

AJ Bell Funds

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## Growth Funds quartely report Q4 2023

As at 31 December 2023

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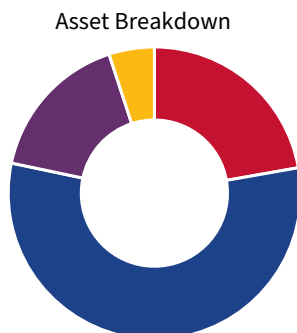
# VT AJ Bell Cautious Q4 2023 Report

## Commentary

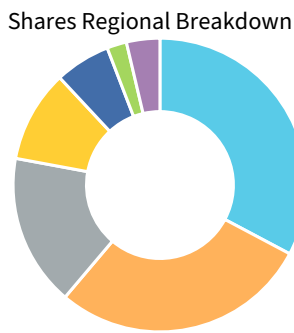
The quarter witnessed a significant pivot in the market narrative. The 'higher for longer' mantra regarding interest rate expectations was swiftly disregarded in Q4 as further declines in the rate of inflation came to light. This stoked bond and stock markets into a sharp rally. The portfolio's bond holdings, to which it has a high weighting, gave returns similar to most well-performing stock markets.

The US stock market was buoyed by indications from the Federal Reserve that interest rate cuts are indeed a possibility in 2024. The broad UK stock market underperformed peers in the quarter, although shares of mid-sized and smaller companies did well, as did the allocation within the fund to UK property.

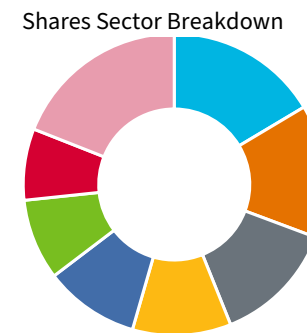
The fund's allocation towards cash helped shield it from market volatility at times this year. The fourth-quarter return of 5.5% helped the fund achieve a positive return of 5.0% for 2023.



■ Share: 22.2%  
 ■ Bonds: 56.1%  
 ■ Cash: 16.7%  
 ■ Other: 5.0%

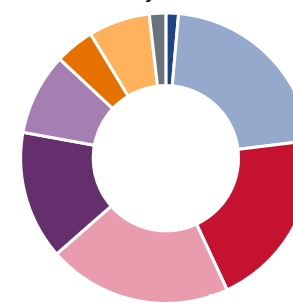


■ United Kingdom 32.8%  
 ■ North America 28.4%  
 ■ Japan 16.7%  
 ■ Asia Emerging 10.1%  
 ■ Asia Developed 6.1%  
 ■ Africa 2.2%  
 ■ Other 3.7%



■ Technology 16.4%  
 ■ Financial Services 14.3%  
 ■ Real Estate 13.2%  
 ■ Industrials 10.6%  
 ■ Consumer Cyclical 10.2%  
 ■ Healthcare 8.7%  
 ■ Consumer Defensive 7.7%  
 ■ Other 19.0%

## Bond Maturity Breakdown



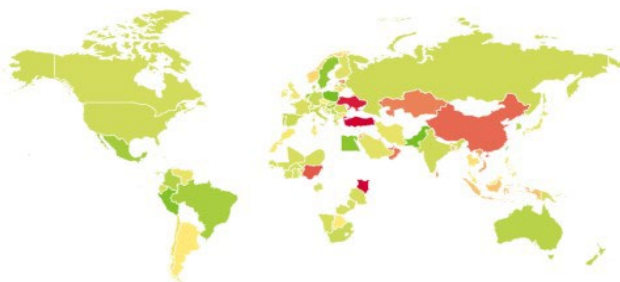
■ Less than 1 Year 1.4%  
 ■ 1-3 Years 21.7%  
 ■ 3-5 Years 20.0%  
 ■ 5-7 Years 20.5%  
 ■ 7-10 Years 14.3%  
 ■ 10-15 Years 9.1%  
 ■ 15-20 Years 4.4%  
 ■ 20-30 Years 6.8%  
 ■ 30+ Years 1.8%

## Trailing Returns (%)

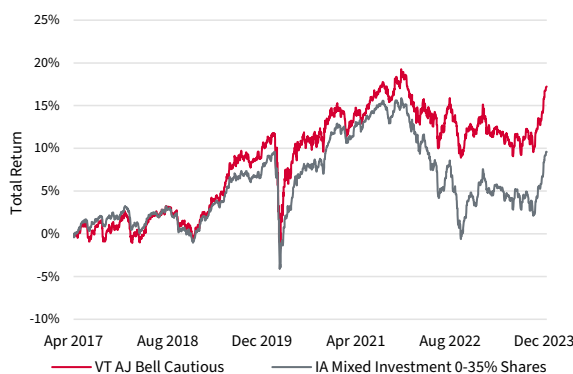
Last quarter	5.5
Year to Date	5.0
1 Year	5.0

## Q4 2023 Stock Market Performance (in GBP)

United Kingdom	-15.9%
North America	32.2%
Japan	16.7%
Asia Emerging	10.1%
Asia Developed	6.1%
Africa	2.2%
Other	3.7%



## Historic Performance



## Top 10 Holdings

	Weight (%)
Cash	16.5
Vanguard UK Investment Grade Bond Index	14.8
iShares Global Aggregate Bond ETF	10.0
Vanguard S&P 500 ETF	7.0
iShares ESG Overseas Corporate Bond Index	7.0
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	6.0
HSBC MSCI Emerging Markets ETF	5.1
Vanguard FTSE UK All-Share Index	4.4
Amundi MSCI Japan ETF	4.1
State Street Global High Yield Bond Screened Index	4.1

## Fund Snapshot

ISIN	GB00BYW8RV97
IA Sector	IA Mixed Investment 0-35% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	93.75
12 Month Yield (Reinvested)	2.38%

⚠ The value of investments can go down as well as up and you may get back less than you originally invested. We don't offer advice, so it's important that you understand the risks, if you're unsure please consult a suitably qualified financial adviser. Past performance is not a guide to future performance and some investments need to be held for the long term. Totals may not sum to 100% due to rounding. All returns are cumulative and calculated net of ongoing fees, but not including platform costs.

# VT AJ Bell Moderately Cautious Q4 2023 Report

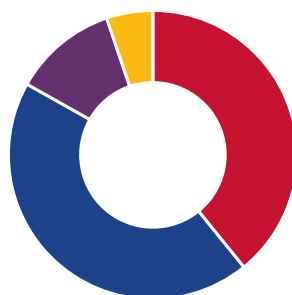
## Commentary

The mood in markets changed swiftly over the quarter as inflation readings declined quicker than expected. This brought the possibility of rate cuts from major Central Banks into sharper focus, and led to a rally in most global bond and stock markets. After a couple of more difficult quarters, particularly for government bonds, bond holdings across the portfolio performed well. Riskier corporate bonds also ended the year well, making them one of the best-performing areas of the bond market in 2023.

The wider UK stock market, which hosts some large international oil companies, was weighed down in the fourth quarter by a falling oil price and ended 2023 as a laggard to Developed peers. Shares of more domestically focused UK companies and the UK property sector did perform particularly well, however, and much more in line with the rally taking place in other international stock markets.

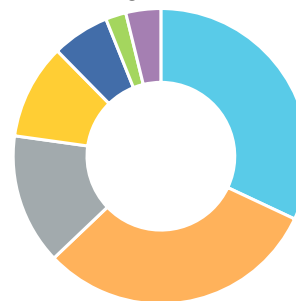
A good quarter for most asset classes left the fund 5.5% higher for Q4, and made up most of the 6.5% achieved in 2023.

Asset Breakdown



Shares	39.2%
Bonds	44.0%
Cash	11.7%
Other	5.2%

Shares Regional Breakdown



United Kingdom	32.0%
North America	30.9%
Japan	14.3%
Asia Emerging	10.4%
Asia Developed	6.3%
Africa	2.2%
Other	3.8%

Shares Sector Breakdown



Technology	16.9%
Financial Services	15.0%
Industrials	10.7%
Consumer Cyclical	10.5%
Real Estate	9.3%
Healthcare	9.2%
Consumer Defensive	8.2%
Other	20.2%

Bond Maturity Breakdown

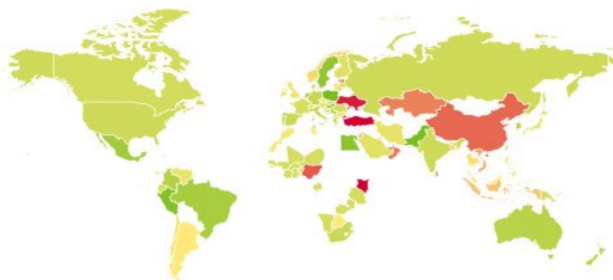


Less than 1 Year	1.5%
1-3 Years	21.9%
3-5 Years	21.3%
5-7 Years	21.3%
7-10 Years	13.7%
10-15 Years	8.2%
15-20 Years	4.2%
20-30 Years	6.1%
30+ Years	1.9%

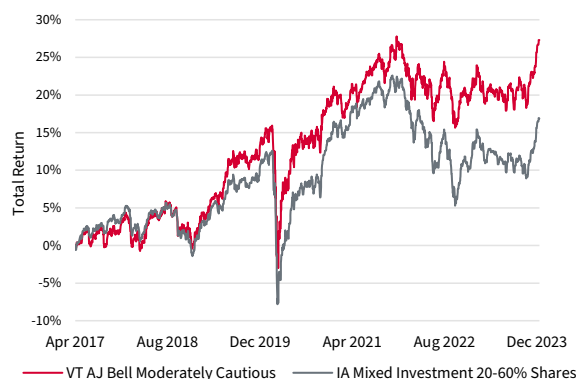
## Trailing Returns (%)

Last quarter	5.5
Year to Date	6.5
1 Year	6.5

## Q4 2023 Stock Market Performance (in GBP)



## Historic Performance



## Top 10 Holdings

	Weight (%)
GB & NI 0.04125%	0.2
Vanguard S&P 500 ETF	12.7
Vanguard UK Investment Grade Bond Index	12.3
Cash	11.5
Vanguard FTSE UK All-Share Index	10.9
HSBC MSCI Emerging Markets ETF	8.3
iShares ESG Overseas Corporate Bond Index	8.3
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	7.1
Amundi MSCI Japan ETF	5.9
iShares Global Aggregate Bond ETF	4.4

## Fund Snapshot

ISIN	GB00BYW8VJ55
IA Sector	IA Mixed Investment 20-60% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	290.67
12 Month Yield (Reinvested)	2.30%

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# VT AJ Bell Balanced Q4 2023 Report

## Commentary

The quarter brought a significant shift in interest rate expectations in the US, UK and Europe. Relieved that most of the pain of inflation-combatting measures may be behind us – and that economic conditions would be ‘softer’ instead of truly recessionary – most global stock and bond markets set off on a rally.

The rally in stock markets followed a similar pattern to that seen earlier in 2023; the US did well, the UK was weighed by weaker commodity prices, and China continued to struggle. One of the differences in Q4 was that Japanese shares started to lag, partly as a result of a stronger yen versus the US dollar, which reversed some of the ‘cheapness’ of the market for overseas investors. The allocation to UK property within the fund performed well, as economically sensitive assets bounced.

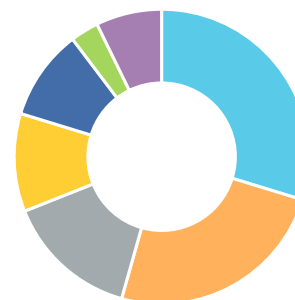
The quarterly return of 5.3% provided most of the return for 2023, and left the fund 6.7% higher for the year.

## Asset Breakdown



Shares	54.6%
Bonds	33.2%
Cash	7.1%
Other	5.1%

## Shares Regional Breakdown



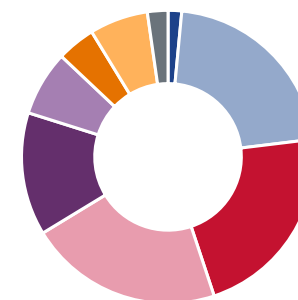
United Kingdom	29.7%
North America	24.6%
Asia Emerging	14.6%
Japan	10.8%
Asia Developed	9.9%
Africa	3.1%
Other	7.2%

## Shares Sector Breakdown



Financial Services	17.0%
Technology	16.4%
Consumer Cyclical	10.5%
Industrials	10.2%
Healthcare	8.7%
Consumer Defensive	8.2%
Real Estate	7.5%
Other	21.6%

## Bond Maturity Breakdown

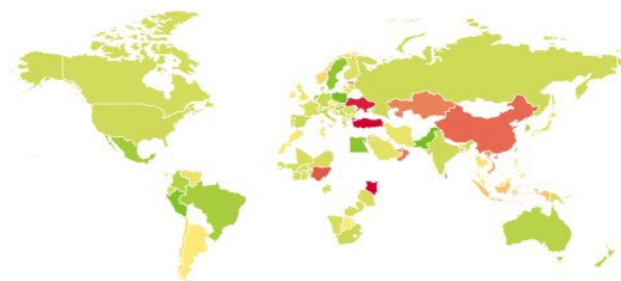


Less than 1 Year	1.5%
1-3 Years	21.6%
3-5 Years	21.8%
5-7 Years	21.4%
7-10 Years	13.6%
10-15 Years	7.2%
15-20 Years	4.2%
20-30 Years	6.5%
30+ Years	2.3%

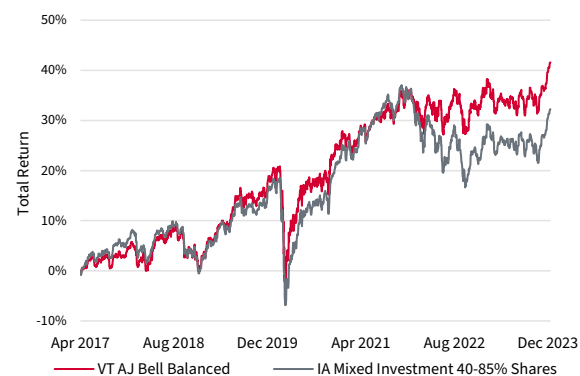
## Trailing Returns (%)

Last quarter	5.3
Year to Date	6.7
1 Year	6.7

## Q4 2023 Stock Market Performance (in GBP)



## Historic Performance



## Top 10 Holdings

Weight (%)	
HSBC MSCI Emerging Markets ETF	15.6
Vanguard FTSE UK All-Share Index	14.6
Vanguard S&P 500 ETF	13.8
iShares ESG Overseas Corporate Bond Index	8.8
Vanguard UK Investment Grade Bond Index	8.4
Cash	6.9
Amundi MSCI Japan ETF	6.1
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	5.2
iShares UK Property ETF	3.7
Vanguard USD Emerging Markets Government Bond ETF	2.9

## Fund Snapshot

ISIN	GB00BYW8RX12
IA Sector	IA Mixed Investment 40-85% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	823.66
12 Month Yield (Reinvested)	2.30%

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# VT AJ Bell Moderately Adventurous Q4 2023 Report

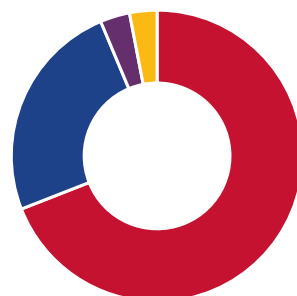
## Commentary

A global stock and bond market rally was sparked in the fourth quarter by shifting interest rate sentiment. From expecting the US Federal Reserve to hike rates once again, investors began to anticipate a series of rate cuts coming in 2024. And when officials at the Central Bank gave credibility to the suggestion, and inflation eased further, the rally extended into the traditional 'Santa rally' period, leaving the US stock market near all-time highs.

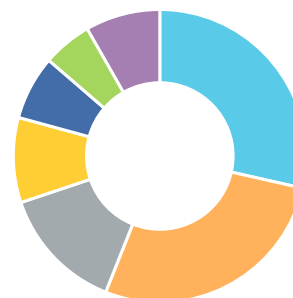
European shares followed closely behind, encouraged by the relief that the worst economic news may be over. After an initial shock from the Israel-Hamas conflict, the oil price fell back and weighed on the Energy sector, to which the UK stock market has a relatively high weighting. This underperformance left the UK market a laggard to Developed market peers throughout 2023. China was a significant outlier, with its stock market performing poorly as the country continued to grapple with the aftereffects of the pandemic and economic issues.

The fund ended the year well, with most stock markets up over the quarter, and a 5.2% return for Q4 lifted the 2023 return to 7.7%.

Asset Breakdown



Shares Regional Breakdown



Shares Sector Breakdown



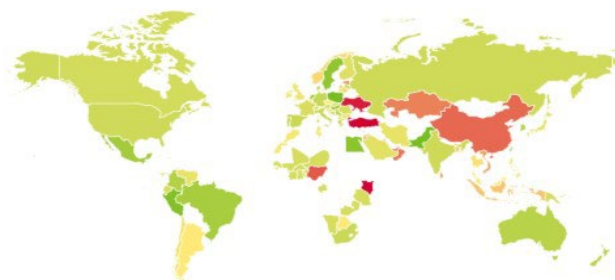
Bond Maturity Breakdown



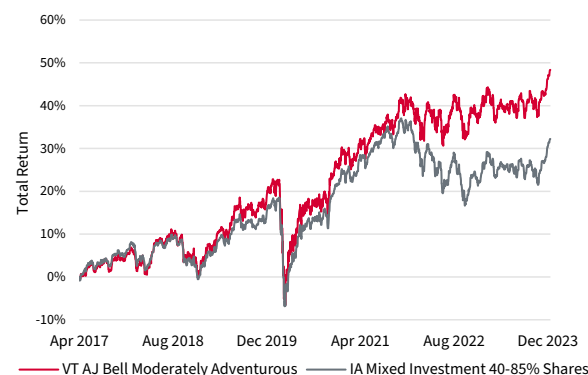
## Trailing Returns (%)

Last quarter	5.2
Year to Date	7.7
1 Year	7.7

## Q4 2023 Stock Market Performance (in GBP)



## Historic Performance



## Top 10 Holdings

	Weight (%)
Vanguard FTSE UK All-Share Index	17.7
Vanguard S&P 500 ETF	16.7
HSBC MSCI Emerging Markets ETF	14.6
Vanguard UK Investment Grade Bond Index	7.2
iShares ESG Overseas Corporate Bond Index	6.9
iShares Core MSCI Emerging Markets IMI ETF	5.2
Amundi MSCI Japan ETF	4.9
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	4.1
Cash	3.2
Xtrackers S&P Europe ex-UK ETF	3.0

## Fund Snapshot

ISIN	GB00BYW8VL77
IA Sector	IA Mixed Investment 40-85% Shares
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	606.95
12 Month Yield (Reinvested)	1.99%

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# VT AJ Bell Adventurous Q4 2023 Report

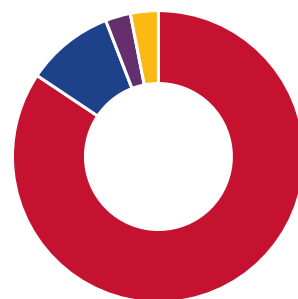
## Commentary

Stock markets ended the year on a strong note, partially rallying on suggestions that central banks would be cutting rates sometime in 2024 and so aiding economic conditions. A selection of large US companies had great sway over the direction of global stock markets more broadly in 2023. This trend relented in the final quarter, as a broader rally took hold across smaller companies and those with stronger links with the economic cycle.

Though smaller UK shares did participate in this rally, the wider UK market was weighed down by a poorly performing Energy sector, which followed the oil price lower. Despite continuing geopolitical tensions, currently centred around Israel and Gaza, the oil price responded to further evidence of global economic weakness, indicative of weaker demand for the fuel. After a difficult 2022, in common with most other stock markets, Chinese shares failed to reverse course in 2023 and were a point of weakness for the fund.

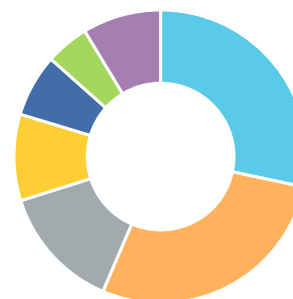
The final quarter return of 5.0% capped a good year for fund performance, leaving the 2023 return at 8.5%.

## Asset Breakdown



■ Shares	84.4%
■ Bonds	9.8%
■ Cash	2.8%
■ Other	3.1%

## Shares Regional Breakdown



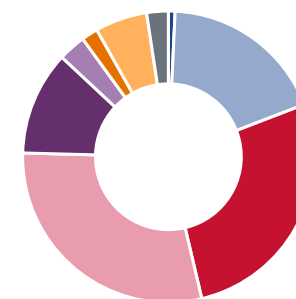
■ United Kingdom	28.3%
■ North America	28.1%
■ Asia Emerging	13.7%
■ Asia Developed	9.5%
■ Europe Developed	6.9%
■ Japan	4.8%
■ Other	8.6%

## Shares Sector Breakdown



■ Financial Services	17.5%
■ Technology	16.5%
■ Consumer Cyclical	10.4%
■ Industrials	10.3%
■ Healthcare	9.8%
■ Consumer Defensive	8.9%
■ Communication Services	6.6%
■ Other	20.2%

## Bond Maturity Breakdown

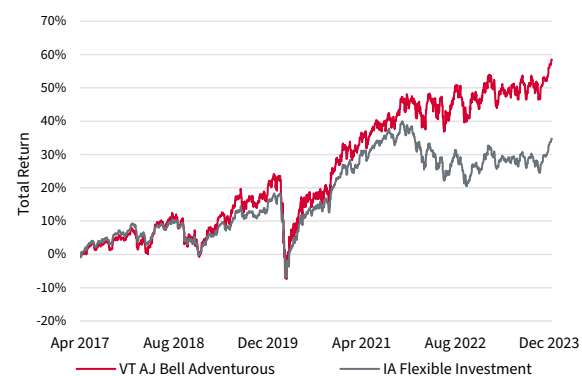


■ Less than 1 Year	0.7%
■ 1-3 Years	18.4%
■ 3-5 Years	27.2%
■ 5-7 Years	29.1%
■ 7-10 Years	11.5%
■ 10-15 Years	3.0%
■ 15-20 Years	1.8%
■ 20-30 Years	5.8%
■ 30+ Years	2.4%

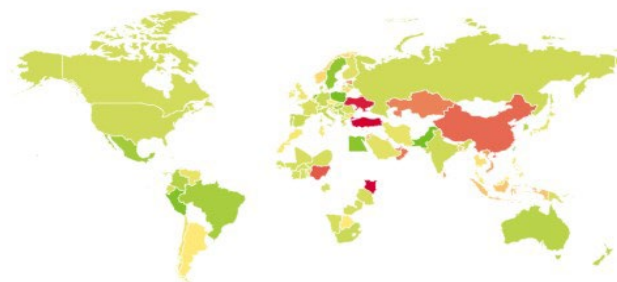
## Trailing Returns (%)

Last quarter	5.0
Year to Date	8.5
1 Year	8.5

## Historic Performance



## Q4 2023 Stock Market Performance (in GBP)



## Top 10 Holdings

	Weight (%)
Vanguard S&P 500 ETF	18.5
Vanguard FTSE UK All-Share Index	17.5
HSBC MSCI Emerging Markets ETF	17.1
Lyxor Core UK Equity All Cap ETF	7.3
iShares Core MSCI Emerging Markets IMI ETF	6.8
iShares Core S&P 500 ETF	5.0
Xtrackers S&P Europe ex-UK ETF	4.9
Amundi MSCI Japan ETF	4.0
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	3.5
Vanguard Pacific ex-Japan Stock Index	3.1

## Fund Snapshot

ISIN	GB00BYW8VG25
IA Sector	IA Flexible Investment
Inception Date	18/04/2017
Ongoing Charge	0.31%
Fund Size (£m)	465.39
12 Month Yield (Reinvested)	1.82%

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# VT AJ Bell Global Growth Q4 2023 Report

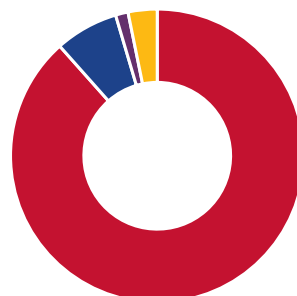
## Commentary

Declining inflation led most global stock markets into a relief rally in the fourth quarter. The good performance of Japanese shares earlier in the year stalled somewhat as the Japanese yen regained some strength versus major peers, making the market more expensive for overseas buyers. The UK stock market had pockets of good performance, such as more domestically focused small and mid-sized company shares, but the Energy sector was weighed down by a falling oil price. This headwind made the overall UK stock market underperform peers such as the US and Europe.

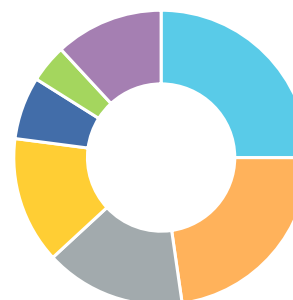
In Emerging markets, shares in India, Brazil and Taiwan performed well. In China, however, a large component of broad Emerging market and Asian stock market indices underperformed again. The Chinese economy appears to be suffering from several factors: the aftermath of the pandemic, reforms to the property sector aimed at curbing speculation and reliance on it for wider economic growth, and finally an unpredictability regarding regulation of large business listed on the stock market.

The fund ended the year with a 5.6% overall return, after a 4.3% return in the final quarter.

## Asset Breakdown



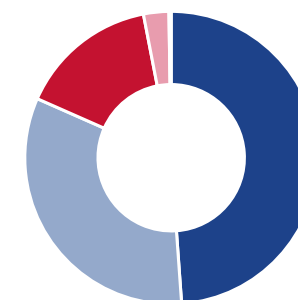
## Shares Regional Breakdown



## Shares Sector Breakdown



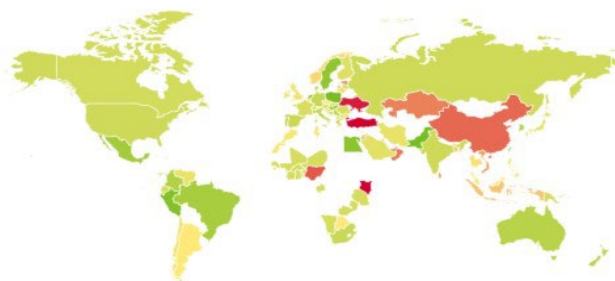
## Shares Market Cap



## Trailing Returns (%)

Last quarter	4.3
Year to Date	5.6
1 Year	5.6

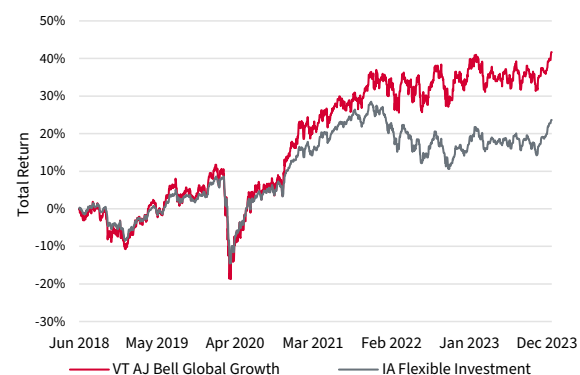
## Q4 2023 Stock Market Performance (in GBP)



## Top 10 Holdings

	Weight (%)
Vanguard FTSE UK All-Share Index	19.3
iShares Core MSCI Emerging Markets IMI ETF	18.8
HSBC MSCI Emerging Markets ETF	17.1
Vanguard S&P 500 ETF	13.3
Xtrackers S&P Europe ex-UK ETF	5.2
Vanguard Pacific ex-Japan Stock Index	5.1
Lyxor Core UK Equity All Cap ETF	3.9
State Street Global High Yield Bond Screened Index	3.5
Amundi MSCI Japan ETF	2.9
Franklin FTSE China ETF	2.9

## Historic Performance



## Fund Snapshot

ISIN	GB00BD833W40
IA Sector	IA Flexible Investment
Inception Date	11/06/2018
Ongoing Charge	0.31%
Fund Size (£m)	214.28
12 Month Yield (Reinvested)	1.92%

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Based on target weights at portfolio rebalance.

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