

# AJ Bell Balanced Ready-made portfolio half-yearly update

As of 30/06/2021

## Commentary

Over the first half of 2021, the Balanced portfolio delivered a positive return of 5%, contributing to an overall return of 21.1% since launch on 12 December 2018. Across this half-year, Fidelity Global Special Situations was a strong performer, delivering 8.3% – albeit 2.9% behind its representative index. Jupiter UK Special Situations also performed exceptionally well, its value approach remaining in favour. It achieved a 17.5% return, 6.4% ahead of its representative index.

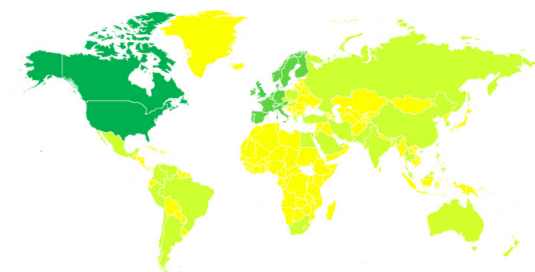
The half-year saw economic growth and inflation forecasts rise following the vaccine rollout and a large US fiscal stimulus. This triggered a sell-off in bond markets, as investors anticipated interest rates being raised sooner than previously thought. Conversely, stock markets soared higher – with the notable exception of Japan – as positive sentiment around economic reopening increased.

The overall outlook appears brighter than at any time in the past 18 months. Vaccination programmes are nearing completion in many developed nations, and donations of excess vaccine stocks to developing nations are finally picking up pace. As such, the focus for markets has shifted to the strength of the economic rebound, and the corresponding rise in inflation. When central banks will need to raise interest rates to combat this is a key question on many investors' lips.

Following our annual strategic asset allocation review, we made several changes to the Balanced portfolio in the last half-year. We reduced the allocation to UK equity funds from 35% to 16%, removing the Evenlode Income fund and replacing it with the Ninety One UK Alpha fund (10%). We believe this new fund should blend well with the Jupiter UK Special Situations fund (6%). We also increased the allocation to global equity funds from 22% to 45%, upping the allocations to Fidelity Global Special Situations and Trojan Global Income from 11% to 30% and 11% to 15% respectively. Finally, we decreased the allocation to Janus Henderson Absolute Return from 10% to 6%.

*Please note: these changes will not be made in a Ready-made portfolio that you already hold in your account. Responsibility for managing your portfolio rests with you. This report isn't a personal recommendation to buy or sell these investments.*

## H1 Stock market performance



-0.4% 13.7%

Heat map of global stock market returns by region.  
Source: Morningstar direct

## Returns

January - June 2021	5.02%
1 year	11.08%
Since inception	21.10%

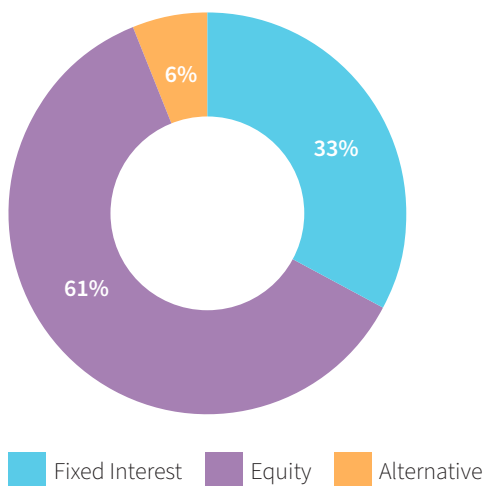
## Portfolio snapshot

Estimated 12-month yield	1.68%
Inception date	12/12/2018
Average OCF of portfolio	0.78%

The portfolio yield is calculated on a backward looking basis covering the last 12-month period using the current Ready-made portfolio weightings.

The portfolio's ongoing charges figure (OCF) is a weighted average of the OCF of each of the underlying funds, using the Ready-made portfolio weights at the end of the reported period. The Portfolio's OCF does not include AJ Bell Youinvest's custody charge.

## Portfolio asset allocation



## Investment growth



— Balanced Ready-made portfolio  
Source: Morningstar Direct

## Portfolio rating



The risk rating of the portfolio depends on the type of assets it invests in. Bonds are more conservative because they offer a more certain (though typically lower) return. Shares are more aggressive because they offer a less certain (though typically higher) return.

Keep in mind this applies over the longer term: five years or more.

## Balanced Ready-made portfolio

Funds currently held in portfolio	Asset allocation
TwentyFour Corporate Bond I GBP Acc	10%
Fidelity Strategic Bond W Acc	23%
Ninety One UK Alpha J £ Acc	10%
Jupiter UK Special Situations I Acc	6%
Fidelity Global Special Sits W Acc	30%
Trojan Global Income O Acc	15%
Janus Henderson Absolute Return I Acc	6%

Remember, AJ Bell doesn't manage or rebalance your portfolio after you've bought it, so depending on when you invested your portfolio may look different to the current weighting of our Ready-made portfolios. The value of your investments can go down as well as up and you may get back less than you originally invested. We don't offer advice, so it's important you understand the risks, if you're unsure please consult a suitably qualified financial adviser. Past performance is not a guide to future performance and some investments need to be held for the long term. Yields are not guaranteed and can fluctuate.