

AJ Bell Adventurous Ready-made portfolio half-yearly update

As of 30/06/2023

Commentary

Over the first half of 2023, the Adventurous portfolio delivered a positive return of 3.4%. This brings the portfolio's cumulative return since its launch on 12 December 2018 to 28.3%.

Over the period, the allocation to UK equities was the strongest performer, generating 4.8% returns, comfortably ahead of the benchmark. We also added a dedicated emerging markets fund – the JPMorgan Emerging Markets Income fund – which yielded positive early results, returning 1.2% in the first month of inclusion, despite the benchmark falling 0.3% during the same timeframe.

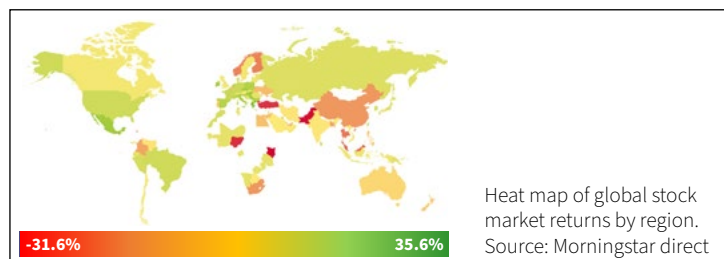
Uncertainty dominated the first half of 2023, with conflicting predictions of where and when we'd see peak inflation, and central banks persisting with rate hikes in an effort to wrestle inflation down. As a result, casualties started to emerge in March, with three failures in the US – albeit two related to crypto assets – and the high-profile collapse of Switzerland's second largest bank, Credit Suisse, reminding everyone that controlling inflation with rapid increases in interest rates isn't without its problems.

Towards the end of the first half of 2023, there were signs of a divergence of approach. The Federal Reserve sought to hold interest rates, while the BoE and ECB continued hiking them – owing to stickier inflation in the UK and on the continent. Against this backdrop, the exposure to high yield bonds suffered against the benchmark, being negatively impacted by the sale of Credit Suisse to UBS.

We made some changes to the portfolio in May following our annual strategic asset allocation review. These include tweaking the dedicated exposure to high yield (10% weighting) and emerging markets equity (22% weighting), along with numerous changes to the portfolio's allocation sizes and constituents. For a full review of the changes, please visit: <https://www.ajbell.co.uk/articles/investmentarticles/260635/ready-made-portfolios-changes-may-2023>.

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



Returns

January - June 2023	3.44%
1 year	5.87%
Since inception	27.73%

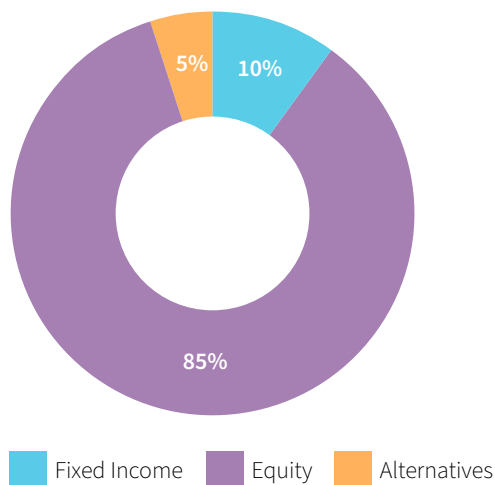
Portfolio snapshot

Estimated 12-month yield	2.97%
Inception date	12/12/2018
Average OCF of portfolio	0.84%

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's custody charge.

Portfolio asset allocation



Investment growth



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.

Adventurous Ready-made portfolio

Funds currently held in portfolio	Asset allocation
JPM Global Equity Income C Net Acc	30%
JPM Emerging Markets Income C Net Acc	22%
Liontrust UK Growth I Inc	13%
Jupiter UK Special Situations I Acc	11%
Invesco High Yield UK Y Acc	10%
abrdn Global Smaller Companies I Acc	9%
Trojan Fund X Accumulation	5%

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.