CG AJ Bell Moderately Cautious

As at 31 December 2025

Market commentary:

The fourth quarter concluded a broadly positive year for markets, particularly for riskier asset classes such as equities. In contrast to the summer, the prevailing AI narrative shifted somewhat; however, just as sentiment appeared to wane, corporate earnings provided renewed optimism.

Markets, for the most part, endured the second-longest US Government shutdown on record. The resulting patchy economic data from the US made it somewhat difficult to ascertain underlying trends. Nevertheless, the Federal Reserve saw enough in the employment data to lower rates decisively, delivering two further cuts before year end.

After inflation in the UK hovered at nearly double the 2% target during the summer months, it subsided to 3.2% by November. This enabled the Bank of England to implement a final rate cut in December, which supported gilts across the curve, as did the smooth passage of the UK Budget. A similar trend in inflation was observed in the US, following a gap in coverage due to the Government shutdown. US inflation eased to 2.7% in November, allowing the Fed to focus on the employment aspect of its mandate.

Corporate bonds enjoyed another positive quarter, ending 2025 on a strong note. Credit spread compression and higher starting yields helped them outperform government bonds this year. Consequently, those segments of the bond market carrying greater risk, such as high yield bonds, proved to be more attractive allocations in 2025.

Despite headlines highlighting US markets reaching all-time highs, returns in sterling terms were comparatively muted over 2025 due to the weakness of the US dollar. In the fourth quarter, US market returns were supported by Alphabet's rise to challenge Nvidia in AI chip design, while the latter remained steady. The healthcare sector performed well after leading companies reached drug pricing agreements with the US Government. UK and European equities were also buoyed by financials, with healthcare stocks performing strongly. The UK market additionally benefited from the materials sector, which rallied on the back of rising precious and industrial metal prices.

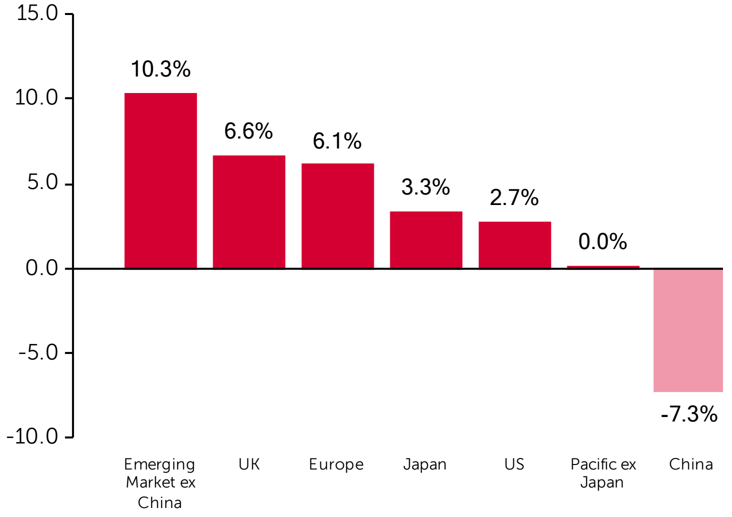
Emerging markets ex China continued their rally in the final quarter of 2025 as the AI theme and its supply chain attracted attention. Technology-heavy markets such as South Korea and Taiwan benefited, while Chinese equity markets and their AI leaders declined, reflecting their underlying reliance on consumer spending amid weaker economic data.

Looking ahead, AI is likely to remain a key theme, particularly for markets heavily exposed to the technological development and supply chains. As 2025 demonstrated, other themes across markets may attract less attention but remain significant.

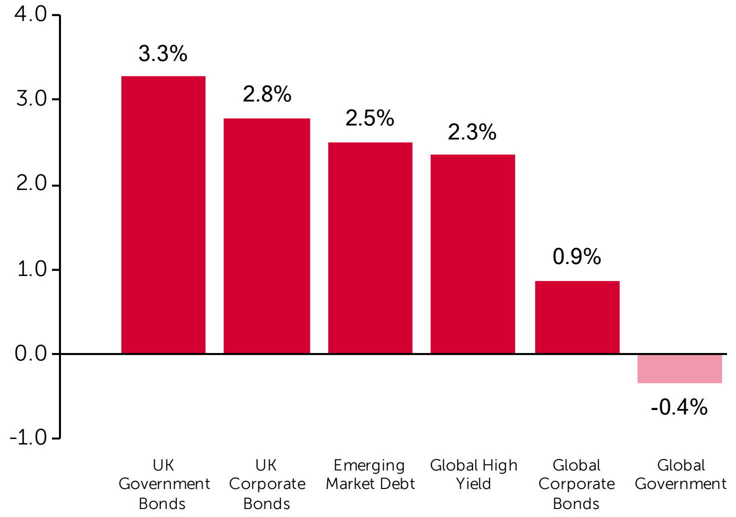
The rise in industrial metal prices towards the end of 2025 prompts questions about our position in the global economic cycle and the fragility of supply chains. This, in turn, brings inflationary dynamics back into focus. Despite some short-term relief, we believe there are considerable risks to maintaining inflation in line with central bank targets over the long term.

As ever there is a wide range of possibilities ahead of us, and therefore it is useful to return to one of our core investment principles: diversification. We see a continued need for a strong emphasis on diversification within bond and equity allocations in 2026.

Equity performance - last quarter



Fixed income performance - last quarter



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AJBell Investments

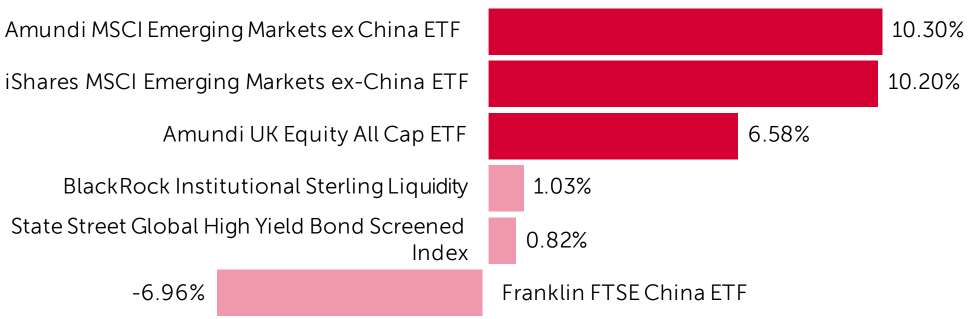
Portfolio commentary

A strong quarter for bonds and steady end of the year for equities made for a 3.3% return in the fund in the three-month period. Although the UK Budget brought worries for bond markets, Gilts and UK corporate bonds, accounting for 29% of the portfolio, had a positive quarter. Emerging market bonds were able to recoup their losses from earlier this year, but global high yield bonds continued to be the star of the bond allocation, as they were throughout 2025.

On the equity side, returns were broadly positive. The standout performer was emerging markets ex-China, pushed by a recovery in India and continued strong performance in South Korea and Taiwan. China lost some of its gains in the quarter but was still largely positive on the year.

Over the past five years, the fund has delivered a total return of 24.58%. This began with a tough period for bonds, but the past two years have been much stronger. As we move forward, the team will be looking more closely at AI. But the risk of a few big companies dominating the US market means that our scope will be much more global to reduce concentration.

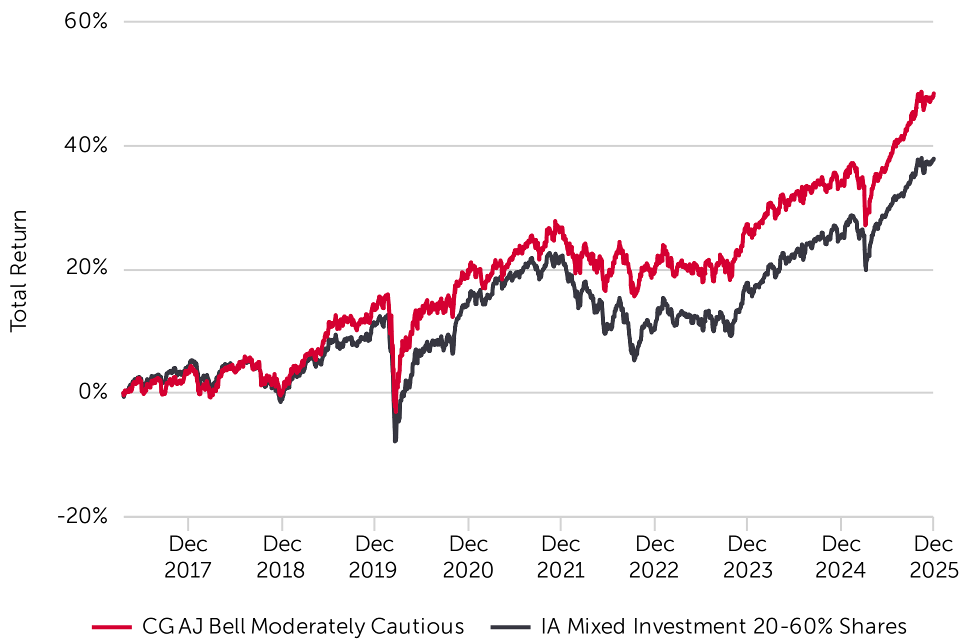
Q4 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Moderately Cautious	3.30	8.41	11.04	24.18	24.58	48.43
IA Mixed Investment 20-60% Shares	2.74	6.68	10.24	25.08	20.11	37.90

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 31 December 2025

Portfolio snapshot

Number of holdings	31
Inception date	18 Apr 2017
Fund size	£470.02m
ISIN (I Acc)	GB00BYW8VJ55

Top 10 holdings

Holding	Weight (%)
SPDR S&P 500 ETF	14.02
Vanguard FTSE UK All-Share Index	12.22
Vanguard UK Investment Grade Bond Index	10.97
iShares £ Ultrashort Bond ETF	9.75
Vanguard FTSE Developed Europe ex UK Equity Index Plus	6.09
State Street Emerging Markets Hard Currency Government Bond Index	5.96
PRINCIPAL CASH	4.43
BlackRock Institutional Sterling Liquidity	3.98
Amundi Prime Japan ETF	3.96
Amundi MSCI Emerging Markets ex China ETF	3.82

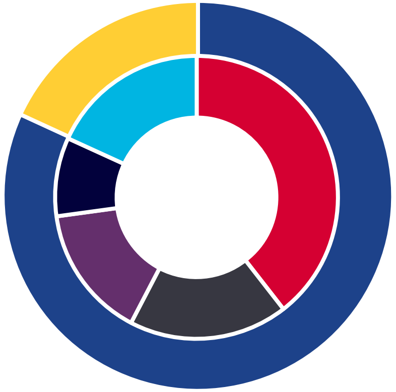
Risk profile

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	**48.26**
North America equity	16.96
UK equity	12.32
Europe ex-UK equity	6.09
Emerging markets ex-China equity	5.98
Japan equity	3.96
China equity	2.95
Fixed Income	**32.83**
UK corporate bonds	12.97
UK government bonds	5.96
Emerging market debt	5.96
Global high yield bonds (GBP hedged)	4.99
International government bonds (GBP hedged)	2.95
Cash	**18.91**
Cash	5.17
Cash equivalent	13.73

Fixed income breakdown (%)



GBP Bonds	**81.84**
UK corporate bonds	39.50
UK government bonds	18.16
Global high yield bonds (GBP hedged)	15.20
International government bonds (GBP hedged)	8.99
International Bonds	**18.16**
Emerging market debt	18.16

Equity breakdown (%)

Sector	
Technology	19.19
Financial Services	18.76
Industrials	12.85
Consumer Cyclical	10.02
Healthcare	9.91
Consumer Defensive	7.52
Communication Services	7.24
Energy	4.63
Basic Materials	4.50
Utilities	3.32
Real Estate	2.07

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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