

Managed Portfolio Service

'Pactive' MPS Quarterly Reports

As at 31/03/2024

Welcome to the AJ Bell 'Pactive' MPS quarterly reports. These portfolios aim to deliver simple, transparent, and low-cost investment solutions, focusing on long-term capital growth. The range offers varying levels of risk, with capital return expectations that are regularly reviewed and updated to maintain risk targets.

The AJ Bell investment management team uses a blend of index-tracking and active securities to implement the 'Pactive' MPS. This is done through holding the AJ Bell funds and other active funds, gaining exposure to the investment themes and sectors that we see as driving growth across capital markets. The portfolios are well-diversified and managed with a long-term approach, with an aim to balance costs and returns.



This portfolio is managed by AJ Bell Asset Management Limited. This information is for indicative purposes only and is not intended and should not be construed as investment advice. If you are unsure please consult your financial adviser. The information presented in this document has been taken from the sources stated and is believed to be correct at the time of writing, however this cannot be guaranteed and we are not liable for any subsequent changes. Portfolio data is based on target weights at portfolio rebalance. Transaction costs are excluded from Ongoing Charge Figure (OCF). For further details of all applicable costs, visit www.investcentre.co.uk. The value of investments can go down as well as up and you may get back less than you originally invested. Past performance is not a guide to future performance and some investments need to be held for the long term.

Managed Portfolio Service

Market commentary

As at 31/03/2024

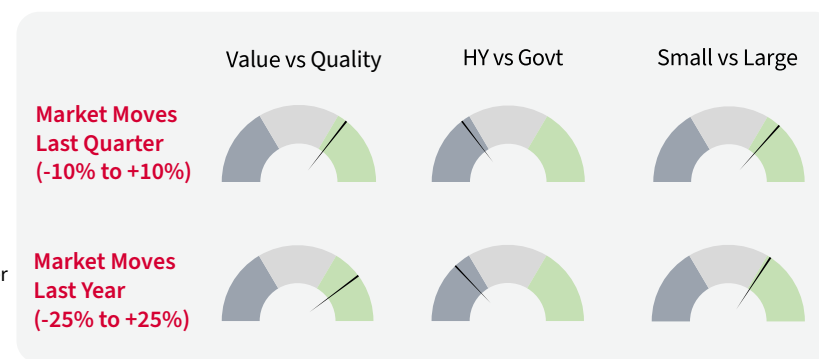
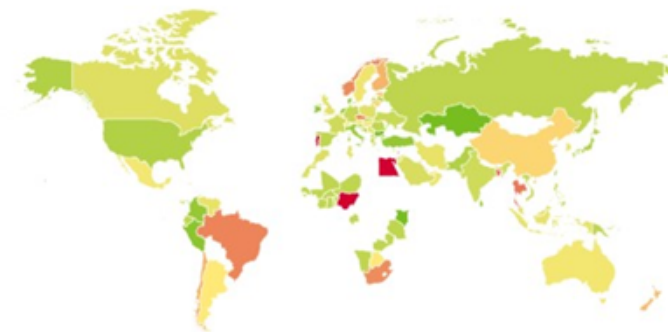
Last quarter we mentioned markets may be looking to turn a corner after being on ‘recession watch’ for much of the last two years. Data now confirms, subject to revision of course, that the UK experienced a technical recession in the second half of 2023¹. Notably the US and many other economies appear to have avoided such a fate and the mention of a recession appears less frequent from forecasters and the media; instead the focus has shifted to a possible ‘reacceleration’. Global economic data during the first quarter aided this narrative, which provided fuel for a further rally in risk assets and gave pause for thought regarding how quickly major Central Banks would cut interest rates this year.

The market went into 2024 expecting up to six interest rate cuts from the US Federal Reserve this year, however by the end of the quarter the consensus had shifted to be more aligned with policy makers’ expectations of just three cuts. This, and two higher than expected US inflation prints, conspired to shift yields higher across the US curve. Most global government bond yields followed, however shorter-dated yields in the UK were kept in check by inflation readings⁴ that came in a touch below expectations. In corporate bonds, credit spreads tightened to provide insulation from the move higher in rates.

Developed equity markets had a strong start to the year. Japanese equities-maintained momentum as the sense of change to inflation dynamics in the country, coupled with long-running corporate reform, continued to attract international investor attention. In the US, some of the ‘magnificent seven’ fell by the wayside and a broader rally ensued, encompassing sectors such as Energy and Financials, albeit with Nvidia continuing to lead the way and dominating the headlines. UK equities participated in the rally, however lagged behind the peer group. Larger companies generally fared better than mid- and small-cap components, particularly in the UK. Emerging market equities had another quarter of varied returns, with India and Taiwan performing well, whilst markets in Brazil and South Africa struggled. Chinese equities fell sharply in the first couple of weeks of the year, then staged a strong rebound into the quarter end on the back of improving economic data and interventionist rhetoric from policymakers. Indian equities did well but were outshone by their developed market peers.

Within alternatives, listed UK Property came under pressure from rising bond yields. In commodity markets, the oil price responded positively to better-than-expected global activity data, even although supply remains marred by security incidents in the Middle East and the ongoing conflict between Russia and Ukraine. The gold price reached a record high as some countries increasingly view it as a ‘safe haven’ alternative to parking cash in the US dollar banking system.

A spritely start to the year for equities puts investors at ease at a time when there is plenty on the agenda. In the US, aside from the smaller regional banks coming under strain from higher rates and declining real estate values, the broader economy has weathered higher interest rates impressively. The outlook appears predicated on that remaining the case whilst simultaneously providing the Fed the opportunity to lower interest rates. As summer approaches, elections and their policy machinations should come into sharper focus, bringing with them the usual background noise.



AJ Bell Pactive MPS 1

As of 31/03/2024

Portfolio Commentary

The year started with bond markets coming under renewed pressure. After two higher-than-expected inflation prints in the US, there was a moderation of Fed rate cut expectations for this year. Longer duration bonds, such as the iShares USD Treasury Bond 20+ Year ETF, fared worst as the yield curve shifted higher. In corporate bonds, credit spreads tightened to provide insulation from the move higher in rates, and the allocation to high yield bonds continued to perform well. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund.

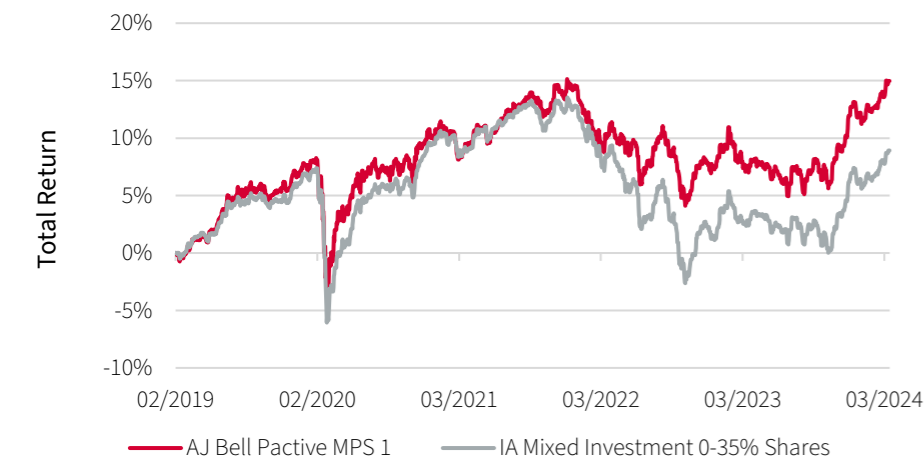
The positive tone in equity markets continued and was spurred on by improving economic data in several regions. Within the equity allocation, Japan and the US did well. The Artemis US Select fund was the best performer, as yet again the stock selection within the 'Magnificent Seven' was beneficial. The UK market lagged its peers over the quarter, however the JPM UK Equity Plus fund was able to give a more respectable performance.

Overall, the portfolio was up 1.6% over the quarter.

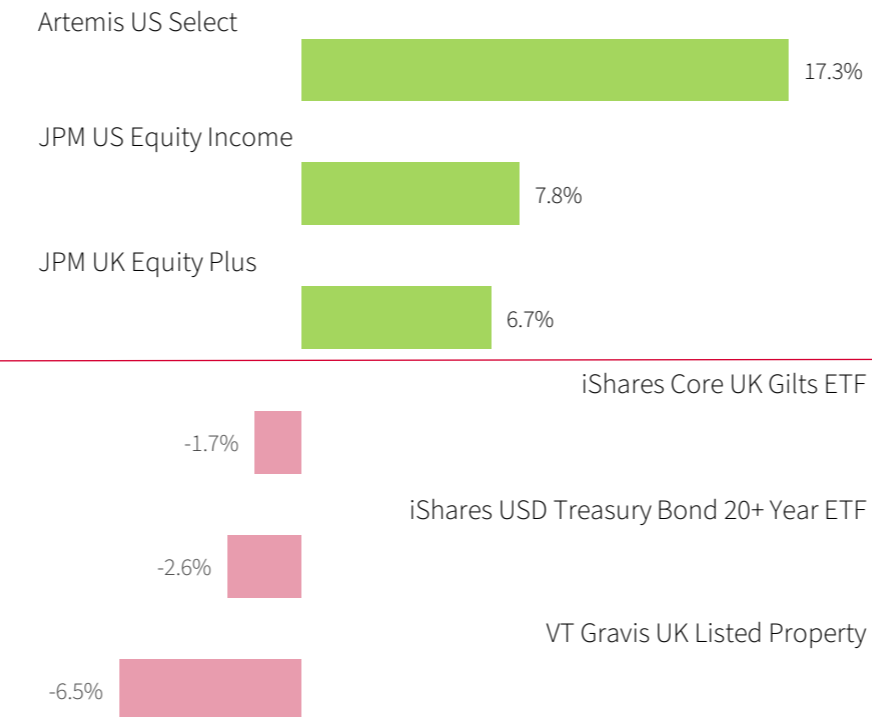
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 1	1.6	7.3	6.9	3.3	5.0	15.0
IA Sector	1.4	7.2	5.8	-0.3	-0.1	8.9

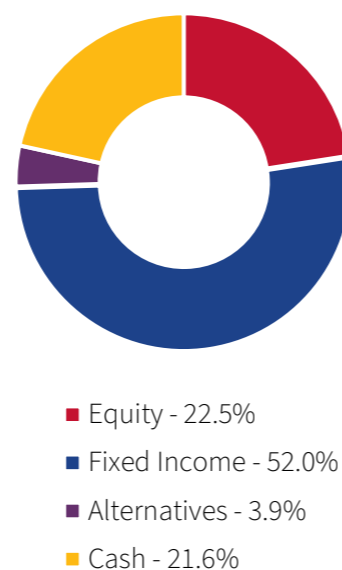
Cumulative Performance



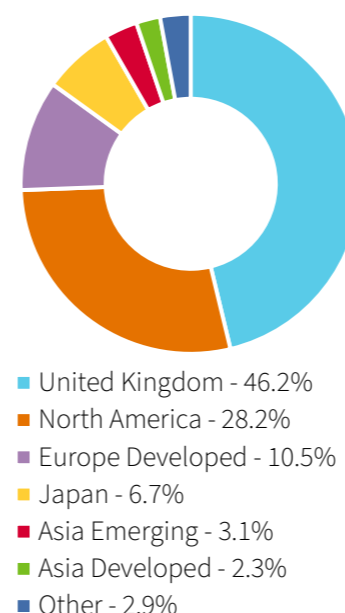
Q1 2024 Best/Worst Performers



Asset Breakdown



Regional Breakdown



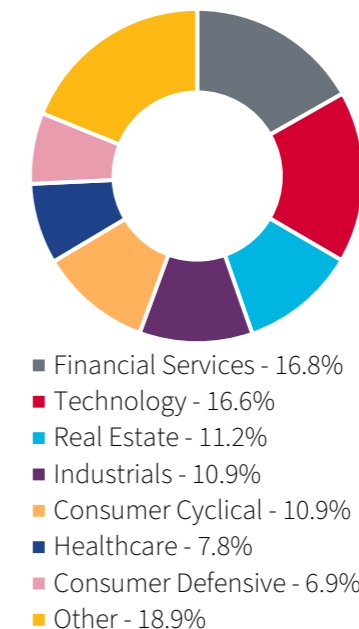
Portfolio Snapshot

Number of Holdings	16
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.47%

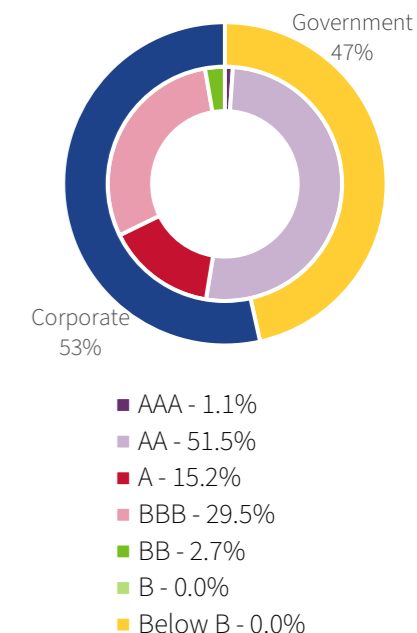
Top 10 Holdings

	Weight (%)
VT AJ Bell Cautious Fund	49.0
BlackRock Institutional Sterling Liquidity	9.0
iShares Core UK Gilts ETF	8.0
Artemis Corporate Bond	5.0
TwentyFour Corporate Bond	4.5
JPM UK Equity Plus	3.0
iShares USD Treasury Bond 20+ Year ETF	2.5
Capital Group Global Corporate Bond	2.5
Jupiter Japan Income	2.5
JPM Emerging Markets Income	2.5

Shares Sector Breakdown



Credit Quality Breakdown



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AJ Bell Pactive MPS 2

As of 31/03/2024

Portfolio Commentary

Global equity markets continued their rally in first quarter as optimism about the state of the global economy spread. Fixed income markets spent the quarter waiting for clearer indication of when and by how much rates in the UK and US will be cut this year. Longer duration bonds, such as the iShares USD Treasury Bond 20+ Year ETF, fared worst as the yield curve shifted higher. Credit spreads tightened again and subsequently corporate bonds outperformed government bonds, particularly high yield bonds, which had the added benefit of being shorter duration. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund.

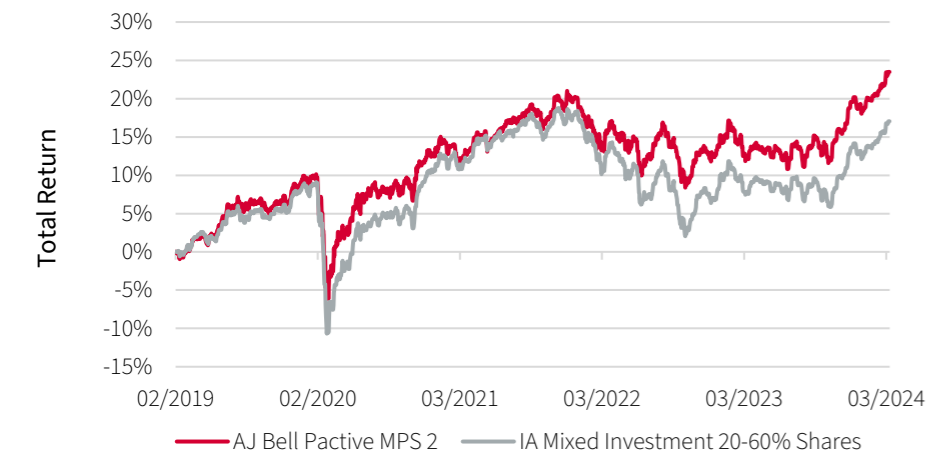
The equity market rally was broader in terms of sectors this quarter. Active funds in the US were the top performers within the portfolio, however they had a mixed performance relative to the index. The Artemis US Select fund was a particular highlight; its strong relative performance in part owing to stock selection within the 'Magnificent Seven'. Japanese equities continued to perform well, however the Jupiter Japan Income fund was not able to match the returns of the wider Japanese market.

Overall, the portfolio was up 2.7% over the quarter.

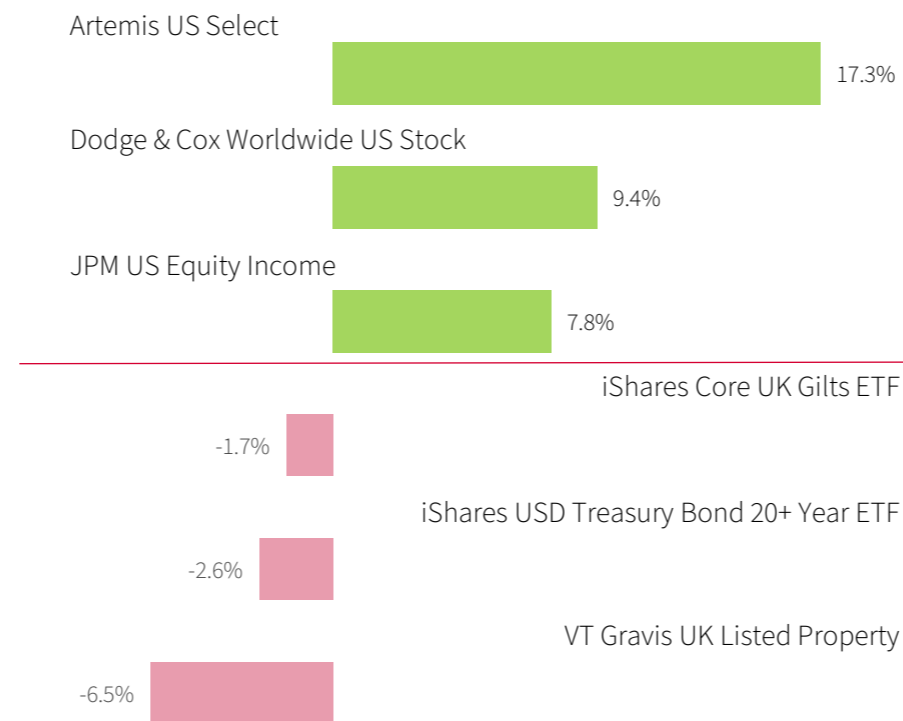
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 2	2.7	8.5	9.1	5.6	8.9	23.5
IA Sector	2.5	8.3	7.8	2.4	4.2	17.0

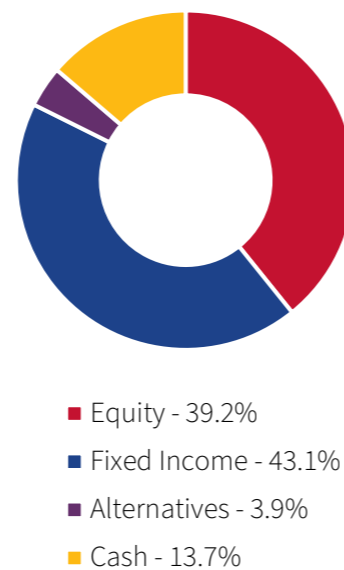
Cumulative Performance



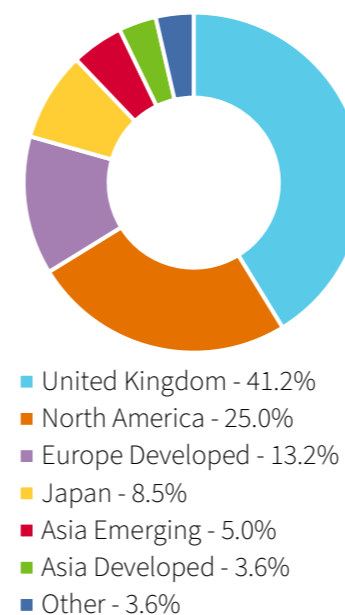
Q1 2024 Best/Worst Performers



Asset Breakdown



Regional Breakdown



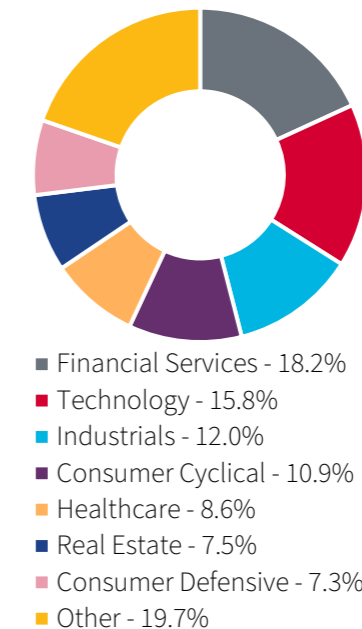
Portfolio Snapshot

Number of Holdings	19
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.53%

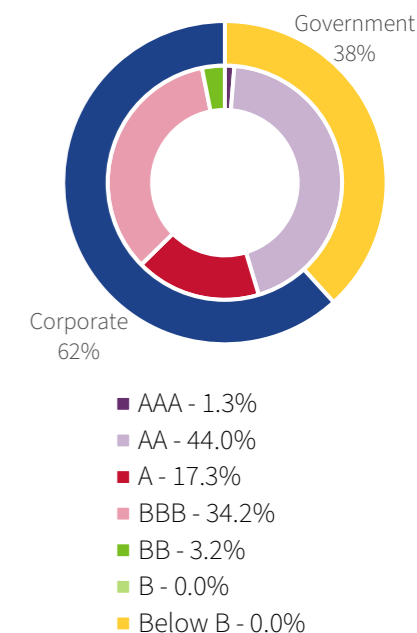
Top 10 Holdings

	Weight (%)
VT AJ Bell Moderately Cautious Fund	49.0
BlackRock Institutional Sterling Liquidity	5.0
iShares Core UK Gilts ETF	5.0
Artemis Corporate Bond	5.0
JPM UK Equity Plus	4.5
JPM Emerging Markets Income	4.5
TwentyFour Corporate Bond	4.0
Jupiter Japan Income	3.5
Invesco High Yield	3.0
Cash	2.0

Shares Sector Breakdown



Credit Quality Breakdown



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AJ Bell Pactive MPS 3

As of 31/03/2024

Portfolio Commentary

The quarter brought a significant shift in expectations regarding interest rates cuts in the US. This moved the US yield curve higher and most other global government bond yields followed. This was evident in the performance of the iShares Core UK Gilts ETF. Corporate bonds were shielded by a tightening of credit spreads and all holdings except the iShares ESG Overseas Corporate Bond were able to generate positive returns. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund.

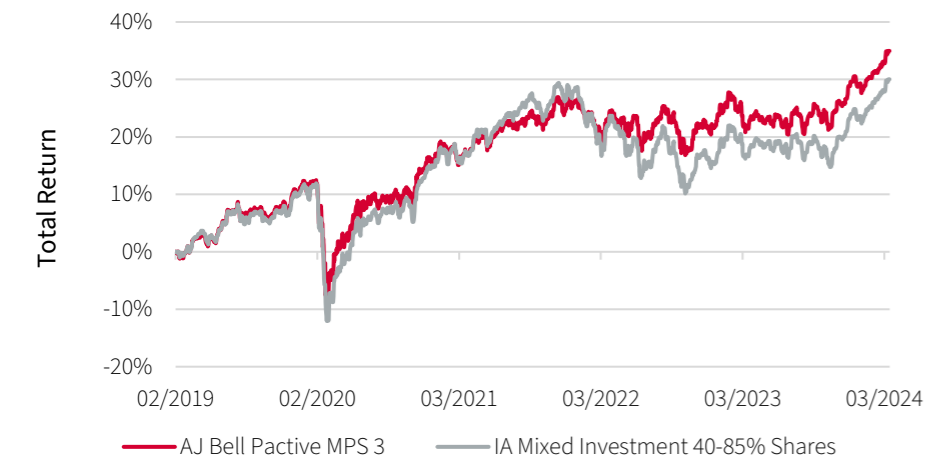
Generally-better-than-expected economic data gave equity markets fuel for a more cyclically-led rally, albeit the technology sector continued to perform well. The Artemis US Select fund was a particular highlight; its strong relative performance in part owing to stock selection within the 'Magnificent Seven'. Japanese equities performed strongly as investors warmed to corporate governance reforms and a change of inflation dynamics in the country, however the Jupiter Japan Income fund was not able to match the returns of the wider market. Emerging market equities had a positive quarter, albeit overshadowed by returns from developed market peers.

Overall, the portfolio was up 3.4% over the quarter.

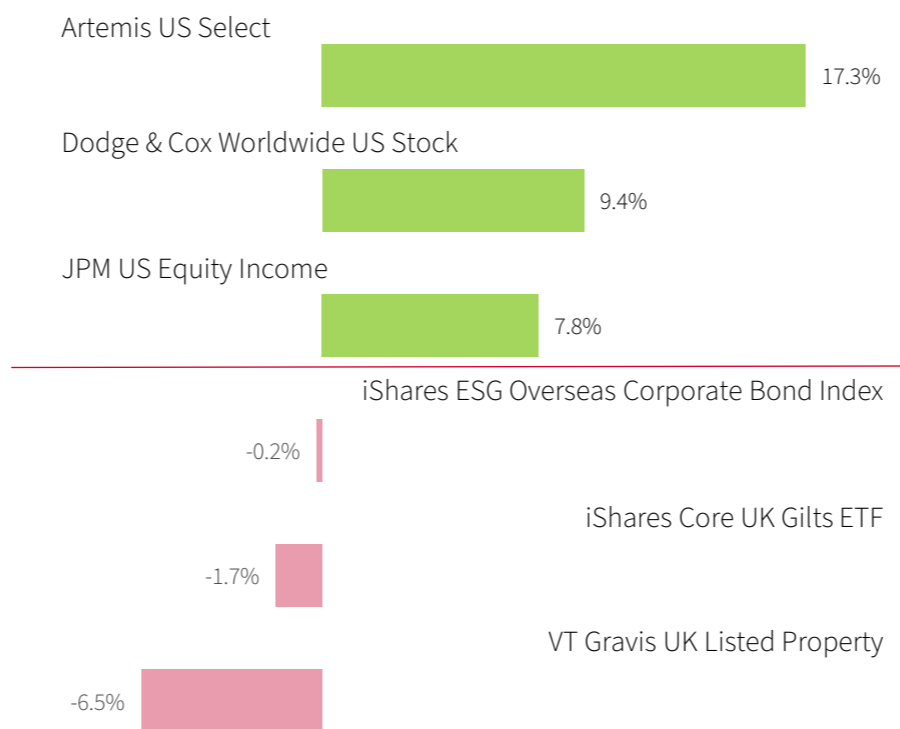
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 3	3.4	8.8	9.8	8.5	14.8	35.0
IA Sector	4.1	10.2	10.1	5.0	10.7	30.0

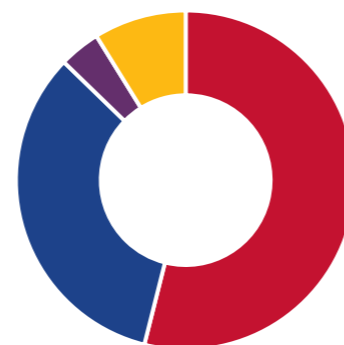
Cumulative Performance



Q1 2024 Best/Worst Performers



Asset Breakdown



- Equity - 53.9%
- Fixed Income - 33.3%
- Alternatives - 3.9%
- Cash - 8.8%

Regional Breakdown



- United Kingdom - 35.1%
- North America - 20.1%
- Europe Developed - 11.5%
- Asia Emerging - 9.5%
- Japan - 8.0%
- Asia Developed - 7.8%
- Other - 8.0%

Portfolio Snapshot

Number of Holdings	21
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.58%

Top 10 Holdings

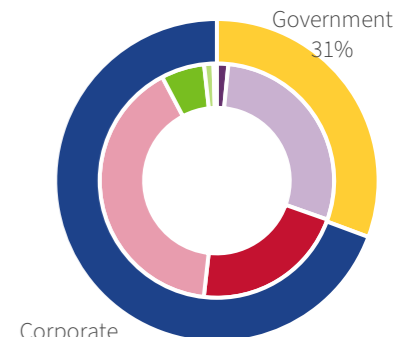
Holder	Weight (%)
VT AJ Bell Balanced Fund	49.0
JPM Emerging Markets Income	5.0
Artemis Corporate Bond	5.0
JPM UK Equity Plus	4.5
Jupiter Japan Income	3.5
Jupiter UK Special Situations	3.5
Jupiter Asian Income	2.5
TwentyFour Corporate Bond	2.5
iShares Core UK Gilts ETF	2.5
BlackRock Institutional Sterling Liquidity	2.5

Shares Sector Breakdown



- Financial Services - 19.5%
- Technology - 16.9%
- Industrials - 11.1%
- Consumer Cyclical - 10.8%
- Healthcare - 7.9%
- Consumer Defensive - 7.0%
- Communication Services - 6.9%
- Other - 19.9%

Credit Quality Breakdown



- Government - 31%
- Corporate - 69%
- AAA - 1.6%
- AA - 28.8%
- A - 21.4%
- BBB - 40.5%
- BB - 6.0%
- B - 1.3%
- Below B - 0.5%

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AJ Bell Pactive MPS 4

As of 31/03/2024

Portfolio Commentary

Equity markets started the year on a strong note, in part rallying on better-than-expected economic data and a sense that some economies are 'reaccelerating'. Corporate bonds also joined the rally amid credit spread tightening. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund. Japanese equities led developed markets; however the Jupiter Japan Income fund was not able to match the returns of the wider market. The Artemis US Select fund was a particular highlight this quarter; its strong relative performance in part owing to stock selection within the 'Magnificent Seven'.

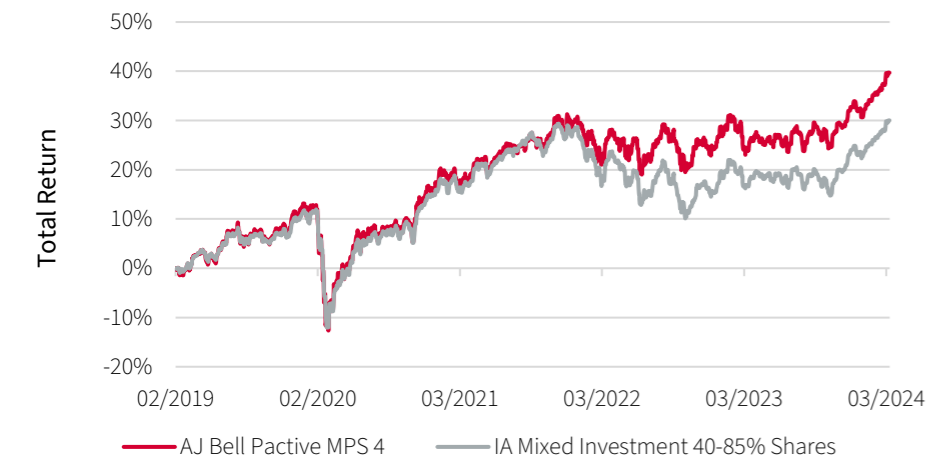
Emerging market equities had a positive quarter, albeit overshadowed by returns from developed market peers. Chinese and Indian equities, large components of emerging markets, both had a positive quarter however followed very different paths. Chinese equities tumbled in the first few weeks of the year on continued pessimism, then staged a large rebound on some improving economic data and policymaker rhetoric.

Overall, the portfolio was up 4.4% over the quarter.

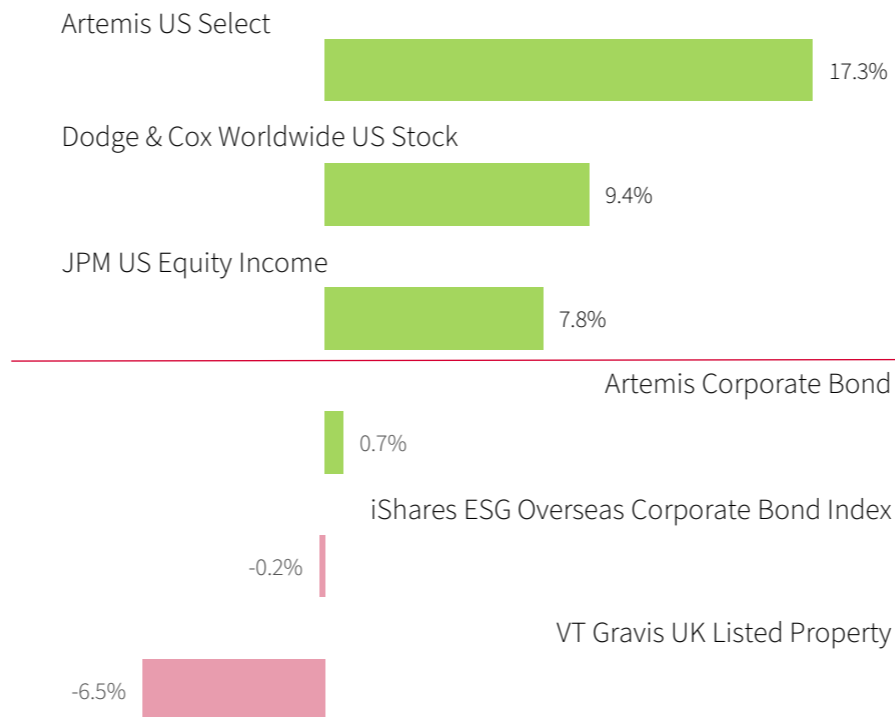
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 4	4.4	9.5	11.1	9.2	17.6	39.7
IA Sector	4.1	10.2	10.1	5.0	10.7	30.0

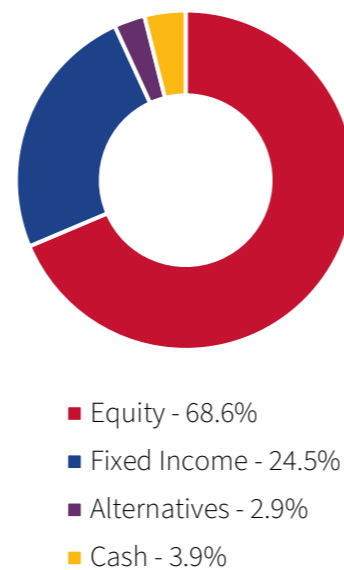
Cumulative Performance



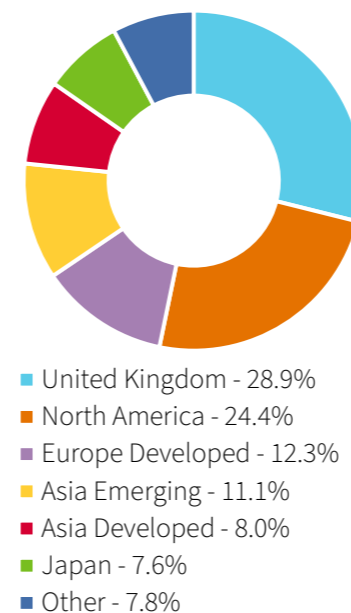
Q1 2024 Best/Worst Performers



Asset Breakdown



Regional Breakdown



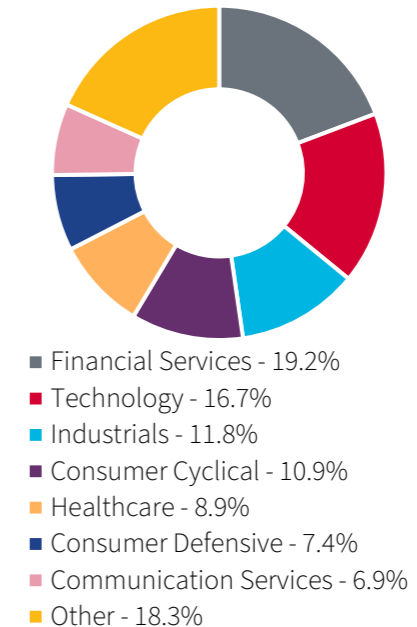
Portfolio Snapshot

Number of Holdings	20
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.62%

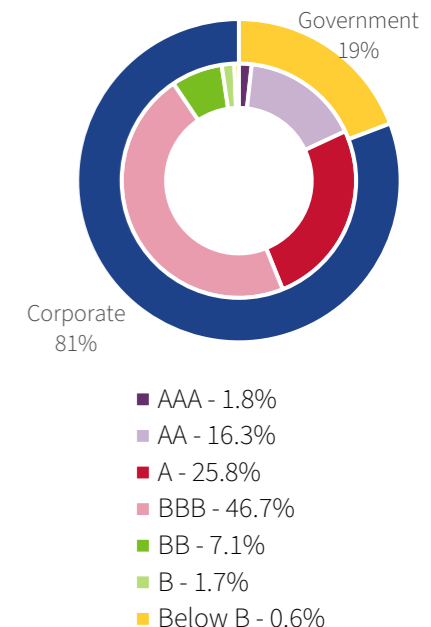
Top 10 Holdings

	Weight (%)
VT AJ Bell Moderately Adventurous Fund	49.0
Jupiter UK Special Situations	5.0
JPM Emerging Markets Income	5.0
JPM UK Equity Plus	5.0
Artemis Corporate Bond	4.5
Jupiter Japan Income	3.5
Dodge & Cox Worldwide US Stock	3.0
Jupiter Asian Income	2.5
BlackRock Continental European Income	2.5
JPM US Equity Income	2.5

Shares Sector Breakdown



Credit Quality Breakdown



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AJ Bell Pactive MPS 5

As of 31/03/2024

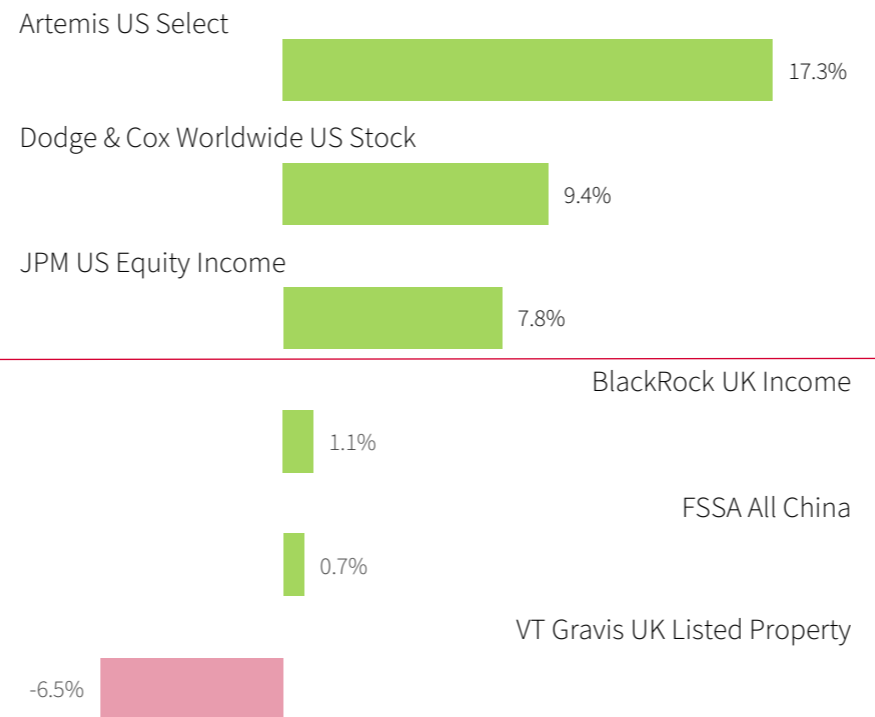
Portfolio Commentary

Global equity markets continued their rally in first quarter as optimism about the state of the global economy spread. Developed equity markets again led the way with a more cyclically-led rally taking place, albeit the technology sector continued to perform well. Japanese equities continued to feature on the radar of international investors, which helped spur the market to new highs.

US equities also performed well, and active managers subsequently take the top three spots in terms of performance over the quarter. The Artemis US Select fund was a particular highlight; its strong relative performance in part owing to stock selection within the 'Magnificent Seven'. Emerging market equities had another quarter of varied returns, with India and Taiwan performing well, whilst markets in Brazil and South Africa struggled. Chinese equities fell sharply in the first couple of weeks of the year, then staged a strong rebound into the quarter end. The Jupiter Asian Income fund navigated the volatility well given its significant underweight position to mainland China and large weighting to Taiwan. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund.

Overall, the portfolio recorded a gain of 5.1% over the quarter.

Q1 2024 Best/Worst Performers



Portfolio Snapshot

Number of Holdings	17
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.65%

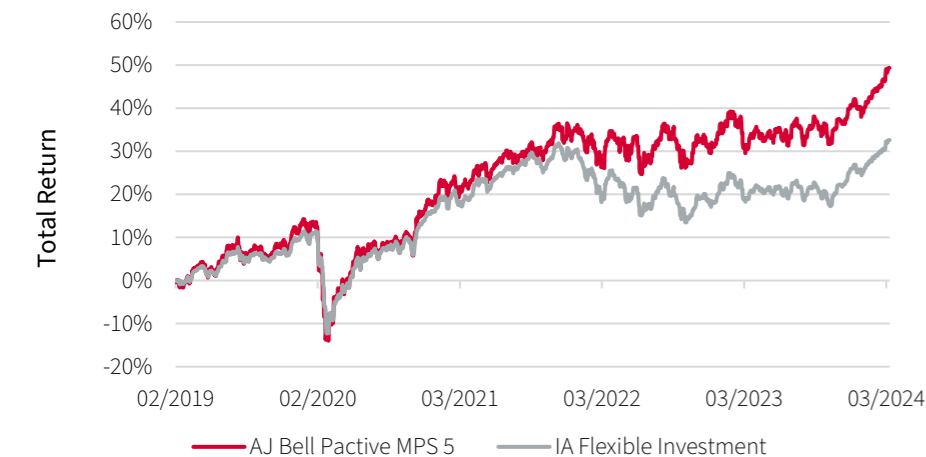
Top 10 Holdings

Fund Name	Weight (%)
VT AJ Bell Adventurous Fund	49.0
JPM Emerging Markets Income	5.0
Jupiter UK Special Situations	5.0
JPM UK Equity Plus	5.0
Jupiter Asian Income	4.0
BlackRock Continental European Income	3.5
Invesco High Yield	3.5
JPM US Equity Income	3.5
Dodge & Cox Worldwide US Stock	3.5
Jupiter Japan Income	3.0

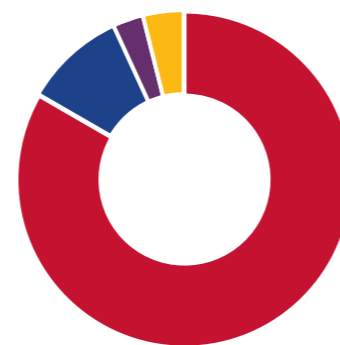
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 5	5.1	10.0	12.1	11.1	21.5	49.3
IA Sector	4.5	10.0	10.1	5.7	11.0	32.6

Cumulative Performance



Asset Breakdown



- Equity - 83.3%
- Fixed Income - 9.8%
- Alternatives - 2.9%
- Cash - 3.9%

Regional Breakdown



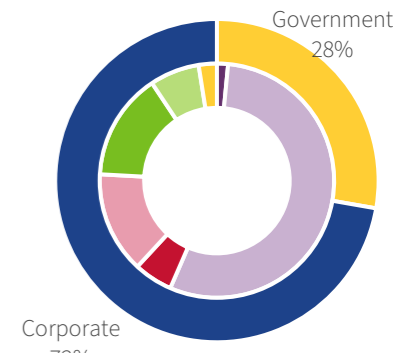
- United Kingdom - 27.5%
- North America - 24.5%
- Asia Emerging - 13.0%
- Europe Developed - 10.2%
- Asia Developed - 10.0%
- Japan - 6.3%
- Other - 8.5%

Shares Sector Breakdown



- Financial Services - 19.4%
- Technology - 16.6%
- Industrials - 11.8%
- Consumer Cyclical - 10.5%
- Healthcare - 9.1%
- Consumer Defensive - 7.6%
- Communication Services - 6.6%
- Other - 18.3%

Credit Quality Breakdown



- Government - 28%
- Corporate - 72%
- AAA - 1.5%
- AA - 55.0%
- A - 5.4%
- BBB - 14.0%
- BB - 14.8%
- B - 6.8%
- Below B - 2.5%



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AJ Bell Pactive MPS 6

As of 31/03/2024

Portfolio Commentary

A broad equity market rally occurred in the first quarter as investors warmed to the suggestion that the global economy is 'reaccelerating'. The possibility of interest rates not being cut until later in the year did little to dampen the mood in equity markets. After a strong Q4, UK property struggled against rising bond yields, which was particularly evident in the performance of the VT Gravis UK Listed Property fund. A broader rally in the US took place this quarter, with more value-orientated sectors such as financials and energy doing well; this was somewhat beneficial for active managers. The Artemis US Select fund was the top performer within the portfolio this quarter, benefitting from strong stock selection within the 'Magnificent Seven'.

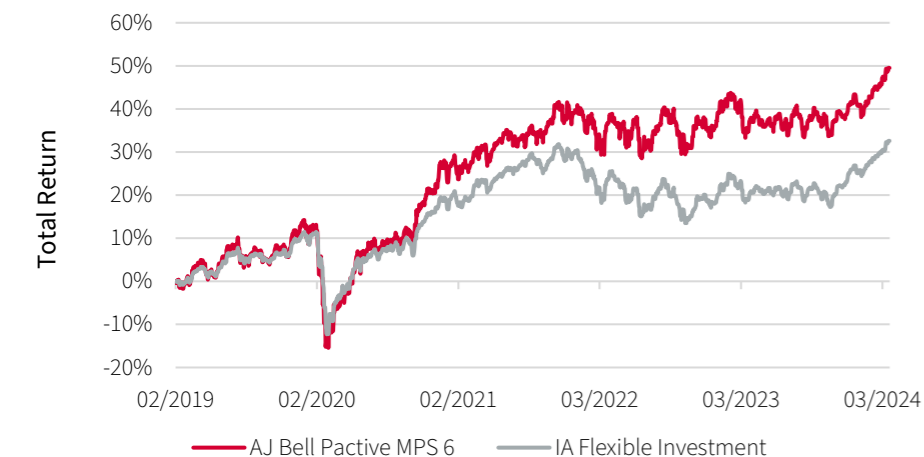
Emerging market equities had a positive quarter, albeit returns varied significantly. Equity markets in India and Taiwan performed well, however others such as Brazil and South Africa struggled. Chinese equities were volatile: they fell sharply at the start of the year as investors grew increasingly pessimistic. Positive rhetoric from policymakers, alongside some better economic data, saw Chinese equities stage a rebound. The direct exposure to Chinese equities, the FSSA All China fund, ended the quarter marginally higher.

Overall, the portfolio recorded a gain of 4.2% over the quarter.

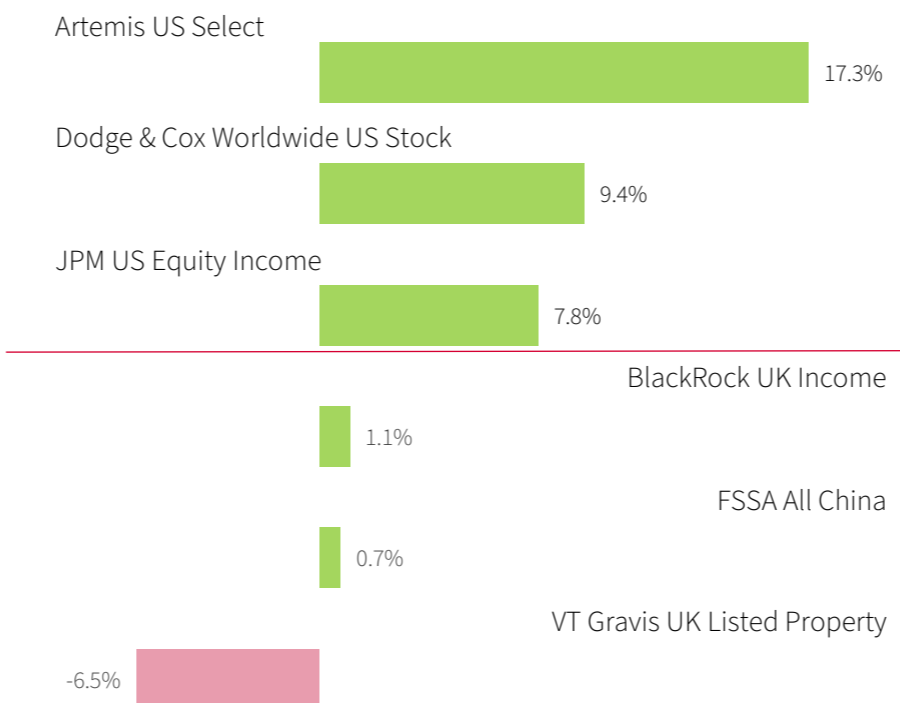
Trailing Returns (%)

	3m	6m	1y	2y	3y	Launch
Pactive MPS 6	4.2	8.3	8.9	8.0	17.6	49.5
IA Sector	4.5	10.0	10.1	5.7	11.0	32.6

Cumulative Performance



Q1 2024 Best/Worst Performers



Portfolio Snapshot

Number of Holdings	17
Inception Date	18/02/2019
Ongoing Charge Figure (OCF)	0.67%

Top 10 Holdings

	Weight (%)
VT AJ Bell Global Growth Fund	49.0
JPM UK Equity Plus	5.0
Schroder Asian Alpha Plus	5.0
JPM Emerging Markets Income	5.0
Jupiter Asian Income	5.0
Jupiter UK Special Situations	5.0
BlackRock Continental European Income	4.5
Invesco Asian	4.0
Invesco High Yield	3.5
FSSA All China	3.0

Asset Breakdown



- Equity - 86.3%
- Fixed Income - 6.9%
- Alternatives - 2.9%
- Cash - 3.9%

Regional Breakdown



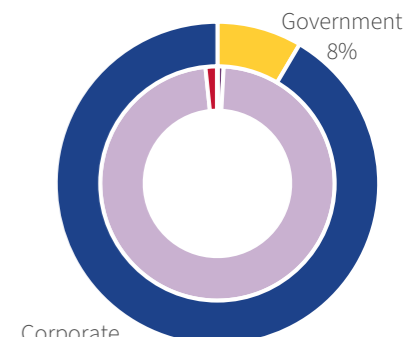
- United Kingdom - 25.8%
- Asia Emerging - 21.1%
- Asia Developed - 15.8%
- North America - 13.1%
- Europe Developed - 12.4%
- Japan - 3.2%
- Other - 8.6%

Shares Sector Breakdown



- Financial Services - 20.4%
- Technology - 17.1%
- Industrials - 11.3%
- Consumer Cyclical - 11.2%
- Healthcare - 7.6%
- Consumer Defensive - 7.5%
- Communication Services - 6.9%
- Other - 18.1%

Credit Quality Breakdown



- Corporate - 92%
- Government - 8%
- AAA - 0.9%
- AA - 97.5%
- A - 1.6%
- BBB - 0.0%
- BB - 0.0%
- B - 0.0%
- Below B - 0.0%

! The value of investments can go down as well as up and you may get back less than you originally invested. This portfolio is managed by AJ Bell Asset Management Limited. Past performance information is based on the target model, rebalanced on a quarterly basis and is not a guide to future performance. 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. Transaction costs are excluded from Ongoing Charge Figure (OCF). For further details of all applicable costs, visit www.investcentre.co.uk.