



Managed Portfolio Service

Passive Income MPS Quarterly Reports

As at 30/09/26

Market commentary:

Geopolitical risk remained central to markets during the third quarter, particularly developments in the Middle East. Disruption to energy flows through the Strait of Hormuz kept oil and gas markets under pressure and raised concerns about the reliability of other strategically important trade routes.

Bond markets

Higher energy prices complicated the inflation outlook. Government bond yields rose across major developed markets as investors reassessed how quickly inflation might fall, and whether interest rates would need to remain higher for longer. Pressure was evident across the yield curve, reflecting a combination of changing policy expectations, inflation uncertainty and concerns about government borrowing.

Central bank expectations consequently became more hawkish, although the policy picture was not uniform. Rates remained unchanged in the UK over the period, while the US, Europe and Japan recorded increases. This divergence reflected the difficult balance between responding to energy-driven inflation and avoiding unnecessary damage to economic growth. Economic activity nevertheless remained resilient. Leading indicators continued to suggest expansion across most major developed and emerging economies, while stronger energy prices accounted for much of the increase in headline inflation. Other components, including services inflation in the US and UK, remained comparatively contained during the period.

Equity markets

Artificial intelligence also remained a major influence on equity markets, although leadership became less straightforward. Semiconductor and hardware companies experienced periods of volatility as investors reassessed valuations, capital expenditure and the durability of demand. Earnings remained supportive in many areas, but performance increasingly depended on where companies and markets sat within the AI supply chain.

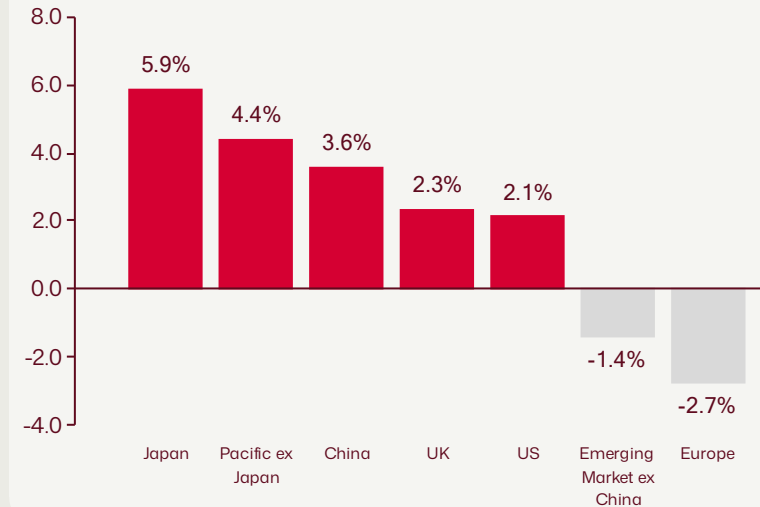
This produced greater variation between regions and sectors rather than a simple divide between developed and emerging markets. Economies with substantial semiconductor exposure remained sensitive to shifts in AI sentiment, while energy companies benefited from stronger commodity prices. The quarter therefore underlined the limitations of relying on a single regional or thematic source of returns.

Outlook

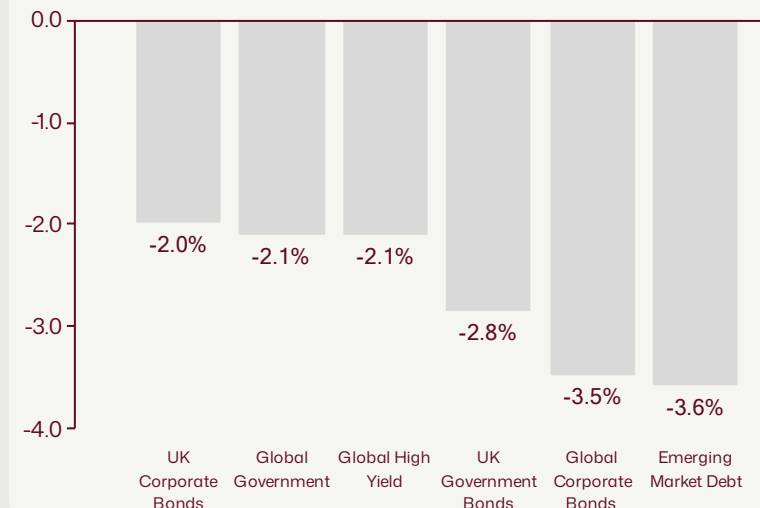
Looking ahead, energy supply, inflation and monetary policy are likely to remain closely connected. Further disruption to critical shipping routes could place renewed pressure on prices and reduce the scope for central banks to ease policy. At the same time, resilient economic activity and company earnings provide support for risk assets.

The quarter reinforced the case for diversification across asset classes, regions and sectors. With interest rate expectations and equity market leadership capable of changing quickly, portfolios should be constructed for a range of outcomes rather than positioned around a single forecast.

Equity performance - last quarter



Fixed income performance - last quarter



Portfolio commentary

Q3 proved a quarter of meaningful divergence within the portfolio due to rising yields.

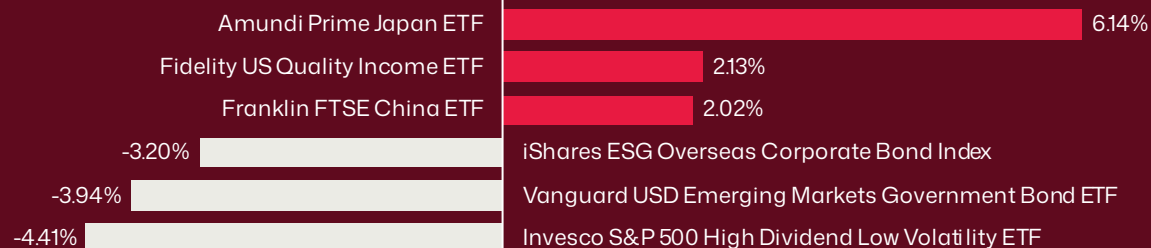
The most significant detractor was the Invesco S&P 500 High Dividend Low Vol ETF, which fell against a positive US equity market due to its overweight to utilities and other interest rate sensitive sectors - the very characteristics that drove its outperformance in Q1 became a material headwind as sovereign yields rose sharply. By contrast, the Fidelity US Quality Income ETF holds companies with durable earnings and strong balance sheets proving far more resilient in a rising yield environment. The contrast between the two US allocations was the defining story of the quarter and illustrates the benefit of income style diversification within the portfolio.

Elsewhere within equities, Japan was a strong contributor benefiting from robust earnings growth, while the Fidelity Emerging Markets Quality Income ETF delivered an encouraging 1.70%, outperforming its benchmark as quality characteristics within Emerging Markets provided shelter from the broader EM weakness. Both European income allocations outperformed the benchmark considerably, the quality dividend tilt proving advantageous as European equities came under pressure. China advanced modestly, while Emerging Markets ex-China weighed on returns.

Within fixed income, the picture was broadly negative. Emerging market hard currency debt and corporate bonds detracted as rising yields outweighed coupon income. Short-dated US TIPS and UK index-linked gilts were the exceptions, proving relatively resilient, while the ultrashort bond allocation delivered a positive return and provided stability through the quarter.

Overall, AJ Bell Passive Income MPS 1 returned -0.5% over Q3.

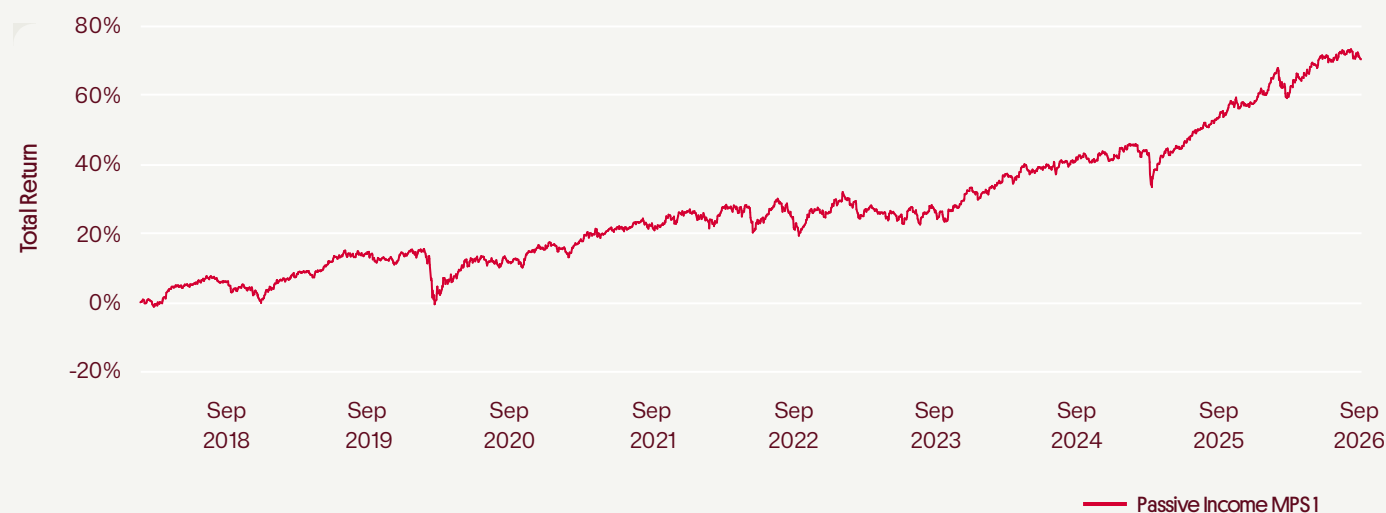
Q3 2026 best/worst performers



Performance

Cumulative	3 months	6 months	1 year	3 years	5 years	Since inception
Passive Income MPS 1	-0.46%	5.90%	10.90%	34.55%	39.12%	70.36%

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



Portfolio snapshot

Number of holdings	18
Inception date	19 Feb 2018
Underlying OCF	0.19%
Annual Investment Management Charge	0.12%*
Indicative Total OCF	0.31%

Top 10 holdings

Holding	Weight
Invesco S&P 500 High Dividend Low Volatility ETF	15.00%
iShares Core FTSE 100 ETF	13.50%
Fidelity US Quality Income ETF	10.50%
iShares US TIPS 0-5yr	8.00%
Amundi Prime Japan ETF	6.00%
Invesco GBP Corporate Bond ETF	6.00%
Fidelity Emerging Markets Quality Income ETF	5.00%
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	5.00%
Vanguard USD Emerging Markets Government Bond ETF	5.00%
iShares ESG Overseas Corporate Bond Index	4.00%

Lower risk

Higher risk

1

2

3

4

5

6

Typically lower rewards

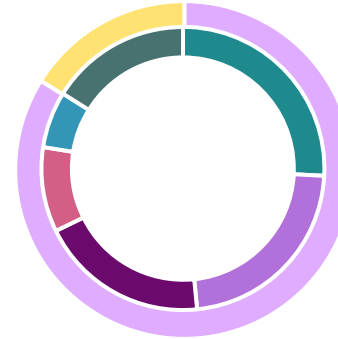
Typically higher rewards

Asset allocation (%)



Equity	62.00%
North America equity	25.50%
UK equity	13.50%
Europe ex-UK equity	6.00%
Japan equity	6.00%
Emerging markets equity	5.00%
China equity	3.00%
Emerging markets ex-China equity	3.00%
Fixed Income	35.00%
Global government bonds (GBP hedged)	8.00%
Global high yield bonds (GBP hedged)	7.00%
UK corporate bonds	6.00%
Emerging market debt	5.00%
Global corporate bonds (GBP hedged)	4.00%
UK index-linked gilts	3.00%
UK government bonds	2.00%
Cash	3.00%

Fixed income breakdown (%)



GBP Bonds	83.87%
Global government bonds (GBP hedged)	25.81%
Global high yield bonds (GBP hedged)	22.58%
UK corporate bonds	19.35%
UK index-linked gilts	9.68%
UK government bonds	6.45%
International Bonds	16.13%
Emerging market debt	16.13%

Equity breakdown (%)



Sector	Weight
Financial Services	19.14%
Technology	16.64%
Consumer Defensive	9.76%
Industrials	9.49%
Healthcare	8.02%
Energy	7.31%
Communication Services	7.20%
Consumer Cyclical	6.56%
Real Estate	6.05%
Utilities	5.66%
Basic Materials	4.15%

Portfolio commentary

Q3 produced a tale of two income strategies, with the portfolio's positioning delivering sharply divergent outcomes depending on geography and sector composition.

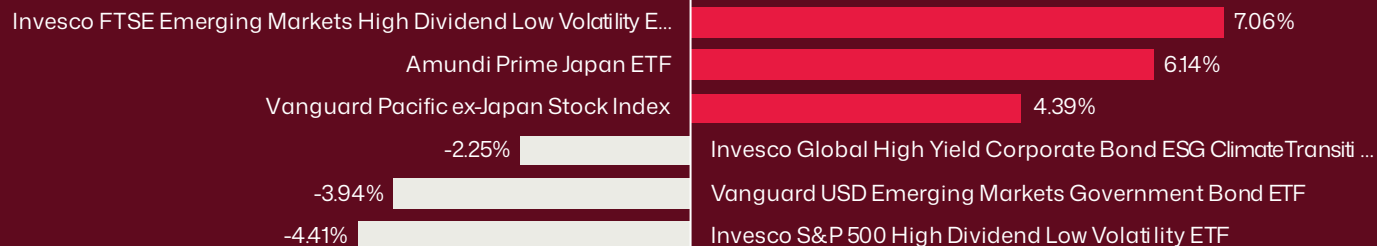
The contrast within US equities was the most striking. The Invesco S&P 500 High Dividend Low Volatility ETF fell against a broadly positive US equity market, its structural concentration in utilities and other rate-sensitive sectors proving a significant headwind as sovereign yields rose sharply. The Fidelity US Quality Income ETF, by contrast, was positive with its focus on companies with strong balance sheets, growing dividends and diversified sector exposure making it considerably less sensitive to the rise in yields.

The most surprising outperformer was the Invesco FTSE Emerging Markets High Dividend Low Volatility ETF, which delivered an impressive 7.06%. Unlike its US equivalent, this fund's high dividend exposure is driven predominantly by energy, financials and materials, rather than utilities and real estate sectors, that benefited directly from rising oil prices and the higher rate environment in Q3. Japan and Asia Pacific ex-Japan both added positively. European income allocations outperformed the broader European index considerably, their quality dividend tilts providing shelter from regional weakness.

Within fixed income, emerging market hard currency debt and global high yield both detracted as rising yields weighed, though the higher coupon income from high yield provided a partial buffer.

Overall, AJ Bell Passive Income MPS 2 returned 0.8% over Q3.

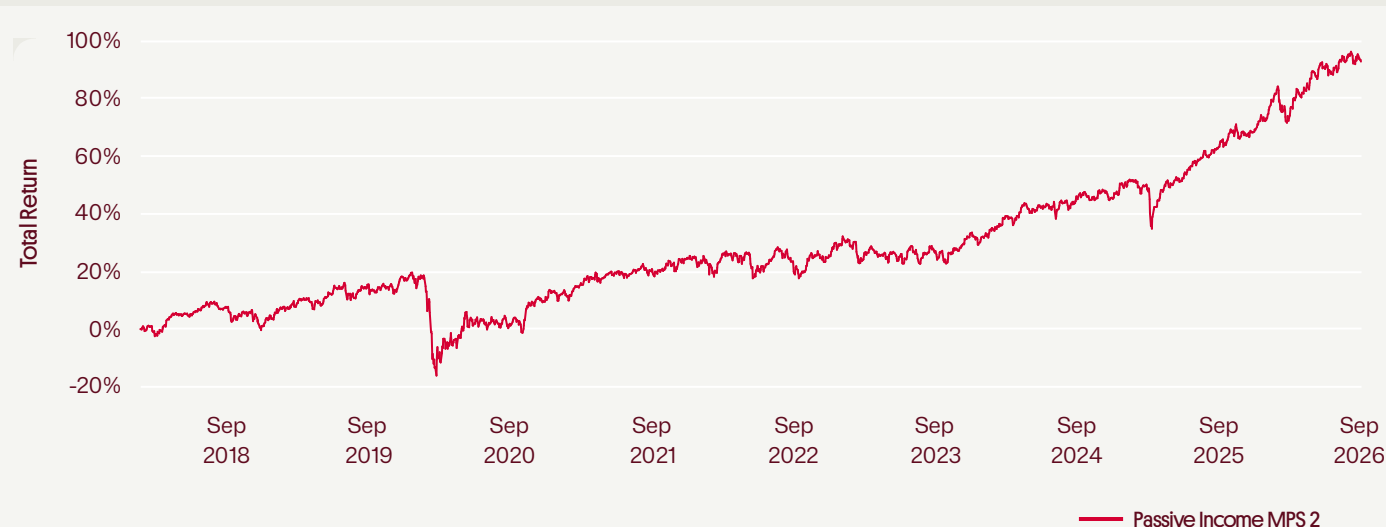
Q3 2026 best/worst performers



Performance

Cumulative	3 months	6 months	1 year	3 years	5 years	Since inception
Passive Income MPS 2	0.81%	10.77%	18.10%	51.79%	60.03%	92.88%

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



Portfolio snapshot

Number of holdings	11
Inception date	19 Feb 2018
Underlying OCF	0.26%
Annual Investment Management Charge	0.12%*
Indicative Total OCF	0.38%

Top 10 holdings

Holding	Weight
iShares Core FTSE 100 ETF	21.00%
Fidelity Emerging Markets Quality Income ETF	17.50%
Fidelity US Quality Income ETF	15.00%
Invesco S&P 500 High Dividend Low Volatility ETF	15.00%
Amundi Prime Japan ETF	6.00%
Franklin Templeton European Quality Dividend ETF	5.00%
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	5.00%
iShares MSCI Europe Quality Dividend ETF	5.00%
Invesco FTSE Emerging Markets High Dividend Low Volatility ETF	3.50%
Vanguard Pacific ex-Japan Stock Index	3.00%

Lower risk

Higher risk

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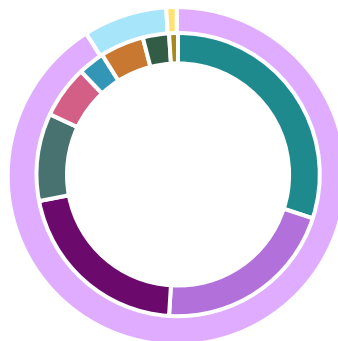
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Typically lower rewards

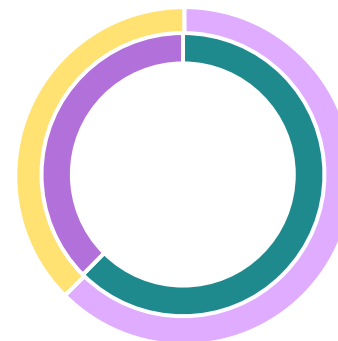
Typically higher rewards

Asset allocation (%)



Equity	91.00%
North America equity	30.00%
Emerging markets equity	21.00%
UK equity	21.00%
Europe ex-UK equity	10.00%
Japan equity	6.00%
Asia Pacific ex-Japan equity	3.00%
Fixed Income	8.00%
Global high yield bonds (GBP hedged)	5.00%
Emerging market debt	3.00%
Cash	1.00%
Cash	1.00%

Fixed income breakdown (%)



GBP Bonds	62.50%
Global high yield bonds (GBP hedged)	62.50%
International Bonds	37.50%
Emerging market debt	37.50%

Equity breakdown (%)



Sector	Weight
Financial Services	20.93%
Technology	18.28%
Industrials	9.74%
Consumer Defensive	8.75%
Energy	7.52%
Healthcare	7.47%
Consumer Cyclical	6.32%
Communication Services	5.98%
Utilities	5.17%
Basic Materials	4.92%
Real Estate	4.92%

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 sector average 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.

Based on target weights at portfolio rebalance. Totals may not sum to 100% due to rounding.

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