

Managed Portfolio Service

Pactive MPS 6

As at 30 September 2025

Market commentary:

As summer arrived, markets started to become more relaxed about the trade war and political theatre in Washington. Instead, investors turned their attention back to fundamentals and the dominant AI theme. There was little change in the economic backdrop with respect to growth across most regions, however, greater concern arose in the US after a significant downward revision to payroll data and weakness through the summer months. Whilst the US dollar is weaker in 2025, it stabilised versus major peers during the quarter and made some ground back versus the pound.

The risks to inflation that we have been flagging for some time started to emerge in earnest in the UK, with inflation now expected to reach double the Bank of England target before year end. In the US, inflation pressures also arose, although there were signs that companies absorbed some price pressures through margins rather than passing them on to consumers amidst economic uncertainty.

Bond markets started to price in greater inflation uncertainty, with longer-dated bond yields moving higher throughout the quarter in many markets. Fiscal uncertainty also loomed over the UK and US bond markets, however, in the US this was counteracted by the Fed quickly responding to weaker employment statistics via a "risk management" rate cut in September. At a time of political pressure on the central bank, significant dispersion arose amongst the Fed's voting members, with one suggesting interest rates should fall to below 3% by year end.

Back in the UK, inflation pressures similarly complicated the Bank of England's path. Sticky price increases in core goods, housing, and services make calibration difficult. The UK yield curve steepened slightly as markets struggled to pin down the inflation and growth trade-off.

The leadership rotation in global equities gained traction again this quarter. While the US market continued to deliver gains and be powered by the AI theme, its returns stood amongst some other good performances. China stole the

show as AI technology continued to emerge and attract investors to the offshore market, where tech sector valuations are much lower than those seen in the US. Broader emerging markets also performed well. Strong returns from TSMC in Taiwan and a continued rally in Korea were however weighed down by weakness in Indian equities.

Europe and the UK also advanced, particularly large caps in the UK. However, returns fell short of other regions. In Japan, the equity market picked up after a hard-fought trade deal with the US and the reassertion of good company fundamentals, not least that they continue to undertake large-scale buybacks.

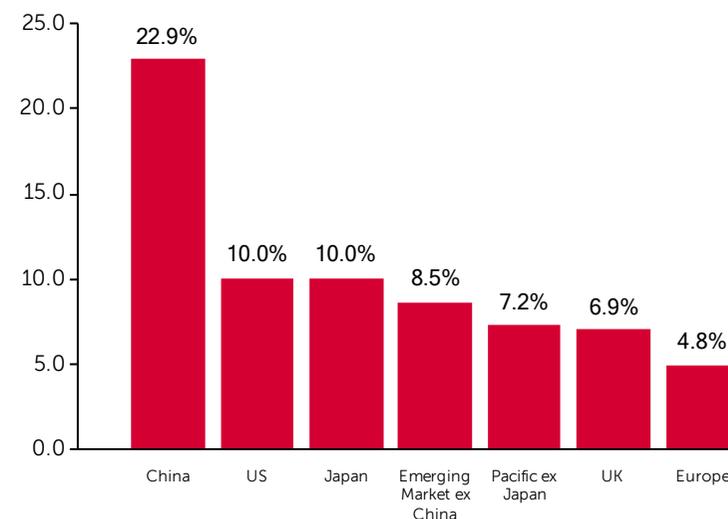
Outlook

The improving mood through the summer brings year-to-date returns in many equity markets into double-digit territory. However, the weaker dollar over the course of the year has eroded returns for UK investors significantly.

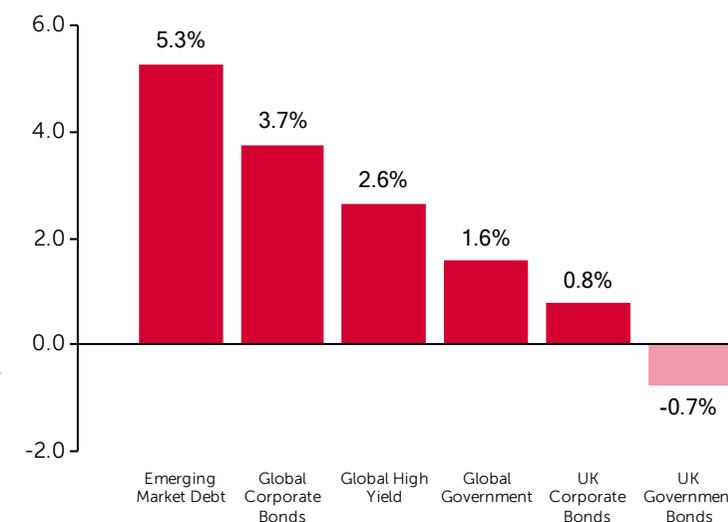
The contrast between the equity and bond markets is becoming interesting, particularly in the US where bond yields are increasingly displaying fears over the economic growth trajectory, whilst equities remain squarely focused on AI, the associated capex and signs of strong sentiment in M&A activity. Bond markets are often early to point out cracks in the economy that may worry equities later, however they can also cry wolf. Meanwhile, gilt investors in the UK have other issues to worry about, namely inflation and how it can be tamed without causing economic damage. Plenty of headlines regarding these problems stand between us and the end of the year, however, as we often see, they may just prove to be noise best avoided by those managing portfolios.

The value of investments can go down as well as up and your client may not get back their original investment. Past performance is not a guide to future performance and some investments need to be held for the long term.

Equity performance - last quarter



Fixed income performance - last quarter



Portfolio commentary

Pactive MPS 6 maintains a broad, globally diversified equity allocation. The third quarter was marked by a strong rally across equity markets, which provided a welcome tailwind to the portfolio.

UK equities finished the quarter firmly in positive territory, largely supported by gains among large-cap names. That said, the Man Income fund could not capitalise on this rally fully due to its value bias, as concerns around fiscal policy and the upcoming Q4 Budget weighed on mid and small caps.

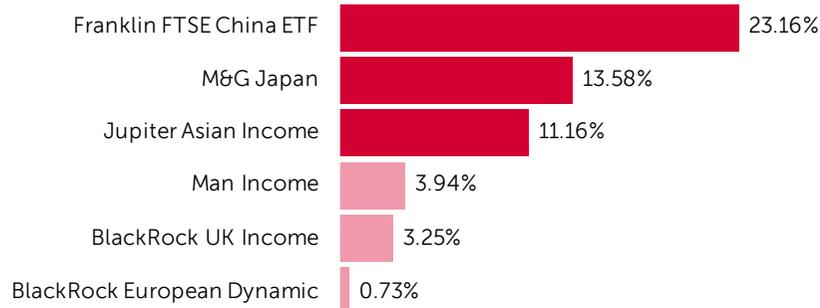
In the US, investors shifted their attention away from the political theatre in Washington and back towards solid company fundamentals.

Emerging markets were the strongest contributors as investors broadened their focus beyond developed markets. Robust results from Taiwan's TSMC, and strength in Korean equities, helped lift the index and balance out India's underperformance. The Invesco EM ex China fund is underweight to India, and hence was well positioned to weather this storm. However, the standout performance came from Chinese equities - particularly within the technology and consumer discretionary sectors.

Elsewhere, M&G Japan delivered strong gains, as the structural drivers of corporate governance reforms and rising share buybacks remain intact amidst renewed foreign investor interest in Japanese equities. An overweight to Softbank, Mitsubishi UFJ, and Toyota boosted performance thanks to some solid earnings reports.

Overall, AJ Bell Pactive MPS 6 returned 8.35% over the third quarter.

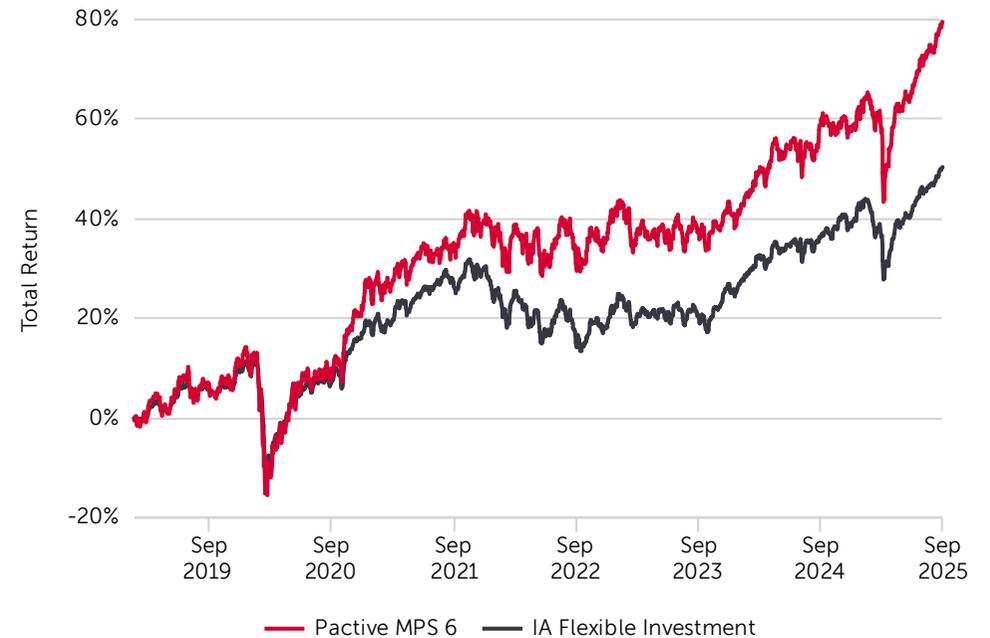
Q3 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Pactive MPS 6	8.35	14.13	13.04	37.06	65.21	79.57
IA Flexible Investment	6.25	10.28	10.40	30.68	40.11	50.42

The above table displays the total return of the fund on a cumulative basis. This is taken from the most recent month end.



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Pactive MPS 6

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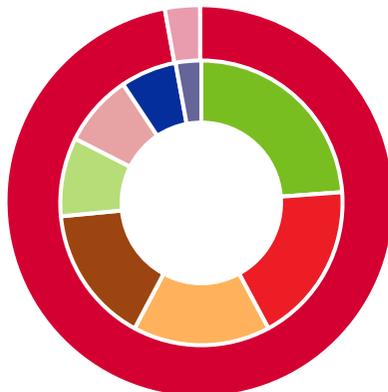
Portfolio snapshot

Number of holdings	15
Inception date	18 Feb 2019
Underlying OCF	0.45%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.60%

Top 10 holdings

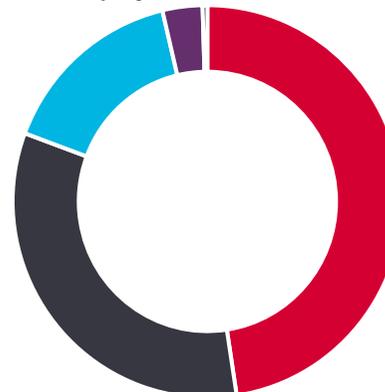
Holding	Weight (%)
SPDR S&P 500 ETF	9.27
Amundi MSCI Emerging Markets ex China ETF	9.02
Vanguard FTSE UK All-Share Index	8.16
Franklin FTSE China ETF	6.58
Vanguard FTSE Developed Europe ex UK Equity Index Plus	5.31
Invesco Emerging Markets ex-China	5.00
JPM UK Equity Plus	5.00
Man Income	5.00
Jupiter Asian Income	4.50
Amundi Prime Japan ETF	4.42

Asset allocation (%)



Category	Weight (%)
Equity	97.06
UK equity	23.81
Emerging markets ex-China equity	18.33
North America equity	15.70
Europe ex-UK equity	15.65
Japan equity	8.92
China equity	8.25
Asia Pacific ex-Japan equity	6.40
Cash	2.94
Cash	2.94

Equity breakdown (%)



Market Cap Group	Weight (%)
Giant	47.59
Large	33.07
Mid	15.63
Small	3.35
Micro	0.37

Equity breakdown (%)



Sector	Weight (%)
Financial Services	21.45
Technology	16.79
Industrials	12.71
Consumer Cyclical	10.50
Healthcare	8.11
Consumer Defensive	7.14
Communication Services	7.13
Basic Materials	6.26
Energy	5.02
Utilities	2.62
Real Estate	2.27

Lower risk ← Higher risk



Typically lower rewards

Typically higher rewards

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 £35,000.

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 Flexible Investment 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 Feb 2019. 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 Pactive 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.

Asset allocation is based on the target active holdings combined with the underlying holdings of the VT AJ Bell Global Growth Fund. 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.