

VT AJ Bell Moderately Adventurous

As at 30 June 2025

Market commentary:

The noise in markets reached a crescendo at the start of the second quarter as President Trump's 'Liberation day' revealed tariffs that shocked investors. Further scrutiny was poured on the US economy and the US dollar, as many began to reconsider their holdings of US assets. Geopolitical uncertainty in the Middle East had a surprisingly limited impact on markets, even as tensions between Israel and Iran flared into outright conflict before coming to a US-imposed ceasefire.

Fixed income

Tentative signs of inflation stability brought anticipation that the Federal Reserve could respond to any future economic weakness. Although Chair Powell has been resolute in the need to respond slowly, speculation about his successor and Trump's hand in that selection started to influence market thinking, as did uncertainty over how the tariff situation would impact prices.

In the UK, the mechanical uplift to utility and water bills in April sent inflation back above 3%, a level it is expected to reside at for the rest of the year. As in the US, the Bank of England has been cautious while inflation remains above target. Shorter dated gilt yields rallied, steepening the yield curve, whilst longer dated yields remained volatile.

After a wobble during the equity market downturn in April, credit spreads narrowed again to leave corporate bonds with solid returns over the quarter.

Equities

Performance within equity markets continued to buck the trend of the last couple of years, with the US no longer the standout performer: other markets have taken the lead. Emerging markets such as Korea and Taiwan have been performing strongly, driven by major constituents Samsung and TSMC. Within developed Asia Pacific, Australia and Hong Kong performed well, the former driven by the financial sector.

Europe and the UK appeared to benefit from investors looking outside America for returns. The fiscal spending on defence and infrastructure prompted investors to look more closely at domestically focused segments of the markets. In the UK, a sustained rally in financials and defence stocks aided gains, whilst mid- and small caps performed well amidst takeover interest.

Chinese equities gave back some of the bumper gains seen in the first quarter, in keeping with their volatile nature and trade tensions with the US. Japanese equities continue to grapple with the implications of higher inflation, rising interest rates and what that means for the currency.

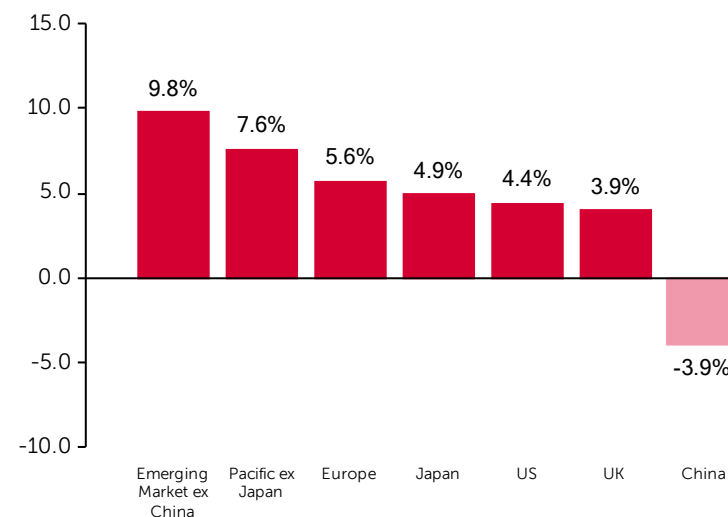
Outlook

Having seen one metaphorical and one physical ceasefire during the quarter, markets are entering summer in better spirits. Plenty of issues remain outstanding from the first half of 2025, not least that the tariff pause is due to expire in August. Having walked back from the brink once, there is a perception that Trump will be unwilling to test investor patience again, especially given the US dollar has remained on its weaker footing, supporting those claiming a strong dollar has been hindering US manufacturing.

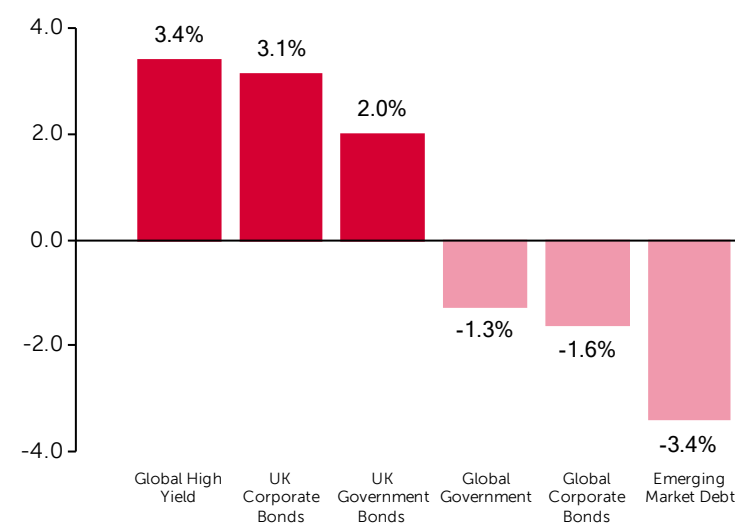
Nonetheless, it is difficult to see the relationship between Trump and the markets being plain sailing for the next four years. However, investors should pause to reflect if there has ever been a time when the outlook suggested calm waters.

The assessment of short-term events is interpreted by markets, at its most basic level, by what it means for growth and inflation. Sitting here today, the consensus appears to be that both will be acceptable, and markets will find a way to muddle through, as they often do.

Equity performance - last quarter



Fixed income performance - last quarter



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Portfolio commentary

Tariffs and changes in earnings forecasts made for an eventful quarter for investors, but higher levels of exposure outside the US created relief for the AJ Bell Moderately Adventurous Fund.

Despite the market volatility, when the S&P 500 fell by 12% between 2 April and 8 April, indices across the globe had largely recovered by the end of June. Both the FTSE 100 and the S&P 500 ended the three-month period at a higher price than they began.

The UK was driven by financials and defence stocks, with mainland Europe seeing similar trends. While China has struggled to create a positive return, emerging markets ex-China shot ahead. This was helped by strong returns from Taiwan and Australia, where semiconductor company TSMC and the Commonwealth Bank of Australia outperformed.

The Fund holds 79% of its assets in equities and spreads the other 21% between fixed income and cash. On the fixed income side of the portfolio, UK corporate bonds saw steady gains. Global high yield bonds also performed well, and because the holdings are currency hedged back to sterling, it resulted in positive return, whereas other US dollar holdings felt a headwind, as the currency fell in value.

The portfolio weathered a tumultuous market period with a three-month return of 4.14%.

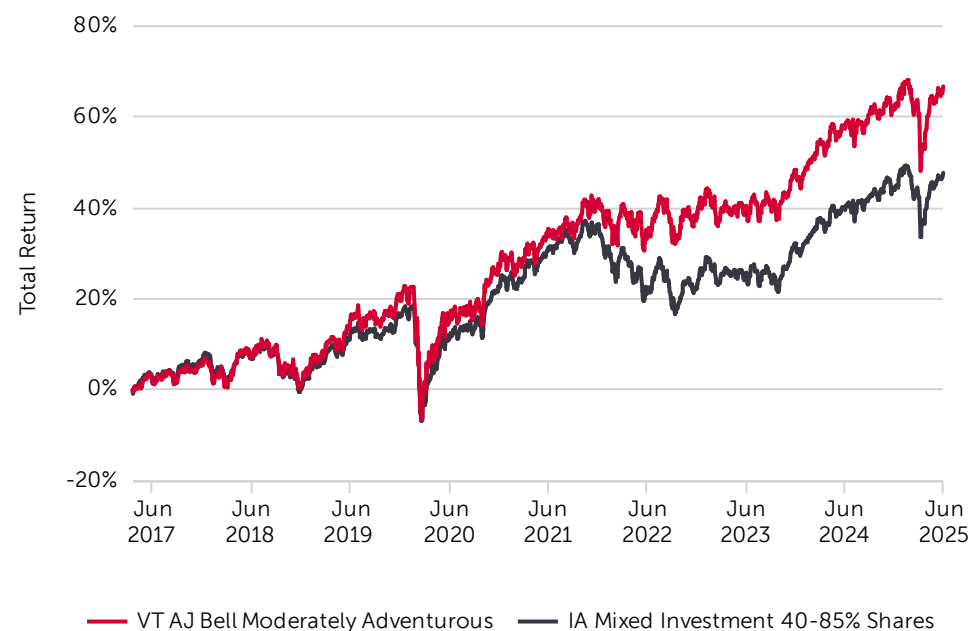
Q2 2025 best/worst performers

iShares MSCI Emerging Markets ex-China ETF	10.00%
Amundi MSCI Emerging Markets ex China ETF	9.87%
Vanguard Pacific ex-Japan Stock Index	7.56%
Vanguard USD Emerging Markets Government Bond ETF	-2.80%
Franklin FTSE China ETF	-3.23%
Amundi MSCI China ETF	-3.46%

Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
VT AJ Bell Moderately Adventurous	4.14	3.15	5.47	25.28	44.40	66.78
IA Mixed Investment 40-85% Shares	3.88	2.61	5.48	21.83	32.77	47.70

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.

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Portfolio snapshot

Number of holdings	23
Inception date	18 Apr 2017
Fund size	£1,023.91m
ISIN	(I Acc) GB00BYW8VL77
	(I Inc) GB00BYW8VK60

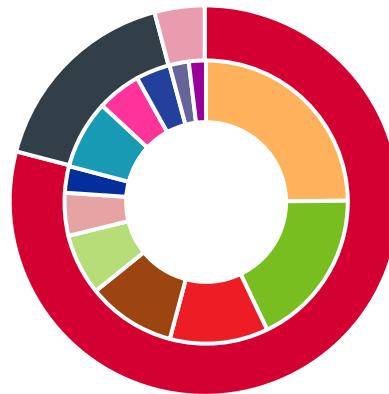
Top 10 holdings

Holding	Weight (%)
SPDR S&P 500 ETF	18.43
Vanguard FTSE UK All-Share Index	16.07
Vanguard FTSE Developed Europe ex UK Equity Index Plus	7.92
Vanguard UK Investment Grade Bond Index	6.91
Amundi MSCI Emerging Markets ex China ETF	6.57
Amundi Prime Japan ETF	6.36
iShares MSCI Emerging Markets ex-China ETF	4.66
iShares S&P 500 Equal Weight ETF	3.85
Franklin FTSE China ETF	3.13
Vanguard Pacific ex-Japan Stock Index	3.01

Risk profile

For investors who can tolerate some shorter-term capital loss from their portfolio and understand the importance of investing for the long term. The portfolio has a higher allocation to equities and 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	79.06
North America equity	24.85
UK equity	18.04
Emerging markets ex-China equity	11.22
Europe ex-UK equity	10.08
Japan equity	6.96
China equity	4.90
Asia Pacific ex-Japan equity	3.01
Fixed Income	16.78
UK corporate bonds	7.84
Global high yield bonds (GBP hedged)	5.02
Emerging market debt	3.93
Cash	4.16
Cash	2.19
Cash equivalent	1.97

Fixed income breakdown (%)



GBP Bonds	76.60
UK corporate bonds	46.71
Global high yield bonds (GBP hedged)	29.89
International Bonds	23.40
Emerging market debt	23.40

Equity breakdown (%)



Sector	
Financial Services	20.62
Technology	17.01
Industrials	13.04
Consumer Cyclical	10.38
Healthcare	9.17
Consumer Defensive	7.96
Communication Services	7.04
Basic Materials	4.70
Energy	4.49
Utilities	3.19
Real Estate	2.40

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.

Totals may not sum to 100% due to rounding.

Currency Risk: The Fund invests in overseas markets and the value of its investments and may rise or fall as a result of changes in exchange rates.

Emerging Markets Risk: The Fund invests in less economically developed markets (i.e. emerging markets) which can involve greater risks and fluctuations in valuations compared to developed market places.

Index Trading Risk: The performance of any passively managed funds may not exactly track that of their indices. This is referred to as 'Tracking error'.

Interest Rate Risk: Fluctuations in interest rates may affect the value of the Fund and your investment.

Liquidity Risk: The Fund invests within underlying funds and there is a risk that these suspend or defer the payment of redemption proceeds, which may impact the Fund's ability to meet redemption requests.



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