

AJ Bell Income Starter portfolio half-yearly update

As of 31/12/2025

Commentary

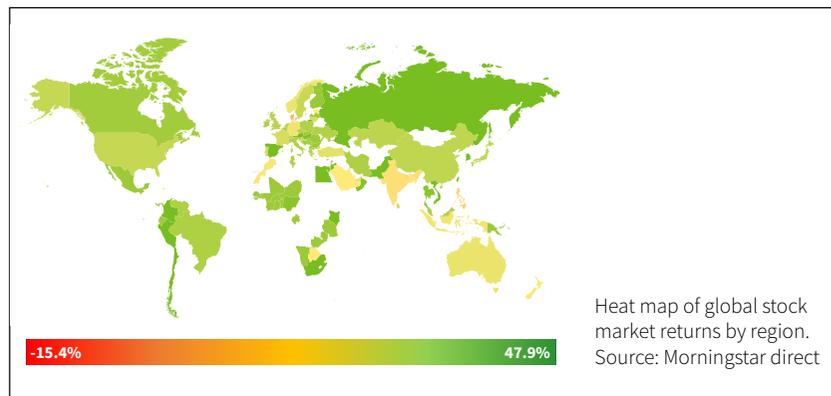
Over the second half of 2025, the Income portfolio delivered a positive return of +8.9%. This brings the portfolio's total return since launch on 12 December 2018 to +58.4%.

Following a choppy first half of the year, global equity markets regained momentum in the second half of 2025, as tariff agreements between the US and other major economies provided greater clarity for investors. Performance across developed equity markets was broadly similar, though this was driven by different underlying factors. In the US, gains were led by large-cap technology and AI-related stocks, primarily supported by strong earnings growth for these companies. In the UK and Europe, returns were driven by cyclical sectors such as banks, defence and mining companies – consistent with trends seen earlier in the year, and underpinned by persistent geopolitical concerns and rising commodity prices (particularly gold and silver). Although equity markets cooled toward year-end, most major indices still finished the year at or near all-time highs. Within the portfolio, equities added +7.1%. The HSBC FTSE All World Index fund was the best performer of the equity funds in the portfolio, adding +2.8%, closely followed by the Schroder Global Equity Income fund (+2.7%).

Over the same period, fixed income markets advanced steadily. Inflation remained stable and some cracks emerged in employment data, giving the Federal Reserve and the Bank of England the confidence to reduce interest rates three times and two times respectively. On both sides of the Atlantic, interest rates finished the year at 3.75%. Corporate bonds performed well, supported by robust company balance sheets and higher starting yields - due to their additional credit risk (the premium that investors receive for lending to companies rather than governments). Against this backdrop, the portfolio's Invesco High Yield fund, performed well, contributing +1.2% of the +1.8% delivered by the fixed income funds.

Our Investment Team have made no changes to the Income portfolio since we simplified the asset allocation in September 2024.

H2 Stock market performance



Returns

July - Dec 2025	8.9%
1 year	12.0%
Since inception	58.4%

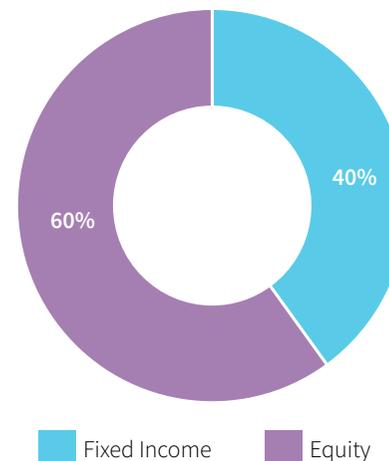
Portfolio snapshot

Estimated 12-month yield	3.74%
Inception date	12/12/2018
Average OCF of portfolio	0.52%

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



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.

Income Starter portfolio

Funds currently held in portfolio	Asset allocation
JPM Global Equity Income C Net Inc	20%
Invesco High Yield UK Z Inc	20%
Schroder Global Equity Income L GBP Inc	20%
HSBC FTSE All-World Index C Inc	20%
Vanguard Global Corp Bd Idx GBP H Dist	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.