

AJ Bell Cautious Ready-made portfolio half-yearly update

As of 30/06/2020

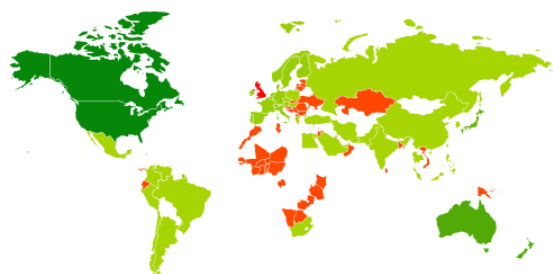
Commentary

Over the first half of 2020, the Cautious portfolio delivered a slightly negative return of -0.18%, making an overall return of 11.20% since its inception on 12 December 2018. Across this half-year, most holdings finished in positive territory apart from Ninety One UK Alpha (formerly known as Investec UK Alpha) which fell over 10% but significantly outperformed its benchmark, the FTSE All Share index.

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 have been no changes for the Cautious portfolio in the first half of this year.

H1 Stock market performance



Heat map of global stock market returns by region.

Source: Morningstar direct

Returns

January-June 2020	-0.18%
1 year	3.20%
Since inception	11.20%

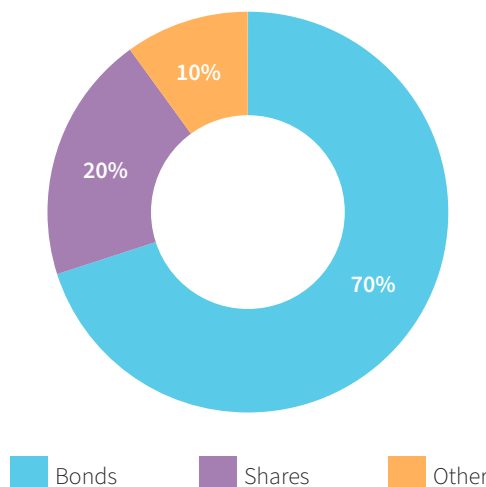
Portfolio snapshot

Estimated 12 month yield	2.21%
Inception date	12/12/2018
Average OCF of portfolio	0.61%

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

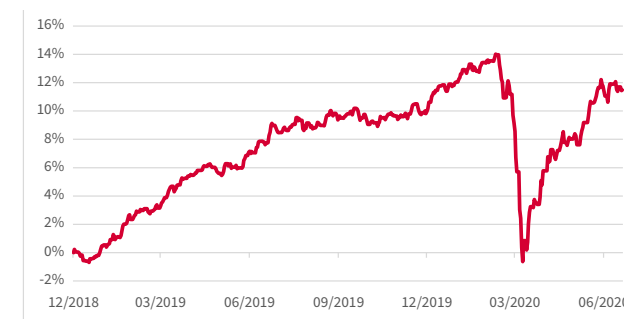
The portfolio's ongoing charges figure (OCF) is a weighted average of the OCF of each of the underlying funds, using the Ready-made portfolio weights at the end of the reported period. The Portfolio's OCF does not include AJ Bell Youinvest's custody charge.

Portfolio asset allocation



■ Bonds ■ Shares ■ Other

Investment growth



— Cautious 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.

Cautious Ready-made portfolio

Funds currently held in portfolio	Asset allocationn
Fidelity Global Special Sits Acc	5%
Fidelity Strategic Bond Acc	30%
Janus Henderson UK Absolute Return Acc	10%
Ninety One UK Alpha Acc	15%
Royal London Corporate Bond Inc	20%
TwentyFour Corporate Bond Acc	20%