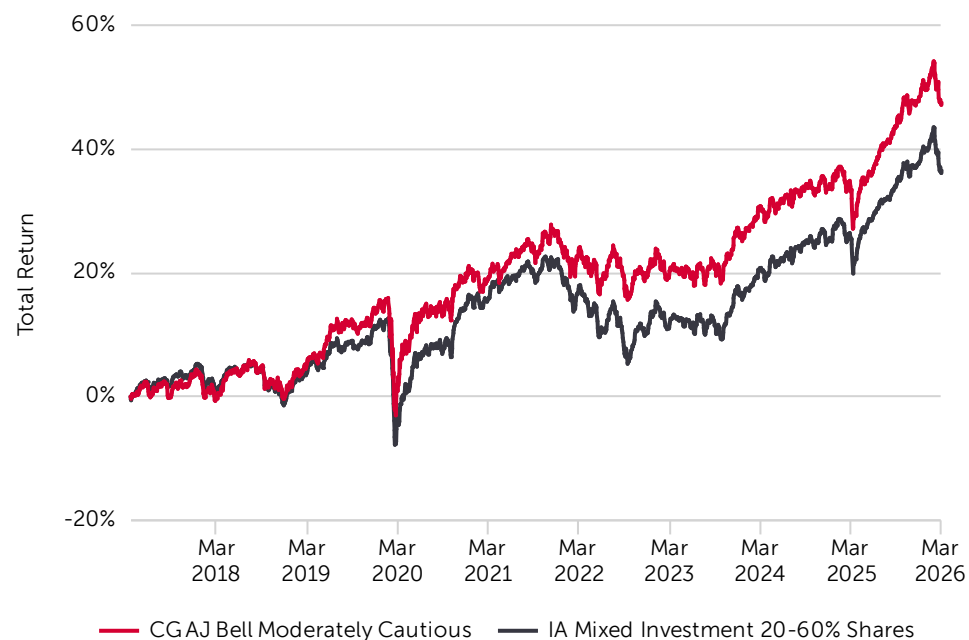
Q1 2026 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Moderately Cautious	-0.61	2.67	10.85	22.65	23.91	47.52
IA Mixed Investment 20-60% Shares	-0.99	1.72	8.95	21.88	17.86	36.54

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	25
Inception date	18 Apr 2017
Fund size	£484.86m
ISIN	(I Acc) GB00BYW8VJ55

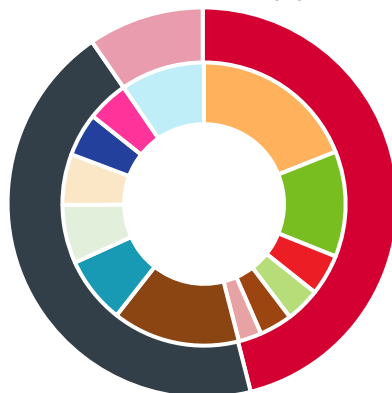
Top 10 holdings

Holding	Weight (%)
Vanguard FTSE UK All-Share Index	12.05
SPDR S&P 500 ETF	11.14
US inflation-linked treasuries (GBP hedged)	8.64
iShares £ Ultrashort Bond ETF	7.52
iShares ESG Overseas Corporate Bond Index	6.67
Vanguard UK Investment Grade Bond Index	5.76
State Street Emerging Markets Hard Currency Government Bond Index	4.94
Amundi Prime Japan ETF	3.96
UK government bonds	3.88
Invesco S&P 500 Equal Weight Swap ETF	3.83

Risk profile

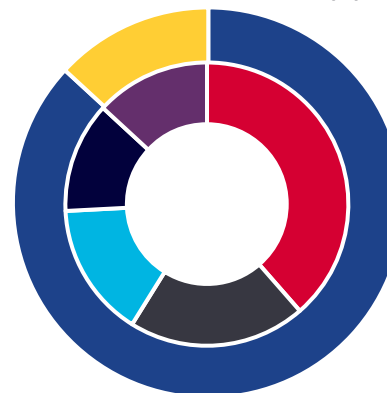
For investors who can tolerate some shorter-term capital loss from their portfolio, as markets fluctuate. The portfolio invests in funds and exchange traded funds (ETFs), using a defined strategic asset allocation process to deliver returns while meeting the targeted level of risk.

Asset allocation (%)



Equity	46.06
North America equity	18.97
UK equity	12.05
Emerging markets ex-China equity	4.70
Japan equity	3.96
Europe ex-UK equity	3.72
China equity	2.66
Fixed Income	44.33
Global government bonds (GBP hedged)	14.54
UK corporate bonds	7.63
Global corporate bonds (GBP hedged)	6.67
UK government bonds	5.78
Emerging market debt	4.94
Global high yield bonds (GBP hedged)	4.76
Cash	9.61

Fixed income breakdown (%)



GBP Bonds	86.88
Global government bonds (GBP hedged)	38.62
UK corporate bonds	20.25
UK government bonds	15.36
Global high yield bonds (GBP hedged)	12.65
International Bonds	13.12
Emerging market debt	13.12

Equity breakdown (%)



Sector	
Financial Services	16.68
Technology	16.60
Healthcare	13.05
Industrials	12.46
Consumer Cyclical	8.65
Utilities	7.92
Consumer Defensive	7.12
Communication Services	5.97
Basic Materials	4.77
Energy	4.71
Real Estate	2.06

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.



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