Managed Portfolio Service

Passive MPS 6

As at 30 June 2025

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Market commentary:

The noise in markets reached a crescendo at the start of the second quarter as President Trump's 'Liberation day' revealed tariffs that shocked investors. Further scrutiny was poured on the US economy and the US dollar, as many began to reconsider their holdings of US assets. Geopolitical uncertainty in the Middle East had a surprisingly limited impact on markets, even as tensions between Israel and Iran flared into outright conflict before coming to a US-imposed ceasefire.

Fixed income

Tentative signs of inflation stability brought anticipation that the Federal Reserve could respond to any future economic weakness. Although Chair Powell has been resolute in the need to respond slowly, speculation about his successor and Trump's hand in that selection started to influence market thinking, as did uncertainty over how the tariff situation would impact prices.

In the UK, the mechanical uplift to utility and water bills in April sent inflation back above 3%, a level it is expected to reside at for the rest of the year. As in the US, the Bank of England has been cautious while inflation remains above target. Shorter dated gilt yields rallied, steepening the yield curve, whilst longer dated yields remained volatile.

After a wobble during the equity market downturn in April, credit spreads narrowed again to leave corporate bonds with solid returns over the quarter.

Equities

Performance within equity markets continued to buck the trend of the last couple of years, with the US no longer the standout performer: other markets have taken the lead. Emerging markets such as Korea and Taiwan have been performing strongly, driven by major constituents Samsung and TSMC. Within developed Asia Pacific, Australia and Hong Kong performed well, the former driven by the financial sector.

Europe and the UK appeared to benefit from investors looking outside America for returns. The fiscal spending on defence and infrastructure prompted investors to look more closely at domestically focused segments of the markets. In the UK, a sustained rally in financials and defence stocks aided gains, whilst mid- and small caps performed well amidst takeover interest.

Chinese equities gave back some of the bumper gains seen in the first quarter, in keeping with their volatile nature and trade tensions with the US. Japanese equities continue to grapple with the implications of higher inflation, rising interest rates and what that means for the currency.

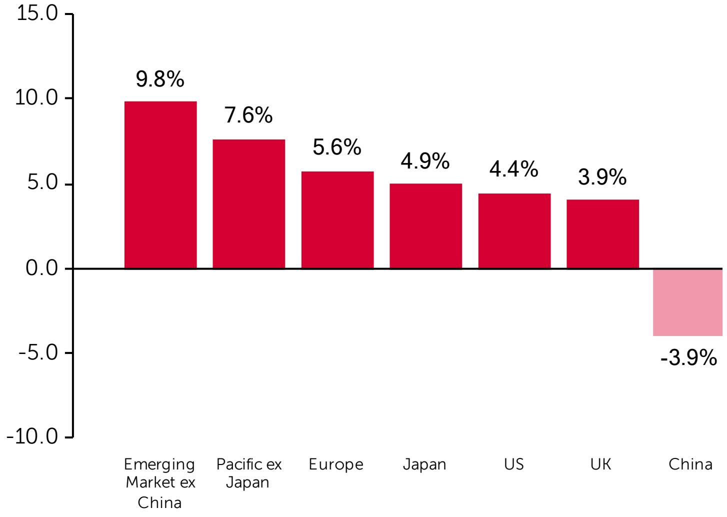
Outlook

Having seen one metaphorical and one physical ceasefire during the quarter, markets are entering summer in better spirits. Plenty of issues remain outstanding from the first half of 2025, not least that the tariff pause is due to expire in August. Having walked back from the brink once, there is a perception that Trump will be unwilling to test investor patience again, especially given the US dollar has remained on its weaker footing, supporting those claiming a strong dollar has been hindering US manufacturing.

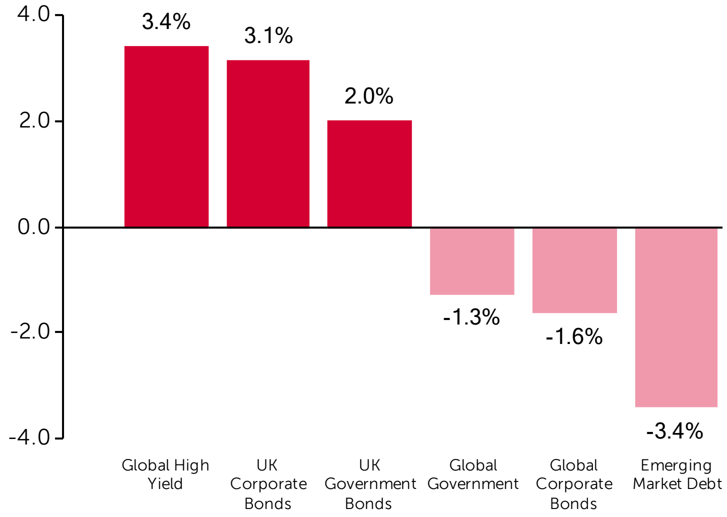
Nonetheless, it is difficult to see the relationship between Trump and the markets being plain sailing for the next four years. However, investors should pause to reflect if there has ever been a time when the outlook suggested calm waters.

The assessment of short-term events is interpreted by markets, at its most basic level, by what it means for growth and inflation. Sitting here today, the consensus appears to be that both will be acceptable, and markets will find a way to muddle through, as they often do.

Equity performance - last quarter



Fixed income performance - last quarter



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Portfolio commentary

AJ Bell Passive MPS 6, which emphasises broad geographical equity diversification, was well-positioned to benefit from strong performance across global equity markets this quarter.

In the UK, equities made a meaningful contribution, with the mid-cap companies being lifted by a spate of takeover bids - for example, DoorDash's approach for Deliveroo. The Vanguard FTSE 250 ETF featured within the portfolio emerged as the top performer over the period.

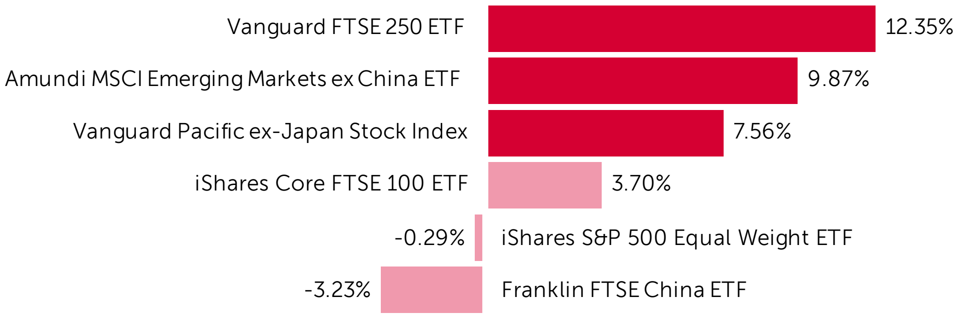
European equities also delivered positive returns, buoyed by what has been described as a 'wake-up call' prompted by rising geopolitical tensions. Investor confidence was further supported by commitments to increased defence spending across the region.

US equities managed to recover the losses sustained around 'Liberation Day'. However, returns for UK investors were muted due to the depreciation of the US dollar, which reduced gains when converted back to sterling.

Further afield, emerging markets and the Pacific ex-Japan region led global equity gains. Korean equities and Australian banks stood out with particularly strong gains. Chinese equities reversed previous momentum amid renewed concerns over potential US tariff increases.

Overall, AJ Bell Passive MPS 6 returned 5.55% over the quarter.

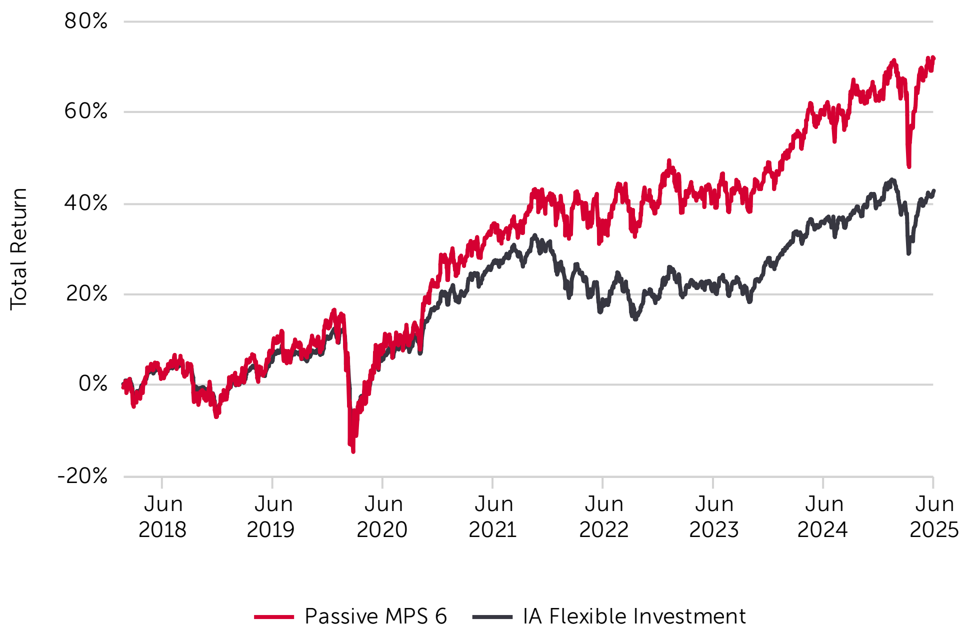
Q2 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Passive MPS 6	5.55	5.44	7.33	28.75	59.80	71.91
IA Flexible Investment	3.79	2.19	5.01	21.45	34.98	42.83

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.

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AJBell Investcentre

Portfolio snapshot

Number of holdings	10
Inception date	19 Feb 2018
Underlying OCF	0.10%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.25%

Top 10 holdings

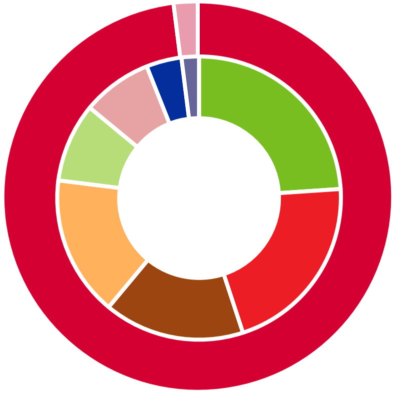
Holding	Weight (%)
Amundi MSCI Emerging Markets ex China ETF	21.00
iShares Core FTSE 100 ETF	19.00
SPDR S&P 500 ETF	14.00
Vanguard FTSE Developed Europe ex UK Equity Index Plus	11.00
Amundi Prime Japan ETF	9.00
Franklin FTSE China ETF	8.00
Vanguard FTSE 250 ETF	5.00
Xtrackers S&P Europe ex-UK ETF	5.00
Vanguard Pacific ex-Japan Stock Index	4.00
Cash	2.00

Lower risk **Higher risk**

1	2	3	4	5	6

Typically lower rewards **Typically higher rewards**

Asset allocation (%)



Equity	**98.00**
UK equity	24.00
Emerging markets ex-China equity	21.00
Europe ex-UK equity	16.00
North America equity	16.00
Japan equity	9.00
China equity	8.00
Asia Pacific ex-Japan equity	4.00
Cash	**2.00**
Cash	2.00

Equity breakdown (%)

Market Cap Group	
Giant	49.75
Large	33.00
Mid	14.29
Small	2.84
Micro	0.13

Equity breakdown (%)

Sector	
Financial Services	22.15
Technology	15.93
Industrials	13.44
Consumer Cyclical	10.43
Healthcare	8.41
Consumer Defensive	7.66
Communication Services	6.82
Basic Materials	5.06
Energy	4.49
Utilities	3.15
Real Estate	2.46

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

Allocation and performance information contained in this document is representative of the standard Passive MPS 6 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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The market capitalisation classifications in this report are based on a tiered methodology developed by Morningstar. Market capitalisation is the total value of a company's shares on the stock market. Under this method, giant-cap shares make up the top 40% of total market value; large-cap shares represent the next 30%; mid-cap the following 20%; small-cap the next 7%; and micro-cap the remaining 3%. These classifications are for analytical purposes only and may differ from other industry definitions.