

VT AJ Bell Moderately Adventurous

As at 30 September 2025

Market commentary:

As summer arrived, markets started to become more relaxed about the trade war and political theatre in Washington. Instead, investors turned their attention back to fundamentals and the dominant AI theme. There was little change in the economic backdrop with respect to growth across most regions, however, greater concern arose in the US after a significant downward revision to payroll data and weakness through the summer months. Whilst the US dollar is weaker in 2025, it stabilised versus major peers during the quarter and made some ground back versus the pound.

The risks to inflation that we have been flagging for some time started to emerge in earnest in the UK, with inflation now expected to reach double the Bank of England target before year end. In the US, inflation pressures also arose, although there were signs that companies absorbed some price pressures through margins rather than passing them on to consumers amidst economic uncertainty.

Bond markets started to price in greater inflation uncertainty, with longer-dated bond yields moving higher throughout the quarter in many markets. Fiscal uncertainty also loomed over the UK and US bond markets, however, in the US this was counteracted by the Fed quickly responding to weaker employment statistics via a "risk management" rate cut in September. At a time of political pressure on the central bank, significant dispersion arose amongst the Fed's voting members, with one suggesting interest rates should fall to below 3% by year end.

Back in the UK, inflation pressures similarly complicated the Bank of England's path. Sticky price increases in core goods, housing, and services make calibration difficult. The UK yield curve steepened slightly as markets struggled to pin down the inflation and growth trade-off.

The leadership rotation in global equities gained traction again this quarter. While the US market continued to deliver gains and be powered by the AI theme, its returns stood amongst some other good performances. China stole the

show as AI technology continued to emerge and attract investors to the offshore market, where tech sector valuations are much lower than those seen in the US. Broader emerging markets also performed well. Strong returns from TSMC in Taiwan and a continued rally in Korea were however weighed down by weakness in Indian equities.

Europe and the UK also advanced, particularly large caps in the UK. However, returns fell short of other regions. In Japan, the equity market picked up after a hard-fought trade deal with the US and the reassertion of good company fundamentals, not least that they continue to undertake large-scale buybacks.

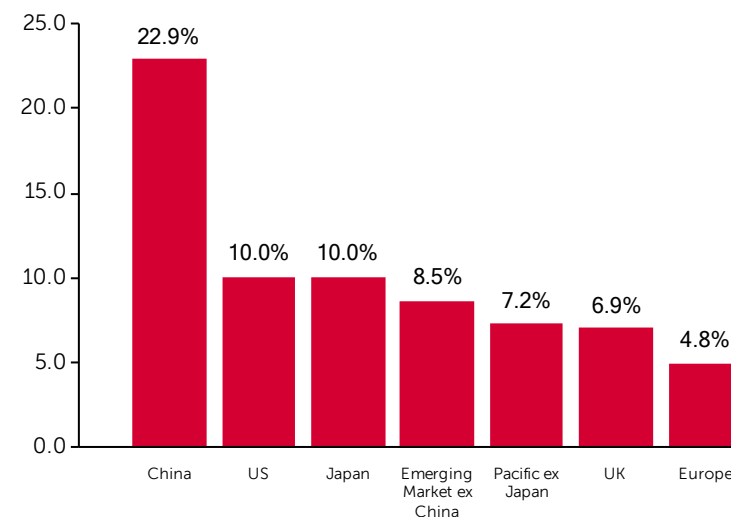
Outlook

The improving mood through the summer brings year-to-date returns in many equity markets into double-digit territory. However, the weaker dollar over the course of the year has eroded returns for UK investors significantly.

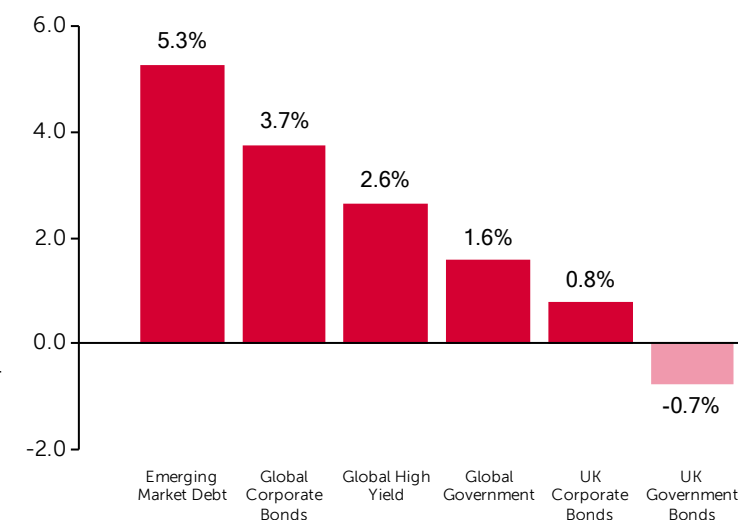
The contrast between the equity and bond markets is becoming interesting, particularly in the US where bond yields are increasingly displaying fears over the economic growth trajectory, whilst equities remain squarely focused on AI, the associated capex and signs of strong sentiment in M&A activity. Bond markets are often early to point out cracks in the economy that may worry equities later, however they can also cry wolf. Meanwhile, gilt investors in the UK have other issues to worry about, namely inflation and how it can be tamed without causing economic damage. Plenty of headlines regarding these problems stand between us and the end of the year, however, as we often see, they may just prove to be noise best avoided by those managing portfolios.

The value of investments can go down as well as up and your client may not get back their original investment. Past performance is not a guide to future performance and some investments need to be held for the long term.

Equity performance - last quarter



Fixed income performance - last quarter



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Portfolio commentary

The fund's diversification across geographic regions helped to boost growth. Specifically, Chinese equities were the top performer over the quarter as investors continue to show interest in cost efficiencies from Chinese AI after the release of DeepSeek's R1 model earlier in the year. Broader emerging markets ex-China bolstered the fund's returns through the third quarter with growth from South Korea and Taiwan. In addition, Japan contributed to returns with strong performances from companies like SoftBank, which invests in AI and tech companies.

Within the UK, there was a divergence in performance between larger and smaller companies. Most of the fund's equity investments sit within larger UK companies, which saw healthy growth. However, smaller companies in the UK struggled amid concerns around fiscal policy changes that could happen in November's Budget. In the US, markets regained their ground from the fall in April, but growth this year remains muted relative to previous years.

In terms of fixed income, the top performance came from emerging market government bonds as investors looked beyond developed markets. UK corporate bonds have also had a good quarter, largely thanks to growing concern over UK gilts driving investors to other parts of the fixed income market. The fund has returned 7.21% during the quarter.

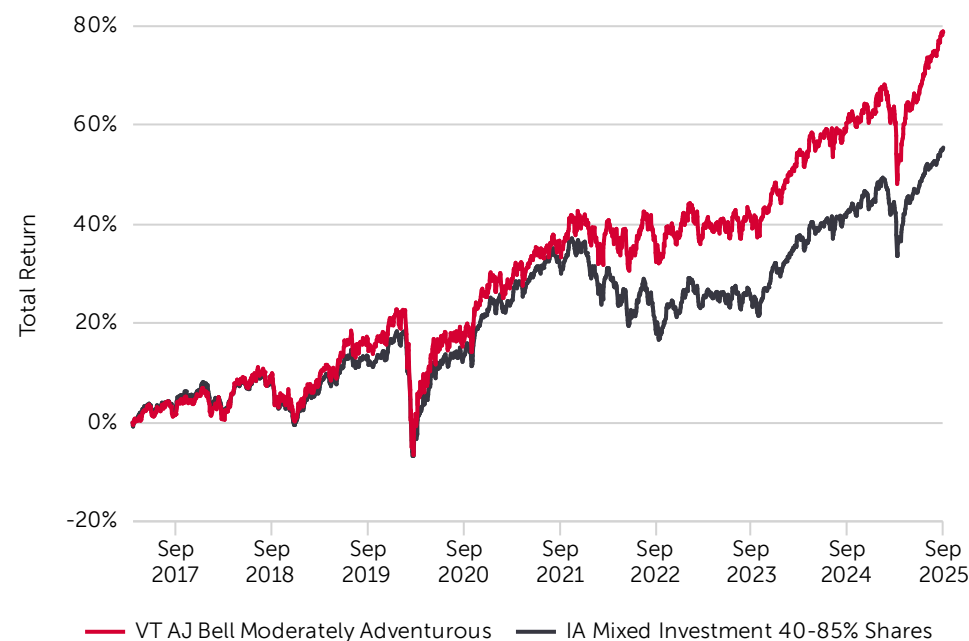
Q3 2025 best/worst performers

Franklin FTSE China ETF	23.16%
Amundi MSCI China ETF	22.84%
Amundi Prime Japan ETF	10.10%
iShares £ Ultrashort Bond ETF	1.13%
Invesco GBP Corporate Bond ETF	0.73%
Vanguard UK Investment Grade Bond Index	0.69%

Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
VT AJ Bell Moderately Adventurous	7.21	11.65	11.36	33.20	53.00	78.81
IA Mixed Investment 40-85% Shares	5.27	9.36	9.28	30.96	37.21	55.49

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



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Portfolio snapshot

Number of holdings	23
Inception date	18 Apr 2017
Fund size	£1,127.78m
ISIN	(I Acc) GB00BYW8VL77
	(I Inc) GB00BYW8VK60

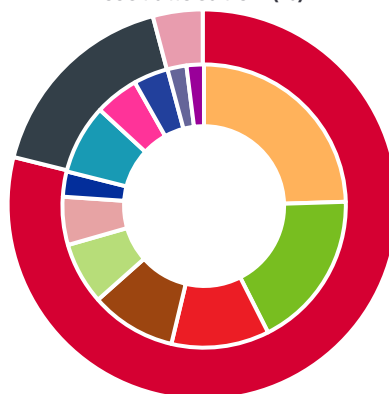
Top 10 holdings

Holding	Weight (%)
SPDR S&P 500 ETF	18.21
Vanguard FTSE UK All-Share Index	15.51
Vanguard FTSE Developed Europe ex UK Equity Index Plus	7.41
Amundi MSCI Emerging Markets ex China ETF	6.53
Amundi Prime Japan ETF	6.50
Vanguard UK Investment Grade Bond Index	6.40
iShares MSCI Emerging Markets ex-China ETF	4.61
iShares S&P 500 Equal Weight ETF	3.78
Franklin FTSE China ETF	3.50
Vanguard Pacific ex-Japan Stock Index	2.87

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	78.93
North America equity	24.54
UK equity	18.02
Emerging markets ex-China equity	11.13
Europe ex-UK equity	9.79
Japan equity	7.09
China equity	5.48
Asia Pacific ex-Japan equity	2.87
Fixed Income	16.93
UK corporate bonds	7.95
Global high yield bonds (GBP hedged)	5.01
Emerging market debt	3.97
Cash	4.14
Cash	2.14
Cash equivalent	2.00

Fixed income breakdown (%)



GBP Bonds	76.53
UK corporate bonds	46.97
Global high yield bonds (GBP hedged)	29.56
International Bonds	23.47
Emerging market debt	23.47

Equity breakdown (%)



Sector	
Financial Services	19.90
Technology	18.28
Industrials	12.82
Consumer Cyclical	10.35
Healthcare	9.01
Consumer Defensive	7.56
Communication Services	7.45
Basic Materials	4.63
Energy	4.60
Utilities	3.08
Real Estate	2.30

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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