

# AJ Bell Balanced Ready-made portfolio half-yearly update

As of 30/06/2023

## Commentary

Over the first half of 2023, the Balanced portfolio delivered a positive return of 3.2%. This brings the portfolio's cumulative return since its launch on 12 December 2018 to 17.6%.

The allocation to global equities was the strongest performer, generating 4.1% returns, although this lagged the benchmark. During the period, we 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.

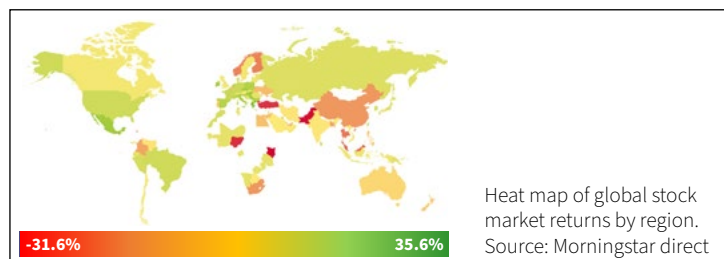
Uncertainty dominated the first half of 2023, with conflicting predictions of where and when we'd see peak inflation, and central banks persisting with rate hikes in an effort to wrestle inflation down. As a result, casualties started to emerge in March, with three failures in the US – albeit two related 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, it was pleasing to see positive absolute and relative returns from the bond allocation, generating 1.2% and outperforming the benchmark.

We made some changes to the portfolio in May following our annual strategic asset allocation review. These include adding a new asset type for cash (cash-like instruments), specifically the BlackRock Sterling Liquidity fund, which allows investors an opportunity to benefit from the rise in interest rates. During the month the fund was in the portfolio, it returned 0.45%. Elsewhere, we added a dedicated exposure to emerging markets and high yield bonds, along with numerous changes to the allocation sizes and constituents of the portfolio. 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	3.18%
1 year	4.17%
Since inception	17.34%

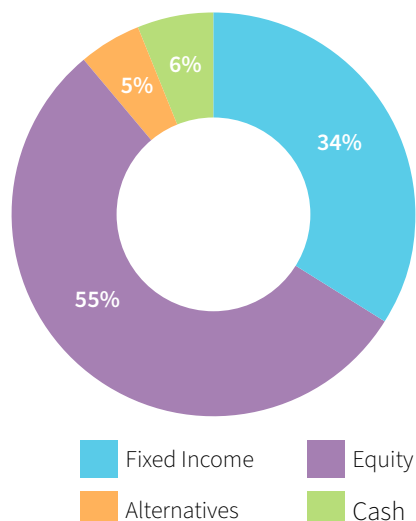
## Portfolio snapshot

Estimated 12-month yield	3.48%
Inception date	12/12/2018
Average OCF of portfolio	0.64%

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



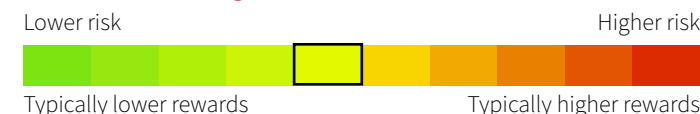
## Investment growth



— 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
Royal London Corporate Bond Z Inc	26%
JPM Global Equity Income C Net Acc	24%
JPM Emerging Markets Income C Net Acc	16%
Liontrust UK Growth I Inc	8%
Invesco High Yield UK Y Acc	8%
Jupiter UK Special Situations I Acc	7%
BlackRock ICS Sterling Liq Premier Acc	6%
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.