



AJ Bell Funds Quarterly reports

As at 30 September 2026

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CG AJ Bell Income & Growth fund

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.

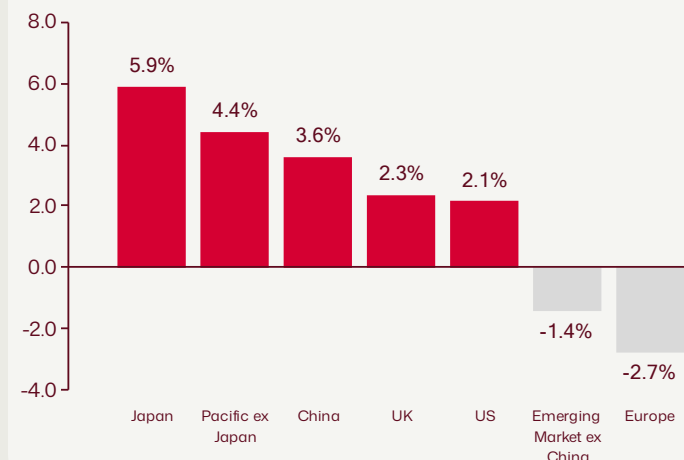
This produced greater variation between regions and sectors rather than a simple divide between developed and emerging markets. Economies with substantial semiconductor exposure remained sensitive to shifts in AI sentiment, while energy companies benefited from stronger commodity prices. The quarter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

Outlook

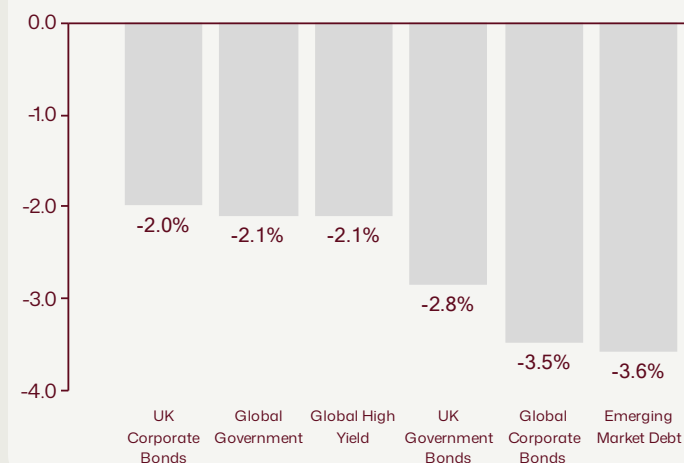
Looking ahead, energy supply, inflation and monetary policy are likely to remain closely connected. Further disruption to critical shipping routes could place renewed pressure on prices and reduce the scope for central banks to ease policy. At the same time, resilient economic activity and company earnings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



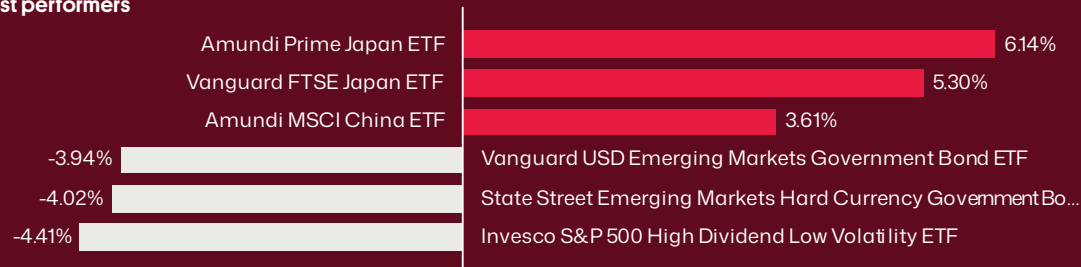
Portfolio commentary

The AJ Bell Income fund eked out -0.5% over Q3 but is up 11.3% so far this year. Rising government bond yields triggered by fears over inflation and interest rates made it a difficult period, because bond yields rise as bond prices fall. This spread to UK and global corporate bonds as well as emerging market bonds. However, we were well protected from the worst of this downturn by holding UK government bonds (gilts) with shorter maturities, which are less sensitive to inflation changes. We also invest in inflation-linked bonds in the US and UK, which had a positive return throughout the period.

Shares had a better quarter, supported by good performance in the US and UK. However, the utilities sector in the US dragged, which has a significant exposure in the fund due to its income opportunities.

Our other stock holdings, including Japan and Europe excluding the UK, added to the positive returns. The goal of the AJ Bell income fund is to provide an income of 3-5% of invested assets while keeping the value of the overall portfolio steady over any given three-year period, and we remain on track for this goal.

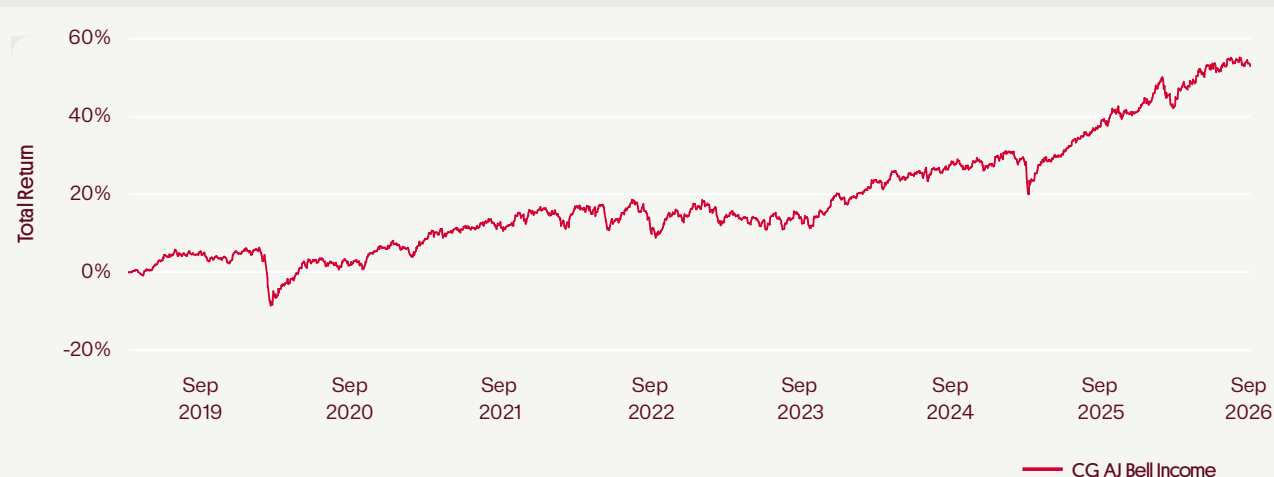
Q3 2026 best/worst performers



Performance

Cumulative	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Income	-0.46%	7.06%	11.28%	33.88%	35.40%	52.80%

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	23
Fund launch date	08 Apr 2019
Share class launch date	08 Apr 2019
Fund size	£75.51m
ISIN	(I Acc) GB00BH3W7446 (I Inc) GB00BH3W7552

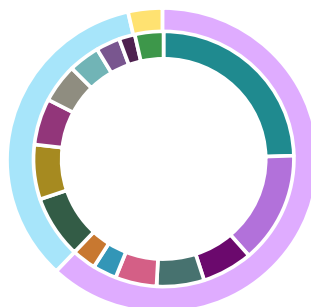
Top 10 holdings

Holding	Weight
iShares Core FTSE 100 ETF	14.04%
Fidelity US Quality Income ETF	13.43%
Invesco S&P 500 High Dividend Low Volatility ETF	11.18%
iShares US TIPS 0-5yr	7.91%
Invesco GBP Corporate Bond ETF	5.85%
Fidelity Emerging Markets Quality Income ETF	5.15%
Vanguard FTSE Japan ETF	4.35%
iShares ESG Overseas Corporate Bond Index	3.92%
State Street Emerging Markets Hard Currency Government Bond Index	3.61%
iShares MSCI Europe Quality Dividend ETF	3.13%

Risk profile

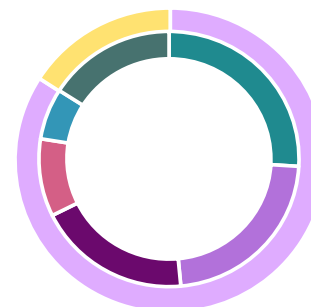
For investors who can tolerate short-term dips in portfolio value and understand the importance of investing for the long term to help in achieving higher overall returns. The portfolio invests in funds and exchange traded funds (ETFs), using a defined strategic asset allocation process to deliver returns while meeting the targeted level of risk.

Asset allocation (%)



Equity	62.00%
North America equity	24.61%
UK equity	14.04%
Japan equity	6.30%
Europe ex-UK equity	5.93%
Emerging markets equity	5.15%
Emerging markets ex-China equity	2.99%
China equity	2.98%
Fixed Income	34.43%
Global government bonds (GBP hedged)	7.91%
Global high yield bonds (GBP hedged)	6.91%
UK corporate bonds	5.85%
Emerging market debt	4.88%
Global corporate bonds (GBP hedged)	3.92%
UK index-linked gilts	3.00%
UK government bonds	1.98%
Cash	3.57%

Fixed income breakdown (%)



GBP Bonds	84.02%
Global government bonds (GBP hedged)	25.91%
Global high yield bonds (GBP hedged)	22.63%
UK corporate bonds	19.18%
UK index-linked gilts	9.82%
UK government bonds	6.49%
International Bonds	15.98%
Emerging market debt	15.98%

Equity breakdown (%)



Sector	Weight
Financial Services	19.16%
Technology	18.44%
Industrials	9.97%
Consumer Defensive	9.00%
Healthcare	8.11%
Communication Services	7.13%
Consumer Cyclical	6.97%
Energy	6.88%
Real Estate	4.98%
Utilities	4.95%
Basic Materials	4.39%

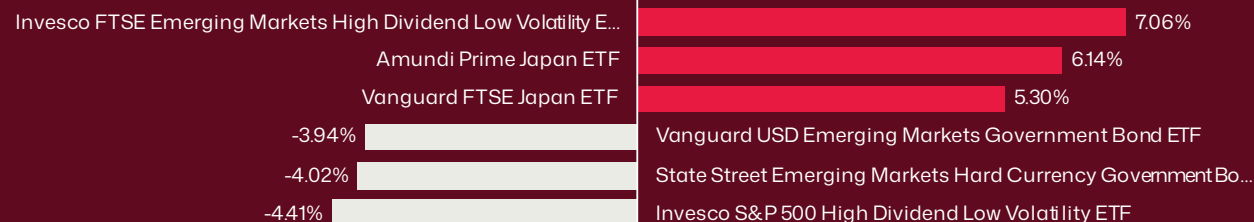
Portfolio commentary

The AJ Bell Income and Growth fund returned 0.5% in the third quarter, with a tough period for bond markets balanced out by a strong performance from energy companies. Government bonds were out of favour in the quarter as investors demanded a higher return for the risks of lending, causing lower bond prices. This trickled into the performance of corporate and emerging market debt as well, but our fund was positioned well to minimise the impact.

Stocks in the US and UK made steady gains as markets came to terms with the ongoing US-Iran war. However, the US utilities sector, which has a significant presence in the fund due to the income it provides, became less appealing to investors versus higher bond yields and cash. Those following the headlines may have seen that it was a difficult quarter for emerging markets, but for income-focused companies within this space, it was a positive quarter because of a heavy weighting towards the energy sector.

While returns this quarter were smaller, the fund is still on track for its goal to pay investors a yield while growing the investment value in pace with inflation.

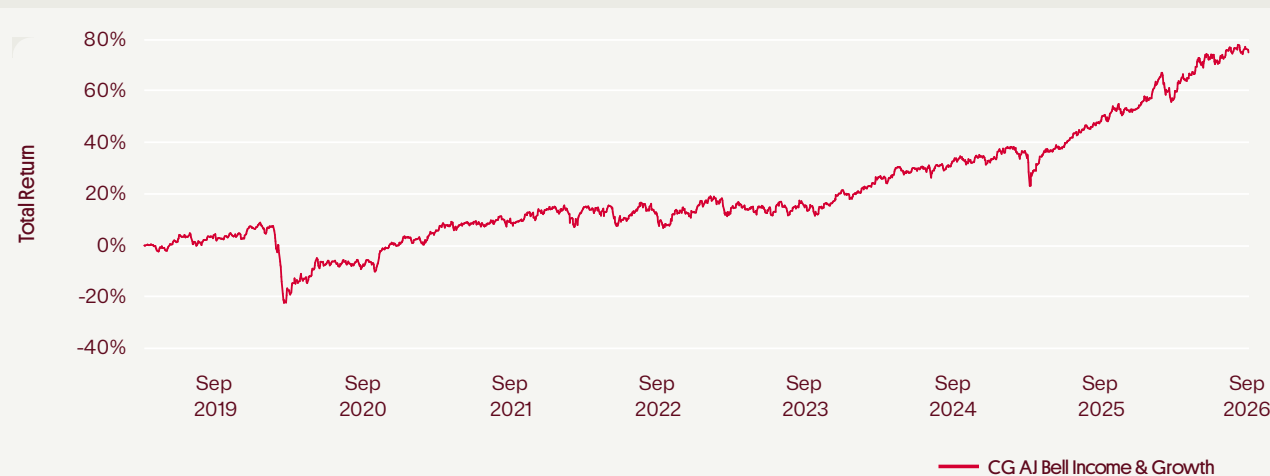
Q3 2026 best/worst performers



Performance

Cumulative	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Income & Growth	0.45%	11.02%	18.03%	51.42%	58.38%	74.93%

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	17
Fund launch date	08 Apr 2019
Share class launch date	08 Apr 2019
Fund size	£153.84m
ISIN	(I Acc) GB00BH3V7883
	(I Inc) GB00BH3V7990

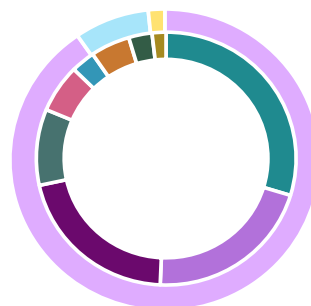
Top 10 holdings

Holding	Weight
Fidelity Emerging Markets Quality Income ETF	17.61%
iShares Core FTSE 100 ETF	16.73%
Invesco S&P 500 High Dividend Low Volatility ETF	15.60%
Fidelity US Quality Income ETF	14.09%
iShares MSCI Europe Quality Dividend ETF	4.97%
Franklin Templeton European Quality Dividend ETF	4.75%
Vanguard FTSE UK All-Share Index	4.13%
Invesco FTSE Emerging Markets High Dividend Low Volatility ETF	3.44%
Amundi Prime Japan ETF	3.41%
Vanguard Pacific ex-Japan Stock Index	2.97%

Risk profile

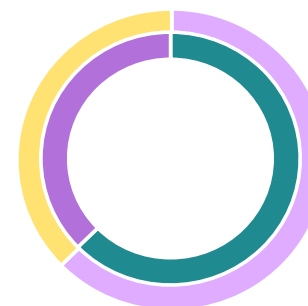
For investors who favour capital growth and regular dividend payments through a higher allocation to equities. Investors should understand the risk reward relationship that entails over the short, medium, and long term. The fund predominantly invests in funds, and exchange traded funds (ETFs), using a defined strategic asset allocation process to deliver returns while meeting the targeted level of risk.

Asset allocation (%)



Equity	90.43%
North America equity	29.69%
Emerging markets equity	21.05%
UK equity	20.86%
Europe ex-UK equity	9.72%
Japan equity	6.14%
Asia Pacific ex-Japan equity	2.97%
Fixed Income	7.83%
Global high yield bonds (GBP hedged)	4.91%
Emerging market debt	2.92%
Cash	1.74%
Cash	1.74%

Fixed income breakdown (%)



GBP Bonds	62.67%
Global high yield bonds (GBP hedged)	62.67%
International Bonds	37.33%
Emerging market debt	37.33%

Equity breakdown (%)



Sector	
Financial Services	20.88%
Technology	18.07%
Industrials	9.76%
Consumer Defensive	8.84%
Energy	7.43%
Healthcare	7.41%
Consumer Cyclical	6.41%
Communication Services	5.93%
Utilities	5.25%
Real Estate	5.10%
Basic Materials	4.92%

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.

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

The Dynamic Planner Risk Target Managed (RTM) scheme has risk profile bands ranging from 3-8, with 8 being the highest. It is based upon proprietary research and analysis of the long-term forecast returns and volatility of the Dynamic Planner asset and risk model. The risk profile assessment is reviewed independently by Dynamic Planner on an ongoing quarterly basis. Dynamic Planner is the brand name of the software system powered by Distribution Technology (DT). Copyright © Distribution Technology Ltd 2018 onwards.

FinaMetrica risk tolerance scores were mapped to the funds' strategic asset allocations. The mappings are only for use by financial advisors licensed to use FinaMetrica Risk Profiling system, are for guidance purposes only and do not constitute financial or investment advice.

EValue Limited ("EValue") owns the Funds Risk Assessor solution, which can be used to measure the risk rating of an investment fund or portfolio of investment funds. The AJ Bell Growth Funds were assessed on the EValue standard 1-10 rating scale across a 10 year time horizon.

Defaqto is a financial information business. AJ Bell has received a Defaqto Risk Rating and has been 5 Diamond Rated for its AJ Bell Funds Quarterly Reports Fund.

The Synaptic Risk Rating Service is derived from the risk framework provided by Moody's Analytic's Stochastic engine. The AJ Bell Funds have been assessed on the Synaptic Risk Stamp 1-10 rating scale.

The Oxford Risk forward-looking risk estimates and mapped risk bands for the AJ Bell Funds can be expressed using five or seven bands.

The assigned risk profiles do not indicate a promise, forecast or illustration of future volatility or returns nor represent investment advice or a recommendation to buy or sell units/shares in a fund or portfolio.

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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.

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