

RESPONSIBLE GROWTH FUND

# Client guide

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Responsible investing made easy

## A responsible choice

The AJ Bell Responsible Growth Fund is designed to let you invest in a simple solution, managed by a professional team, with the principal objective of providing long-term growth through investing in a portfolio of investments that are aligned with a set of defined values and exclusions.

## Who is the fund for?

We have designed the Responsible Growth Fund for investors who want to achieve long-term growth while ensuring that their money is invested to a set of values within companies that exhibit characteristics that are positively rated against environmental, social and governance criteria, whilst also avoiding investing in companies that are conducting activities that are not deemed to be responsible.

Clients should also be willing to invest within a portfolio that may behave differently to other funds that carry a similar risk level (currently a risk level 5, please see the KIID) due to the universe of investible companies available.

## How can I be sure that I'm investing responsibly?

At AJ Bell, we are aware of the dangers of 'greenwashing' – where companies use marketing to exaggerate their environmental credentials and mislead investors. With that in mind, we use a multi-layered approach to ensure that your money is invested responsibly.

First, in asset classes where it is possible, a series of exclusions remove companies from controversial industries such as fossil fuels, alcohol and adult entertainment, by using MSCI's SRI methodology. Then, a 'best-in-class' ranking system is applied to the remaining companies; only those that score more highly on environmental, social and governance credentials are included.

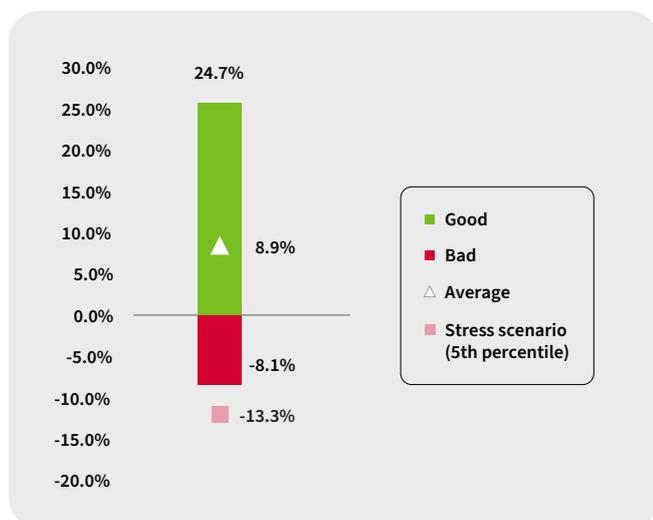
MSCI are a leading data and index provider, including their Socially Responsible Investing (SRI) indexes. To find out more about MSCI's SRI index methodology please see [here](#).



The value of your investments can go down as well as up and you may get back less than you originally invested and some investments need to be held for five or more years.

# What can I expect?

It is important for you to understand how the level of risk taken with the Responsible Growth Fund will translate into returns over time. We have put together the chart below to help you consider the range of outcomes that you could expect to see over time.



Data Correct as of January 2024



The value of your investments is not guaranteed and can go down as well as up. It is key that you recognise how the fund could perform over time. We have used financial models to demonstrate the likely outcomes. As the output is based on statistical forecasts, the actual outcome and performance could be different from the scenarios above.

In a good year, you would see a return somewhere in the green bar range, at, or above, the white triangle. In a bad year, your losses would be somewhere in the red bar. Occasionally, markets may perform exceptionally well or exceptionally badly. In these years, statistically 20 in 100 years, the actual return may sit outside the range of expectations indicated by the green and red bars.

The longer you invest, the more predictable your returns become. That is because, over time, the good and the bad years tend to cancel each other out. Using our back-testing data, over the last five years, had you invested in our Responsible Growth Fund, you would have made the gains shown in the table below.

Business	AJ Bell Responsible Growth Fund
Five-year back-tested performance <sup>(1)</sup>	2.52%
Expected return	8.89%
Expected volatility	12.6% - 14.7%

*(1) Five-year back-tested performance is the annualised return from 1 Jan 2019 - 31 Dec 2023. Returns are simulated using the fund's model portfolio as at 31 January 2024. When the ETF has not been trading for the full period, a representative index has been used.*

All returns are gross of fund ongoing charges figure (OCF), transaction and platform fees. The expected return and volatility figures are forward-looking and are based upon a minimum five-year time-horizon.



### Important information

- Forecasted returns are based on AJ Bell's target weights for different asset classes in each fund. We then allow for the capital market assumptions of AJ Bell for the relevant indices for each asset class. If we believe certain asset classes are over or undervalued at any point in time, we may vary the asset allocation weightings accordingly.
- The expected return is the arithmetic mean return over a single holding period.
- There is a 10% chance of getting a return worse than the 'bad return'.
- There is a 10% chance of getting a return better than the 'good return'.
- Future returns are assured to be in line with market returns and conditions experienced over at least the last 15 years.
- Projected returns include estimated OCFs for the underlying products but do not include AJ Bell's AMC or platform charge.
- The projected returns shown may vary according to the tax treatment of your investment.
- If you pay tax on this investment, your returns may be lower. Tax depends on your personal circumstances and the rules can change at any time in the future.
- The data used in this illustration is valid as at 31 January 2024.

## Who will manage my money?

AJ Bell was established in 1995. We have grown to become one of the UK's largest investment platforms, with £80.3 billion of assets under administration and 503,000 customers. We succeed by providing award-winning investment products, backed up with a dedicated investment team, excellent service, and online functionality at a low cost. AJ Bell is a member of the London Stock Exchange.

AJ Bell Investments was launched in 2016. Our purpose is to design and manage a range of simple, transparent, low-cost investment solutions that deliver good customer outcomes. You can view our team [here](#).

## How much does it cost?

We firmly believe that high charges are one of the biggest threats to investment returns, and that's why we have worked so hard to keep charges for our range of funds as low as possible. We do this by ensuring that the underlying investments in the fund are selected using low-cost index-tracking strategies and keeping the fund's running costs as streamlined as we can.

With our cost guarantee, you will pay our low, fixed ongoing charges figure of 0.45% for the Responsible Growth Fund.

This approach is a highly efficient and effective way of investing, but importantly it also ensures that more of your hard-earned money is working for you, rather than being absorbed by expensive running costs.

# What happens then?

At AJ Bell we never forget whose money it is and how hard you worked to get it.

We are committed to making sure you and your adviser are kept up to date with where, how and why your money is invested. Log into [investcentre.co.uk/client](https://investcentre.co.uk/client) for regular updates on how we invest your wealth.

AJ Bell Investcentre is available only through your financial adviser.



Please contact your adviser for more information or to ask questions about the AJ Bell Responsible Growth Fund.



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.

Where practical the Responsible Fund invests in products tracking MSCI Socially Responsible Investing (SRI) indexes for equity exposure. These indexes exclude companies with certain controversial business involvements and also utilise MSCI's Environmental Social Governance (ESG) ratings and ESG Controversy assessments. For further details please see MSCI's latest SRI Indexes Methodology document. You can find more details of the MSCI SRI methodology here: [msci.com/msci-sri-indexes](https://msci.com/msci-sri-indexes)

This brochure provides general information about the AJ Bell Responsible Growth Fund. It should not be read or construed as investment advice.