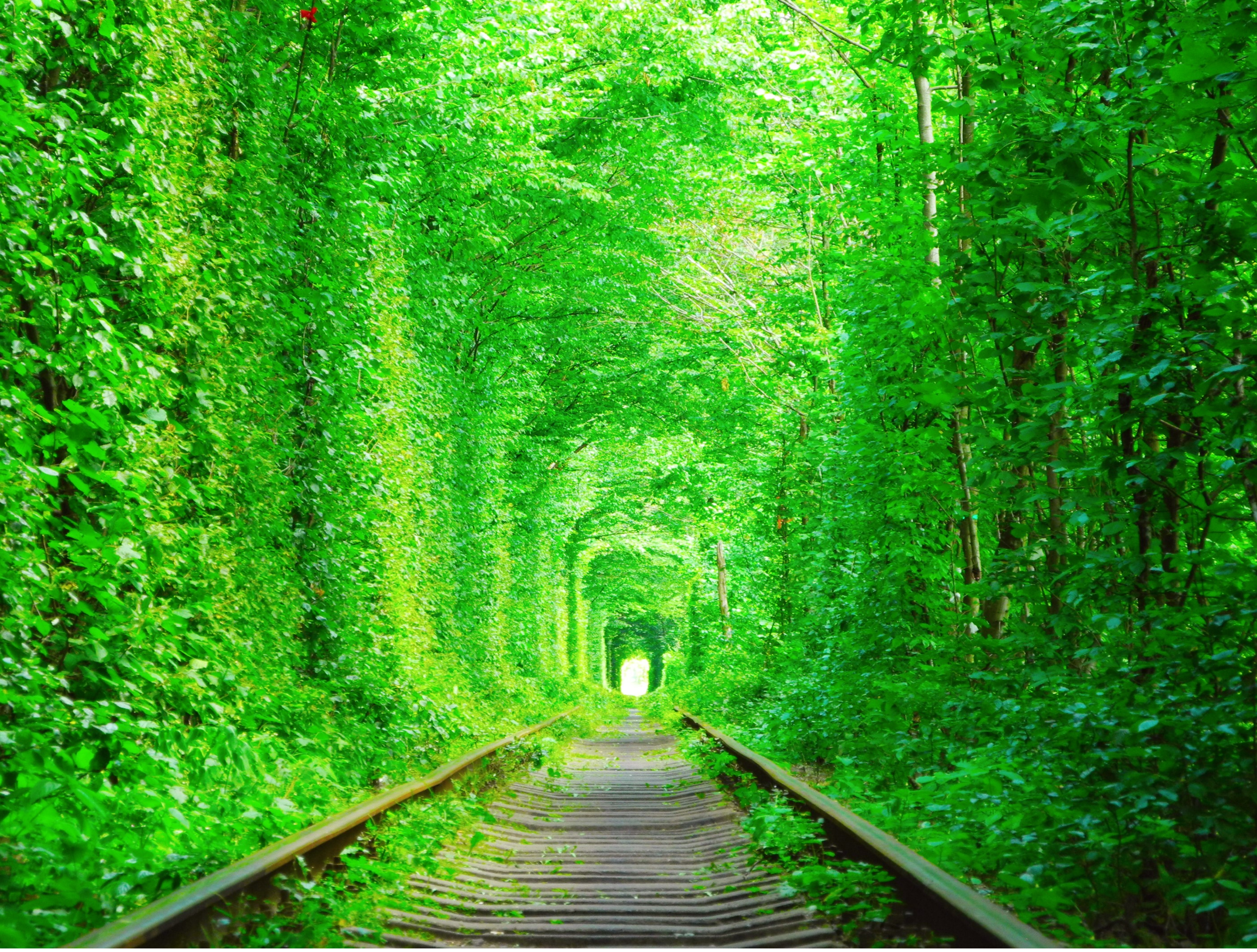


EB Wealth

QUARTERLY REPORT
Q2 2021

Global Overview

Global sector performance for the period 01/03/2021 - 31/05/2021				
Markets	**Country**	**Index (ex div) / Sector**	**Performance for the Period 01/03/2021 to 31/05/2021**	**Performance for the Period 01/01/2021 to 31/05/2021***
North America	USA	S&P 500	7.75%	14.79%
		Dow Jones	9.49%	15.78%
		Nasdaq	1.18%	11.28%
UK	UK	FTSE 100	6.59%	9.99%
		FTSE All-Share	6.77%	11.12%
Europe	Germany	Xetra DAX	10.05%	15.24%
	France	Paris CAC 40	11.3%	15.51%
	EU Countries	FTSEurofirst 300	8.31%	13.58%
Asia	Japan	Nikkei 225	-2.71%	7.74%
	China	Hang Seng	-1.02%	9.73%
	India	Nifty 50	5.56%	18.87%
South America	Brazil	Sao Paulo Se Bovespa	14.39%	6.45%
	Mexico	SE IPC	13.62%	18.63%
Other Markets	South Africa	JSE FTSE ALL SHARE	0.63%	18.18%
	Australia	S&P AUST	5.2%	6.76%
	Russia	RTS	10.71%	24.46%
	Canada	S&P/TSX COMPS	7.82%	14.07%
Commodities	N/A	Gold	9.53%	4.89%
		Silver	5.66%	18.59%
		Brent Crude Oil	8.84%	46.18%
		Copper	13.14%	34.01%

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

Indices across the globe maintained their upward momentum, with vaccination programmes continuing to be successfully rolled out in many countries. This has allowed many governments to ease restrictions and reopen their economies, providing a timely boost to global demand. The only two indices with negative growth this quarter are the East Asian countries of Japan (weighed down by the threat of a cancelled Olympics) and Hong Kong.

Commodities have continued to grow strongly in this quarter, particularly Brent Oil, whose price has remained on an upward journey since its dramatic fall last year, with a value of $69.36 a barrel as at the end of May 2021.

Cryptocurrencies

Cryptocurrencies ('crypto') have been growing in prominence both in terms of valuations and news coverage. The amount of retail investors investing in crypto has grown exponentially over the past year and increasing numbers of institutions and well-known celebrities are making public commentary on the market, especially in the US. So, what is crypto and should you be investing?

It is clear that there is great potential for growth in crypto despite its very volatile nature. Bitcoin, probably the most widely recognised cryptocurrency, had a price of $6,955 at the start of 2020 and 16 months later peaked at $64,829 (on 25/06/2021 it was $31,637).

The key advantage of crypto is the technology behind the currencies - blockchain. Although created for Bitcoin, it has gone on to be used to record the transactions of many other cryptocurrencies - as well as enhancing numerous other accounting and business processes. Whilst there isn't enough space in this article to write about the intricacies of blockchain technology, the technology has been fundamental in allowing the various currencies to flourish as it allows unparalleled levels of transparency. This means that anyone in the world can view any transactions at any point in time, appealing to those want a more transparent and secure banking system, as well as promising the potential for very low transaction fees.

Crypto also has the benefit of being anonymous, protecting holders from identity theft, but also providing a haven for criminals who can send vast amounts of the currency across the "dark web". This has, justifiably, put many cryptocurrencies in the firing line of regulators around the world.

But what are the key drivers of crypto value? Like any other currency, value is driven by supply and demand but in the case of crypto, valuations can also be heavily influenced by the opinions of public figures and regulatory announcements. Elon Musk, famous for his outspoken views on crypto, was probably the sole reason the price of Dogecoin increased from $0.06 to $0.64 in a space of two months just through a series of tweets. He also contributed to the value of Bitcoin halving from its peak when he announced that Tesla would no longer be accepting Bitcoin as payment. Whilst most other fiat currencies are supported by links to their respective governments and central banks, the main cryptocurrencies are supported purely by the faith of its holders. In general, we would take issue with any alleged "store of value" if that value can be slashed by a few tweets!

Cryptocurrencies continued

From an investment standpoint, crypto — Bitcoin in particular — does not conform to standard valuation models. Unlike gold or other commodities, supply is relatively fixed due to the cap of 21 million possible coins which can be mined, and miners have very little effect on the speed of mining. Therefore, price is almost exclusively set by demand.

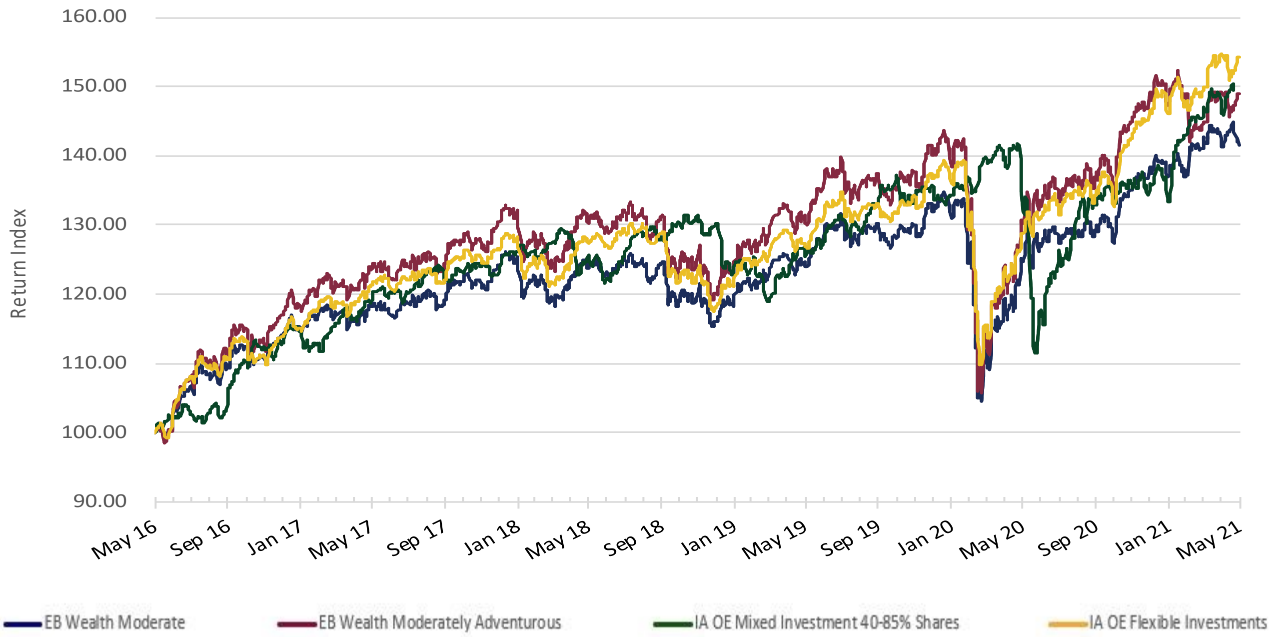
So what has been fuelling demand? Much of the demand is driven by popular sentiment and news stories, along with high profile investors with their hordes of "followers". But another big factor is the ability to generate returns from crypto in a low / zero interest rate environment. In the past, crypto has had more in common with equity markets than traditional currencies or gold, with higher risk investors piling in during bull markets and pulling out in the bearish ones. Finally, there are technical and regulatory drivers of demand and one which would be of particular note, is whether central banks start adopting their own cryptocurrencies which they can regulate and track. Whilst many argue that would entirely defeat the object of holding Bitcoin in the first place, as a new asset class, it is by no means certain what lies ahead.

At EB Wealth, we recognise the huge potential of cryptocurrencies. However, due to their extreme volatility, as well as the fact that there is no economy backing up their valuations, we would place cryptocurrency investment at the very extreme end of the risk vs reward chart. Our view is that if you do decide to dip your toe on the crypto rollercoaster ride, you should only invest what you are prepared to lose — and you should also prepare yourself for a very bumpy ride!

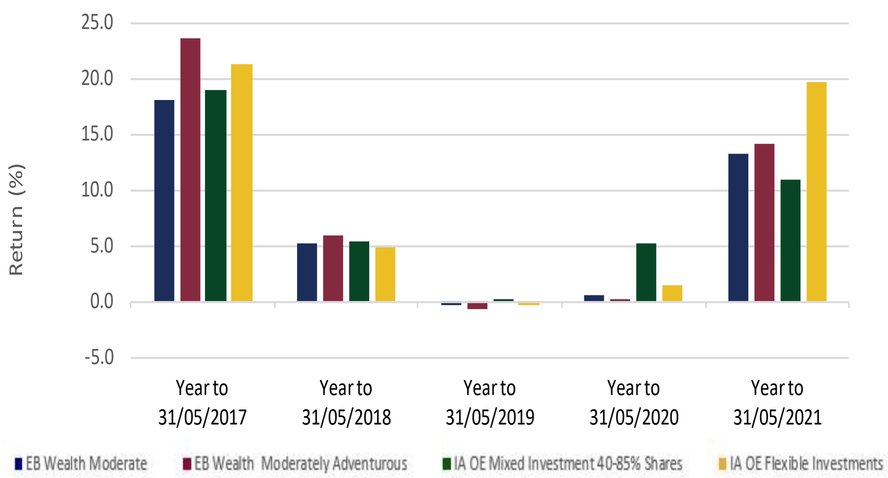
It should also be noted that investors currently do not receive FSCS protection on cryptocurrency holdings or transactions.

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 16 for more information in relation to the benchmarks.



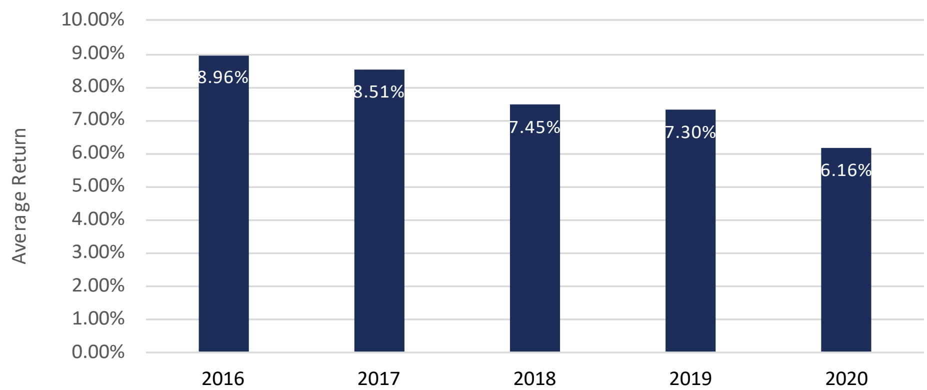
Discrete Annual Performance

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 01/03/2021 to 31/05/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	5.1%*	Increased from -1.5%
Yearly Inflation	1.1%*	Increased from 0.65%
Wage Growth Including Bonuses	4.0%*	Fell from 4.7%
Unemployment Rate	4.8%*	Fell from 5.1%
Interest Rates	0.1%	Remained at 0.1%

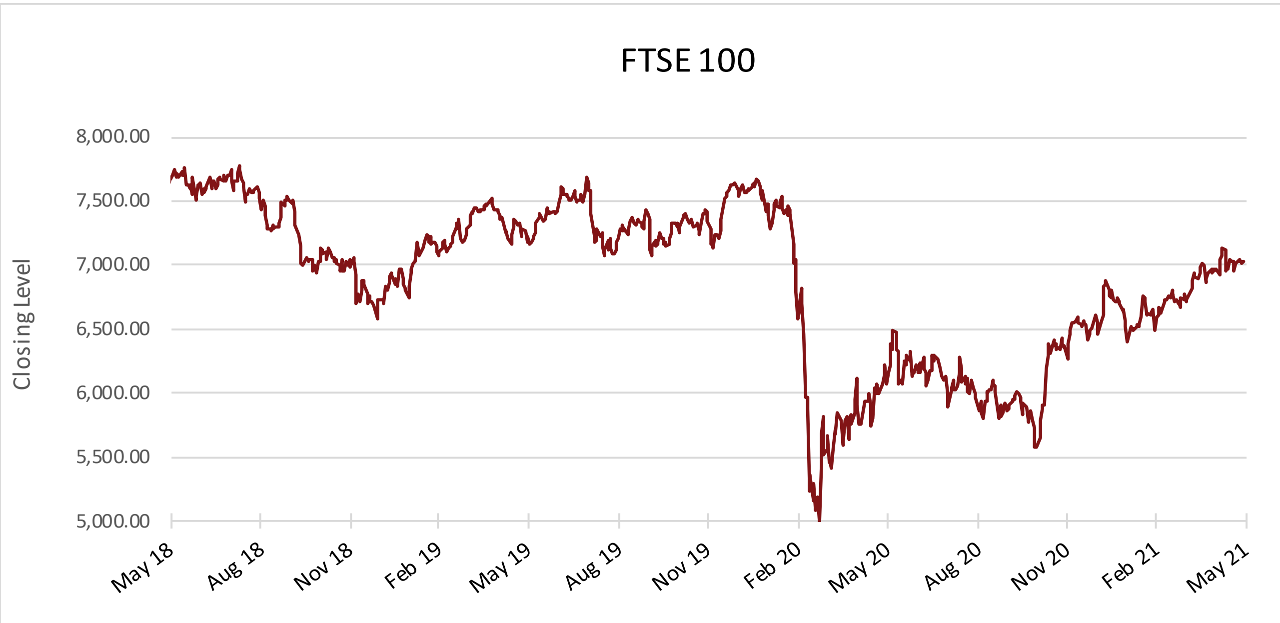
*Based on the latest available data at the time of print.

The UK has begun to slowly ease itself out of its third lockdown, as the vaccination programme has gone from strength to strength. At the time of writing, over 68 M doses have been delivered, with over 50% of the UK adult population fully vaccinated. The easing of restrictions has helped the UK economy rebound slightly, reversing the declines from the previous quarters. There is hope amongst investors that with the UK near "herd immunity", the recovery should be sustainable.

April saw inflation increase by 1.5%, which was the highest since the onset of the pandemic. With a major increase in consumer spending expected throughout the rest of the year, many worry that this could lead to a period of high inflation, taking it above the Bank of England target of 2%. The UK has allowed international travel again, providing a boost to the travel industry in time for the summer season.

Whilst the UK currently appears to be doing well when compared to the EU, the emergence of the "Delta variant" has threatened to derail the government's plans of ending lockdown in June, although come July the UK and EU will hopefully begin "opening up".

At EB Wealth, whilst we are confident the UK market will perform well over the next few quarters, we continue to move some of our FTSE 100 allocation towards S&P 500.



Market Commentary US

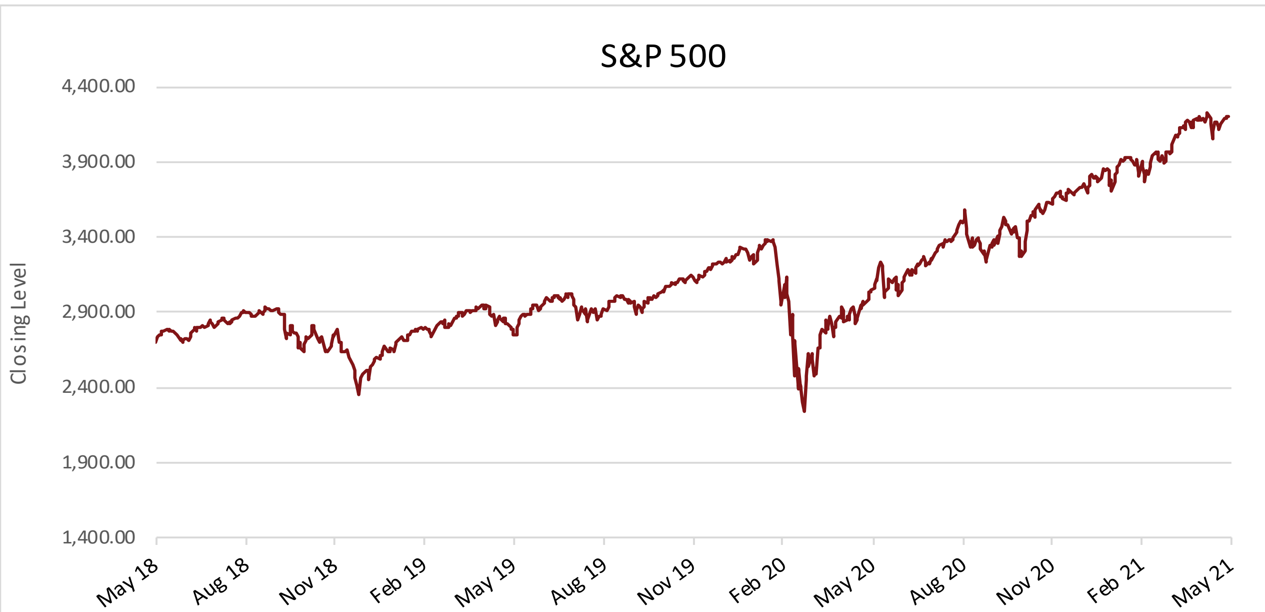
Macroeconomic Highlights 01/03/2021 to 31/05/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	9%*	Increased from 6.4%
Yearly Inflation	3.4%*	Increased from 1.6%
Wage Growth Including Bonuses	4.4%*	Increased from 2%
Unemployment Rate	5.9%*	Fell from 6.3%
Interest Rates	0.25%	Remained at 0.25%

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

The US has been on a similar path to the UK, with the economy rebounding and restrictions easing across the various states. In fact, in Texas, Governor Abbot removed all restrictions and opened the state up fully at the start of March. The overall easing of restrictions, along with the implementation of the $1.8 trillion stimulus programme, has meant that the US has seen strong growth in the last quarter. Whilst the official figures have yet to be released, it is estimated that GDP will grow by 9% in Q2 and appears to be primed for even more growth throughout the rest of 2021.

Whilst the economy is recovering well, the unemployment rate has been slow to recover in comparison, with over 10 million Americans still unemployed. Experts believe that it will take until 2023 for the job market to recover to pre-pandemic levels. Whilst inflation remains relatively low in the US, like the UK, it is expected that inflation will increase in the coming months.

At EB Wealth, we think the US has survived the brunt of the pandemic and should be on its way to recover to pre-pandemic levels in the upcoming quarters. We also continue our move to increasing holdings in our S&P 500 tracker fund.



Market Commentary Europe

Macroeconomic Highlights 01/03/2021 to 31/05/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	1.5%*	Increased from -0.3%
Yearly Inflation	1.6%	Increased from 0.5%
Wage Growth	5.6%*	Increased from 3.5%
Unemployment Rate	8.1%*	Fell from 8.2%

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

After its initial setback in Q1, Europe rolled out a successful vaccination programme. Countries within the EU have progressed with the vaccination rollout at different rates, which can be directly linked with how quickly countries could ease restrictions.

With economies damaged across the continent, the EU governments have tried to provide extra support to help revive these economies. For example, central banks in Iceland and Romania have slashed base rates, whilst various governments have pledged extra fiscal support. With COVID-19 cases on the decline throughout Europe, many countries have begun to reopen their borders hoping to generate tourism income.

The main issue aside from COVID-19 is the amount of public debt the EU governments have each accumulated because of the support packages they have provided. Greece and Italy are in a particularly alarming position of having public debt piles at 209% and 106%, respectively. With restrictions easing, governments will be hoping that consumer spending will pick up and, consequently, stimulus spending can be reduced. With this in mind, we have decided to maintain our current allocation.

Despite the negative news surrounding public debt, many economists have predicted that Europe will rebound in Q2, predicting growth from 3.8% to 4.3%.

Market Commentary Japan

Macroeconomic Highlights 01/03/2021 to 31/05/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-1%*	Fell from 2.8%
Yearly Inflation	-0.3%*	Increased from -0.5%
Unemployment Rate	2.7%*	Fell from 2.9%

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

Unlike the UK & US, Japan's economy has declined due to the continued spread of COVID-19. In order to mitigate the rising cases, the Japanese government extended a state of emergency in Tokyo and surrounding areas. The rise in infections has coincided with a latent roll out of their vaccination program. At the end of May, only 3% of the Japanese population had been fully vaccinated. The extension of lockdown measures has meant that economists have dramatically revised down Japan's growth prediction for this quarter from 4.7% to 1.7%.

There have been calls for further support from the government to increase spending to support the suffering economy. However, Prime Minster Suga has expressed caution due to the huge public debt Japan currently holds.

Amongst the backdrop of rising cases, over 70% of Japanese citizens favour cancelling the Olympics. This has put the government in a precarious position; if they were to cancel the games, they would be forced to cover sponsorship and broadcasting losses, which could amount to billions.

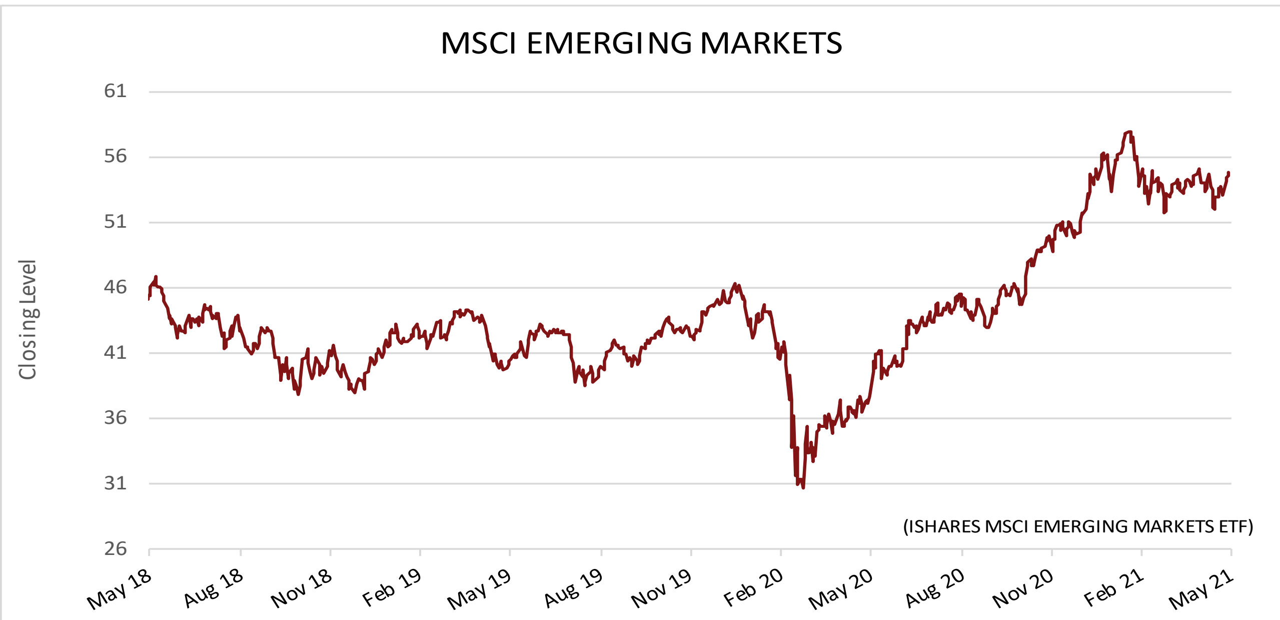
Based on the current situation, it can be safely assumed that Japan's recovery will continue to be sluggish at least for the rest of this year, although we continue to support the long-term prospects for growth.

Market Commentary Emerging Markets

There is a great disparity in the pace of the vaccination programmes across the various countries that make up the Emerging Markets sector, which can be seen in the varying infection rates. In Latin America, for example, where the vaccination rollout has been poor, cases have risen at an alarming rate throughout the last quarter. This was driven by the emergence of the P1 variant in Brazil, resulting in daily deaths reaching as high as 4,000 in April. India also saw a re-emergence of the pandemic over the last few months, leading to worrying stories of many hospitals running out of beds and oxygen.

On top of the pandemic situation, many countries have experienced high levels of inflation. In Brazil, headline inflation rose to 6.1%, well above the Central Bank's target. As a result, Brazil has had to increase policy rates, further hampering the economic recovery. Russia and Turkey are other major players in the states to have increased their rates recently.

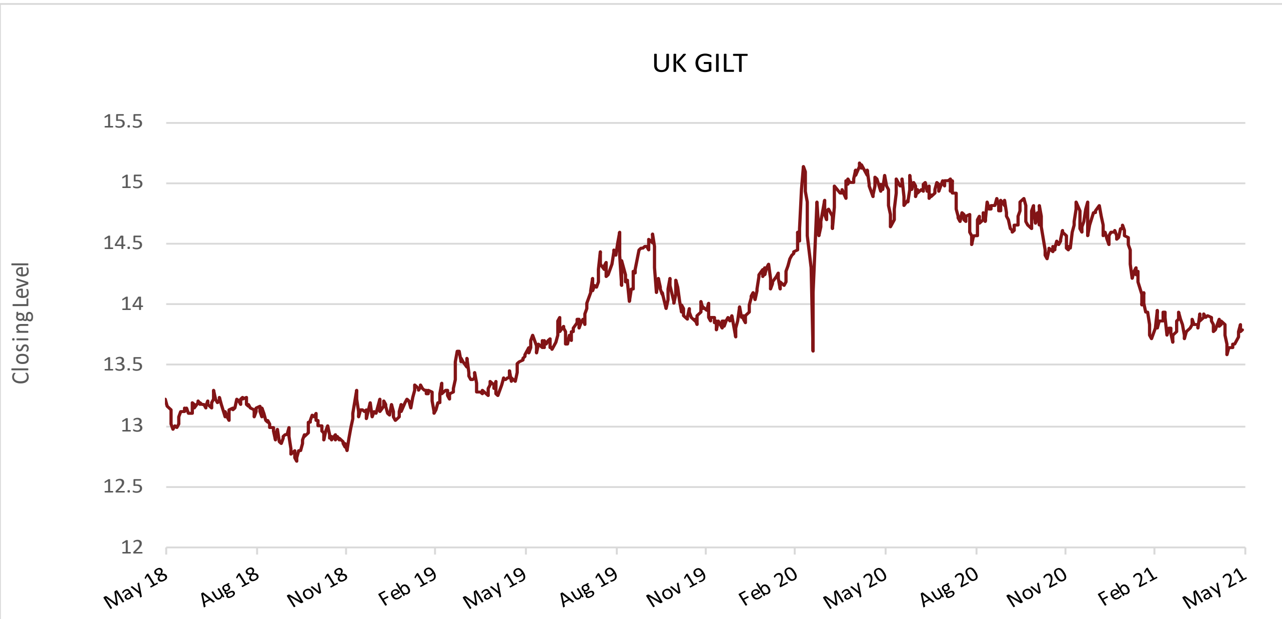
Despite the negative news, emerging countries within Asia (aside from India) are in a particularly strong position. They all have strong fiscal balances as well as manageable levels of debt and, for the most part, have been able to manage the pandemic well. In fact, in 2020, Taiwan, Vietnam and China all registered positive GDP growth. Therefore, we have made no changes to our current allocations.



Market Commentary Fixed Interest

As the UK continues to move out of the third lockdown and the economy begins to heal, it is widely expected that gilt yields will continue to rise. With inflation on the rise — and expected to rise further — demand for gilts and corporate bonds is expected to fall further. The increase in inflation may also lead to the Bank of England increasing base rates from its current record low point of 0.1% — although it is likely that any shift in rates will be small so as not to put the brakes on a still fragile recovery.

This decrease in demand can be reflected by looking at the UK Gilt Index below, which has declined sharply since late 2020. With the UK in a relatively stable economic position, the hope is that there will be less need for further fiscal support from the UK government, reducing the amount of new gilts that will be issued. EB Wealth portfolios have benefited from being very underweight in gilts and it is likely that we will retain the underweight stance until yields start looking attractive once more.



Our Tactical Allocation—Adventurous

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	13	1	22
UK Large Cap	Unfavourable	Underweight	20	-2	14
UK Mid Cap	Unfavourable	Underweight	12	-4	5
UK Small Cap	Fair	Neutral	7	0	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	Fair	Neutral	11	0	17
UK Large Cap	Fair	Neutral	22	0	18
UK Mid Cap	Unfavourable	Underweight	8	-3	3
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—Moderate

Sector	Forecast	Position	Morningstar Moderate Allocation (%)	Tactical Overlay (%)	Moderate Final Allocation (%)
US	Fair	Neutral	9	0	14
UK Large Cap	Fair	Neutral	18	0	16
UK Mid Cap	Unfavourable	Underweight	6	-2	3
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	9

Our Tactical Allocation—Moderately Cautious

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Fair	Neutral	7	0	11
UK Large Cap	Fair	Neutral	16	0	14
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	13

Our Tactical Allocation—Cautious

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Fair	Neutral	3	0	5
UK Large Cap	Fair	Neutral	13	0	11
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 1.2% 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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