EB Wealth

QUARTERLY REPORT
Q3 2023

Global Overview

Global sector performance for the period 01/06/2023 - 31/08/2023				
Markets	**Country**	**Index (ex div) / Sector**	**3m performance up to 31/08/2023**	**12m performance up to 31/08/2023**
North America	USA	S&P 500	6.79%	13.97%
		Dow Jones	5.02%	10.19%
		Nasdaq	7.13%	18.78%
UK	UK	FTSE 100	-0.68%	2.17%
		FTSE All-Share	-0.76%	1.53%
Europe	Germany	Xetra DAX	0.59%	24.25%
	France	Paris CAC 40	2.51%	19.45%
	EU Countries	FTSEurofirst 300	0.51%	10.70%
Asia	Japan	Nikkei 225	4.72%	16.12%
	China	Hang Seng	0.91%	-7.88%
	India	Nifty 50	4.27%	9.78%
South America	Brazil	Sao Paulo Se Bovespa	4.68%	5.68%
	Mexico	SE IPC	0.56%	18.04%
Other Markets	South Africa	JSE FTSE ALL SHARE	-0.15%	11.44%
	Australia	S&P AUST	2.74%	4.56%
	Russia	RTS	-0.26%	-15.84%
	Canada	S&P/TSX COMPS	3.15%	4.98%
Commodities	N/A	Gold	-1.62%	13.19%
		Silver	2.28%	36.16%
		Brent Crude Oil	16.93%	-5.98%
		Copper	2.96%	12.65%

*Based on the latest available data at the time of print.

Q3 has delivered a welcome boost to 2023 performance. Almost all indices were in positive territory with the US continuing to outperform. EB Wealth's active US funds (Brown Advisory US Equity Growth and Seilern America) returned 5.57% and 4.5% respectively.

BNY Mellon Brazil was the best performing fund across our portfolios, posting gains of 9.3%, continuing its upward trend since Q2.

Our portfolios outperformed their respective benchmarks and as interest rates remain at this level, we are happy to retain our underweight allocation to gilts in favour of cash.

EB Wealth Viewpoint

Charlie's Ryder Cup

Well, that was all rather exciting wasn't it! I am sure there are economic parallels that we could try to make in terms of the relatively small European team taking on and overcoming their US counterparts, but this quarterly report is just going to revel in the European team's performance.

The Ryder Cup is a golf tournament like no other. It pits twelve of the best European golfers versus twelve from the US. After winning comfortably on home soil in 2021 and boasting six of the best ten golfers in the world, the American team was a strong one (on paper at least). However, the competition is part team game and part individual. Traditionally, the Europeans have been stronger in the team event while the Americans have the upper hand in the individual event.

Originally it was US vs Great Britain but after too many one-sided events, the GB team was expanded to Europe. The event is held every two years and switches between Europe and the US. This year, the tournament was held in Italy at the Marco Simone Club on the outskirts of Rome, which had been specifically designed for the event.

On day one, the Europeans made the perfect start in the morning, winning all four foursome matches (teams play in pairs and players take alternate shots). And in the afternoon session, Europe maintained their good form in the fourballs (where players in pairs play their own ball) to take a 6.5 – 1.5 lead.

To regain the Cup, Europe needed 14.5 points out of a total of 28, while the US needed just the 14 points to keep hold of the trophy. Day two started well for Europe, who dominated the foursomes winning 3-1, while the US mounted a comeback in the afternoon fourballs to win by the same score. With just the singles matches to come on day three, Europe led 10.5 – 5.5.

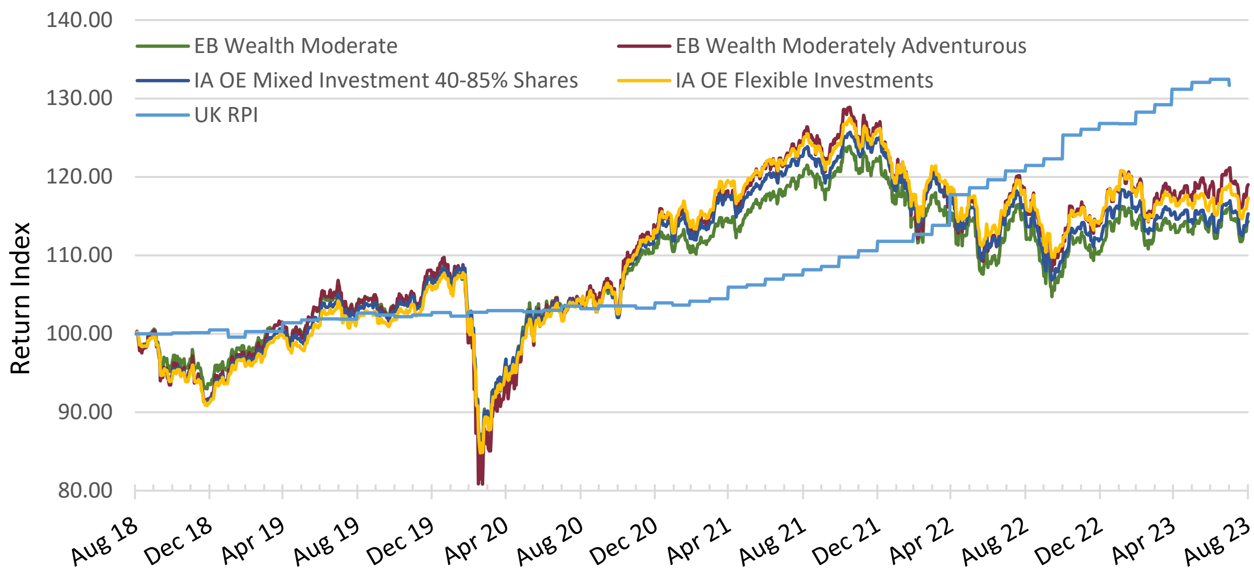
The final day was full of sporting drama as the momentum shifted between the two sides. Under enormous pressure, John Rahm and Rory McIlory (Europe's two best players) had put Europe within touching distance of the trophy. But the Americans were dominating the majority of the remaining matches and at one point it looked like the Europeans were going to come up short. With one final twist, an Englishman, an Irishman, and a Scotsman all won their respective matches to regain the trophy for the Europeans and then walked into a bar for what was surely the mother of all parties!

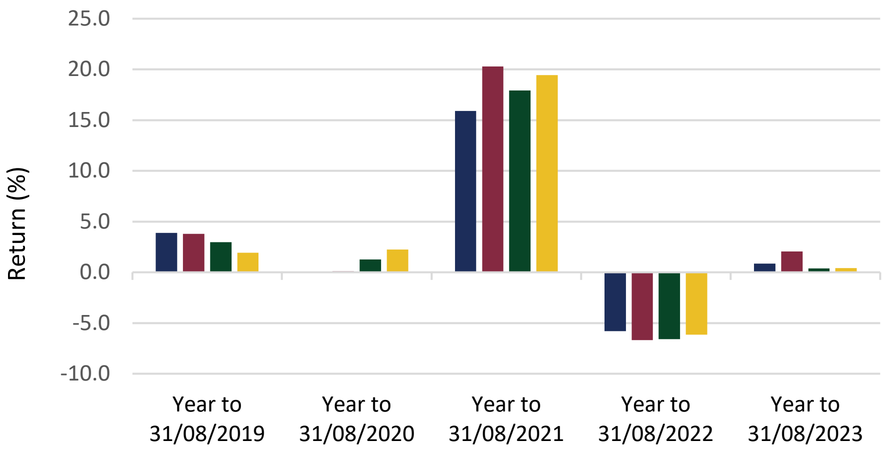
Normal economic commentary will resume next quarter.

Charlie McCall
EB Wealth

EB Wealth Portfolio Performance

The chart below shows the year-to-date performance of our Moderate and Moderately Adventurous fund portfolios over the last five years. We have also included the IA OE Mixed Investments 40-85% returns and IA OE Flexible Investments as benchmarks and RPI for reference. Please see page 16 for more information in relation to the benchmarks.





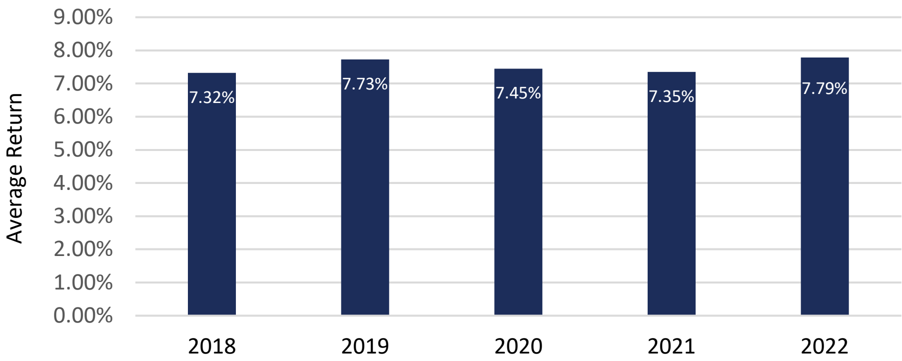
Discrete Annual Performance

This chart shows the discrete annualised performance of our Moderate and Moderately Adventurous fund portfolios over the last five years.

We also run Cautious, Moderately Cautious and Adventurous portfolios and information on these portfolios can be obtained upon request.

Structured Product Average Return

This chart shows the average return achieved on our structured product recommendations on a discrete annualised basis.



Market Commentary UK

Macroeconomic Highlights 01/06/2023 to 31/08/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.2%*	Increased from 0.1%
Yearly Inflation	6.8%*	Fell from 8.7%
Wage Growth Including Bonuses	8.2%*	Increased from 5.8%
Unemployment Rate	4.2%*	Increased from 3.9%
Interest Rates	5.25%	Increased from 4.50%

*Based on the latest available data at the time of print.

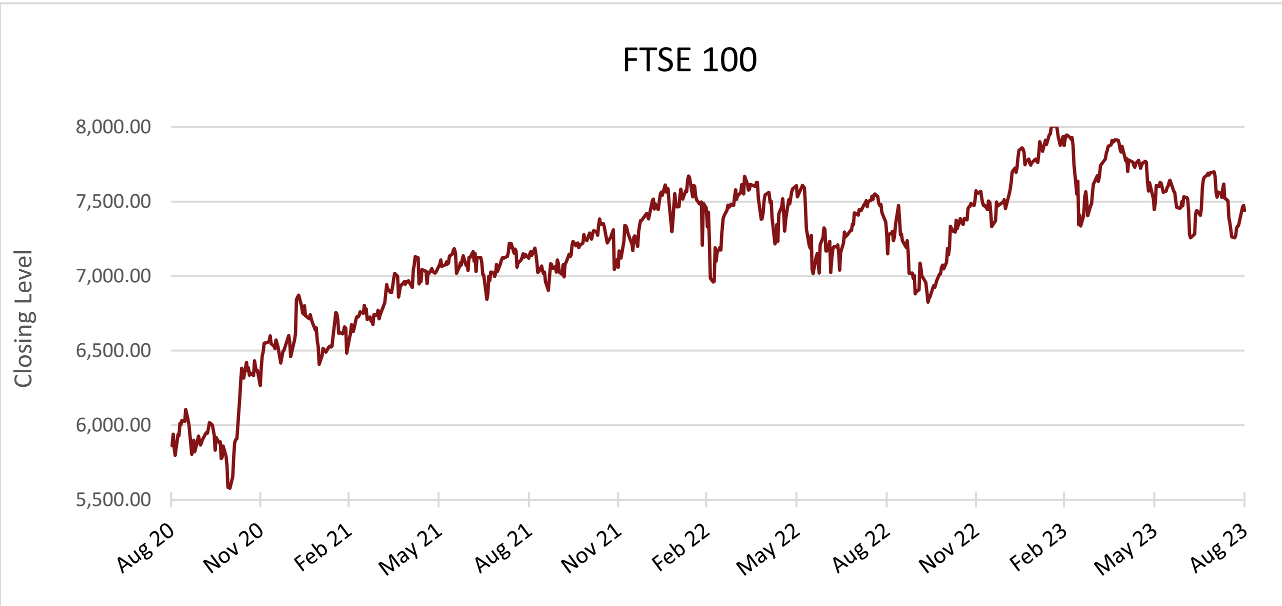
While inflation had moderated further in July to 6.8% from a year earlier, the annual rate of core consumer prices index (CPI) inflation was unchanged at 6.9%, according to latest data from the Office for National Statistics (ONS).

As a result, UK gilts rallied over the period. Gilt yields are important for the UK domestic economy as they influence "swap rates", which lenders use when pricing fixed-rate mortgages. Following the Bank of England's announcement that it would not be raising interest rates, two-year swap rates fell to 4.99%.

The large UK-quoted diversified energy and basic materials groups outperformed as they rebounded from weakness in the previous three-month period. A sharp recovery in crude oil prices buoyed the energy groups in particular.

While it was revealed that the UK economy had grown by 0.2% in the second quarter, beating consensus expectations of zero growth, forward-looking indicators of economic activity deteriorated. The first reading of the composite purchasing managers' index, which tracks the performance of the services and manufacturing sectors, fell below the 50 mark in August, being the level which separates contraction from expansion.

We will retain our underweight allocation to the UK next quarter.



Market Commentary US

Macroeconomic Highlights 01/06/2023 to 31/08/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	2.1%*	Increased from 2.0%
Yearly Inflation	3.2%*	Fell from 4.9%
Wage Growth Including Bonuses	4.8%*	Fell from 5.8%
Unemployment Rate	3.8%*	Increased from 3.7%
Interest Rates	5.50%	Increased from 5.25%

*Based on the latest available data at the time of print.

US equities were weaker in Q3. Most of the so-called "Magnificent Seven" - Apple, Microsoft, Alphabet, Amazon, Tesla, Nvidia and Meta – declined, weighing on the overall market. The IT sector overall was one of the weakest areas over the quarter, along with the less influential sectors of real estate and utilities.

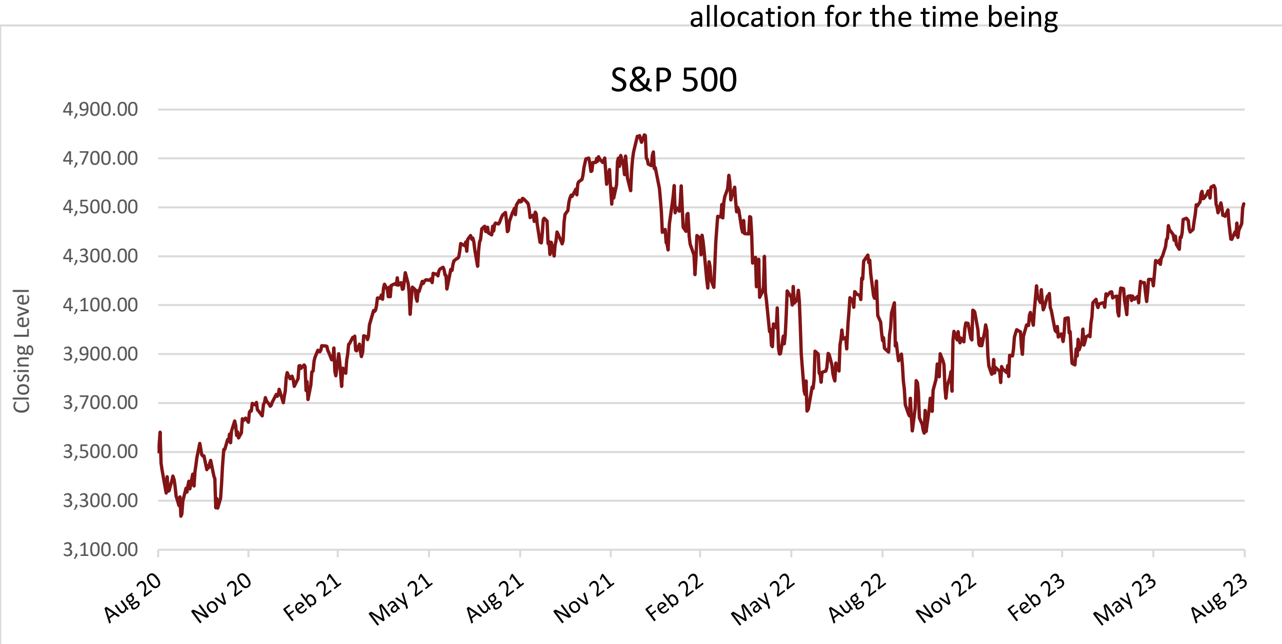
Energy stocks were relatively resilient over the quarter – and one of few bright spots in a quarter where few sectors avoided falls.

As with the BoE, the Fed also announced it would hold interest rates steady – but threw in some stern guidance to dispel doubts it might be easing off.

The latest projections indicate one further rate hike this year, along with a tighter policy stance through next year.

The increases in US mortgage rates are having a significant impact on the affordability for housing. The US is experiencing even more of a slowdown than the UK now, since in the US, anyone moving house must remortgage. A house move is therefore likely to take a household's mortgage costs from circa 3% to the current rate of nearly 8%. It is not surprising then that new housebuilding permits in the US have plunged to (relative) record lows.

Although longer term we plan to increase or allocation to the US, we will retain our current allocation for the time being



Market Commentary Europe

Macroeconomic Highlights 01/06/2023 to 31/08/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.3%*	Increased from -0.1%
Inflation	4.3%*	Fell from 6.1%
Wage Growth	4.6%*	Fell from 5.1%
Unemployment Rate	6.4%*	Fell from 6.5%

*Based on the latest available data at the time of print.

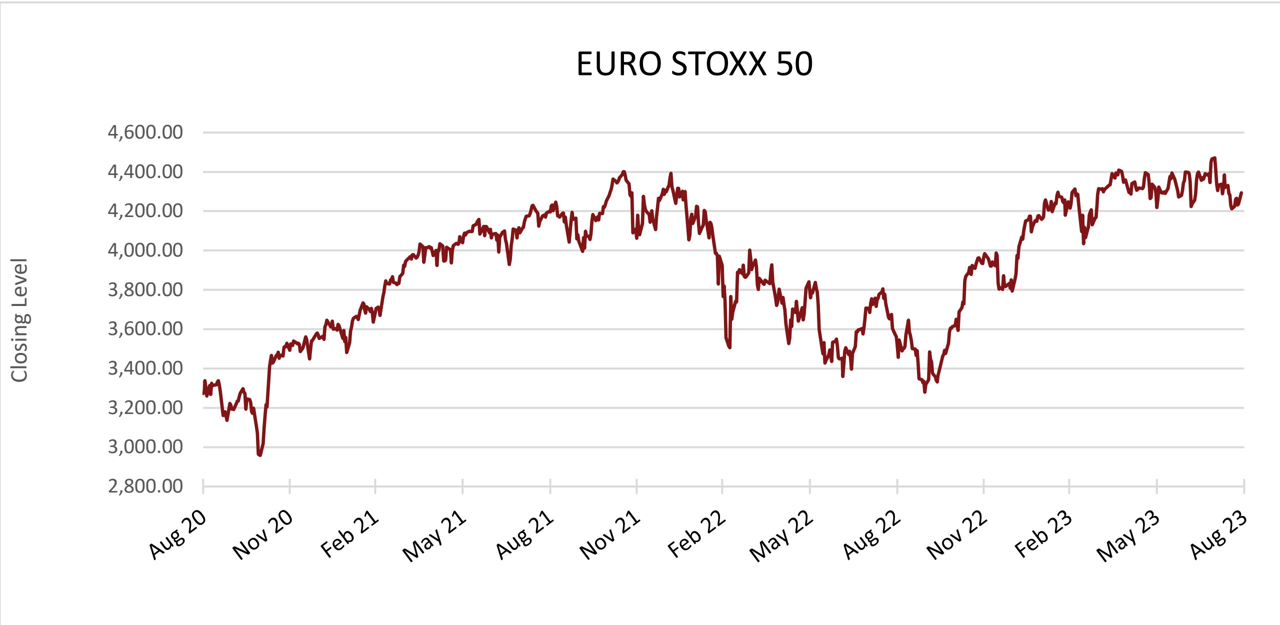
The European Central Bank (ECB) raised interest rates twice in the quarter, resulting in a deposit rate of 4%.

The negative effect of interest rate rises on economic growth was evident last quarter where Eurozone shares fell. However, inflation slowed to a two-year low, which might just pave the way for the ECB to put an end to interest rate rises.

Germany and France have been negotiating for months over a proposed EU electricity market reform. The EU first unveiled plans to reform its electricity market in March, after Russia's full-scale invasion of Ukraine pushed up energy prices to record highs last year. The aim is to create a stable market that can cope with future supply shocks while providing more predictable prices for companies and households. Also, steep energy costs make it harder for the EU to compete with the US and China.

Ukraine's economy is adapting well to the wartime environment following Russia's invasion and growth is expected to continue next year, according to the International Monetary Fund. GDP is projected to grow by 0.5% in 2023 after contracting about 30% in 2022. The U.S. has already sent or committed $69.5 billion in military, financial and humanitarian aid to Ukraine, according to the Institute for the World Economy in Kiel, Germany.

We will retain our overweight exposure in Europe next quarter.



Market Commentary Japan

Macroeconomic Highlights 01/06/2023 to 31/08/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	1.5%*	Increased from 0.7%
Inflation	3.3%*	Fell from 3.5%
Unemployment Rate	2.7%*	Increased from 2.6%

*Based on the latest available data at the time of print.

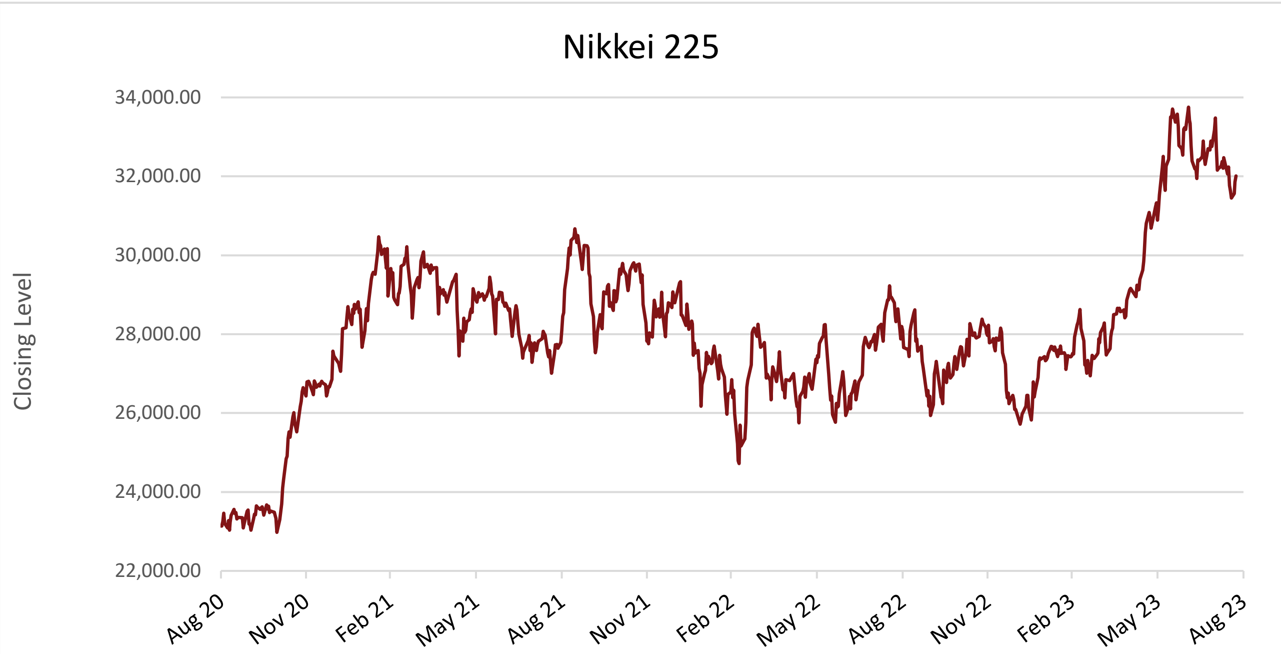
Incoming travellers have gradually returned to near pre-pandemic levels, helping to lift the economy. The Covid-19 pandemic that also disrupted the computer chip supply, has now likewise gradually eased, according to analysts. All the above, as well as the weak yen, seem to be working to brighten sentiment among both the big manufacturers and non-manufacturers.

After weathering decades of deflation and stagnant growth, Japan is seeing an investment boom that has made apartments in central Tokyo unaffordable for young Japanese professionals. The flood of investment drove the average price for a new condominium in central Tokyo up 60% in the first half of this year, according to the Real Estate Economic Institute.

The price surge is being driven partly due to low interest rates but also by foreign buyers taking advantage of the weak yen, now near a 33-year low.

The geopolitics of US-China tensions, chip wars, decoupling and "friendshoring" seem to be working significantly in Japan's favour. Asia-focused global investment is rotating out of China and into Tokyo stocks, real estate and other assets, just as large parts of corporate Japan are engaging more actively with shareholders than at any time in the past.

We will retain our overweight stance on Japanese equity next quarter and see particular opportunity within Japanese smaller companies.



Market Commentary Emerging Markets

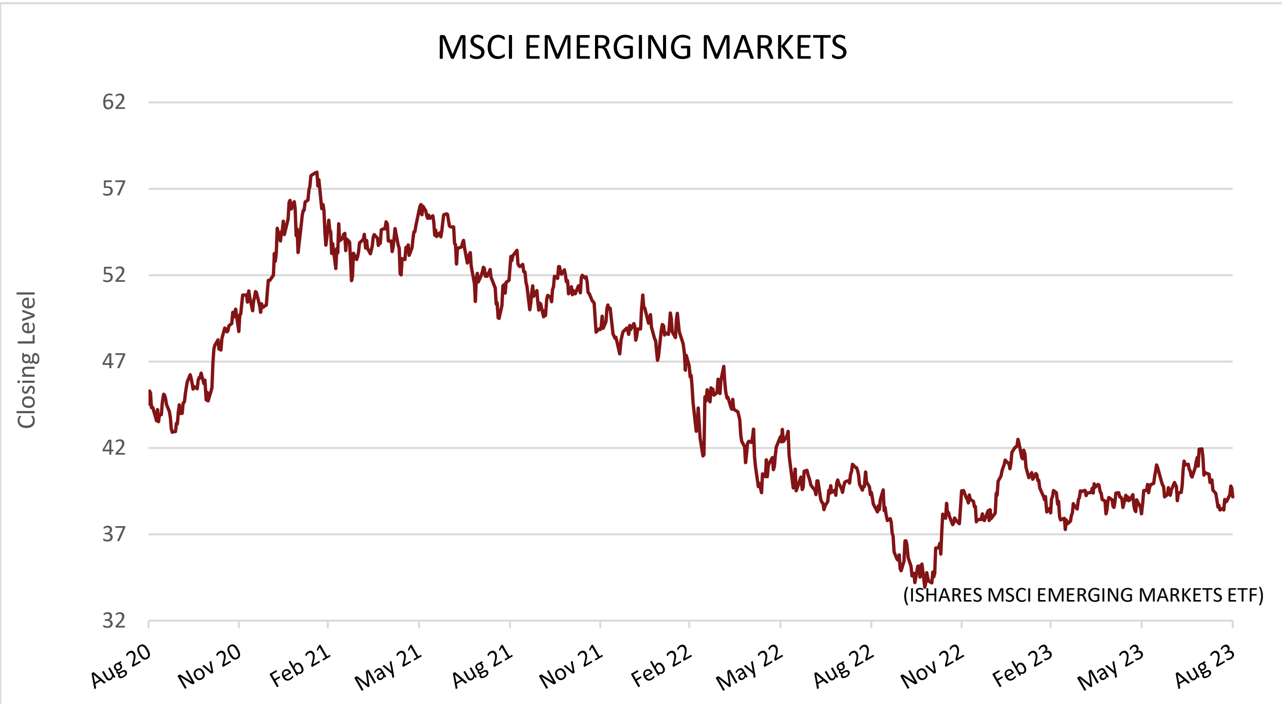
Despite a strong start, the MSCI Emerging Markets (EM) Index ended the quarter in negative territory, albeit ahead of the MSCI World.

China, after years of stunning growth and investor attention, is very rapidly losing that sheen. Its economy is growing more slowly, and the expected post-pandemic recovery is proving obscure. On top of that, Beijing's policymaking — with its sudden restrictions on entire industries, like video games and private tutoring – has generated a series of nasty surprises and the fear that others could occur at any time.

Brazil was another laggard, even as economic data improved and the central bank cut policy rates. As Brazil's economic growth exceeded expectations in the first half of this year, tax revenue has tumbled, underscoring doubts about the central government's bold new fiscal targets and scrambling plans for an ambitious tax reform. A bumper harvest, followed by strong oil and mining output, have the economy on track to grow more than 3% this year, according to officials.

The best returns last quarter were from Egypt and Turkey. After years battling austerity, Egypt - a major wheat importer - was hit hard by the fallout of the war in Ukraine. The currency has been devalued three times since the start of last year, losing more than half of its value against the dollar. In August, inflation reached a peak of just under 40%. The central banks of the United Arab Emirates and Egypt have recently agreed to a currency exchange deal, which could bolster the struggling Egyptian economy; however, they gave few further details about the agreement.

We will retain our existing allocation to Emerging Markets next quarter.



Market Commentary Fixed Interest

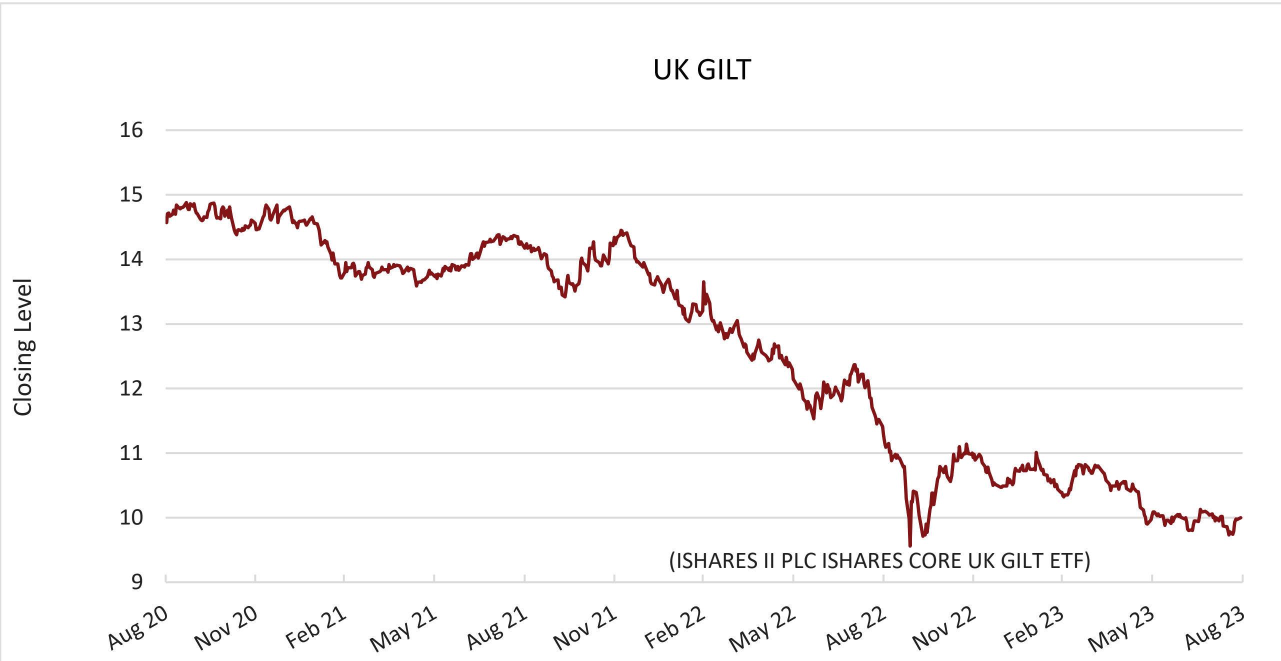
10-year government bond yields continued to hit fresh cycle highs, including in the US (4.61%) and Germany (2.93%).

UK bond yields continued their recent upward march, rising 0.1-0.2 per cent at the end of September (a little behind their summer peak).

As many central banks are at, or approaching, peak rates, the expectation is that inflation will continue to come down to reach governments' targets and that should mean that fixed income assets are at or near the end of a long cycle with potentially attractive valuations for the medium to long term.

Bond prices plummeted last year, and yields were not high enough to counteract double digit inflation. However, investors have already experienced the bulk of their bond losses relating to high inflation over the past few years, and can reasonably expect a much better chance of positive returns than they could have expected 6, 12 or 18 months ago.

We will retain our overweight allocation to cash over UK Gilts across our portfolios as cash within our active portfolios is currently paying a very attractive 4.80% interest. We expect to rotate out of cash back to gilt and fixed interest instruments over the next 1-3 years.



Our Tactical Allocation—Adventurous

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	28	2	30
UK Large Cap	Unfavourable	Underweight	28	-16	12
UK Mid Cap	Unfavourable	Underweight	5	-1	4
UK Small Cap	Favourable	Overweight	2	2	4
Europe	Favourable	Overweight	8	3	11
Japan	Favourable	Overweight	9.8	0.2	10
Asia	Favourable	Overweight	2	4	6
Emerging Markets	Favourable	Overweight	12.2	2.8	15
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	1	1
Global Fixed Income	Unfavourable	Underweight	1	-1	0
UK Gilts	Unfavourable	Underweight	3	-3	0
UK Corporate Bonds	Unfavourable	Underweight	1	-1	0
UK Inflation Indexed	Fair	Neutral	0	0	0
Cash	Favourable	Overweight	0	4	4

Our Tactical Allocation— Moderately Adventurous

Sector	Forecast	Position	Morningstar Moderately Adventurous Allocation (%)	Tactical Overlay (%)	Moderately Adventurous Final Allocation (%)
US	Favourable	Overweight	24	1	25
UK Large Cap	Unfavourable	Underweight	24	-10	14
UK Mid Cap	Unfavourable	Underweight	4	-1	3
UK Small Cap	Fair	Neutral	2	0	2
Europe	Favourable	Overweight	6.5	2.5	9
Japan	Favourable	Overweight	7.75	0.25	8
Asia	Favourable	Overweight	2	2	4
Emerging Markets	Favourable	Overweight	9.75	1.25	11
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	3	3
Global Fixed Income	Unfavourable	Underweight	6	-6	0
UK Gilts	Unfavourable	Underweight	8	-7	1
UK Corporate Bonds	Unfavourable	Underweight	6	-3	3
UK Inflation Indexed	Favourable	Overweight	0	5	5
Cash	Favourable	Overweight	0	8	8

Our Tactical Allocation— Moderate

Sector	Forecast	Position	Morningstar Moderate Allocation (%)	Tactical Overlay (%)	Moderate Final Allocation (%)
US	Favourable	Overweight	18	2	20
UK Large Cap	Unfavourable	Underweight	19	-8	11
UK Mid Cap	Unfavourable	Underweight	3.5	-1.5	2
UK Small Cap	Favourable	Overweight	0	1	1
Europe	Favourable	Overweight	5	2	7
Japan	Favourable	Overweight	5.5	1.5	7
Asia	Favourable	Overweight	2	2	4
Emerging Markets	Fair	Neutral	7	0	7
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	8	-8	0
UK Gilts	Unfavourable	Underweight	14	-10	4
UK Corporate Bonds	Unfavourable	Underweight	8	-1	7
UK Inflation Indexed	Favourable	Overweight	2	7	9
Cash	Favourable	Overweight	8	7	15

Our Tactical Allocation— Moderately Cautious

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Favourable	Overweight	12	2	14
UK Large Cap	Unfavourable	Underweight	12.5	-0.5	12
UK Mid Cap	Unfavourable	Underweight	2.5	-1.5	1
UK Small Cap	Favourable	Overweight	0	1	1
Europe	Favourable	Overweight	3	2	5
Japan	Favourable	Overweight	4.5	0.5	5
Asia	Favourable	Overweight	0	2	2
Emerging Markets	Unfavourable	Underweight	5.5	-0.5	5
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	12.2	-12.2	0
UK Gilts	Unfavourable	Underweight	18	-11	7
UK Corporate Bonds	Unfavourable	Underweight	12.8	-4.8	8
UK Inflation Indexed	Favourable	Overweight	4	10	14
Cash	Favourable	Overweight	13	7	20

Our Tactical Allocation—Cautious

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Favourable	Overweight	6	2	8
UK Large Cap	Favourable	Overweight	6	2	8
UK Mid Cap	Favourable	Overweight	0	1	1
UK Small Cap	Favourable	Overweight	0	1	1
Europe	Favourable	Overweight	2	1	3
Japan	Favourable	Overweight	2.5	1.5	4
Asia	Favourable	Overweight	0	1	1
Emerging Markets	Unfavourable	Underweight	3.5	-0.5	3
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	16.5	-16.5	0
UK Gilts	Unfavourable	Underweight	22	-12	10
UK Corporate Bonds	Unfavourable	Underweight	18.5	-6.5	12
UK Inflation Indexed	Favourable	Overweight	5	13	18
Cash	Favourable	Overweight	18	8	26

Notes on EB Wealth Performance Statistics

Our Benchmarks

1. IA OE Mixed Investments 40-85% - this shows the average performance of all funds which qualify for the 'Mixed Investments 40-85%' sector which have the following characteristics:

- Include a range of different investments
- Maximum 85% equity exposure (including convertibles)
- Minimum 40% equity exposure
- No minimum fixed income or cash requirement
- Minimum 50% investment in established market currencies (US dollar, sterling & euro) of which 25% must be sterling
- Sterling requirement includes assets hedged back to sterling.

This is broadly in line with what the industry used to refer to as a 'Balanced Managed' fund and is broadly in line with our Moderate as well as Moderately Adventurous portfolios. However, our portfolios have no set mandates as to the amount of exposure we hold in any specific asset class.

2. IA OE Flexible Investments - this shows the average performance of all funds which qualify for the 'Flexible Investments' sector which have the following characteristics:

- Include a range of different investments
- No minimum equity requirement
- No minimum fixed income or cash requirement
- No minimum currency requirement.

This is broadly in line with what the industry used to refer to as 'Specialist'. Since we do not impose any asset allocation restrictions on our portfolios, this benchmark is relevant; however, currently our Moderate and Moderately Adventurous portfolios would also fall within the mandate to be considered IA OE Mixed Investments 40-85%.

3. RPI (Retail Price Index) - along with the CPI (Consumer Prices Index), the RPI measures consumer inflation in the UK. Whilst the official measure is now CPI, RPI or CPIH (CPI with Housing) are still used for many types of cost escalation, and we believe them to be more relevant metrics for measuring real inflation as they include housing costs.

Structured Product Returns

The performance data provided is an average of all the products we have recommended to clients over the last six years where the return of the product is known i.e., where a product has matured, or an income payment has been received. We have also weighted the performance figures proportionately to the value of investments held.

As structured products are close-ended investments, clients will only benefit from returns on the products they own personally rather than the average figures published in this report. The average figures are provided to highlight the general benefit of using structured products to reduce the volatility of a portfolio without necessarily impacting the total return.

The structured product returns quoted in this report may change in subsequent reports since products we have recommended, but are yet to mature, have not been included in the returns quoted above. For example, a five-year product with the potential to pay 6% a year, but which has not yet matured, will not be included in the figures above. Depending on the outcome of the investment when the product matures, we will allocate either 6% or 0% a year to the year in which it matures as well as the relevant preceding years.

Our Services

Wealth Management
Pension / SIPP funding
Pension / SIPP investment management
Pensions in retirement / Income drawdown
ISA/ LISA/ JISA funding
ISA/ LISA/ JISA investment management
Trustee investments
School Fees planning
Managing Estates under Power of Attorney

Personal Insurance
Life and Critical Illness Cover advice and brokerage
Family Income Benefit advice and brokerage
Mortgage Protection advice and brokerage
Income Protection advice and brokerage
Private Medical Insurance advice and brokerage

Tax Planning
Inheritance Tax Planning
Capital Gains Tax Planning
VCTs, EISs, ISAs, Bonds
Financial Planning in relation to marriage, divorce or bereavement
General Tax Planning / Other

Corporate Services
Auto Enrolment and Company Pensions
Partnership/ Shareholder Protection
Key Person Insurance
Employee Benefit Packages and Communication
Services for Charities
Business Exit Planning

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