

Managed Portfolio Service

Responsible MPS 3

As at 30 June 2025

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.

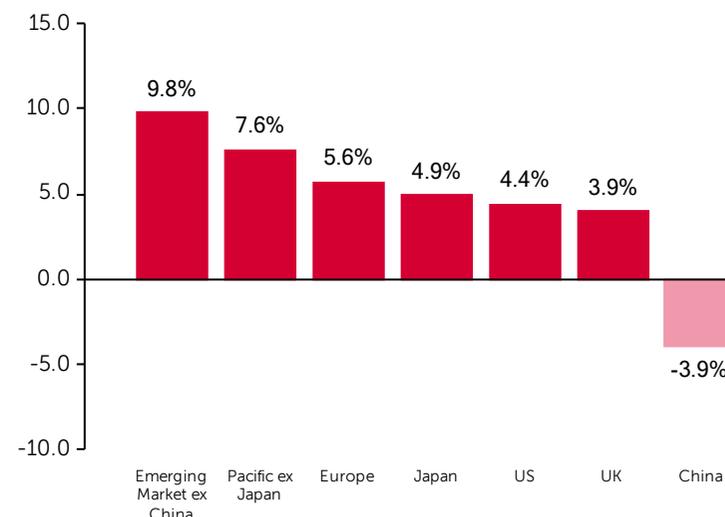
Outlook

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.

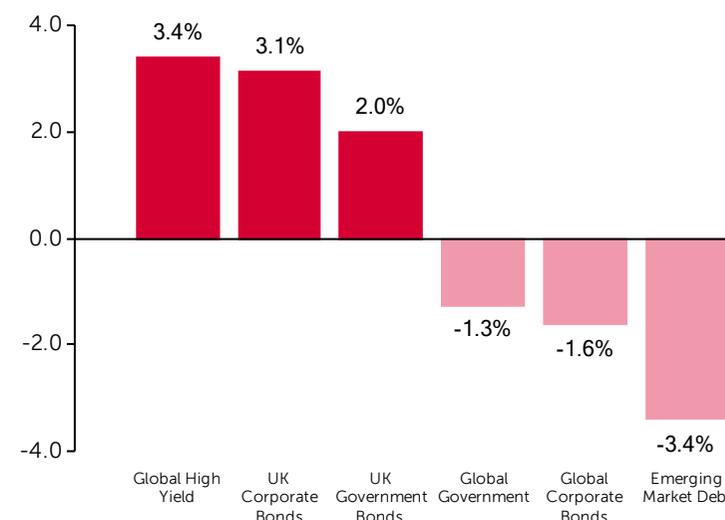
Nonetheless, it is difficult to see the relationship between Trump and the markets being plain sailing for the next four years. However, investors should pause to reflect if there has ever been a time when the outlook suggested calm waters.

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

The portfolio welcomed the much-needed stability provided by UK corporate bonds, as investors sought to reduce risk in response to renewed tariff threats from the United States following 'Liberation Day'.

Across the broader bond market, global high yield continued its positive trajectory, supported by tightening credit spreads. However, gains in emerging market government bonds were partially offset by currency translation losses due to a weaker US dollar.

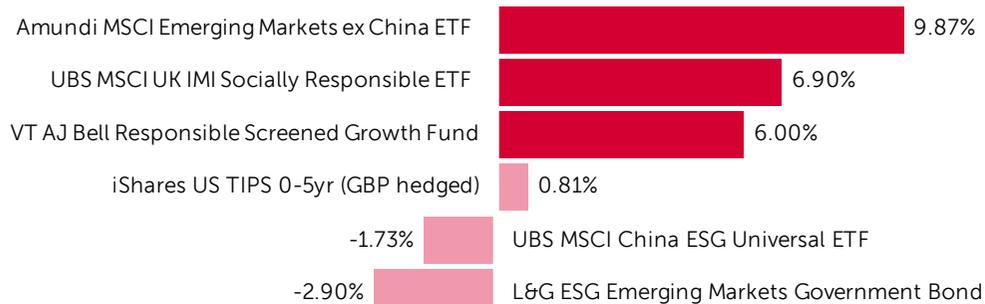
UK equities delivered a strong performance over the quarter, with mid-caps benefiting from a wave of takeover bids. The portfolio's UK allocation was the top performer because of allocations to banks such as Barclays and Lloyds.

European equities also performed well, buoyed by what has been described as a 'wake-up call' in the form of rising geopolitical tensions

US equities did recover following 'Liberation Day', but UK-based investors experienced tapered returns due to adverse currency movements driven by dollar weakness.

Overall, AJ Bell Responsible MPS 3 returned 4.38% over the quarter.

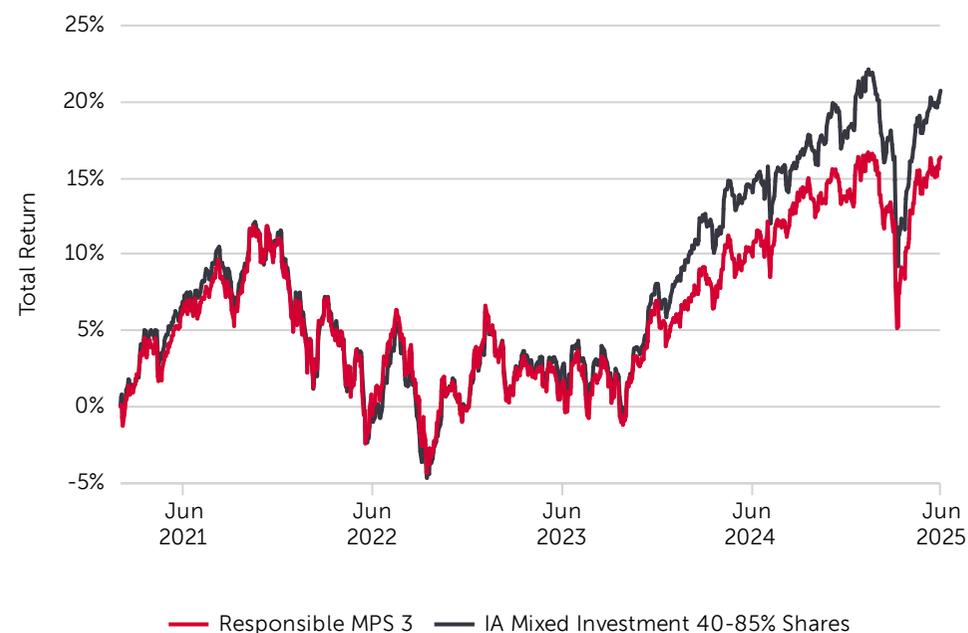
Q2 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	Since inception
Responsible MPS 3	4.38	2.36	5.41	17.02	16.35
IA Mixed Investment 40-85% Shares	3.88	2.61	5.48	21.83	20.73

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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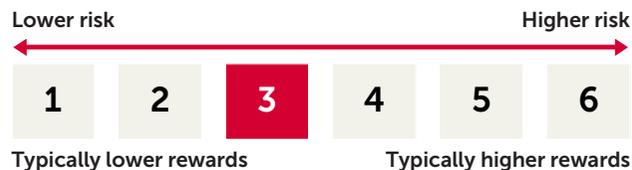
As at 30 June 2025

Portfolio snapshot

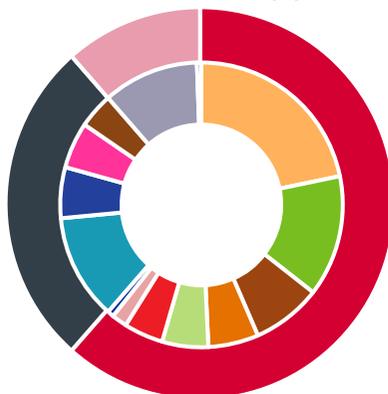
Number of holdings	14
Inception date	01 Mar 2021
Underlying OCF	0.24%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.39%

Top 10 holdings

Holding	Weight (%)
iShares MSCI USA SRI ETF	17.48
L&G ESG GBP Corp Bond ETF	12.00
UBS MSCI UK IMI Socially Responsible ETF	11.13
Amundi MSCI Europe SRI PAB ETF	7.96
iShares Ultrashort GBP Corporate Bond ESG ETF	6.00
L&G ESG Emerging Markets Government Bond	5.75
Xtrackers ESG MSCI Emerging Markets ETF	5.74
iShares MSCI Japan SRI ETF	5.27
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	4.77
Amundi MSCI Emerging Markets ex China ETF	4.53

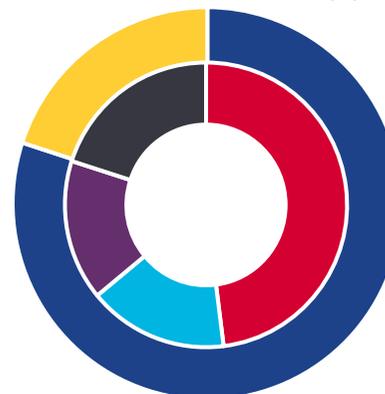


Asset allocation (%)



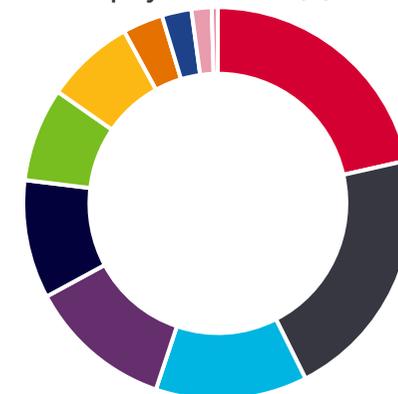
Equity	61.50
North America equity	21.78
UK equity	13.74
Europe ex-UK equity	7.96
Emerging markets equity	5.74
Japan equity	5.27
Emerging markets ex-China equity	4.53
China equity	1.75
Asia Pacific ex-Japan equity	0.75
Fixed Income	27.00
UK corporate bonds	12.00
Emerging market debt	5.75
Global high yield bonds (GBP hedged)	5.25
International government bonds (GBP hedged)	4.00
Cash	11.50
Cash	0.50

Fixed income breakdown (%)



GBP Bonds	80.00
UK corporate bonds	48.00
Global high yield bonds (GBP hedged)	16.00
International government bonds (GBP hedged)	16.00
International Bonds	20.00
Emerging market debt	20.00

Equity breakdown (%)



Sector	
Technology	21.47
Financial Services	21.09
Industrials	12.61
Consumer Cyclical	11.96
Healthcare	9.78
Communication Services	7.71
Consumer Defensive	7.41
Basic Materials	3.34
Real Estate	2.45
Utilities	1.67
Other	0.51

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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 Responsible MPS 3 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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Where practical the Responsible Screened Growth fund invests in products tracking MSCI Socially Responsible Investing (SRI) indexes for equity exposure. These indexes exclude companies with certain controversial business involvements and also utilise MSCI's Environmental Social Governance (ESG) ratings and ESG Controversy assessments. For further details please see MSCI's latest SRI Indexes Methodology document.

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