

# AJ Bell Balanced Starter portfolio half-yearly update

As of 30/06/2025

## Commentary

Over the first half of 2025, the Balanced portfolio delivered a positive return of +2.3%. This brings the portfolio's total return since launch on 12 December 2018, to +38.7%.

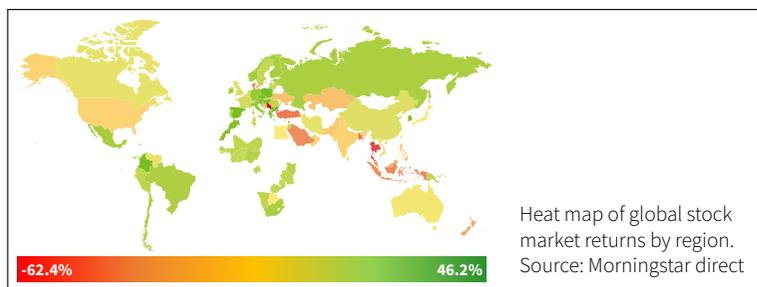
Though broadly flat over the six-month period, global equity markets underwent a large pullback around the announcement of President Trump's wide-ranging tariffs on US trading partners in early April. They regained their poise in the weeks and months that followed, calmed by extensions to US tariff negotiations, alongside continually robust earnings from companies. Regionally, non-US markets outperformed for UK investors, primarily due to the weak US dollar, which hindered US equities. Additionally, increased government spending in Europe on sectors like defence and the strong performance of certain emerging markets, such as South Korea and Taiwan, contributed to this outperformance. Within the portfolio, equities added +0.8%, with Baillie Gifford Global Alpha contributing the bulk of this thanks to good stock selection, such as the US food delivery company DoorDash.

Fixed income markets were relatively calm over the period, experiencing only minor pullbacks in the first few weeks of the year and after the tariff announcements. However, these pullbacks were overshadowed by modest yet steady returns over the rest of the period. While US interest rates remained steady at 4.5%, UK interest rates were cut twice (0.25% each) over the period to 4.25%, in line with market expectations. Despite faltering economic growth, inflation remained too stubborn to allow for more significant cuts.

Corporate bonds outperformed government bonds over the period, thanks to their higher starting yield due to their additional credit risk (the premium that investors receive for lending to companies rather than governments). Artemis Strategic Bond performed particularly well over the period thanks to its higher credit risk, contributing +1.0% of the +1.5% delivered within the fixed income funds.

On September 30 2024, our Investment Team made changes to the Balanced portfolio, simplifying the asset allocation by splitting the portfolio into two buckets: 60% global equities and 40% fixed income. This also led to changes in the funds included in the portfolio. Full details of these changes can be found [here](#).

## H1 Stock market performance



## Returns

January - June 2025	2.26%
1 year	4.76%
Since Inception	38.70%

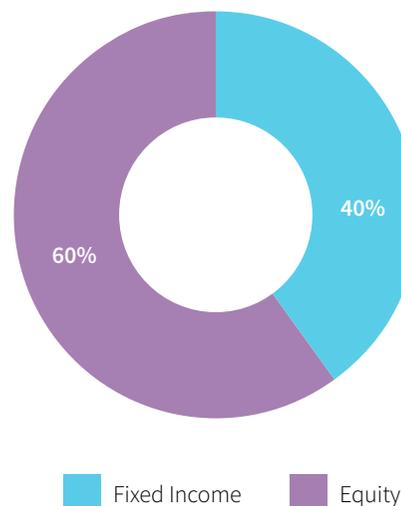
## Portfolio snapshot

Estimated 12-month yield	2.35%
Inception date	12/12/2018
Average OCF of portfolio	0.45%

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

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

## Portfolio asset allocation



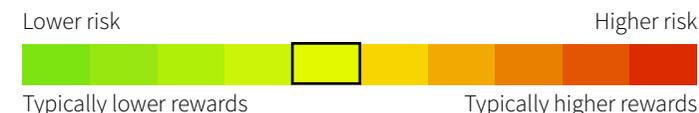
## Investment growth



— Balanced Starter 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 Starter portfolio

Funds currently held in portfolio	Asset allocation
Artemis Strategic Bond I Quarterly Acc	20%
HSBC FTSE All-World Index C Acc	20%
IFSL Evenlode Global Income B GBP Acc	20%
Baillie Gifford Global Alpha Gr B Acc	20%
HSBC Global Aggregate Bond XCHGBP	20%

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 Starter 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.