Managed Portfolio Service

Passive Income MPS Quarterly Reports

As at 30 June 2026

Market commentary:

The second quarter began against a backdrop of continued geopolitical uncertainty in the Middle East, with markets still assessing the implications of the conflict between Iran and the US. As the period progressed, however, those concerns eased as the two nations agreed to continue peace talks, reducing fears of prolonged escalation.

The easing in geopolitical tensions was most clearly reflected in oil markets. Crude prices fell back over the quarter, taking some pressure off inflation expectations and providing a more supportive backdrop for risk assets. This shift also moved investor attention away from energy and inflation towards the dominant market theme of artificial intelligence.

Bond markets remained volatile for much of the quarter, with government bond yields staying elevated as investors continued to weigh the path of inflation, central bank policy and fiscal risk. Central banks were an important driver of that volatility. In Europe, policymakers responded to the inflationary impulse from higher energy prices by raising rates, while in the UK the expected path for interest rates moderated considerably as oil prices fell back and growth concerns became more prominent.

The US saw a notable shift in Federal Reserve leadership, with Jay Powell giving way to Kevin Warsh. Markets interpreted the change as the start of a potentially different communication regime, with Warsh placing less emphasis on forward guidance. While the Fed left rates unchanged, the leadership transition contributed to uncertainty in rates markets. Towards the end of the period, however, bond markets rallied as yields moved lower into quarter end, providing some relief after a volatile start to the year.

Equity markets were increasingly led by the artificial intelligence theme as the quarter progressed. Emerging markets ex China delivered particularly strong returns, with South Korea a standout performer as investors continued to reward companies exposed to the AI memory and semiconductor supply chain.

In the US, the AI theme also remained highly influential, with renewed investor enthusiasm reinforced by market attention around major technology-related listings and the continued build-out of AI infrastructure. Returns were more muted in areas less directly exposed to this theme. China remained weaker as the domestic economy continued to face pressure, while the UK also lagged, with the earlier support from energy exposure fading as oil prices declined.

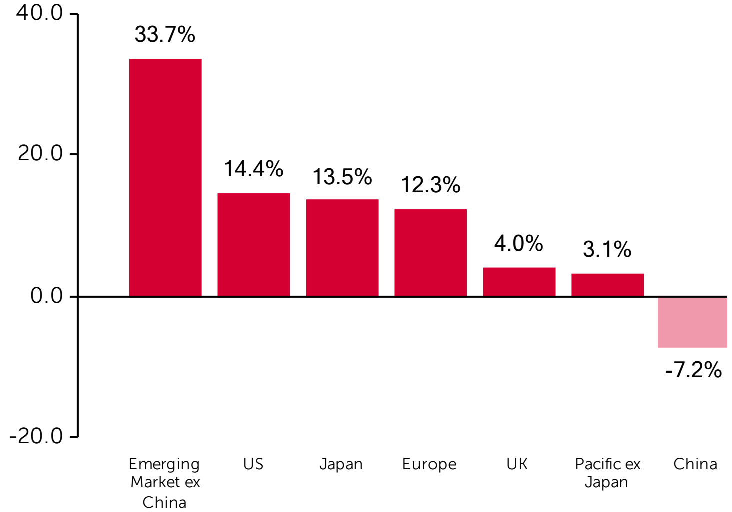
Looking ahead, the AI theme has returned to the centre of investor attention as geopolitical risk has faded somewhat into the background. Political risk appears somewhat heightened in the UK following turnover in the prime minister, but further afield investors are more focused on how best to gain exposure to the dominant AI trend and how much of that opportunity is already reflected in valuations.

For portfolios, returns were generally stronger than in the first quarter, helped by a more settled market backdrop as volatility subsided somewhat. While conditions remained far from straightforward, the easing in geopolitical concerns, lower oil prices and improved sentiment towards risk assets provided a more supportive environment for diversified portfolios.

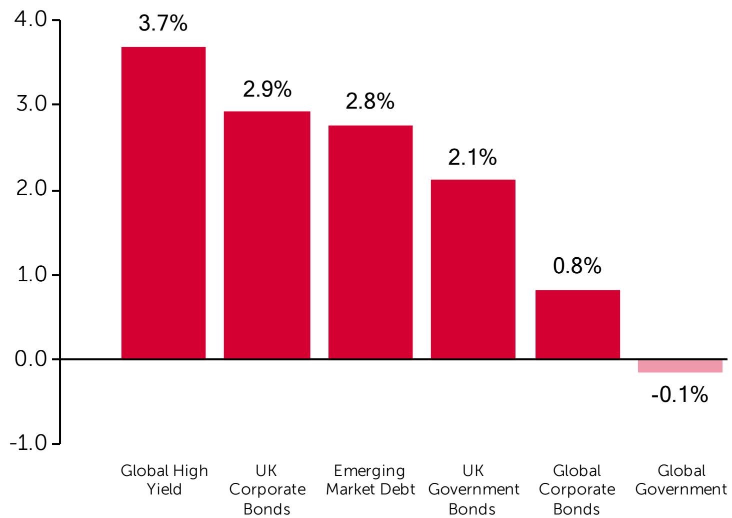
The key challenge now is balancing exposure to the powerful AI theme with appropriate risk control. Diversification remains essential, but the quarter has reinforced that it needs to be considered not just at a geographic level, but also across sectors and sources of return.

As we move into the second half of 2026, maintaining a balanced approach across asset classes, regions and sectors appears increasingly important. The opportunity set remains attractive, but with market leadership narrow and investor enthusiasm concentrated in a small number of themes, portfolio resilience and disciplined diversification are likely to remain central to delivering good client outcomes..

Equity performance - last quarter



Fixed income performance - last quarter



Passive Income MPS 1

As at 30 June 2026

Portfolio commentary

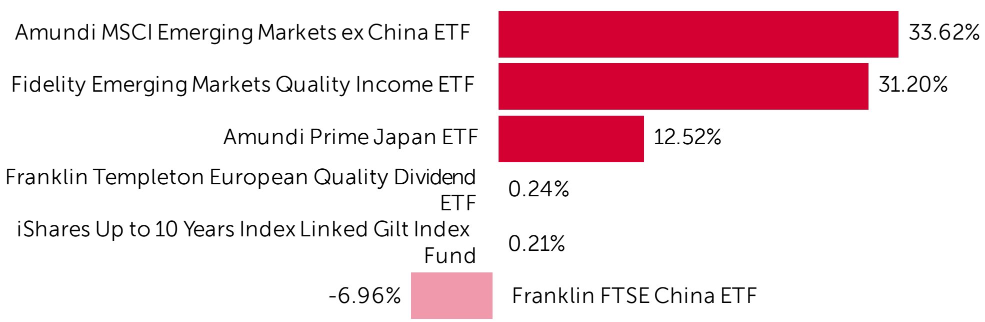
The second quarter of 2026 brought a welcome recovery across global markets, with equity markets finding their footing after a turbulent first quarter. The portfolio's income-oriented positioning delivered a solid set of returns, with strength across emerging markets and Japan the primary drivers of performance.

Emerging markets was the standout allocation, with both the Fidelity Emerging Markets Quality Income ETF and the Amundi MSCI Emerging Markets ex-China ETF delivering exceptional returns driven by AI supply chain companies in South Korea and Taiwan. Japan also had an impressive quarter on the back of strong earnings and corporate governance reform. The US Quality Income ETF delivered a solid performance despite its underweight to the technology sector. European quality dividend positions contributed modestly, while China was the principal detractor, declining 7.0%.

Within fixed income, credit spreads remained resilient, allowing corporate bond and high yield allocations to contribute positively. UK index-linked gilts edged marginally lower, while US TIPS provided quiet capital protection.

Overall, AJ Bell Passive Income MPS 1 returned 6.4% over Q2 and 8.2% over the first half of the year.

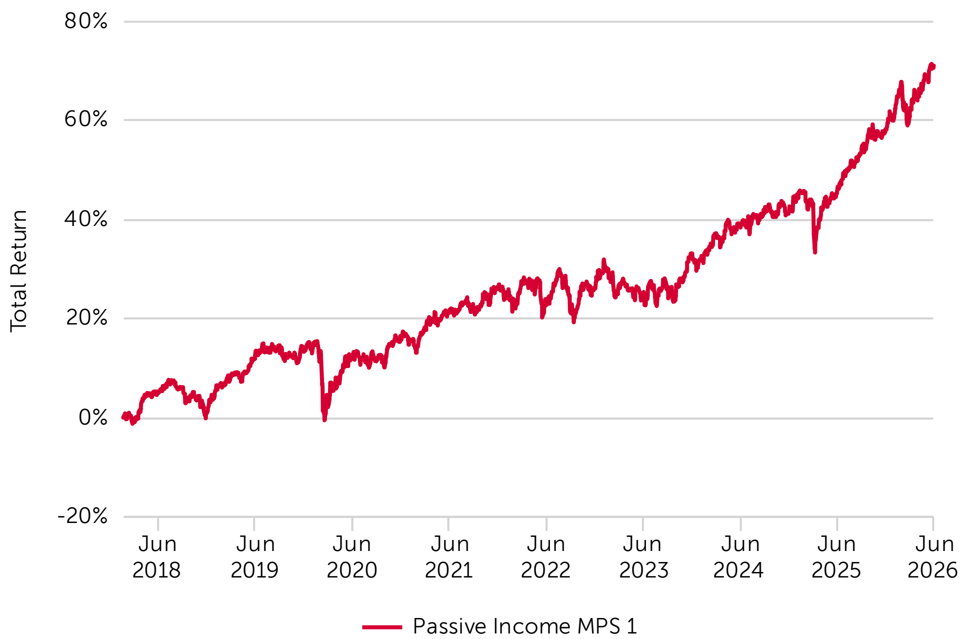
Q2 2026 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Passive Income MPS 1	6.40	8.17	17.82	37.05	41.26	71.15

The above table displays the total return of the fund on a cumulative basis. This is taken from the most recent month end.



! Past performance is not indicative of future performance. The value of investments may go down as well as up and the income generated by investments is not guaranteed and may fluctuate. You may receive back less than the amount that you invested.

Passive Income MPS 1

As at 30 June 2026

Portfolio snapshot

Number of holdings	18
Inception date	19 Feb 2018
Underlying OCF	0.19%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.34%

Top 10 holdings

Holding	Weight (%)
Invesco S&P 500 High Dividend Low Volatility ETF	15.00
iShares Core FTSE 100 ETF	13.50
Fidelity US Quality Income ETF	10.50
Amundi Prime Japan ETF	6.00
Invesco GBP Corporate Bond ETF	6.00
iShares US TIPS 0-5yr	6.00
Fidelity Emerging Markets Quality Income ETF	5.00
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	5.00
Vanguard USD Emerging Markets Government Bond ETF	5.00
iShares £ Ultrashort Bond ETF	4.00

Lower risk **Higher risk**

1	2	**3**	4	5	6

Typically lower rewards **Typically higher rewards**

Asset allocation (%)

Equity	**62.00**
North America equity	25.50
UK equity	13.50
Europe ex-UK equity	6.00
Japan equity	6.00
Emerging markets equity	5.00
China equity	3.00
Emerging markets ex-China equity	3.00
Fixed Income	**33.00**
Global high yield bonds (GBP hedged)	7.00
Global government bonds (GBP hedged)	6.00
UK corporate bonds	6.00
Emerging market debt	5.00
Global corporate bonds (GBP hedged)	4.00
UK index-linked gilts	3.00
UK government bonds	2.00
Cash	**5.00**

Fixed income breakdown (%)

GBP Bonds	**82.76**
Global high yield bonds (GBP hedged)	24.14
Global government bonds (GBP hedged)	20.69
UK corporate bonds	20.69
UK index-linked gilts	10.34
UK government bonds	6.90
International Bonds	**17.24**
Emerging market debt	17.24

Equity breakdown (%)

Sector	
Financial Services	20.23
Technology	16.01
Consumer Defensive	9.81
Industrials	9.14
Healthcare	7.76
Consumer Cyclical	6.97
Communication Services	6.89
Real Estate	6.70
Energy	6.65
Utilities	5.83
Basic Materials	4.02

Passive Income MPS 2

As at 30 June 2026

AJBell Investcentre

Portfolio commentary

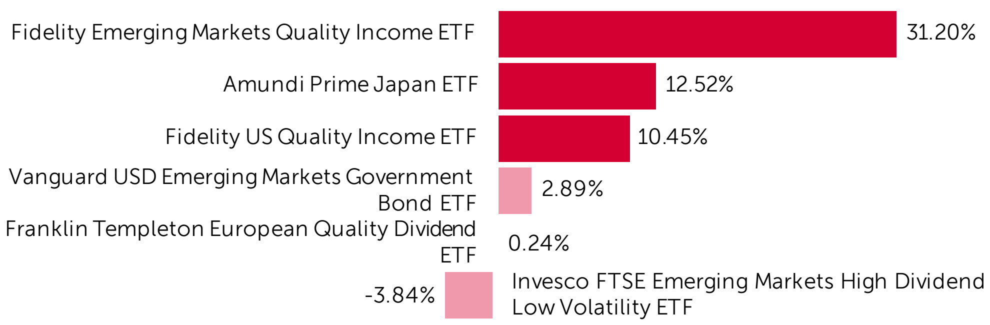
The second quarter of 2026 brought a strong recovery across global equity markets, and the portfolio's income-oriented positioning delivered a solid set of returns, with emerging markets and Japan the standout contributors.

The Fidelity Emerging Markets Quality Income ETF was the headline performer as AI supply chain companies across South Korea and Taiwan drove extraordinary gains, especially in Samsung, which is overweight in the ETF. Japan added strength on the back of strong corporate earnings and ongoing governance reform, while the Fidelity US Quality Income ETF delivered solid performance despite its underweight to the technology sector. Within the US, the contrast between the two allocations was notable: the quality income tilt of the Fidelity fund significantly outpaced the High Dividend Low Volatility allocation, as the quarter rewarded growth and quality over pure yield. A similar dynamic was visible within emerging markets, where the higher-quality Fidelity fund substantially outperformed the Invesco EM High Dividend Low Volatility ETF. European quality dividend positions contributed positively, and Asia Pacific ex-Japan added steady gains.

Fixed income played a supporting role, with global high yield and emerging market debt both contributing positively amid resilient credit spreads.

Overall, AJ Bell Passive Income MPS 2 returned 9.9% over Q2 and 13.2% over the first half of the year.

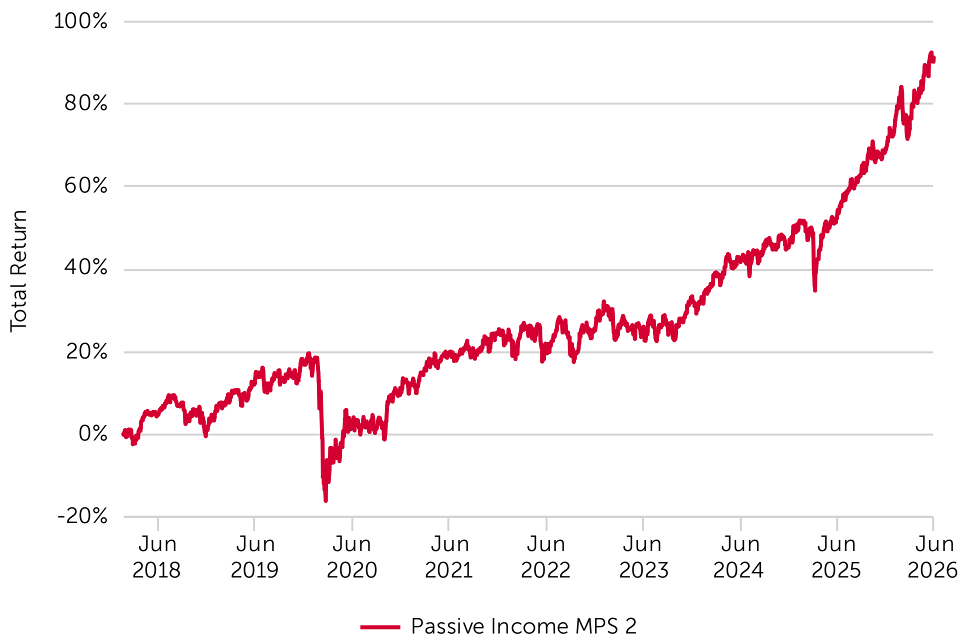
Q2 2026 best/worst performers



Performance

Cumulative (%)	3 months	6 months	1 year	3 years	5 years	Since inception
Passive Income MPS 2	9.88	13.18	25.60	52.63	60.46	91.32

The above table displays the total return of the fund on a cumulative basis. This is taken from the most recent month end.



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Passive Income MPS 2

As at 30 June 2026

AJBell Investcentre

Portfolio snapshot

Number of holdings	11
Inception date	19 Feb 2018
Underlying OCF	0.26%
Annual Investment Management Charge	0.15%
Indicative Total OCF	0.41%

Top 10 holdings

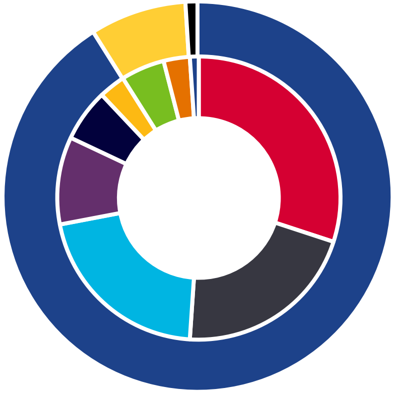
Holding	Weight (%)
iShares Core FTSE 100 ETF	21.00
Fidelity Emerging Markets Quality Income ETF	17.50
Fidelity US Quality Income ETF	15.00
Invesco S&P 500 High Dividend Low Volatility ETF	15.00
Amundi Prime Japan ETF	6.00
Franklin Templeton European Quality Dividend ETF	5.00
Invesco Global High Yield Corporate Bond ESG Climate Transition UCITS ETF	5.00
iShares MSCI Europe Quality Dividend ETF	5.00
Invesco FTSE Emerging Markets High Dividend Low Volatility ETF	3.50
Vanguard Pacific ex-Japan Stock Index	3.00

Lower risk — **Higher risk**

1	2	3	4	**5**	6

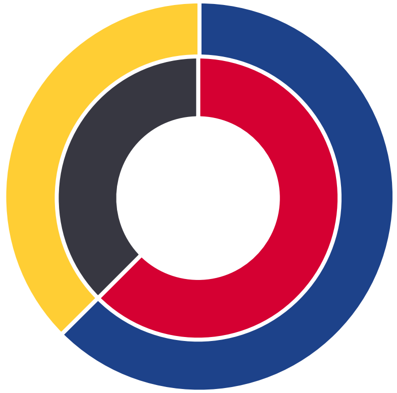
Typically lower rewards — **Typically higher rewards**

Asset allocation (%)



Equity	**91.00**
North America equity	30.00
Emerging markets equity	21.00
UK equity	21.00
Europe ex-UK equity	10.00
Japan equity	6.00
Asia Pacific ex-Japan equity	3.00
Fixed Income	**8.00**
Global high yield bonds (GBP hedged)	5.00
Emerging market debt	3.00
Cash	**1.00**
Cash	1.00

Fixed income breakdown (%)



GBP Bonds	**62.50**
Global high yield bonds (GBP hedged)	62.50
International Bonds	**37.50**
Emerging market debt	37.50

Equity breakdown (%)

Sector	
Financial Services	21.82
Technology	17.43
Industrials	9.48
Consumer Defensive	8.98
Healthcare	7.48
Consumer Cyclical	6.71
Energy	6.67
Communication Services	5.78
Real Estate	5.46
Utilities	5.32
Basic Materials	4.87

Due to its multi-asset nature, no financial instrument or index represents a fair benchmark for the portfolio. The portfolio does not aim to track the IA sector as a benchmark. Performance is calculated on a net of fees basis.

The AJ Bell Managed Portfolio Service (MPS) have been risk mapped by independent risk profiling services. View our Risk Profiling Tools document on www.investcentre.co.uk/support/infocentre for further information. The assigned risk profiles do not indicate a promise, forecast or illustration of future volatility or returns nor represent investment advice or a recommendation to buy or sell units/ shares in a fund or portfolio.

Based on target weights at portfolio rebalance. Totals may not sum to 100% due to rounding.

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