EB Wealth

QUARTERLY REPORT
Q1 2022

Global Overview

Global sector performance for the period 01/12/2021 - 28/02/2022				
Markets	**Country**	**Index (ex div) / Sector**	**Performance for the Period 01/12/2021 to 28/02/2022**	**Performance for the Period 01/01/2022 to 28/02/2022***
North America	USA	S&P 500	-2.84%	-8.59%
		Dow Jones	-0.38%	-7.36%
		Nasdaq	-10.22%	-13.50%
UK	UK	FTSE 100	4.04%	-0.62%
		FTSE All-Share	1.68%	-2.77%
Europe	Germany	Xetra DAX	-6.54%	-9.74%
	France	Paris CAC 40	-3.24%	-7.74%
	EU Countries	FTSEurofirst 300	-2.90%	-6.77%
Asia	Japan	Nikkei 225	-5.04%	-9.47%
	China	Hang Seng	-4.00%	-2.41%
	India	Nifty 50	-2.17%	-4.72%
South America	Brazil	Sao Paulo Se Bovespa	12.33%	8.87%
	Mexico	SE IPC	6.79%	0.87%
Other Markets	South Africa	JSE FTSE ALL SHARE	6.87%	3.21%
	Australia	S&P AUST	-2.58%	-7.12%
	Russia	RTS	-44.47%	-42.26%
	Canada	S&P/TSX COMPS	3.23%	-0.52%
Commodities	N/A	Gold	6.74%	5.43%
		Silver	9.48%	4.84%
		Brent Crude Oil	39.76%	27.92%
		Copper	4.71%	0.68%

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

All indices and sectors suffered a sharp decline at the end of February due to the Russian invasion of Ukraine. We expect volatility to remain high until resolved. Fortunately, our EB Wealth portfolios remained relatively unaffected as our exposure to Russia is minimal.

Our shift from Chinese exposure towards the Asia Pacific sector proved beneficial as the Chinese sector suffered larger losses in the last quarter. Furthermore, with commodity prices skyrocketing, our Invesco Bloomberg ETF was one of the best performing funds, notching up a 27% return in the last quarter.

Following a number of structured product maturities in 2021, we are in the fortunate position to announce an average 7.53% return across our bespoke investment portfolios in 2021 even with such high volatility around the world.

EB Wealth Viewpoint – 2021 Roundup

War and Peace

Although the start of 2022 seemed positive with COVID-19 looking like it was being side-lined by most of the developed world; unfortunately, the end of the quarter proved to be bittersweet. While the UK was celebrating 'freedom' from almost all COVID-19 restrictions (as announced by the Prime Minister on 24th February), a whole different story started to unveil in eastern Europe with the freedom of Ukraine, and the west as a whole, suddenly put at stake.

Shortly after Russian President, Vladimir Putin, recognised the Donetsk People's Republic and Luhansk People's Republic, two self-proclaimed states controlled by pro-Russian separatists in Donbas, Russia's Federation Council unanimously authorised use of military force and Russian soldiers entered both territories.

Putin's justification for starting the war might remind you of Hitler's claim that the German-speaking people of Czechoslovakia were desperate for liberation back in 1938. Fortunately, so far, Ukrainians are not being dehumanised the same way Jewish people were; yet forced evacuation from one's home and one's country of birth must, in itself, is dehumanising.

Putting aside the very real human cost, war has a serious economic impact; damage to infrastructure, a decline in the working population, inflation, shortages, uncertainty, a rise in debt and disruption to normal economic activity are some of the issues that arise. One cannot help but wonder how the money spent on rebuilding destroyed towns could have been put to better use to improve education or health care.

The effect of war on energy prices is inevitable as many European countries are reliant on Russia's direct energy supply. Even though the UK is less reliant than many other countries, we have still seen a high increase in regular household utility prices.

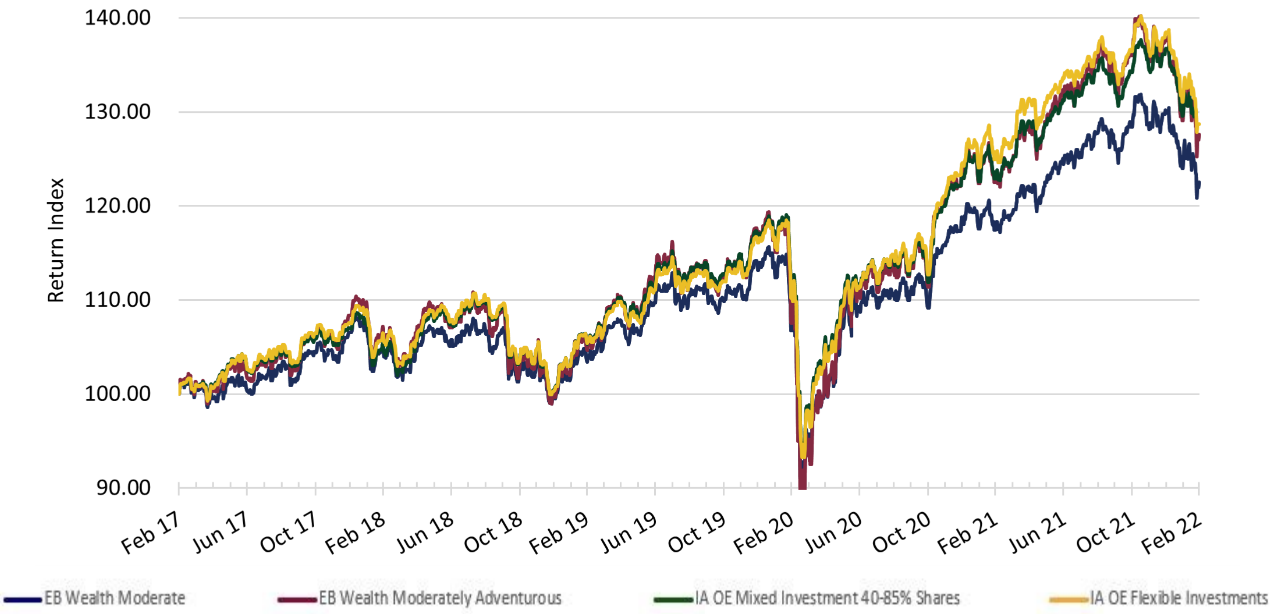
Hopefully, this crisis can be used as an incentive towards greener energy solutions being implemented ahead of time, as many of the strategies to lower dependency on Russia are the same policy measures one could take to lower greenhouse gas emissions in order to achieve the global net zero target currently set for 2050.

We can all understand and estimate the economic costs of war; However, it is much harder to estimate the psychological costs – the pain of death, suffering and fear. We should all work to limit this going forward. As Mother Teresa said, 'Peace begins with a smile', so we, at EB Wealth, will try to keep smiling and continue to believe that this world can change for the better.

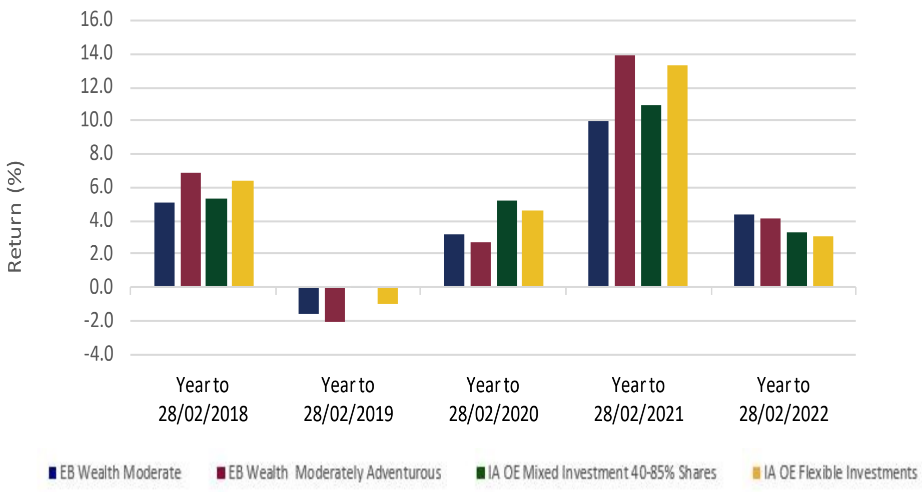
EB Wealth

Tina Bouziani

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 15 for more information in relation to the benchmarks.



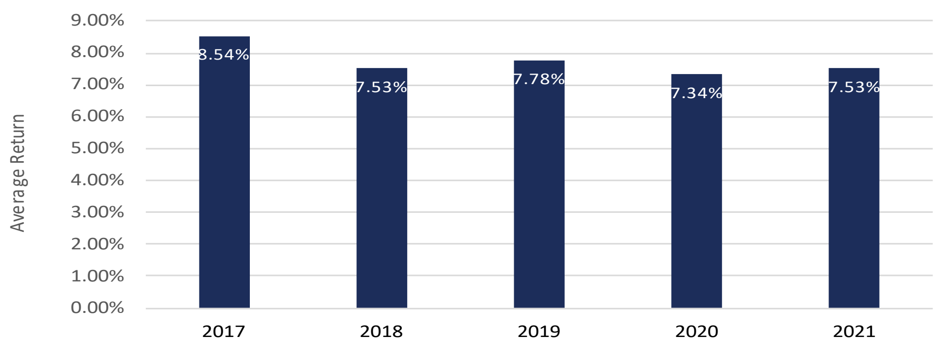
Discrete Annual Performance

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 01/12/2021 to 28/02/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	1%*	Fell from 1.3%
Yearly Inflation	5.3%*	Increased from 4.1%
Wage Growth Including Bonuses	4.3%*	Fell from 4.9%
Unemployment Rate	4.1%*	Fell from 4.3%
Interest Rates	0.75%	Increased from 0.25%

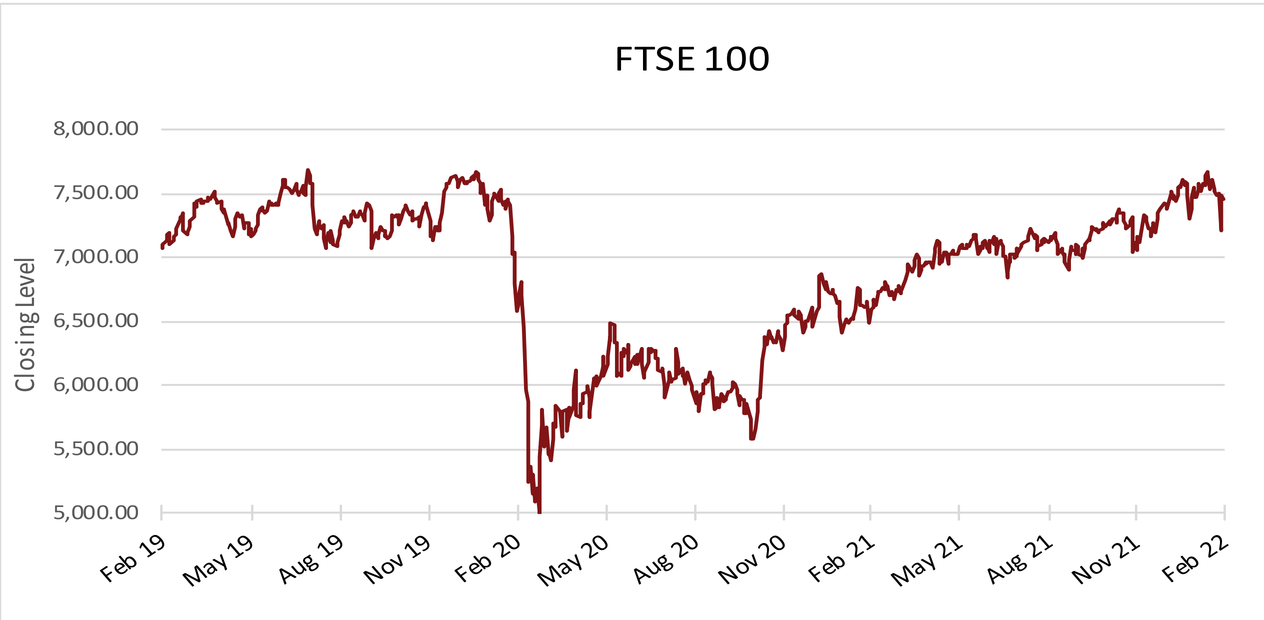
*Based on the latest available data at the time of print.

The UK economy grew 7.5% in 2021 which represents the fastest pace of growth in 80 years. However, following Vladimir Putin's invasion of Ukraine, stock markets plummeted around the world. Several companies within the travel and leisure sectors, which are reliant on economies reopening, extended share price losses from last year following surprise negative earnings.

The construction sector has done well during this Ukraine crisis with its output increasing by 1.1% in volume terms in January 2022, its highest level since September 2019. This increase came solely from an increase in repair and maintenance (4.6%) as new work saw a slight decrease of -0.8% in the same month. Material shortages are easing but increasing energy costs are set to become a key driver of building cost inflation in 2022.

Speaking of inflation, as we go to publish this report, the Bank of England has announced a further increase to interest rates to its pre-pandemic level of 0.75%, aiming to meet the 2% inflation target. It is worth noting that this is the first time the Bank has raised rates in three consecutive meetings since the very first months of its existence in 1997.

We will leave our allocation to UK unchanged next quarter.



Market Commentary US

Macroeconomic Highlights 01/12/2021 to 28/02/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	7%*	Increased from 2.1%
Yearly Inflation	7.1%*	Increased from 6.1%
Wage Growth Including Bonuses	9.16%*	Fell from 10.97%
Unemployment Rate	3.9%*	Fell from 4.5%
Interest Rates	0.25%	Remained at 0.25%

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

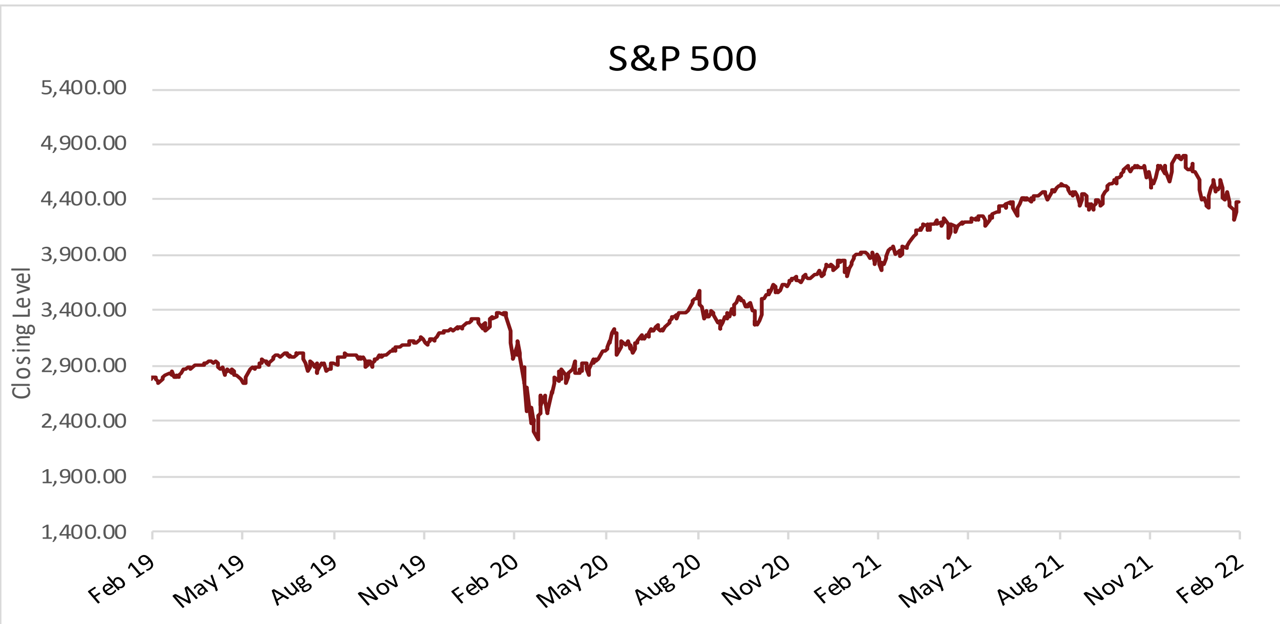
US stocks fell in January and continued to do so in February, as investors tried to process the implications of Russia's invasion of Ukraine. The US imposed a broad range of severe sanctions on Russia after the invasion. Banned transactions with the Russian central bank, restrictions on the nation's key financial institutions and cutting them out of the Swift International Payments System were some of the major exclusions that Russia has had to tolerate.

Beyond these events, US growth continues to look robust while inflation is elevated. Asset categories that tend to do well during periods of higher inflation topped the performance board in 2021, including energy, real estate, and Canadian equities, as well as commodity prices.

It is highly likely that inflation could continue to surprise on the upside.

After nearly $3 trillion of emergency stimulus in the US during the fiscal year 2021, the federal budget deficit is set to shrink considerably and offer less fiscal support in 2022. Legislation approved in Q4 2021 provides more than half a trillion dollars of extra multi-year spending on infrastructure, which traditionally has a high multiplier effect on near-term growth. Any additional multi-year spending or tax increases will depend on negotiations among congressional Democrats.

We will increase our asset allocation to the US next quarter as we believe there is further potential for growth while inflation remains at high levels.



Market Commentary Europe

Macroeconomic Highlights 01/12/2021 to 28/02/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.3%*	Fell from 2.2%
Inflation	5.8%*	Increased from 4.9%
Wage Growth	2.3%*	Remained at 2.3%
Unemployment Rate	7%*	Fell from 7.4%

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

Eurozone shares continued to underperform during January and February amid caution over the outlook for US interest rates and uncertainty over the situation in Ukraine. The Russian invasion saw energy prices spike higher as Europe is significantly reliant on Russian energy, especially gas. Among the worst performers were the consumer discretionary and financial sectors while the more defensive sectors, such as healthcare, communication services and utilities were among the better performers, although all sectors saw losses.

The European Union and individual European countries announced sanctions on Russia and policy changes because of the unfolding crisis. These included a commitment by Germany to increase its defence spending. Germany also suspended the approval of the Nord Stream 2 gas pipeline which was completed last September but is not yet operating.

Soaring food and energy prices contributed to a rise in annual inflation to 5.0% in December and 5.1% in January. Of this, energy price inflation accounted for more than half of the rise. Early in February, European Central Bank President, Christine Lagarde, declined to rule out an interest rate rise this year in response to higher inflation. However, the Ukraine crisis now makes it less likely that the central bank would tighten monetary policy.

We will leave our asset allocation to Europe largely unchanged next quarter.

Market Commentary Japan

Macroeconomic Highlights 01/12/2021 to 28/02/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	1.1%*	Increased from -0.9%
Inflation	0.6%*	Increased from 0.1%
Unemployment Rate	2.7%*	Fell from 2.8%

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

The Japanese stock market ended in January with a loss of -4.8%. Small cap indices underperformed in the broader market. After an initial recovery from January's weakness, February ended with a loss of -0.4%. Japan's economic growth will likely grind to a near halt this quarter despite coronavirus curbing as supply disruptions threaten to derail the country's economic recovery. The economic outlook has become more uncertain for Japan due to the Russia-Ukraine crisis and soaring energy and raw material prices, which are aggravated by a weaker yen.

Meanwhile, Japanese inflation remains subdued and is likely to remain below the Bank of Japan's target despite the impact of higher energy prices. The primary factor is the low level of wage increases in Japan, without which we are unlikely to see the type of upward spike in inflation that is underway elsewhere.

The motor vehicle industry is one of the most successful in Japan, with large shares in world automobile, electrical machineries, parts, tyre, and engine manufacturing. Motor industry giant Toyota, however, saw its profits fall by 21% for the last three months of 2021 as the global chip shortage hit. It comes as manufacturers around the world are struggling to find enough microprocessors for their products, as the pandemic triggered a surge in demand for consumer electronics and medical devices, all of which contain computer chips.

We will leave our allocation to Japan unchanged next quarter.

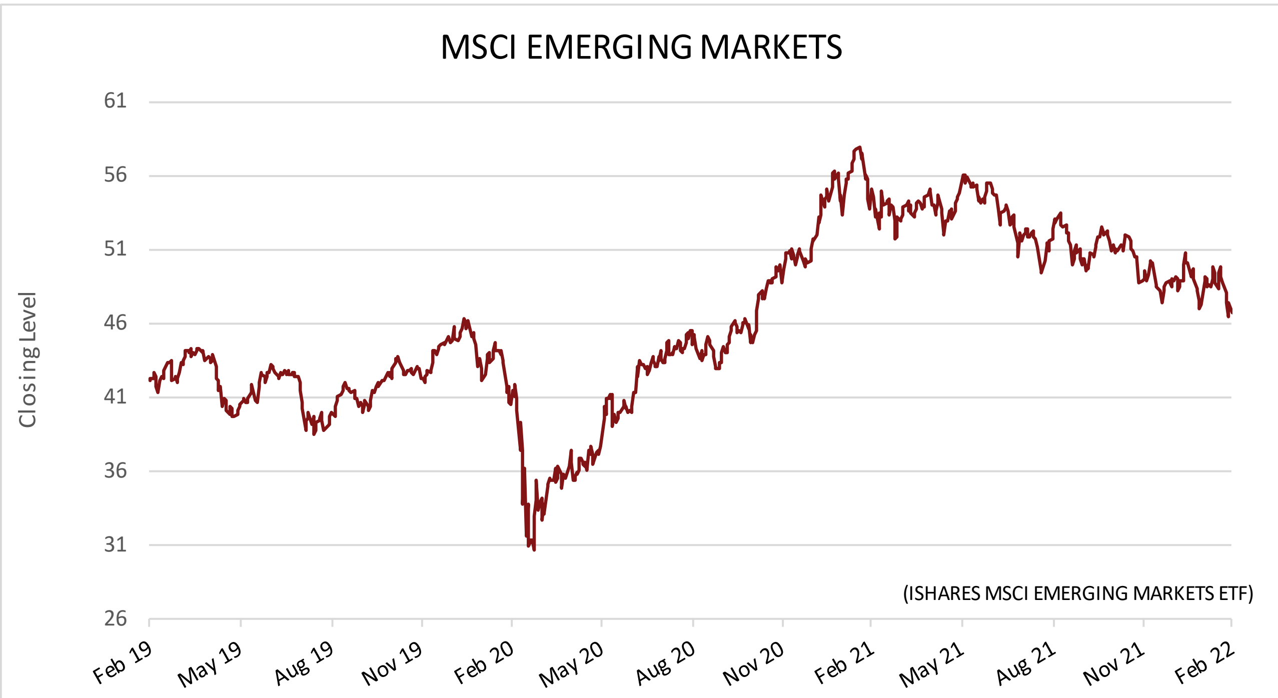
Market Commentary Emerging Markets

Emerging markets recorded a negative return both in January and February as geopolitical tensions took centre stage. Russian equities and the rouble plummeted as President Putin launched a full-scale invasion of neighbouring Ukraine while Peru was the best-performing index market, benefitting from stronger metals prices, along with Brazil and South Africa.

Rising energy prices are a result of Russia's war in Ukraine were a headwind for net Emerging Markets importers. Net oil exporters though, particularly the UAE, but also Colombia, Qatar, Saudi Arabia and Kuwait, all generated positive returns and outperformed.

Brazil's presidential elections are scheduled to be held on 2nd October this year and we will see familiar faces on the ballot. Twenty years after being elected in 2002, Brazil's first working-class president, the veteran left-winger Luiz Inácio Lula da Silva, is gearing up for an electrifying bid to reclaim power. Bolsonaro's government is being mainly criticised for the way of handling the pandemic but also for promoting corruption, poverty and putting the country's democracy at stake.

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

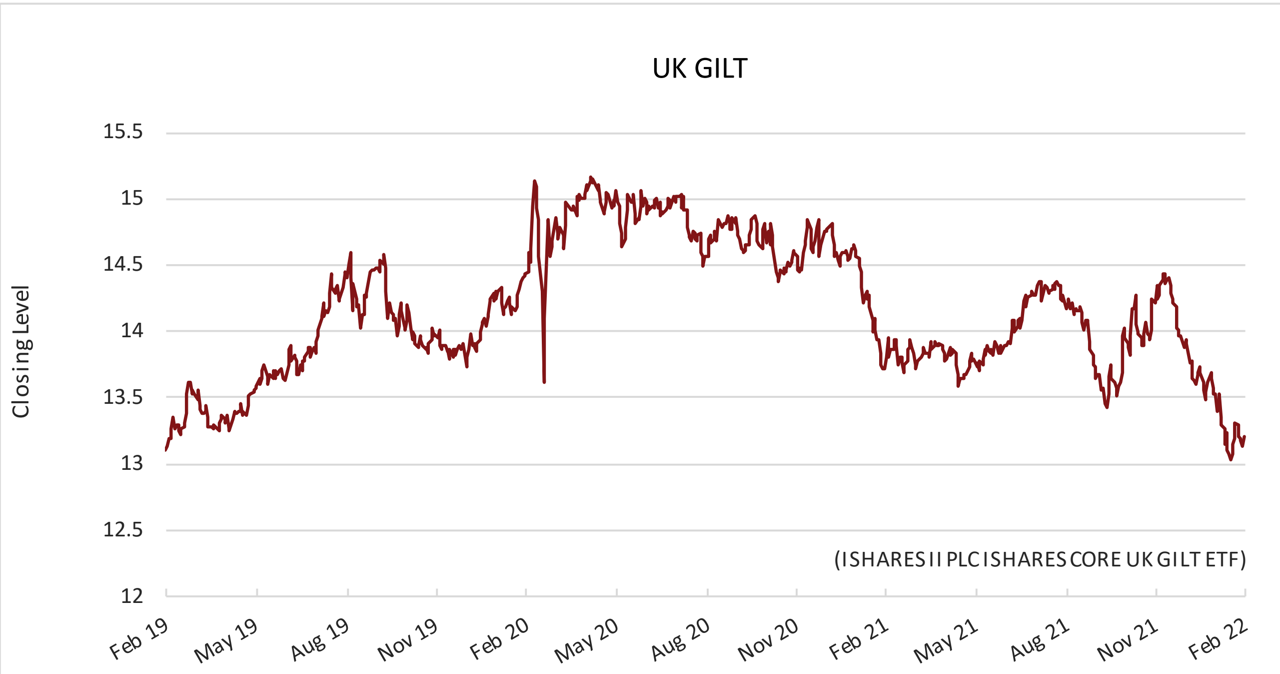


Market Commentary Fixed Interest

With inflation at its highest level globally, banks are likely to alleviate this increase by adjusting interest rates. The Bank of England has already announced an increase to 0.75% and based on the European Central Bank's comments, a raise in rates is likely to happen towards the end of the year. With the market already assuming aggressive tightening in the US, investors' concerns are exacerbated.

To contain the economic fallout of the COVID-19 pandemic, the Federal Reserve took a broad array of actions, including expansionary policy (slashing policy rates to near zero) and 'quantitative easing' (large-scale buying of bonds and securities). The Fed also decided to double the pace of tapering in response to rising inflation and a stronger economic recovery. It is the first significant step toward normalising its ultra-loose monetary policy with the next step being the initiation of policy rate hikes.

In this environment, we believe our portfolios will benefit from being even more heavily overweight in *inflation linked* gilts and are increasing our allocation in this area, whilst retaining our overall underweight position in gilts.



Our Tactical Allocation—Adventurous

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	13	10	23
UK Large Cap	Unfavourable	Underweight	20	-7	13
UK Mid Cap	Unfavourable	Underweight	12	-7	5
UK Small Cap	Unfavourable	Underweight	7	-1	6
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—Moderately Adventurous

Sector	Forecast	Position	Morningstar Moderately Adventurous Allocation (%)	Tactical Overlay (%)	Moderately Adventurous Final Allocation (%)
US	Favourable	Overweight	11	7	18
UK Large Cap	Unfavourable	Underweight	22	-6	16
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	0	5
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	0	3

Our Tactical Allocation—Moderate

Sector	Forecast	Position	Morningstar Moderate Allocation (%)	Tactical Overlay (%)	Moderate Final Allocation (%)
US	Favourable	Overweight	9	7	16
UK Large Cap	Unfavourable	Underweight	18	-4	14
UK Mid Cap	Unfavourable	Underweight	6	-2	4
UK Small Cap	Unfavourable	Underweight	3	-1	2
Europe	Favourable	Overweight	8	3	11
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	7	9
Cash	Favourable	Overweight	7	-4	3

Our Tactical Allocation—Moderately Cautious

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Favourable	Overweight	7	6	13
UK Large Cap	Unfavourable	Underweight	16	-1	15
UK Mid Cap	Unfavourable	Underweight	4	-1	3
UK Small Cap	Fair	Neutral	0	2	2
Europe	Fair	Neutral	5	1	6
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	9	14
Cash	Favourable	Overweight	10	-5	5

Our Tactical Allocation—Cautious

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Favourable	Overweight	3	4	7
UK Large Cap	Unfavourable	Underweight	13	-2	11
UK Mid Cap	Unfavourable	Underweight	2	-1	1
UK Small Cap	Fair	Neutral	0	1	1
Europe	Favourable	Overweight	3	2	5
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	9	20
Cash	Fair	Neutral	17	-8	9

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 1.6% 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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