

Managed Portfolio Service

Passive MPS 1

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

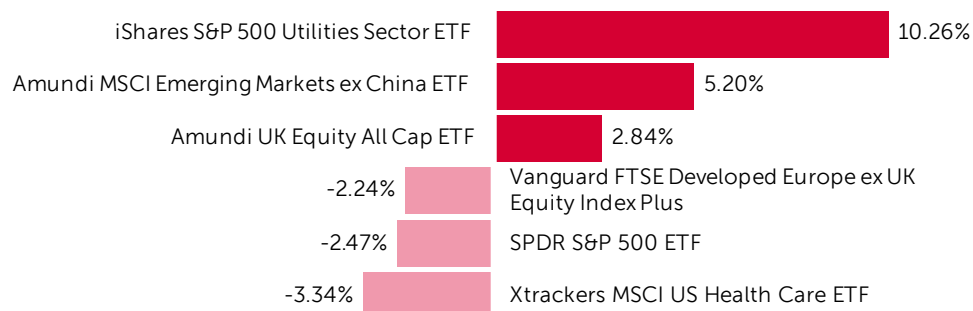
The first quarter of 2026 proved eventful for investors. The outbreak of conflict in Iran drove oil prices sharply higher, reigniting inflationary fears and prompting a hawkish shift in tone from central banks globally. Bond markets repriced meaningfully in response, with UK gilts particularly affected as yields rose sharply.

Against this backdrop, the portfolio's cash allocation and short- duration stance acted as an effective buffer, dampening volatility and providing a source of stable returns through a turbulent period. Inflation-linked bonds across both UK and US contributed positively, finishing the quarter strong and offering meaningful relief from the weakness in nominal bonds. Corporate bonds were unable to escape the broader risk-off sentiment, with credit spreads widening across the market and leaving the asset class in negative territory by quarter end.

Within equities, the US Utilities position introduced at the start of the year was the standout performer over the quarter. The sector's defensive characteristics made it well suited to the environment. It served as an effective counterweight to the headwinds faced by the broader US market cap allocation.

Overall, AJ Bell Passive MPS 1 returned -0.02% over the quarter.

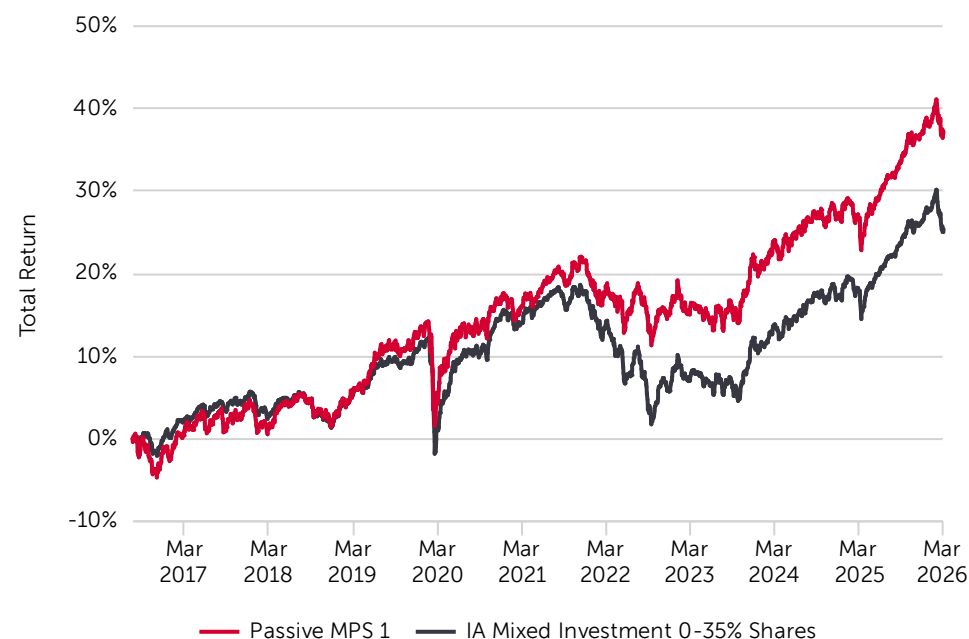
Q1 2026 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Passive MPS 1	-0.02	2.68	8.56	18.28	18.31	37.24
IA Mixed Investment 0-35% Shares	-0.89	1.26	6.49	16.58	10.01	25.40

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.

Passive MPS 1

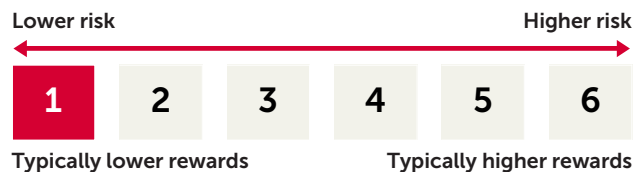
As at 31 March 2026

Portfolio snapshot

Number of holdings	19
Inception date	18 Aug 2016
Underlying OCF	0.11%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.26%

Top 10 holdings

Holding	Weight (%)
BlackRock Institutional Sterling Liquidity	12.00
iShares E Ultrashort Bond ETF	10.00
iShares ESG Overseas Corporate Bond Index	10.00
Invesco GBP Corporate Bond ETF	8.00
SPDR S&P 500 ETF	7.00
Amundi UK Equity All Cap ETF	6.00
iShares Core UK Gilts ETF	6.00
iShares US TIPS 0-5yr	6.00
Invesco Global High Yield Corporate Bond ESG	5.00
Climate Transition UCITS ETF	5.00
State Street Emerging Markets Hard Currency Government Bond Index	5.00



Asset allocation (%)



Fixed Income	51.00
Global government bonds (GBP hedged)	11.00
Global corporate bonds (GBP hedged)	10.00
UK government bonds	9.00
UK corporate bonds	8.00
Emerging market debt	5.00
Global high yield bonds (GBP hedged)	5.00
UK index-linked gilts	3.00
Equity	26.00
North America equity	13.00
UK equity	6.00
Emerging markets ex-China equity	4.00
Europe ex-UK equity	3.00
Cash	23.00
Cash	1.00
Cash equivalent	22.00

Fixed income breakdown (%)



GBP Bonds	87.80
Global government bonds (GBP hedged)	26.83
UK government bonds	21.95
UK corporate bonds	19.51
Global high yield bonds (GBP hedged)	12.20
UK index-linked gilts	7.32
International Bonds	12.20
Emerging market debt	12.20

Equity breakdown (%)



Sector	Weight (%)
Technology	18.03
Healthcare	16.36
Financial Services	15.68
Utilities	10.91
Industrials	10.31
Consumer Cyclical	6.44
Consumer Defensive	6.39
Energy	5.01
Communication Services	4.74
Basic Materials	4.47
Real Estate	1.65

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Indicative Total Ongoing Charges Figure (OCF) is inclusive of the AJ Bell Investments Annual Management Charge (fee of 0.15%) and the ongoing charges of underlying investments. MPS transaction costs reflect the aggregated transaction costs reported by underlying products. In some instances products may deploy pricing mechanisms which can result in negative costs. Additional costs will be incurred while using the MPS. These include (where applicable) platform costs and dealing costs. Any charges payable to your financial adviser will apply in addition. Therefore, the actual performance of your portfolio might differ from the stated past performance. There is no set minimum investment into the MPS, however, the structure of the underlying investments means that the portfolios work more efficiently for investments above a certain size. For this MPS, this is around £25,000.

Due to its multi-asset nature, no financial instrument or index represents a fair benchmark for the portfolio. However, to give context and enable an objective assessment of the portfolio's performance, the IA Mixed Investment 0-35% Shares is included for reference. The portfolio does not aim to track the IA sector as a benchmark. Performance is calculated on a net of fees basis.

Performance reflects the headline model and includes the underlying costs of the holdings and the annual investment management charge. It does not include any transaction costs that would have been incurred through rebalancing or changing any underlying holdings. This model was launched on 18 August 2016. Cash performance is measured using the AJ Bell Investcentre platform interest rates.

Allocation and performance information contained in this document is representative of the standard Passive MPS 1 model held on AJ Bell Investcentre. The implementation of this model may vary when held via other platforms, for example, where access to certain share classes is restricted. This may lead to differences in allocation, performance and cost.

Based on target weights at portfolio rebalance. Totals may not sum to 100% due to rounding.



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