

Managed Portfolio Service

Passive MPS 1

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.

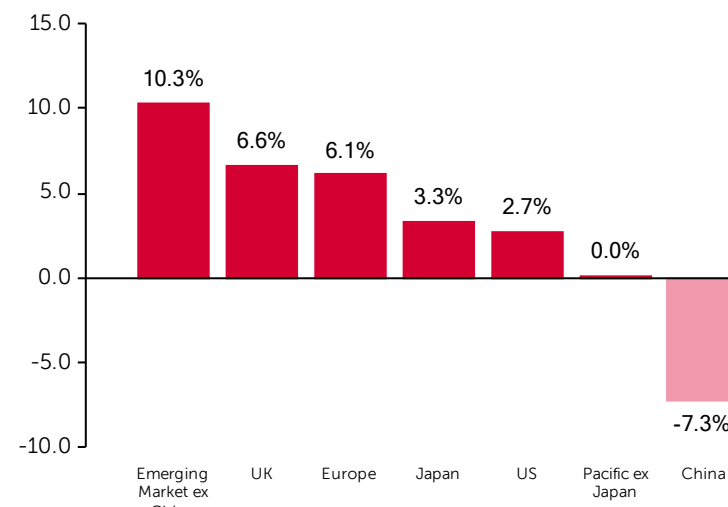
Emerging markets ex China continued their rally in the final quarter of 2025 as the AI theme and its supply chain attracted attention. Technology-heavy markets such as South Korea and Taiwan benefited, while Chinese equity markets and their AI leaders declined, reflecting their underlying reliance on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

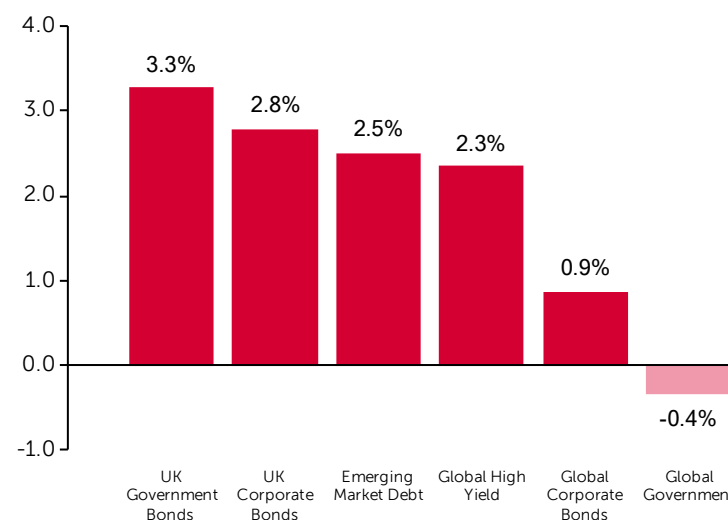
The rise in industrial metal prices towards the end of 2025 prompts questions about our position in the global economic cycle and the fragility of supply chains. This, in turn, brings inflationary dynamics back into focus. Despite some short-term relief, we believe there are considerable risks to maintaining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



Passive MPS 1

As at 31 December 2025

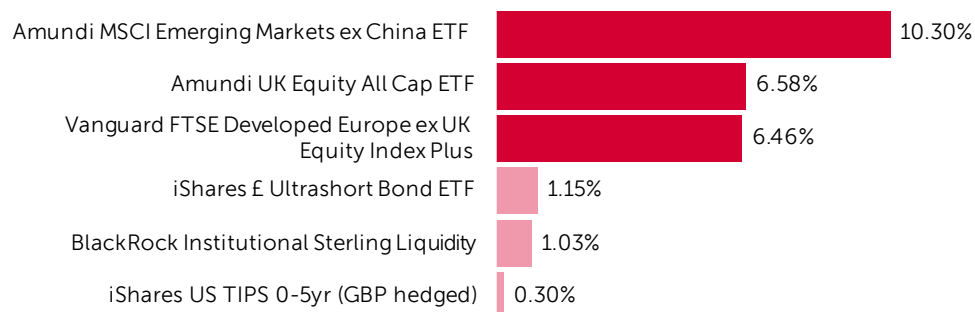
Portfolio commentary

Against a more supportive policy backdrop, the final quarter of 2025 proved favourable for bond markets. The Bank of England's December rate cut, facilitated by continued easing in UK inflation, supported gilts across the curve and the allocation in the portfolio. UK corporate bonds also performed well, benefiting from compressed credit spreads and the appeal of higher starting yields. In the US, the Federal Reserve delivered two additional rate cuts following the resumption of economic data after a prolonged government shutdown, with the portfolio's short-duration holdings remaining resilient. Further down the credit spectrum, Emerging Market bonds recovered losses incurred earlier in the year as spreads tightened.

Equity markets advanced overall, although sterling-translated gains from US equities were more modest than those seen in the UK and Europe. Within the portfolio, the Emerging Markets ex-China allocation was the strongest performer over the quarter, driven primarily by strength in the technology sectors of South Korea and Taiwan.

Overall, Passive MPS 1 rose by 2.71% over the fourth quarter and delivered a return of 8.05% for the full year 2025.

Q4 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Passive MPS 1	2.71	5.92	8.05	19.18	17.69	37.27
IA Mixed Investment 0-35% Shares	2.17	5.04	8.02	19.57	10.12	26.54

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

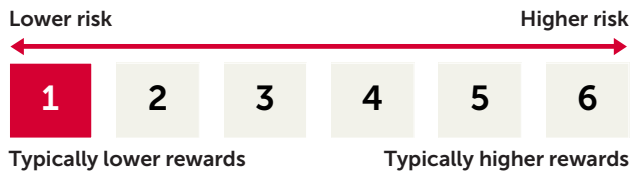
As at 31 December 2025

Portfolio snapshot

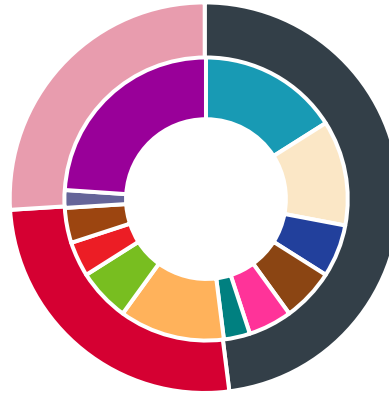
Number of holdings	14
Inception date	18 Aug 2016
Underlying OCF	0.10%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.25%

Top 10 holdings

Holding	Weight (%)
Invesco GBP Corporate Bond ETF	16.00
BlackRock Institutional Sterling Liquidity	14.00
iShares E Ultrashort Bond ETF	10.00
SPDR S&P 500 ETF	10.00
Amundi UK Equity All Cap ETF	6.00
Amundi UK Government Bond 0-5Y ETF	6.00
iShares Core UK Gilts ETF	6.00
iShares US TIPS 0-5yr (GBP hedged)	6.00
State Street Emerging Markets Hard Currency Government Bond Index	6.00
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	5.00



Asset allocation (%)



Fixed Income	48.00
UK corporate bonds	16.00
UK government bonds	12.00
Emerging market debt	6.00
International government bonds (GBP hedged)	6.00
Global high yield bonds (GBP hedged)	5.00
International government bonds	3.00
Equity	26.00
North America equity	12.00
UK equity	6.00
Emerging markets ex-China equity	4.00
Europe ex-UK equity	4.00
Cash	26.00
Cash	2.00
Cash equivalent	24.00

Fixed income breakdown (%)



GBP Bonds	81.25
UK corporate bonds	33.33
UK government bonds	25.00
International government bonds (GBP hedged)	12.50
Global high yield bonds (GBP hedged)	10.42
International Bonds	18.75
Emerging market debt	12.50
International government bonds	6.25

Equity breakdown (%)



Sector	Weight (%)
Technology	21.87
Financial Services	18.97
Industrials	11.85
Healthcare	10.36
Consumer Cyclical	8.52
Consumer Defensive	7.43
Communication Services	6.37
Energy	4.64
Basic Materials	4.51
Utilities	3.51
Real Estate	1.97

Passive MPS 1

As at 31 December 2025



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.



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.

This information is for indicative purposes only and is not intended, and should not be construed, as investment advice. The information contained in this document has been taken from the sources stated and is believed to be reliable and accurate, but without further investigation cannot be warranted or guaranteed to be wholly correct. The views and opinions expressed in this document are not forecasts or recommendations in relation to investment decisions. The information and data presented in this document were believed to be correct at the time of writing and we are not liable for any subsequent changes.

©2025 Morningstar. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/ or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.