EB Wealth

QUARTERLY REPORT
Q1 2021

Global Overview

Global sector performance for the period 01/12/2021 - 28/02/2021			
Markets	Country	Index (ex div) / Sector	Performance for the Period 01/12/2020 to 28/02/2021
North America	USA	S&P 500	4.06%
		Dow Jones	3.72%
		Nasdaq	6.78%
UK	UK	FTSE 100	1.55%
		FTSE All-Share	2.44%
Europe	Germany	Xetra DAX	3.02%
	France	Paris CAC 40	2.18%
	EU Countries	FTSEurofirst 300	3.03%
Asia	Japan	Nikkei 225	10.74%
	China	Hang Seng	9.08%
	India	Nifty 50	10.83%
South America	Brazil	Sao Paulo Se Bovespa	-1.17
	Mexico	SE IPC	3.96%
Other Markets	South Africa	JSE FTSE ALL SHARE	15.00%
	Australia	S&P AUST	1.48%
	Russia	RTS	10.00%
	Canada	S&P/TSX COMPS	4.41%
Commodities	N/A	Gold	-3.75%
		Silver	13.00%
		Brent Crude Oil	28.67%
		Copper	17.87%

Indices across the globe continued to perform well, with vaccination programmes underway in most countries. Many governments have begun significant additional stimulus programmes, providing a welcome boost to those economies still suffering from the effect of repeated lockdowns over 2020 and the first part of 2021. When combined with historically low interest rates and low / negative bond yields, these measures should help markets continue their rally throughout 2021.

We note that Brent Oil prices rebounded in the last quarter, with the price going up by 28.67%, a good indication of demand coming back into world markets with demand from China now back above pre-COVID levels.

EB Wealth Viewpoint

The good times are coming!

While 2020 was a year we might hope to forget, there are many promising signs in 2021. At the time of writing, over 25 million people in the UK have received at least one dose of the COVID-19 vaccine, which represents almost 50% of the adult UK population. This, combined with a steep fall in deaths and hospitalisations, has enabled the government to formulate a plan to revive the UK economy.

The government announced that it will open the UK economy gradually in the coming months, including the easing of all social restrictions by the end of June, assuming the current progress is maintained. This will hopefully mean that GDP will return to levels seen before the onset of the pandemic and people can return to work.

With UK borrowing setting an all-time high and public sector debt hitting £2 trillion for the first time in history, there was strong anticipation that there could be severe tax hikes in the recent budget to fix the huge deficit. However, there was positive news with few changes to taxes and pensions. Despite this positivity, there is a chance that this could change in the Autumn statement. Having said that, with such low interest rates, there is less urgency to rectify the deficit, at least in the short to medium term, and many expect the government's intention is to "term out" the debt.

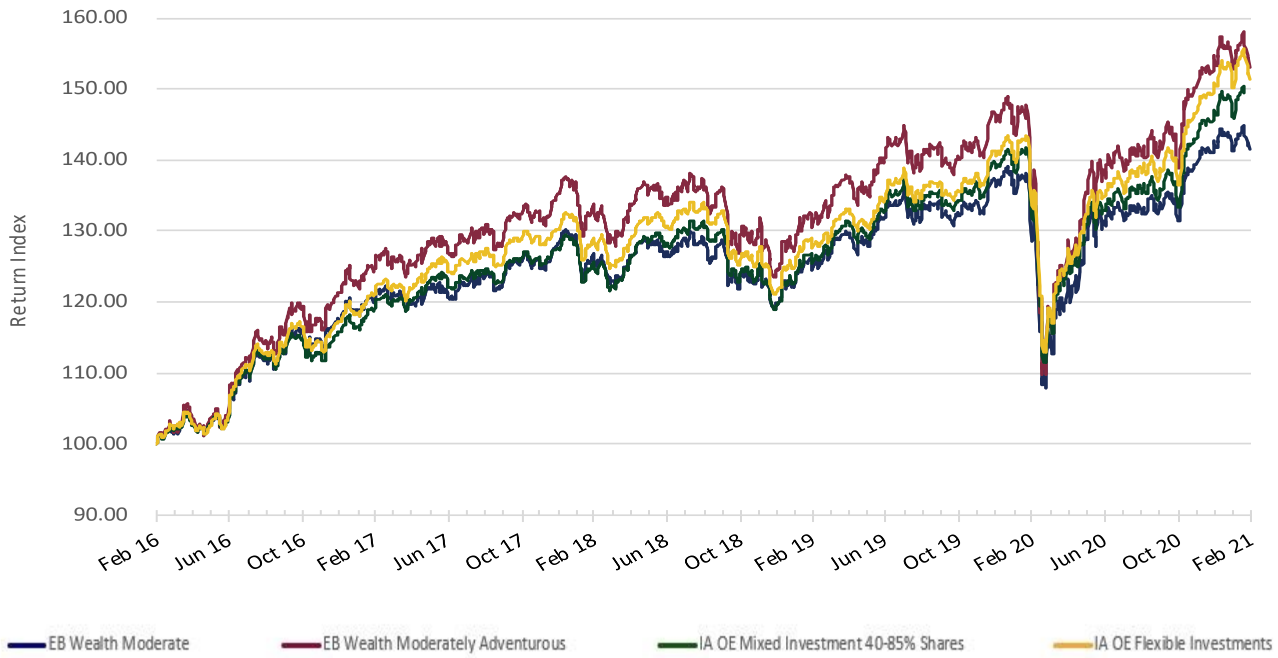
In the US, Joe Biden was inaugurated as the 46th President of the United States in January and immediately addressed the pandemic with a $1.9 trillion economic relief package and national vaccination plan. The stimulus package increased the total US pandemic-related spending to $6 trillion, more money spent during the Second World War, and has laid the foundation for a strong economic recovery in the US, which will ultimately be felt all around the world. The stimulus package was backed by 41% of Republican voters, which suggests that Biden is slowly healing the deep wounds that were opened following the election fallout. The vaccination plan saw at least 22% of the US population as having received at least one dose in just a few months, following the pace of the successful UK vaccination programme.

Although there is further rollout of the vaccination programme required globally, over 400 million doses of the COVID-19 vaccine have already been administered worldwide.

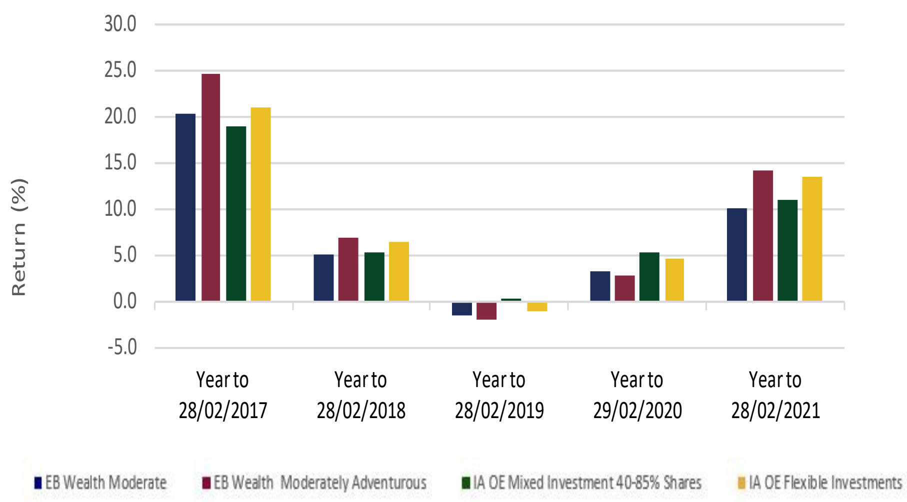
Whilst the world is far from being "out of the woods"- there is a sense of optimism that there will be a return to some form of normality by the end of 2021. At EB Wealth, we are cautiously optimistic that equities will continue to rebound and over the last quarter we have roughly halved the level of cash in client portfolios.

Tharshan Balenthiran
EB Wealth

EB Wealth Portfolio Performance



This chart shows 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. Please see page 12 for more information in relation to the benchmarks.



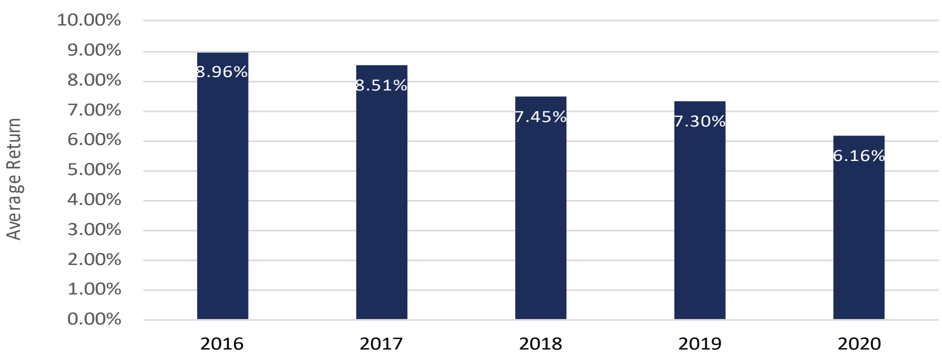
Discrete Annual Performance

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 01/12/2020 to 28/02/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-0.85%*	Fell from 1%
Yearly Inflation	0.65%*	Increased from 0.5%
Wage Growth Including Bonuses	4.7%*	Increased from 3.2%
Unemployment Rate	5.1%*	Increased from 5%
Interest Rates	0.1%	Remained at 0.1%

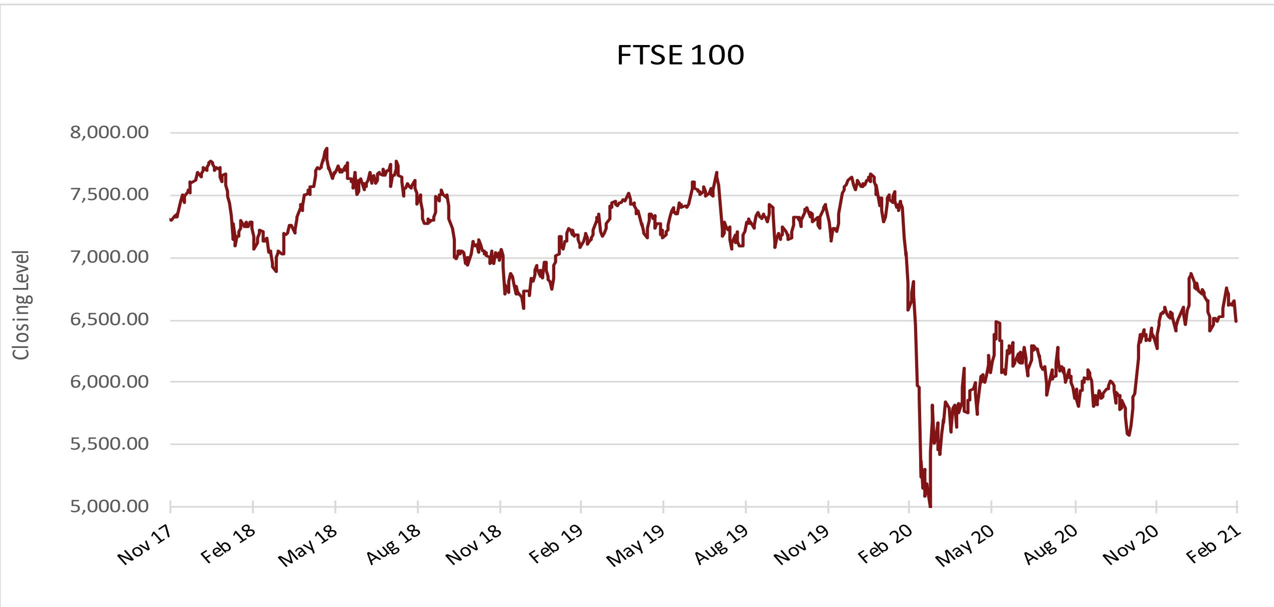
*Based on the latest available data at the time of print.

The start of 2021 saw the UK enter its third national lockdown as the number of COVID-19 cases and deaths surpassed peak levels seen during the first wave, causing the FTSE 100 index to contract slightly in January. Thankfully, with the success of the vaccination programme and most vulnerable people having received at least one dose at the time of writing, the index was able to claw back some of these losses in February as cases and deaths continued to decrease.

The onset of another lockdown extended the furlough scheme until September, a year longer than initially anticipated. Although this likely prevented an economic crash, it has helped fuel the UK debt to record highs (usually a precursor for strong tax hikes).

In January, the UK officially left the EU and started trading under a new post-Brexit trade deal, which saw significant less trade between both sides as they got to grips with the new regulations. The food sector has been hard hit by the increase in checks and paperwork, resulting in food often rotting at border posts due to delays. The finance sector was not covered in the trade deal and it is estimated that around £5bn of daily trade in euro-dominated sectors has already left for new trading platforms in the EU.

Despite the initial problems with Brexit, the success of the vaccination programme and coronavirus restrictions lifting by summer means the UK could prove a strong market to invest in for 2021. In light of our positive outlook, we will increase our allocation to UK markets this quarter.



Market Commentary US

Macroeconomic Highlights 01/12/2020 to 28/02/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	3.2%*	Fell from 4.1%
Yearly Inflation	1.6%*	Increased from 1.3%
Wage Growth Including Bonuses	2%*	Fell from 2.11%
Unemployment Rate	6.25%*	Fell from 6.7%
Interest Rates	0.25%	Remained at 0.25%

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

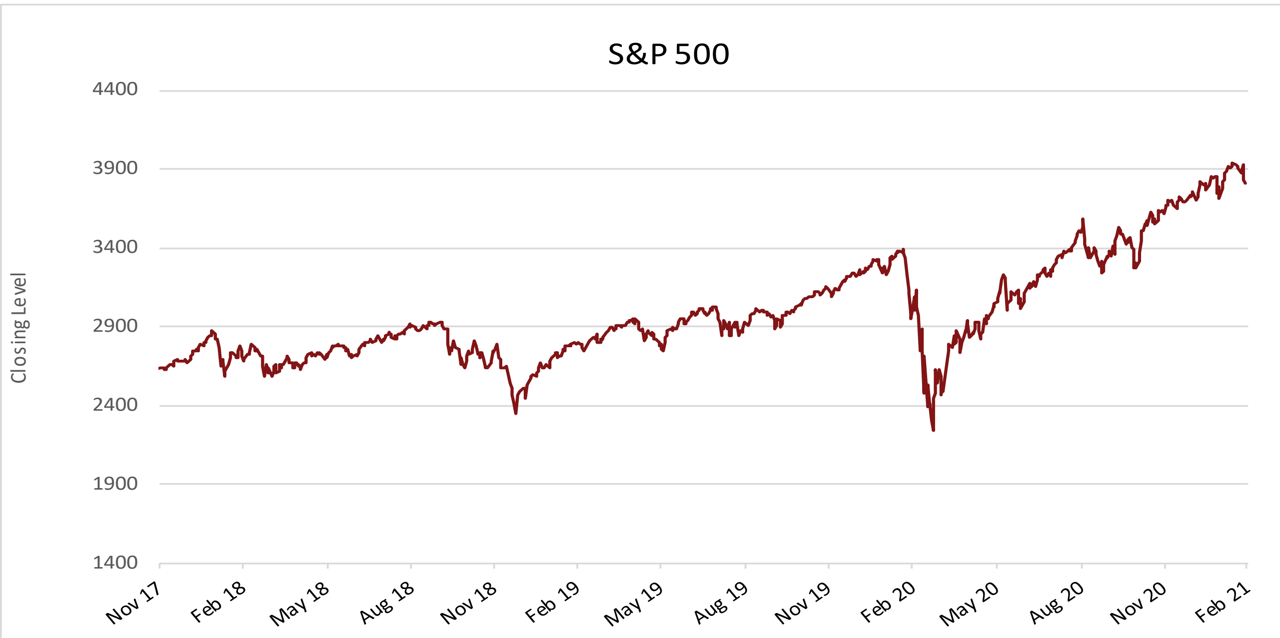
As with the UK, the US has urgently implemented a vaccination programme. At the end of February, the US averaged two million doses per day. The success of this programme can be seen in the growth of the S&P index, which has carried on from Q4 2020, with many analysts predicting that this will continue throughout 2021.

A report from Deloitte suggests over $5 trillion was put aside by households into savings during the first three quarters of 2020. As restrictions ease across the states, it has been suggested that these savings, along with the stimulus cheques, could lead to a major increase in consumer spending and provide a timely boost to the US GDP.

In news away from the pandemic, the Democrats now hold majorities in the Senate and the House for the first time since Obama's first term, giving Joe Biden the freedom to pass new legislations. This is what allowed him to announce the $1.9 trillion COVID-19 relief programme, which he recently signed into legislation.

However, this majority could spell bad news for the major tech firms, as the Democrats are now keen to pass new regulations that will aim to rein in the power these firms currently enjoy.

We are only recommending a small increase to US equity exposure as we have some reservation over current valuations, which have already priced in a significant amount of growth.



Market Commentary Europe

Macroeconomic Highlights 01/12/2020 to 28/02/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-0.7%*	Fell from 12.5%
Inflation	-0.3%	Fell from -0.03%
Wage Growth	3.5%*	Increased from 2.2%
Unemployment Rate	8.1%	Fell from 8.3%

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

The start of 2021 was difficult for the EU: although the states joined forces to procure the COVID-19 vaccines under the EU Commission, the rollout was fraught with delays and political infighting. At the time of writing, the EU has only vaccinated around 9% of its population, trailing behind both the UK and US.

Amidst the delays from the vaccination programme, there has also been a rise in cases across the continent as the Kent variant has become dominant, leading to a "third wave". Many speculate there might be another lockdown implemented across the continent, adding to the already fragile economic situation.

This has resulted in many analysts predicting the eurozone could enter a second post-COVID recession when the GDP figures for Q1 are released in April. The IMF is cautious and now predicts the economy to grow 4.2% in 2021, compared to the 5.2% it predicted in October 2020.

When the EU economy will start to rebound and to what level will largely come down to how quickly the EU Commission will be able to sort out the vaccination programme and whether the respective governments are able to curb the infection rates. European analysts are confident that Europe will sort out its issues and the economy will start growing again in Q2.

Despite Europe's underperformance, we at EB Wealth believe there is potential for long -term growth and as such have increased our asset allocation accordingly.

Market Commentary Japan

Macroeconomic Highlights 01/12/2020 to 28/02/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-2.8%*	Fell from 2.8%
Inflation	-0.5%	Increased from -0.8%
Unemployment Rate	2.9%*	Fell from 3%

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

Japan went into a second state of emergency in January, with daily infections eight times higher than had been seen during the first state of emergency back in April 2020. Luckily, unemployment remained relatively low compared to other countries in this report, which could be partly down to the $700 billion stimulus package announced in December. This relative success can also be seen below in the Nikkei 225 Index's performance, which has continued to grow, reaching levels that have not been seen since the early 1990s.

Japan had one of the best successes in managing the pandemic with just under 9,000 deaths: this is significantly lower than the Europe and the US. In fact, Japan's economy only shrunk by 5.1% in 2020, whereas the Eurozone and UK economies shrunk by 7.1% and 11.3%, respectively.

However, Japan is behind regarding their vaccination programme: only 18,000 doses had been delivered by the end of February. Although vaccinations are expected to dramatically increase in March, it is still to be seen if enough can be done for the authorities to enable domestic spectators at the Olympics. It is widely expected foreign visitors will not be allowed, resulting in a loss of anticipated revenue associated with hosting the Olympics.

Despite the Games unlikely to provide the anticipated boost to the economy, analysts predict Japan will continue to recover in 2021 as restrictions ease and vaccinations increase. With Japan predicted to do well in 2021, we remain overweight in Japan.

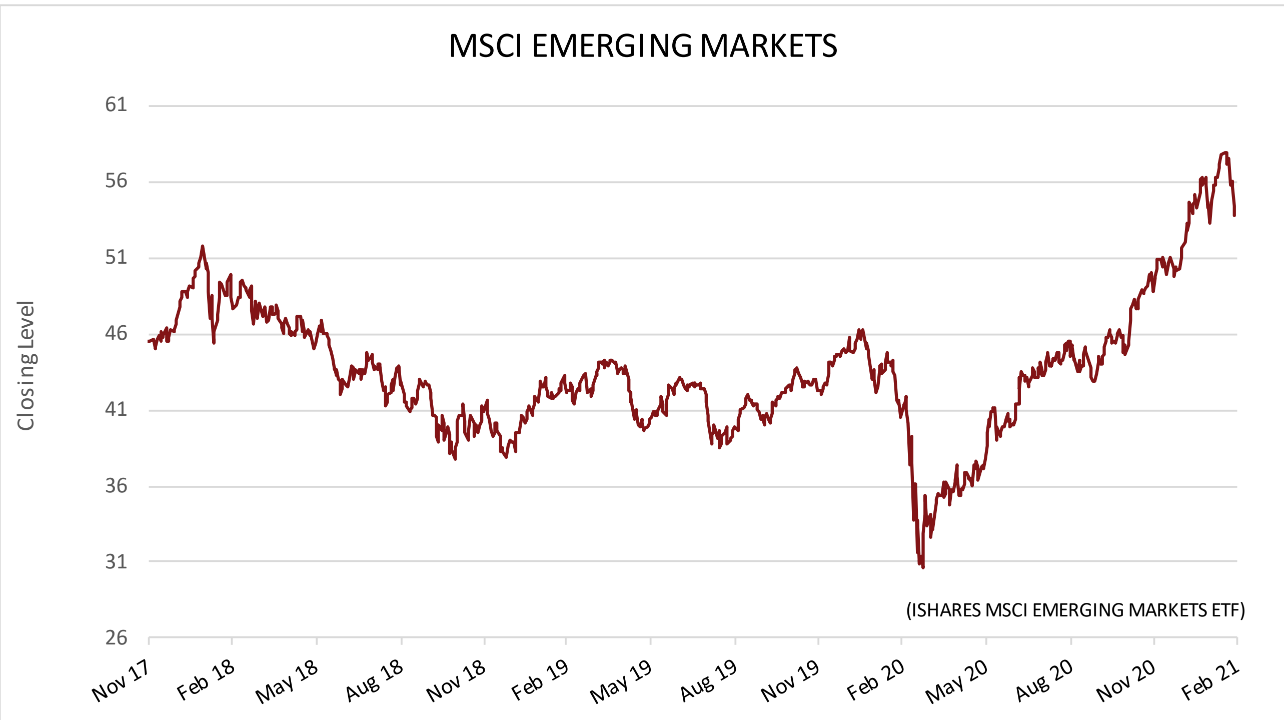
Market Commentary Emerging Markets

Emerging Markets is one of the only sectors that has consistently performed strongly during the pandemic. As can be seen below, the MSCI Index gained 18.5% in 2020, outperforming the S&P 500, which grew by 18.4%, for the first time since 2017. One of the main factors behind this growth was due to the weakening of the US dollar, which made debt much more manageable for developing states across the globe. With analysts predicting that the US dollar will continue to be weak throughout 2021, there is a strong chance that 2020's rate of growth will continue.

Many states within the Emerging Markets Index are amongst the major players in the oil production field. Brent Crude Oil rebounded in price towards the latter half of 2020 and has continued to recover in the first part of 2021, reaching a price of $64.62 per barrel at the end of February, compared to its low point of $21.33 last April. The price of Crude Oil is expected to hit $75 by the end of the year, fuelling the chances of the sector maintaining its growth from 2020.

The main issue that may limit the progress of the sector is the pace of the vaccination programme. Barring the exceptions of the UAE and Chile, most emerging nations remain well behind in their vaccination rollout in comparison to their developed counterparts and for some nations it is expected that it could take until the latter part of 2022 before the whole population is vaccinated. This has led to concerns that new variants could emerge in these unvaccinated populations, such as the one that is currently ravaging Brazil. This new variant has led to days where there are almost 3,000 deaths per day and has almost led to the collapse of the healthcare system in the city of Manaus.

At EB Wealth, we believe that emerging markets will continue to perform strongly on the back of the continued weakness in the dollar in 2021 and have adjusted our asset allocation to reflect this .



Market Commentary Fixed Interest

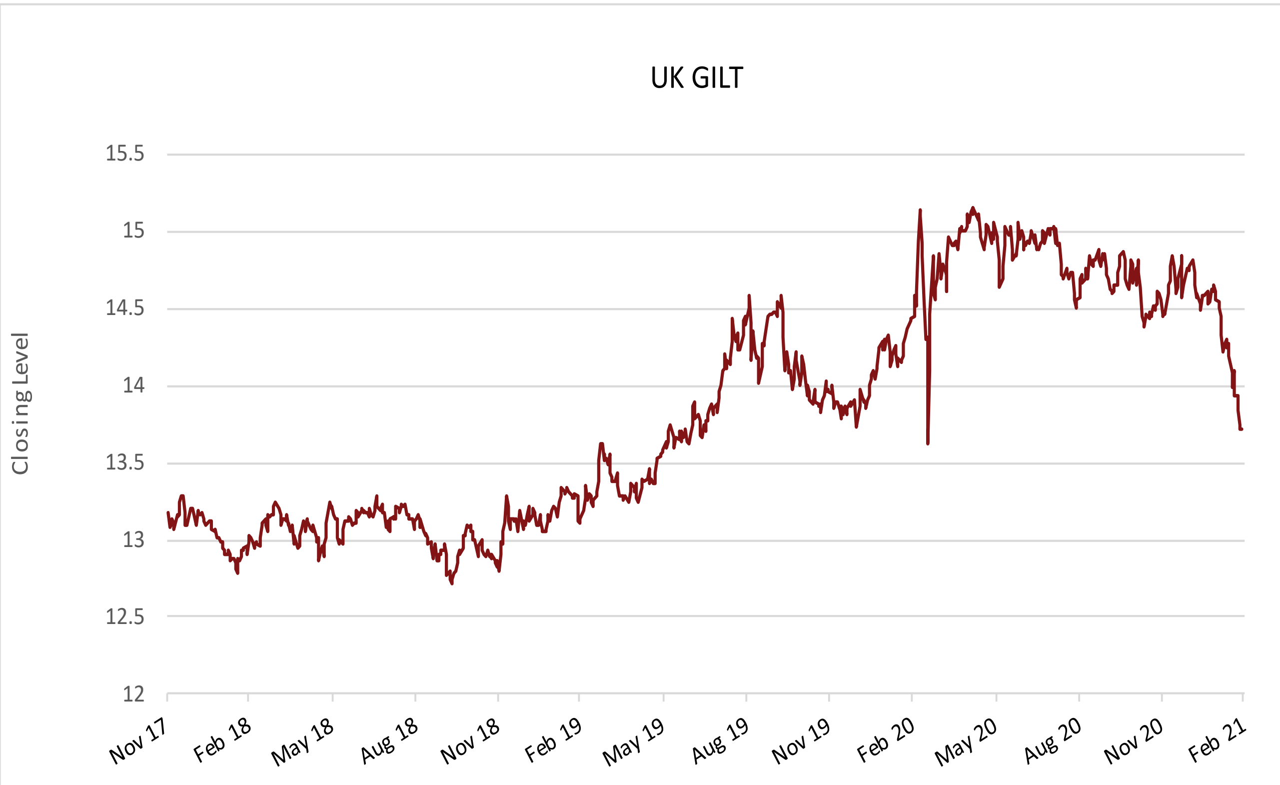
UK gilts underperformed in Q1, despite the UK government borrowing record levels. This came after a record year where UK gilts were one of the strongest performing sectors in the UK. Gilts have fallen by around 7.3% since the start of the year and it is widely expected that this fall will continue as gilt prices tumble, potentially making it the worst year since 2000.

The success of the vaccination programme in the UK has been to the detriment of gilt prices: there is increased confidence within the UK that it will be able to make some kind of economic recovery in 2021. With this economic recovery, there is a strong chance that it could lead to a period of high inflation. Inflation is often considered the enemy of bonds, as governments tend to increase interest rates to combat inflationary pressures. Whilst this will cause yields to increase, it will also lead to a further fall in prices, especially bonds with longer maturities.

In 2020, there was talk that the Bank of England may implement negative interest rates for the first time in its history. However, as time has gone on, it has become clear that this will not happen, further reducing the demand for gilts. The timely resolution of Brexit has also meant that many investors do not feel the need to safeguard anymore.

Despite analysts predicting that UK gilts will likely continue to suffer for a while, the same cannot be said for gilts in the eurozone, where there are still uncertainties around the pandemic and a sense that there will still be need for further stimulus action.

Our portfolios have greatly benefited this quarter from being underweight in gilts and we are maintaining that position for the



Our Tactical Allocation

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	13	1	14
UK Large Cap	Unfavourable	Underweight	20	-2	18
UK Mid Cap	Unfavourable	Underweight	12	-4	8
UK Small Cap	Fair	Neutral	7	0	7
Europe	Favourable	Overweight	14	1	15
Japan	Favourable	Overweight	8	2	10
Asia	Fair	Neutral	6	0	6
Emerging Markets	Favourable	Overweight	12	4	16
Property	Unfavourable	Underweight	4	-1	3
Commodities	Unfavourable	Underweight	2	-1	1
Global Fixed Income	Fair	Neutral	0	0	0
UK Gilts	Fair	Neutral	0	0	0
UK Corporate Bonds	Fair	Neutral	0	0	0
UK Inflation Indexed	Fair	Neutral	0	0	0
Cash	Fair	Neutral	2	0	2

Our Tactical Allocation

Sector	Forecast	Position	Morningstar Moderately Adventurous Allocation (%)	Tactical Overlay (%)	Moderately Adventurous Final Allocation (%)
US	Fair	Neutral	11	0	11
UK Large Cap	Fair	Neutral	22	0	22
UK Mid Cap	Unfavourable	Underweight	8	-3	5
UK Small Cap	Unfavourable	Underweight	5	-2	3
Europe	Favourable	Overweight	13	1	14
Japan	Favourable	Overweight	7	1	8
Asia	Fair	Neutral	4	0	4
Emerging Markets	Favourable	Overweight	9	2	11
Property	Unfavourable	Underweight	5	-1	4
Commodities	Unfavourable	Underweight	5	-1	4
Global Fixed Income	Unfavourable	Underweight	2	-1	1
UK Gilts	Unfavourable	Underweight	2	-1	1
UK Corporate Bonds	Fair	Neutral	2	0	2
UK Inflation Indexed	Favourable	Overweight	2	3	5
Cash	Favourable	Overweight	3	2	5

Our Tactical Allocation

Sector	Forecast	Position	Morningstar Moderate Allocation (%)	Tactical Overlay (%)	Moderate Final Allocation (%)
US	Fair	Neutral	9	0	9
UK Large Cap	Fair	Neutral	18	0	18
UK Mid Cap	Unfavourable	Underweight	6	-2	4
UK Small Cap	Unfavourable	Underweight	3	-2	1
Europe	Favourable	Overweight	8	1	9
Japan	Favourable	Overweight	6	1	7
Asia	Favourable	Overweight	4	1	5
Emerging Markets	Favourable	Overweight	6	1	7
Property	Unfavourable	Underweight	5	-1	4
Commodities	Unfavourable	Underweight	6	-2	4
Global Fixed Income	Unfavourable	Underweight	9	-2	7
UK Gilts	Unfavourable	Underweight	5	-1	4
UK Corporate Bonds	Unfavourable	Underweight	6	-3	3
UK Inflation Indexed	Favourable	Overweight	2	5	7
Cash	Favourable	Overweight	7	4	11

Our Tactical Allocation

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Fair	Neutral	7	0	7
UK Large Cap	Fair	Neutral	16	0	16
UK Mid Cap	Unfavourable	Underweight	4	-1	3
UK Small Cap	Fair	Neutral	0	0	0
Europe	Fair	Neutral	5	0	5
Japan	Fair	Neutral	4	0	4
Asia	Unfavourable	Underweight	3	-1	2
Emerging Markets	Fair	Neutral	5	0	5
Property	Unfavourable	Underweight	5	-1	4
Commodities	Unfavourable	Underweight	5	-2	3
Global Fixed Income	Unfavourable	Underweight	11	-2	9
UK Gilts	Unfavourable	Underweight	9	-2	7
UK Corporate Bonds	Unfavourable	Underweight	11	-3	8
UK Inflation Indexed	Favourable	Overweight	5	7	12
Cash	Favourable	Overweight	10	5	15

Our Tactical Allocation

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Fair	Neutral	3	0	3
UK Large Cap	Fair	Neutral	13	0	13
UK Mid Cap	Unfavourable	Underweight	2	-1	1
UK Small Cap	Fair	Neutral	0	0	0
Europe	Favourable	Overweight	3	1	4
Japan	Favourable	Overweight	3	1	4
Asia	Favourable	Overweight	0	1	1
Emerging Markets	Favourable	Overweight	2	1	3
Property	Fair	Neutral	3	0	3
Commodities	Unfavourable	Underweight	4	-1	3
Global Fixed Income	Unfavourable	Underweight	12	-2	10
UK Gilts	Unfavourable	Underweight	12	-2	10
UK Corporate Bonds	Unfavourable	Underweight	15	-3	12
UK Inflation Indexed	Favourable	Overweight	11	5	16
Cash	Fair	Neutral	17	0	17

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 is still used for many types of cost escalation and we believe is a more relevant figure for measuring real returns. RPI is currently running circa 0.9% higher than the official government CPI figures.

Structured Product Returns

The performance data provided is the average of all structured 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 based on the level of investment we have made i.e. if we recommended a greater level of investment in one particular product over another, we have weighted the performance figures accordingly.

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 due to the fact that products which 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 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 preceding five 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 Insurances

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 Programmes and Communication
Services for Charities
Business Exit Planning

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