

# VT AJ Bell Responsible Screened Growth

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.

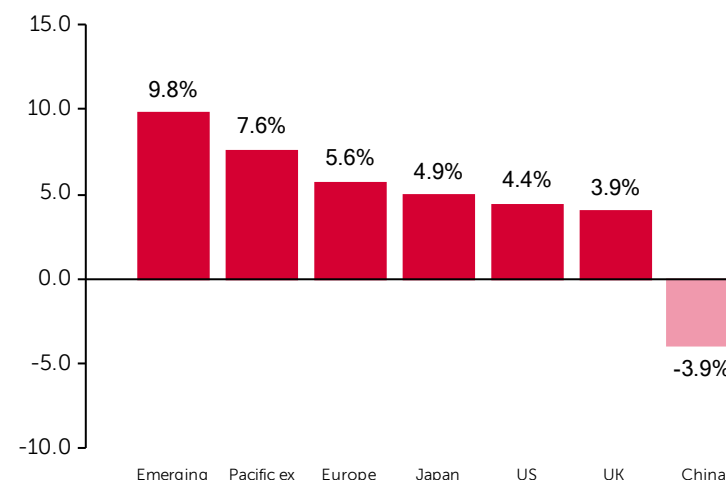
### Outlook

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.

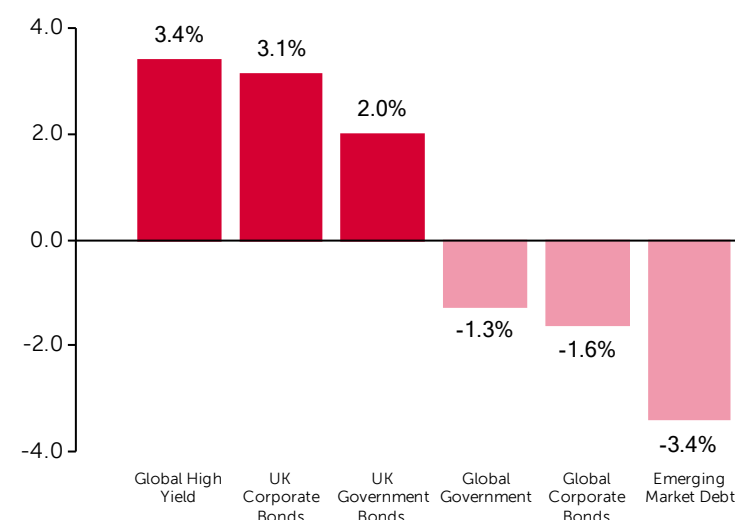
Nonetheless, it is difficult to see the relationship between Trump and the markets being plain sailing for the next four years. However, investors should pause to reflect if there has ever been a time when the outlook suggested calm waters.

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



## VT AJ Bell Responsible Screened Growth

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### Portfolio commentary

The past quarter proved to be a fruitful time for responsible investing, avoiding the price drops associated with oil stocks. This led to the AJ Bell Responsible Screened Growth Fund increasing by 6.0% over the quarter.

Although responsible indices were still impacted by the market tumble in April, its lack of exposure to fossil fuels helped to cushion the blow. Oil prices fell sharply in April when Donald Trump announced his tariff plan and that hurt shares in energy producers, contributing to broader market declines.

The fund benefited from underlying exposure to the UK banking sector, where shares such as Lloyds and Barclays were strong performers in the second quarter. And although it was a trying quarter for the US stock market more generally, stocks under the responsible investing banner in the US outperformed the traditional S&P 500 index, helped by larger holdings in companies such as Nvidia and Microsoft.

Exposure to emerging markets helped to drive the fund's performance between April and June. While China suffered from tariff uncertainty, markets including South Korea grew quickly.

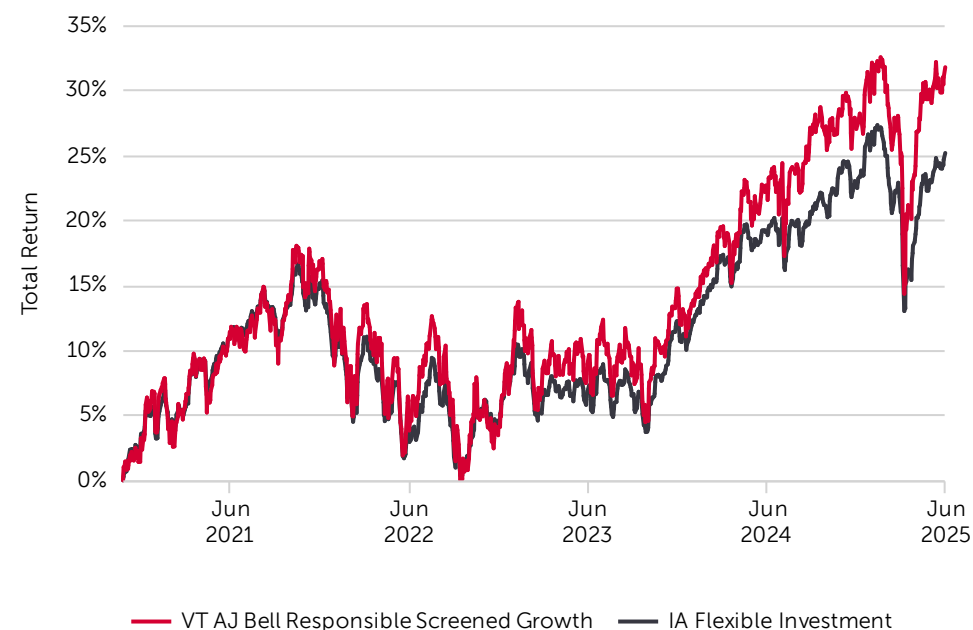
### Q2 2025 best/worst performers

Amundi MSCI Emerging Markets ex China ETF	9.87%
Amundi MSCI Pacific ex Japan SRI PAB	7.86%
Xtrackers ESG MSCI USA ETF	7.74%
iShares \$ High Yield ESG Corporate Bond ETF (GBP Hedged)	0.52%
UBS MSCI China ESG Universal ETF	-1.73%
L&G ESG Emerging Markets Government Bond	-2.90%

### Performance

Cumulative (%)	3 months	6 months	1 year	3 years	Since inception
VT AJ Bell Responsible Screened Growth	6.00	3.54	7.42	26.94	31.84
IA Flexible Investment	3.79	2.19	5.01	21.45	25.22

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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As at 30 June 2025



### Portfolio snapshot

Number of holdings	13
Inception date	23 Nov 2020
Fund size	£163.79m
ISIN	(I Acc) GB00BN0S2V92
	(I Inc) GB00BN0S2W00

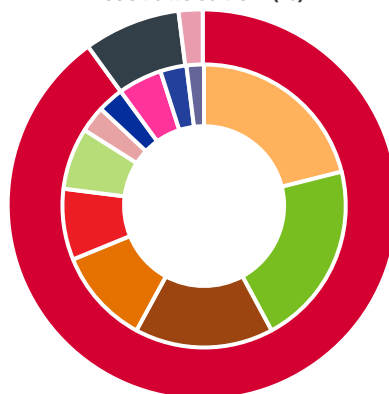
### Top 10 holdings

Holding	Weight (%)
Xtrackers ESG MSCI USA ETF	17.19
Amundi MSCI Europe SRI PAB ETF	15.82
Xtrackers ESG MSCI Emerging Markets ETF	10.94
UBS MSCI UK IMI Socially Responsible ETF	10.53
Amundi MSCI UK IMI SRI PAB ETF	10.43
Amundi MSCI Emerging Markets ex China ETF	8.11
iShares MSCI Japan SRI ETF	7.07
iShares MSCI USA SRI ETF	3.92
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	3.09
UBS MSCI China ESG Universal ETF	3.00

### Risk profile

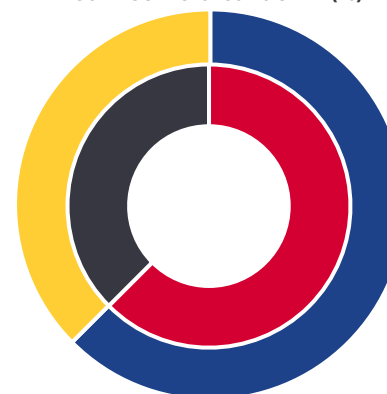
For investors who favour a higher allocation to equities and understand the risk reward relationship that entails over the short, medium, and long term. The fund predominantly invests in funds, and exchange traded funds (ETFs), using a defined strategic asset allocation process to deliver returns while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

Asset allocation (%)



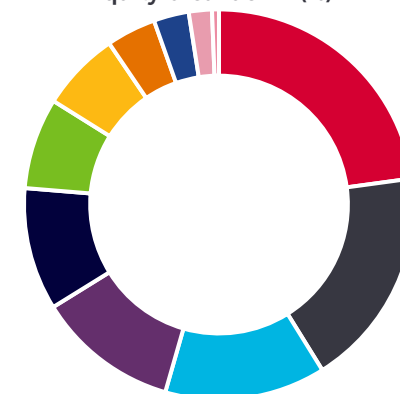
<b>Equity</b>	<b>90.01</b>
North America equity	21.11
UK equity	20.96
Europe ex-UK equity	15.82
Emerging markets equity	10.94
Emerging markets ex-China equity	8.11
Japan equity	7.07
China equity	3.00
Asia Pacific ex-Japan equity	2.99
<b>Fixed Income</b>	<b>7.99</b>
Global high yield bonds (GBP hedged)	5.00
Emerging market debt	3.00
<b>Cash</b>	<b>1.99</b>
Cash	1.99

Fixed income breakdown (%)



<b>GBP Bonds</b>	<b>62.53</b>
Global high yield bonds (GBP hedged)	62.53
<b>International Bonds</b>	<b>37.47</b>
Emerging market debt	37.47

Equity breakdown (%)



<b>Sector</b>	
Financial Services	22.86
Technology	18.25
Industrials	13.34
Consumer Cyclical	11.74
Healthcare	10.17
Communication Services	7.53
Consumer Defensive	6.58
Basic Materials	4.12
Real Estate	2.89
Utilities	1.92
Other	0.59

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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Where practical the Responsible Screened Growth fund invests in products tracking MSCI Socially Responsible Investing (SRI) indexes for equity exposure. These indexes exclude companies with certain controversial business involvements and also utilise MSCI's Environmental Social Governance (ESG) ratings and ESG Controversy assessments. For further details please see MSCI's latest SRI Indexes Methodology document.

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