EB Wealth

QUARTERLY REPORT
Q1 2023

Global Overview

Global sector performance for the period 01/12/2022 - 28/02/2023				
Markets	**Country**	**Index (ex div) / Sector**	**3m performance up to 28/02/2023**	**12m performance up to 28/02/2023**
North America	USA	S&P 500	-2.49%	-9.23%
		Dow Jones	-5.05%	-3.65%
		Nasdaq	-0.05%	-16.70%
UK	UK	FTSE 100	4.20%	12.73%
		FTSE All-Share	3.95%	10.81%
Europe	Germany	Xetra DAX	6.04%	6.25%
	France	Paris CAC 40	7.61%	9.15%
	EU Countries	FTSEurofirst 300	3.59%	2.59%
Asia	Japan	Nikkei 225	-2.77%	3.46%
	China	Hang Seng	5.60%	-12.89%
	India	Nifty 50	-8.02%	3.88%
South America	Brazil	Sao Paulo Se Bovespa	-5.40%	-8.89%
	Mexico	SE IPC	2.53%	-1.20%
Other Markets	South Africa	JSE FTSE ALL SHARE	3.62%	2.16%
	Australia	S&P AUST	-1.31%	2.97%
	Russia	RTS	-15.79%	14.97%
	Canada	S&P/TSX COMPS	-1.48%	-4.28%
Commodities	N/A	Gold	1.19%	-4.46%
		Silver	-7.04%	-15.60%
		Brent Crude Oil	4.51%	-12.06%
		Copper	7.11%	-17.61%

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

Most indices performed well this quarter. Russia was the worst performing market falling 16% and France topped the performance table gaining nearly 8% over the quarter.

Our active portfolios delivered strong outperformance this quarter with our European fund holdings returning 9% and the CT Property & Growth Income fund (held within income portfolios) posting gains of 12%. Despite falling in value, the Pictet Indian fund and the BNY Mellon Brazil still managed to outperform their relative indices.

Our cautious portfolios (which were hit hardest by the Liz Truss mini budget) have been the slowest to recover with our more adventurous portfolios posting the strongest outperformance. We are pleased to see that all EB Wealth portfolios are ‘holding up’ given the current market volatility.

The Road to Retirement – Plain Sailing or a Bumpy Ride?

Retirement is a significant milestone that requires preparation and planning. Most people aim to supplement their state retirement benefits and there are many ways to do this, including saving through pensions, property, cash accounts and a variety of investments. The multitude of options can make planning retirement a very daunting prospect but arguably, the most important factor is the age at which you start planning. For many people, life events such as starting a family, getting on the property ladder, or paying off student loans get in the way of putting a plan in place.

One of the easiest ways to start saving is through an ISA (Individual Savings Account). There are various types of ISAs, and what they all have in common, is that any interest or investment growth is tax-free leading to significant savings over time. Although ISAs can be used very successfully for retirement planning, ISAs can usually be accessed at any age (often for a property purchase). This does mean one has to be steadfast to avoid spending ISAs intended for retirement on something else!

Another popular option for boosting retirement income is renting out property. The UK property market is one of the most developed in the world, and it offers a range of investment opportunities for both domestic and overseas investors. But what makes it such a popular option for retirement planning? Property has delivered a relatively steady price growth and has the potential to deliver passive rental income with the added bonus of a hedge against inflation as rents often increase in line with inflation. The most important characteristic though, is the level of risk. Property prices tend to be less volatile than other investment types like stocks, and this can provide a sense of security for investors.

If our lives were a fairy-tale, the two main villains would probably be “Bills” and “Tax”. Every year “Tax” takes away a big chunk of our hard-earned money and “Bills” take away most of what is left, leaving very little with which to plan our fairy-tale retirement ending.

The biggest bill most of us have is either rent or mortgage payments, therefore buying a house and paying off a mortgage before retirement is an excellent way to ensure you have sufficient income to cover your expenses in retirement.

Other than having a mortgage free property, there is not much we can do to avoid “Bills”, but “Tax” is a much easier villain to side-step. Pensions are the most common method of reducing a tax bill as they offer tax relief on contributions, a 25% tax free lump sum in retirement and unlimited tax-free growth on investment. On top of all the personal tax savings, pensions can also be passed on to your beneficiaries on your death without any inheritance tax. Saving for retirement in a pension also helps avoid impulse spending as withdrawals are not allowed until 10 years before the state retirement age.

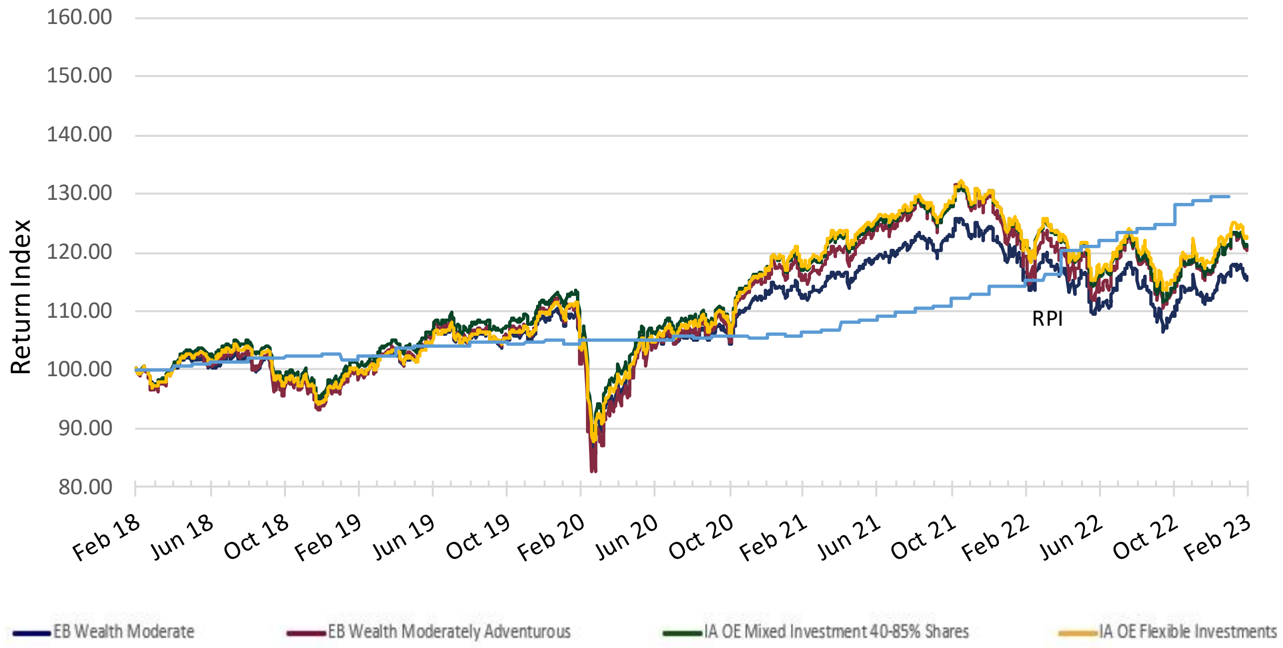
The Road to Retirement – Plain Sailing or a Bumpy Ride?

In conclusion, the most efficient retirement planning solution will always depend on your specific financial situation but some key strategies for a successful retirement plan include starting early, diversifying your investments, maximising pension contributions, minimising debt, and seeking expert advice when needed. No matter what your retirement goals may be, taking proactive steps towards long term financial security will help you on your journey towards a comfortable and enjoyable retirement.

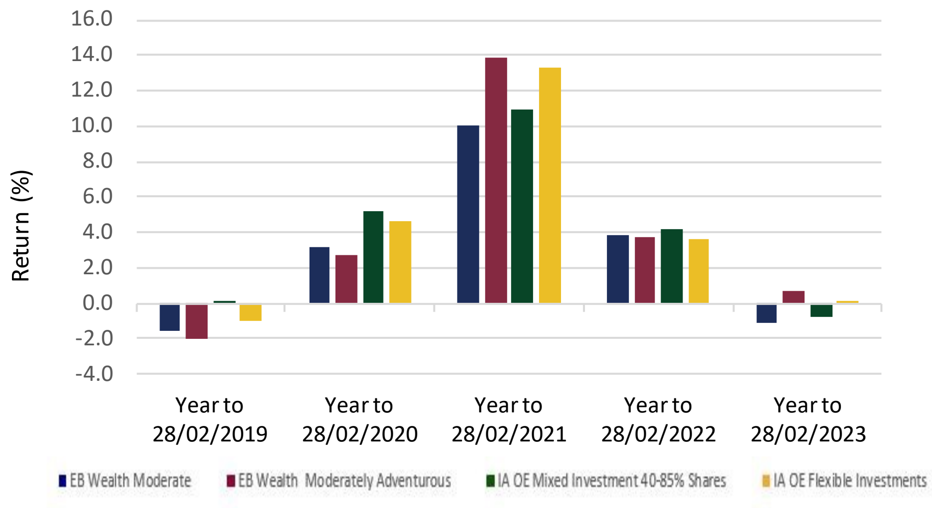
Tina Bouziani

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 16 for more information in relation to the benchmarks.



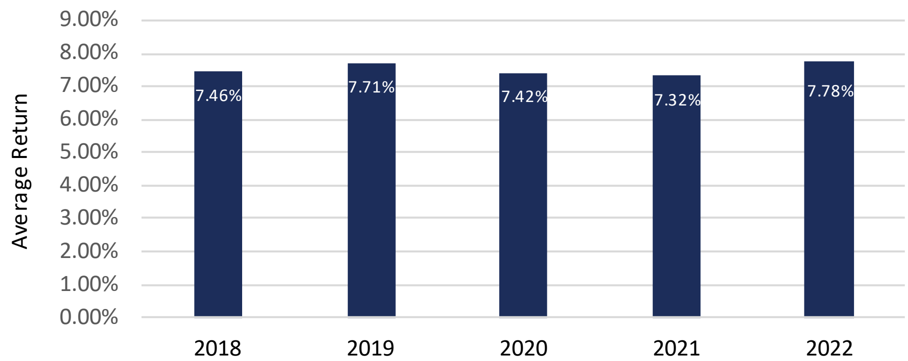
Discrete Annual Performance

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 01/12/2022 to 28/02/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.0%*	Increased from -0.2%
Yearly Inflation	10.4%*	Fell from 11.1%
Wage Growth Including Bonuses	5.9%*	Fell from 6.0%
Unemployment Rate	3.7%*	Fell from 3.6%
Interest Rates	4.25%	Increased from 3.50%

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

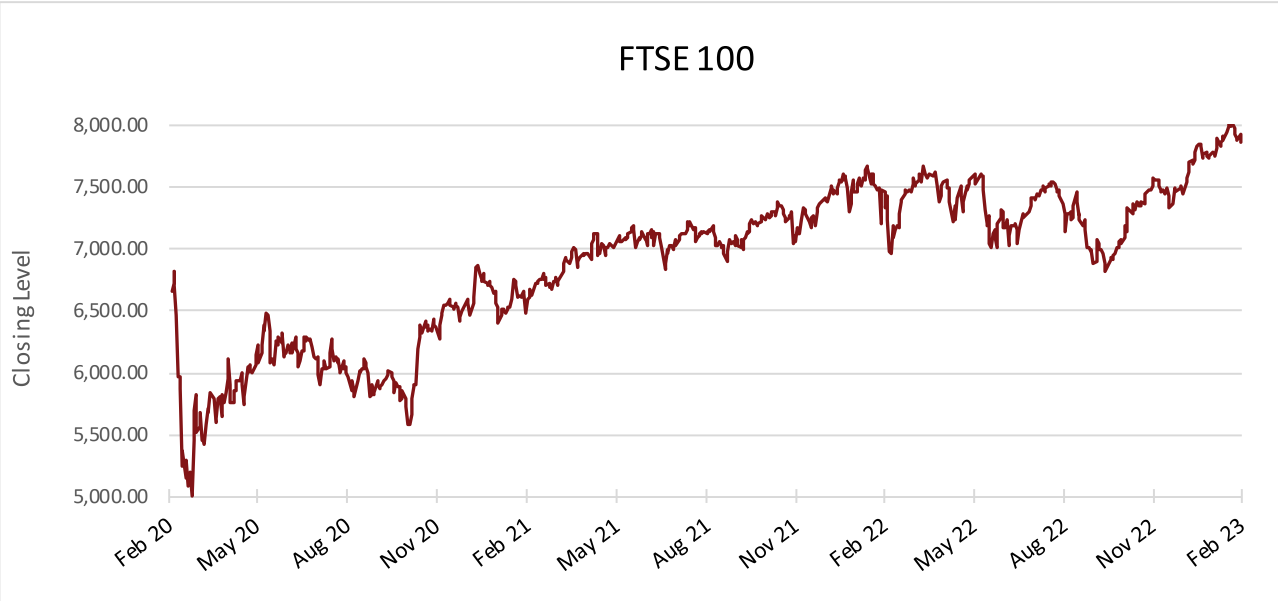
Despite analysts' modest growth forecast of 0.1%, the Office of National Statistics reported that GDP grew by 0.3% during January, after shrinking by 0.5% in December, performing more resiliently than expected. Large cap companies were among the top contributors and the FTSE 100 index achieved a new record high. The economy looks like it dodged a technical recession by avoiding two consecutive quarters of decline. However, the Bank of England still expects the UK to fall into a recession later in 2023.

The downturn though, is expected to be shallower than the Bank of England had predicted at its previous forecast made in November, since which time wholesale energy prices have fallen considerably.

The Spring budget extended the Energy Price Guarantee at £2,500 for a further three months.

On the housing market front, according to the Land Registry's UK House Price Index, the average price of a property in the UK rose by 9.8% year-on-year in December 2022. This data is likely still distorted by the 2021 stamp duty holiday and demand from buyers has fallen in recent months according to various estate agency firms, resulting in what could be the start of a significant price adjustment. Lower value properties could be hit harder by the cost-of-living crisis and higher mortgage rates.

We will retain our existing allocation in UK next quarter.



Market Commentary US

Macroeconomic Highlights 01/12/2022 to 28/02/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	2.7%*	Fell from 2.9%
Yearly Inflation	6.4%*	Fell from 7.7%
Wage Growth Including Bonuses	7.9%*	Increased from 6.7%
Unemployment Rate	3.4%*	Fell from 3.7%
Interest Rates	4.75%	Increased from 4.00%

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

US Equities made robust gains in December and January but declined in February. The Fed indicated that policy intervention was starting to work on curbing inflation, which has failed but is still far away from its 2% target, but that the policy rate may peak at a higher point. Economic data otherwise remain strong.

The fall of SVB (Silicon Valley Bank) and Signature Bank took over the news also impacting stock markets in Europe and reflecting fears over the health of the sector. The Federal Reserve's dramatic actions to contain the fallout of SVB seem to have largely shielded the US economy for now, though a broader unravelling cannot be ruled out.

The US employment market has exceeded expectations, adding 311,000 jobs in February, 50,000 more than previously expected. Strong employment was likely the main influencing factor for the FED's rate hike.

We will retain our overweight stance in US next quarter.

Market Commentary Europe

Macroeconomic Highlights 01/12/2022 to 28/02/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.1%*	Fell from 0.6%
Inflation	8.5%*	Fell from 10.0%
Wage Growth	2.1%*	Fell from 4.1%
Unemployment Rate	6.7%*	Increased from 6.5%

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

Eurozone shares continued the upward trend this quarter. The top performing sectors included communication services, financials, industrials, and consumer staples. On the other hand, real estate, IT, and healthcare posted negative returns.

Markets had interpreted signs of easing inflation in January as meaning that the pace of hikes could soon moderate. However, preliminary data for February indicated that inflation ticked up again in both France and Spain, casting doubt on hopes of an end to rate rises. ECB President Christine Lagarde has indeed announced a 50-basis point interest rate increase taking its rate to 3%.

Looking beyond the headline rate of inflation though, it is interesting that core inflation, (which excludes food and energy prices) also rose last month, indicating how embedded inflation is in the economy.

On a more positive note, February saw the European Commission propose a Green Deal Industrial Plan. This aims to provide support for scaling up the EU's manufacturing capacity for the net-zero technologies and products that will be needed to meet Europe's ambitious climate targets.

We will retain our overweight stance in Europe next quarter.

Market Commentary Japan

Macroeconomic Highlights 01/12/2022 to 28/02/2023		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.2%*	Increased from -0.3%
Inflation	4.3%*	Increased from 3.7%
Unemployment Rate	2.4%*	Fell from 2.6%

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

Following a decline in December, the Japanese stock market rose throughout January and February. Despite the latest gains, the world's third biggest economy, has struggled to make a solid post-COVID recovery, undermined by lacklustre household consumption and a global slowdown. Monetary tightening across the world, supply chain constraints and the Ukraine war have all undercut Japan's recovery.

Inflation in Japan has been steadily picking up and CPI was recorded at 4.3%, the highest level in the last 40 years. To cope with this historically high inflation environment, the Japanese government and BoJ have pushed companies to raise wages. During the annual spring labour negotiations, major Japanese manufacturers like Hitachi and Panasonic, largely met the wage demands of their unions. The average wage increase was the biggest in about 30 years. Whether this pay spike though, signals broader growth to come, remains an open question.

On the political front, Japan and South Korea's leaders have agreed to resume regular visits and take steps to rebuilding the two nations' security and economic ties as they try to overcome a century of difficult history. The two US allies, who have long often been at odds over their history, are seeking to form a united front as concerns about a restive North Korea and a more powerful China rise.

We will retain our overweight stance on Japanese equity next quarter.

Market Commentary Emerging Markets

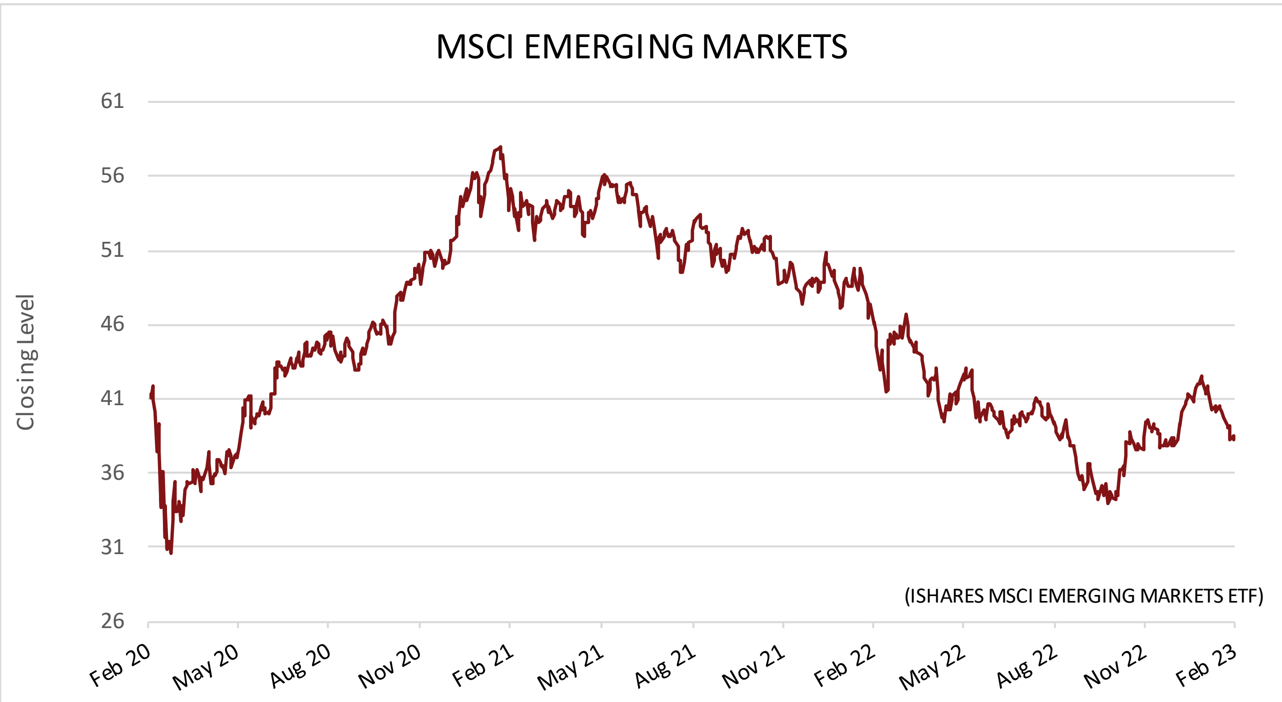
Emerging Market equities posted strong returns over Q4 and during January but posted negative returns in February. A re-escalation in US-China tensions following the shooting down of a Chinese high-altitude balloon in US airspace and a strengthened dollar, weighed on sentiment.

Chinese shares achieved robust gains in January after Beijing loosened its Covid-19 restrictions that have constrained the country's economic growth since early 2020. However, China lagged the index by some margin in February. In part this was due to profit-taking after strong returns recently and as enthusiasm about its re-opening faded somewhat.

South Africa was behind the index too as the country was 'grey-listed' by the Financial Action Task Force given deficiencies in its processes to combat money laundering and terrorist financing.

On top of that, South African authorities had to deploy thousands of police and soldiers to quell a threatened national shutdown by the radical opposition Economic Freedom Fighters, with dozens of people arrested overnight. The heavy police presence appeared to have avoided a repeat of South Africa's July 2021 riots which resulted in hundreds of deaths.

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

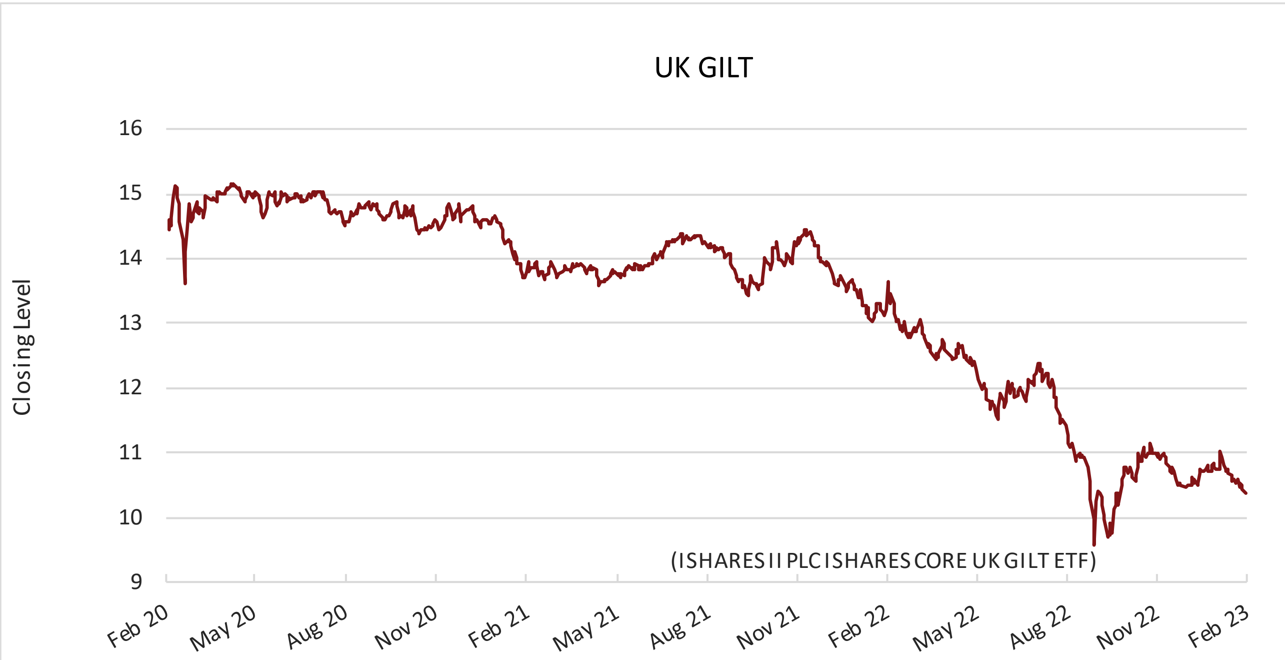


Market Commentary Fixed Interest

Fixed income markets and risk assets both faced a challenging environment in February. Both 10-year and two-year yields rose in the US, Germany, and the UK. Data released during the month showed that inflation could be more persistent and economic growth more resilient than previously expected, prompting market speculation that further monetary tightening lay ahead. Against this backdrop, demand for longer-duration bonds increased as many investors sought protection against potential recession risk and correlations between equities and bonds declined.

The more that policymakers and markets believe that higher rates are needed to slow the economy and bring down inflation, the longer and further the tightening cycle may need to go. This will probably put pressure on bond returns as terminal rates and market pricing catches up to stubbornly high price pressures. The longer-term outlook remains in question as the inflation fight continues.

We will retain our existing allocation in UK Gilts and Fixed Interest.



Our Tactical Allocation—Adventurous

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	23	3	26
UK Large Cap	Unfavourable	Underweight	34	-21	13
UK Mid Cap	Fair	Neutral	5	0	5
UK Small Cap	Favourable	Overweight	2	4	6
Europe	Favourable	Overweight	11	2	13
Japan	Favourable	Overweight	8	2	10
Pacific ex Japan	Favourable	Overweight	2	4	6
Emerging Markets	Favourable	Overweight	10	5	15
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	1	1
UK Gilts	Unfavourable	Underweight	2	-2	0
UK Corporate Bond	Unfavourable	Underweight	2	-2	0
Global Government Bond ex UK	Unfavourable	Underweight	1	-1	0
Global Inflation-Linked Bond	Fair	Neutral	0	0	0
Cash	Favourable	Overweight	0	2	2

Our Tactical Allocation—Moderately Adventurous

Sector	Forecast	Position	Morningstar Moderately Adventurous Allocation (%)	Tactical Overlay (%)	Moderately Adventurous Final Allocation (%)
US	Favourable	Overweight	20	2	22
UK Large Cap	Unfavourable	Underweight	28	-12	16
UK Mid Cap	Favourable	Overweight	4	1	5
UK Small Cap	Favourable	Overweight	2	1	3
Europe	Favourable	Overweight	9	2	11
Japan	Favourable	Overweight	7	1	8
Pacific ex Japan	Favourable	Overweight	2	2	4
Emerging Markets	Favourable	Overweight	8	3	11
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	3	3
UK Gilts	Unfavourable	Underweight	5	-4	1
UK Corporate Bond	Unfavourable	Underweight	7	-6	1
Global Government Bond ex UK	Unfavourable	Underweight	5	-2	3
Global Inflation-Linked Bond	Favourable	Overweight	0	5	5
Cash	Fair	Neutral	3	0	3

Our Tactical Allocation—Moderate

Sector	Forecast	Position	Morningstar Moderate Allocation (%)	Tactical Overlay (%)	Moderate Final Allocation (%)
US	Favourable	Overweight	15	2	17
UK Large Cap	Unfavourable	Underweight	22	-9	13
UK Mid Cap	Fair	Neutral	3	0	3
UK Small Cap	Favourable	Overweight	0	2	2
Europe	Favourable	Overweight	7	2	9
Japan	Favourable	Overweight	5	2	7
Pacific ex Japan	Favourable	Overweight	2	3	5
Emerging Markets	Favourable	Overweight	6	1	7
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
UK Gilts	Unfavourable	Underweight	7	-4	3
UK Corporate Bond	Unfavourable	Underweight	13	-9	4
Global Government Bond ex UK	Fair	Neutral	7	0	7
Global Inflation-Linked Bond	Favourable	Overweight	3	6	9
Cash	Unfavourable	Underweight	10	-2	8

Our Tactical Allocation—Moderately Cautious

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Favourable	Overweight	10	1	11
UK Large Cap	Unfavourable	Underweight	15	-1	14
UK Mid Cap	Fair	Neutral	2	0	2
UK Small Cap	Favourable	Overweight	0	2	2
Europe	Favourable	Overweight	5	1	6
Japan	Fair	Neutral	4	0	4
Pacific ex Japan	Favourable	Overweight	0	2	2
Emerging Markets	Favourable	Overweight	4	1	5
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
UK Gilts	Unfavourable	Underweight	11	-2	9
UK Corporate Bond	Unfavourable	Underweight	16	-9	7
Global Government Bond ex UK	Unfavourable	Underweight	12	-4	8
Global Inflation-Linked Bond	Favourable	Overweight	5	9	14
Cash	Unfavourable	Underweight	16	-6	10

Our Tactical Allocation—Cautious

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Favourable	Overweight	5	1	6
UK Large Cap	Favourable	Overweight	8	1	9
UK Mid Cap	Favourable	Overweight	0	1	1
UK Small Cap	Favourable	Overweight	0	1	1
Europe	Favourable	Overweight	3	2	5
Japan	Favourable	Overweight	2	2	4
Pacific ex Japan	Favourable	Overweight	0	1	1
Emerging Markets	Favourable	Overweight	2	1	3
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	2	2
UK Gilts	Unfavourable	Underweight	15	-5	10
UK Corporate Bond	Unfavourable	Underweight	20	-10	10
Global Government Bond ex UK	Unfavourable	Underweight	18	-6	12
Global Inflation-Linked Bond	Favourable	Overweight	6	12	18
Cash	Unfavourable	Underweight	21	-6	15

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.

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, Communication & Online Portals
Services for Charities
Business Exit Planning

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