

AJ Bell Balanced Ready-made portfolio half-yearly update

As of 30/06/2020

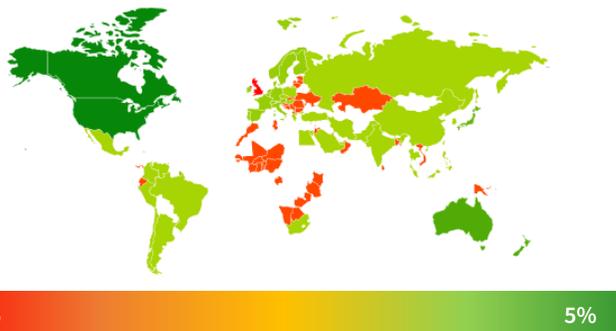
Commentary

Over the first half of 2020, the Balanced portfolio delivered a negative return of -4.46%, making an overall return of 8.58% since its inception on 12 December 2018. Across this half-year, the holdings in fixed income and absolute return produced positive performance, while the equity fund returns struggled, particularly the UK equity funds. Jupiter UK Special Situations fell by over 20% as its value style bias held back returns during the sharp decline in share prices.

Coming into the year, there was a strong sense of cautious optimism for global growth but sadly this all changed abruptly as the realisation of the seriousness of the global pandemic took hold. Around the world, many countries went into lockdown wreaking havoc for both economies and capital markets globally. Global equities fell very sharply in a short space of time reflecting the fact that demand fell to zero instantaneously in many industries; which hasn't been witnessed even in some of the harshest of recessionary environments. This was swiftly followed by a strong recovery with capital markets experiencing a V-shaped recovery – in fact, one of the fastest recoveries ever witnessed in history, as government and central bank support was plentiful. However, clearly the global economy is not out of the woods just yet and volatility could continue from here onwards.

There has been a change for the Balanced portfolio in the first half of this year. The BNY Mellon Global Income fund has been removed as the lead fund manager, Nick Clay, and his team, confirmed their departure from the firm. We have introduced the Trojan Global Income fund. The lead manager, James Harries, is highly experienced and we believe the more defensive style of the fund complements our existing exposure well.

H1 Stock market performance



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

Returns

January-June 2020	-4.46%
1 year	-0.54%
Since inception	8.58%

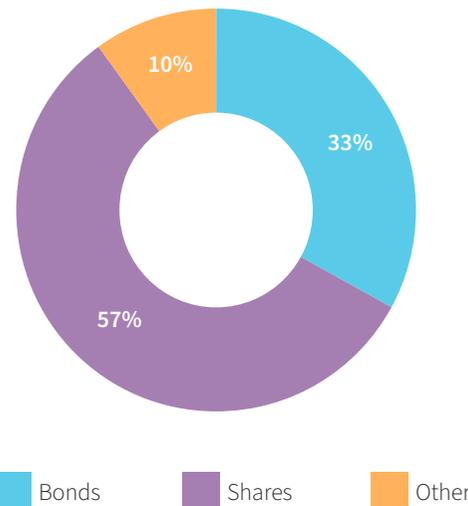
Portfolio snapshot

Estimated 12 month yield	2.34%
Inception date	12/12/2018
Average OCF of portfolio	0.79%

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



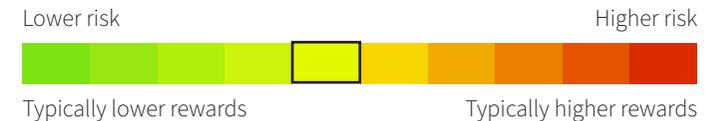
■ Bonds ■ Shares ■ Other

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
Fidelity Global Special Sits Acc	11%
Fidelity Strategic Bond Acc	23%
Janus Henderson UK Absolute Return Acc	10%
Jupiter UK Special Situations Acc	15%
TB Evenlode Income Acc	20%
Trojan Global Income Acc	11%
TwentyFour Corporate Bond Acc	10%

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.