

CG AJ Bell Balanced

As at 31 December 2025

Market commentary:

The fourth quarter concluded a broadly positive year for markets, particularly for riskier asset classes such as equities. In contrast to the summer, the prevailing AI narrative shifted somewhat; however, just as sentiment appeared to wane, corporate earnings provided renewed optimism.

Markets, for the most part, endured the second-longest US Government shutdown on record. The resulting patchy economic data from the US made it somewhat difficult to ascertain underlying trends. Nevertheless, the Federal Reserve saw enough in the employment data to lower rates decisively, delivering two further cuts before year end.

After inflation in the UK hovered at nearly double the 2% target during the summer months, it subsided to 3.2% by November. This enabled the Bank of England to implement a final rate cut in December, which supported gilts across the curve, as did the smooth passage of the UK Budget. A similar trend in inflation was observed in the US, following a gap in coverage due to the Government shutdown. US inflation eased to 2.7% in November, allowing the Fed to focus on the employment aspect of its mandate.

Corporate bonds enjoyed another positive quarter, ending 2025 on a strong note. Credit spread compression and higher starting yields helped them outperform government bonds this year. Consequently, those segments of the bond market carrying greater risk, such as high yield bonds, proved to be more attractive allocations in 2025.

Despite headlines highlighting US markets reaching all-time highs, returns in sterling terms were comparatively muted over 2025 due to the weakness of the US dollar. In the fourth quarter, US market returns were supported by Alphabet's rise to challenge Nvidia in AI chip design, while the latter remained steady. The healthcare sector performed well after leading companies reached drug pricing agreements with the US Government. UK and European equities were also buoyed by financials, with healthcare stocks performing strongly. The UK market additionally benefited from the

materials sector, which rallied on the back of rising precious and industrial metal prices.

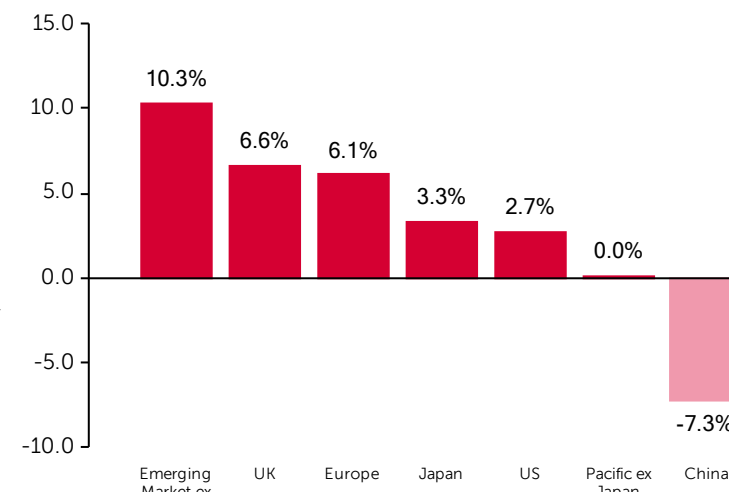
Emerging markets ex China continued their rally in the final quarter of 2025 as the AI theme and its supply chain attracted attention. Technology-heavy markets such as South Korea and Taiwan benefited, while Chinese equity markets and their AI leaders declined, reflecting their underlying reliance on consumer spending amid weaker economic data.

Looking ahead, AI is likely to remain a key theme, particularly for markets heavily exposed to the technological development and supply chains. As 2025 demonstrated, other themes across markets may attract less attention but remain significant.

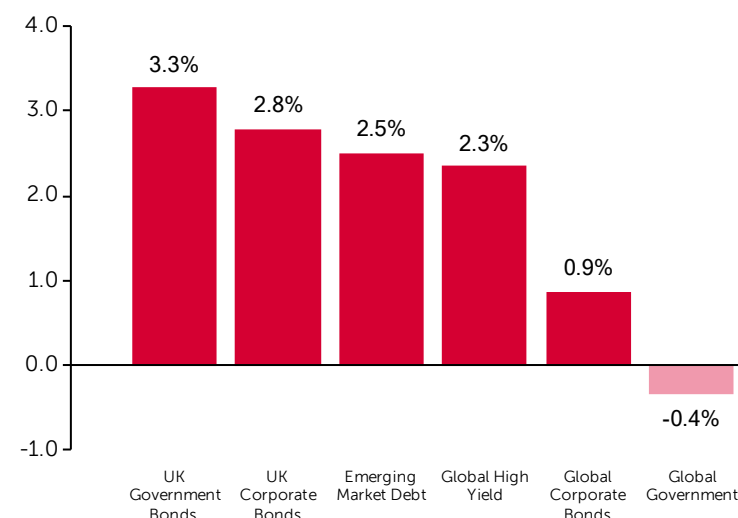
The rise in industrial metal prices towards the end of 2025 prompts questions about our position in the global economic cycle and the fragility of supply chains. This, in turn, brings inflationary dynamics back into focus. Despite some short-term relief, we believe there are considerable risks to maintaining inflation in line with central bank targets over the long term.

As ever there is a wide range of possibilities ahead of us, and therefore it is useful to return to one of our core investment principles: diversification. We see a continued need for a strong emphasis on diversification within bond and equity allocations in 2026.

Equity performance - last quarter



Fixed income performance - last quarter



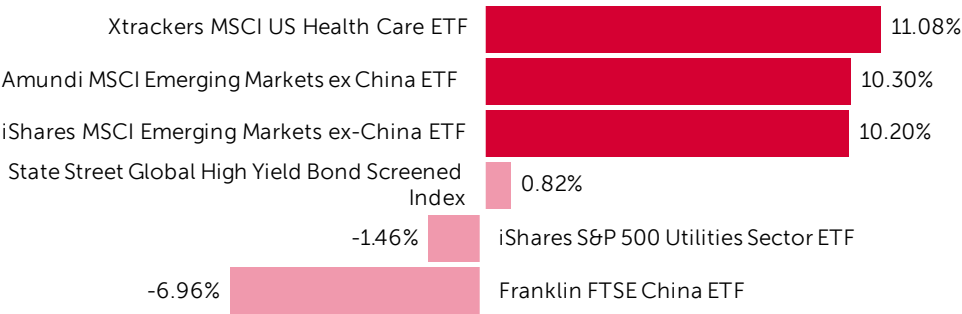
Portfolio commentary

The balanced fund enjoyed a 3.58% return throughout the last quarter of 2025 as markets chugged along. Bonds, which make up a third of the portfolio, did well both in the UK and abroad. Emerging market bonds recovered from a dip earlier in the year and global high yield bonds continued a strong run.

On the equity side, performance varied across regions. Europe and the UK had a positive quarter to round out a successful year, and the US ended on a high note after strong corporate earnings reports. The best performer of the quarter was emerging markets ex-China, driven by the tech sector in South Korea and Taiwan, as well as a rally in India. Conversely, China suffered in the quarter but still performed well on the year.

Looking forward, we believe markets will continue to be driven by the AI theme. We are wary of too heavy of a weighting in the US, but we still plan to find ways to enjoy the returns, whether through companies that are less appreciated beneficiaries, or scouting areas of the market investors are neglecting.

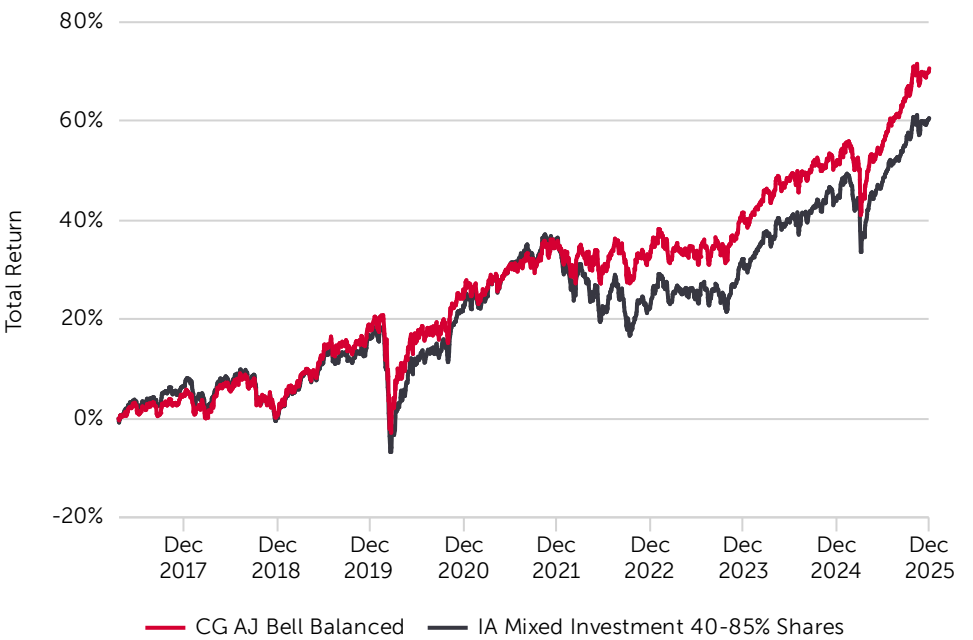
Q4 2025 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
CG AJ Bell Balanced	3.58	9.98	12.94	28.69	37.18	70.68
IA Mixed Investment 40-85% Shares	3.32	8.77	11.62	31.37	31.24	60.66

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.

Portfolio snapshot

Number of holdings	27
Inception date	18 Apr 2017
Fund size	£1,605.49m
ISIN	(I Acc) GB00BYW8RX12

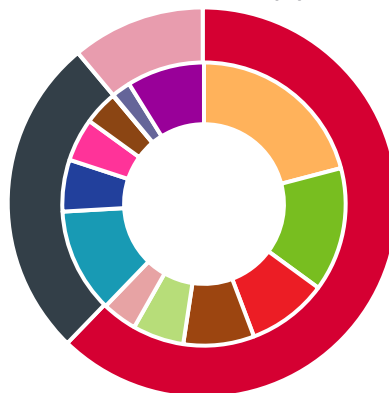
Top 10 holdings

Holding	Weight (%)
SPDR S&P 500 ETF	17.78
Vanguard FTSE UK All-Share Index	12.84
Vanguard UK Investment Grade Bond Index	9.06
Vanguard FTSE Developed Europe ex UK Equity Index Plus	8.06
iShares £ Ultrashort Bond ETF	5.92
Amundi Prime Japan ETF	5.87
Amundi MSCI Emerging Markets ex China ETF	4.84
iShares MSCI Emerging Markets ex-China ETF	4.33
State Street Emerging Markets Hard Currency Government Bond Index	3.50
BlackRock Institutional Sterling Liquidity	2.97

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	62.20
North America equity	20.90
UK equity	14.20
Emerging markets ex-China equity	9.18
Europe ex-UK equity	8.06
Japan equity	5.87
China equity	3.99
Fixed Income	26.73
UK corporate bonds	11.95
Emerging market debt	5.90
Global high yield bonds (GBP hedged)	4.93
International government bonds (GBP hedged)	3.91
Global high yield bonds	0.06
Cash	11.07
Cash	2.18
Cash equivalent	8.88

Fixed income breakdown (%)



GBP Bonds	77.73
UK corporate bonds	44.68
Global high yield bonds (GBP hedged)	18.44
International government bonds (GBP hedged)	14.62
International Bonds	22.27
Emerging market debt	22.05
Global high yield bonds	0.21

Equity breakdown (%)



Sector	
Technology	19.80
Financial Services	18.78
Industrials	12.75
Consumer Cyclical	10.06
Healthcare	9.68
Communication Services	7.34
Consumer Defensive	7.15
Energy	4.59
Basic Materials	4.52
Utilities	3.34
Real Estate	1.99

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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