EB Wealth

QUARTERLY REPORT
Q3 2021

Global Overview

Global sector performance for the period 01/06/2021 - 31/08/2021				
Markets	**Country**	**Index (ex div) / Sector**	**Performance for the Period 01/06/2021 to 31/08/2021**	**Performance for the Period 01/01/2021 to 31/08/2021***
North America	USA	S&P 500	13.05%	25.69%
		Dow Jones	2.27%	18.56%
		Nasdaq	1.18%	11.28%
UK	UK	FTSE 100	0.55%	11.51%
		FTSE All-Share	0.76%	12.89%
Europe	Germany	Xetra DAX	1.75%	18.36%
	France	Paris CAC 40	2.94%	19.68%
	EU Countries	FTSEurofirst 300	5.40%	19.75%
Asia	Japan	Nikkei 225	-2.52%	4.86%
	China	Hang Seng	-12.18%	-2.59%
	India	Nifty 50	5.56%	30.69%
South America	Brazil	Sao Paulo Se Bovespa	14.39%	0.18%
	Mexico	SE IPC	13.62%	24.27%
Other Markets	South Africa	JSE FTSE ALL SHARE	-2.82%	16.46%
	Australia	S&P AUST	5.38%	12.50%
	Russia	RTS	4.33%	31.21%
	Canada	S&P/TSX COMPS	3.04%	19.00%
Commodities	N/A	Gold	-4.45%	0.23%
		Silver	-14.07%	1.31%
		Brent Crude Oil	0.31%	49.01%
		Copper	-7.96%	23.34%

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

Indices across the world have continued to perform strongly throughout 2021, with the exceptions being Japan and China. In particular, the Hang Seng has been beset with problems (the latest being the Evergrande Group debt issues) and has reversed all the gains it had made during the first half of the year.

Commodities also struggled in Quarter 3 as investors feared a slowdown in economic growth. In addition, the Fed's reduction of asset purchases could lead to reduced liquidity, further encouraging short-term profit-taking. Mining stocks generally followed with BHP Group, Rio Tinto Group, Glencore Plc and Antofagasta Plc all down more than 2%.

Olympics: Are they economically viable?

This past quarter we saw the staging of the 28th Summer Olympic Games in Tokyo, arguably the greatest sporting event in the world. This is the second time that Tokyo has had the privilege of hosting the Games, with the first time taking place in 1964. However, since then, costs for hosting the Games have ballooned, leading to the question: "Are the Olympic Games economically viable anymore?"

Whilst the Olympics remain the pinnacle for many athletes and spectators, with millions tuning in every four years, the cost for a city to host the Olympics has been increasingly questioned in recent times. Despite official figures not yet released, it has been estimated that the 2020 Olympics have cost over $15 billion, making it the most expensive Summer Games to date. In comparison, the 1964 Olympics cost just under $2 billion (adjusted for inflation).

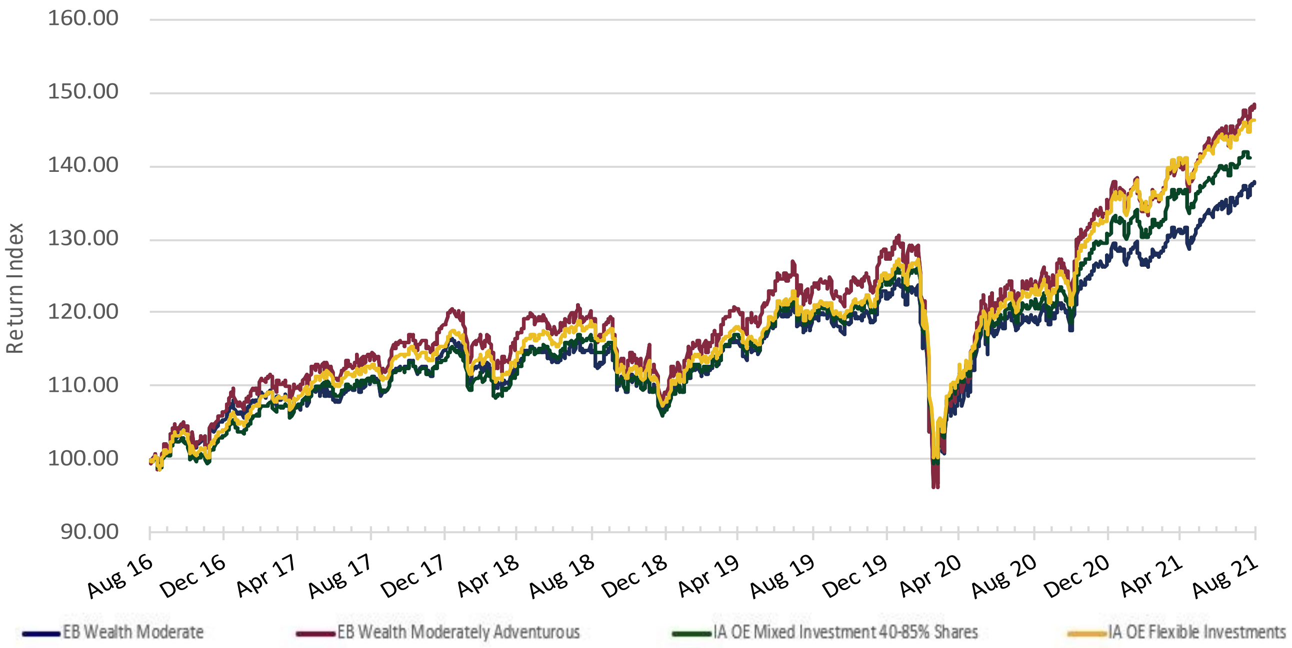
Normally, host cities try to recoup some of these costs through broadcasting deals, sponsorship and spectators. It is estimated that the International Olympic Committee (IOC) made $4 billion in broadcasting rights from this year's Olympics. Whereas in the past the IOC passed over most of this money to the host city, they now keep around 70% of the revenue due to a rise in their own operating costs. IOC officials had hoped to bring in at least $6.7 billion of revenue through the Games this year. However, due to Coronavirus, large groups were not allowed, resulting in at least $800 million lost in potential revenue via ticket sales, not to mention other lost revenues from tourists e.g., transport, hotel and other entertainment spending. While a global pandemic could not be foreseen, even if the $800 million was generated in spectator ticket sales, as well as the $4 billion in broadcasting rights, the searing cost of $15billion to host the Olympic games still leaves the hosting city with a huge deficit. With Japanese public debt currently at $13.1 trillion, adding more to it is something to avoid.

Another problem that host cities face is what to do with venues after the Olympics have concluded. In Tokyo, $3 billion was spent on constructing new venues and the Olympic village. Tokyo has mostly been able to use existing venues for the Games, some of which were built for the 1964 Games. However, they still have not been able to find a permanent use for some of the new venues constructed to avoid them becoming "white elephants", something that, aside from London in 2012, recent host cities have been unable to avoid.

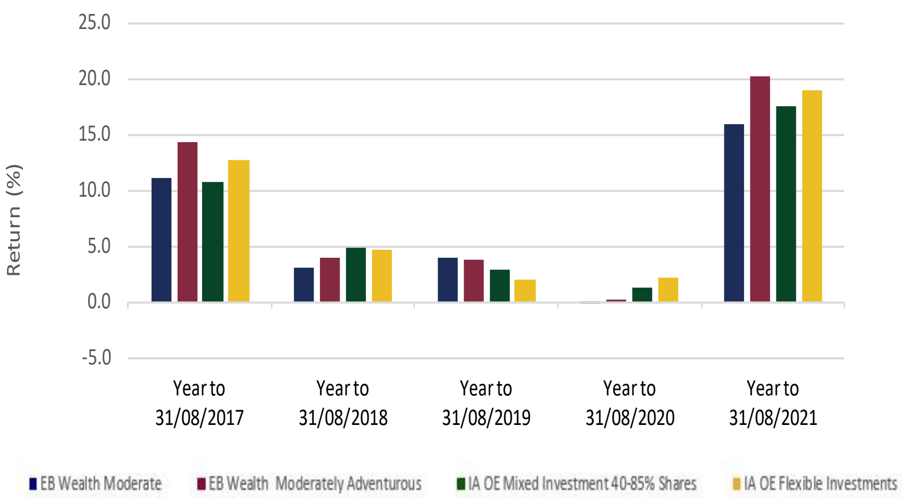
It is clear that the Olympic Games still reserve a special place in the sporting calendar. However, with fewer cities bidding to host the Games due to the costs, the IOC will need to take action to make the Games more financially viable. Whilst we wait for the dust to settle to see how the Games have financially impacted Tokyo, the officials hope it will be nothing like the 1976 Games in Montreal, where it took more than 30 years for the debt from the Games to be cleared!

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 15 for more information in relation to the benchmarks.



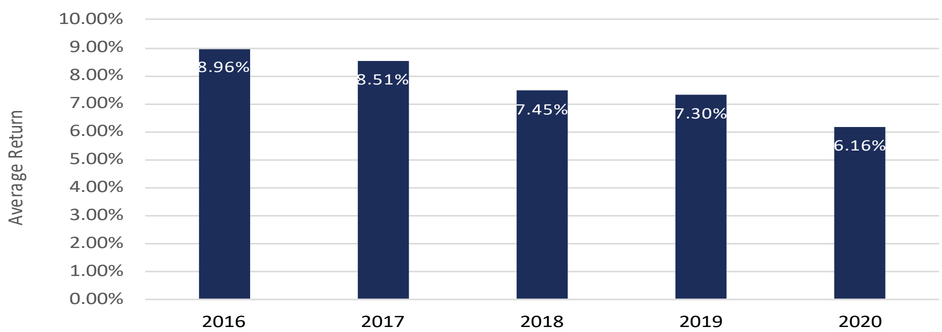
Discrete Annual Performance

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 01/06/2021 to 31/08/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	2.5%*	Fell from 4.8%
Yearly Inflation	2.0%*	Increased from 1.4%
Wage Growth Including Bonuses	8.8*	Increased from 5.8%
Unemployment Rate	4.7%*	Fell from 4.8%
Interest Rates	0.1%	Remained at 0.1%

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

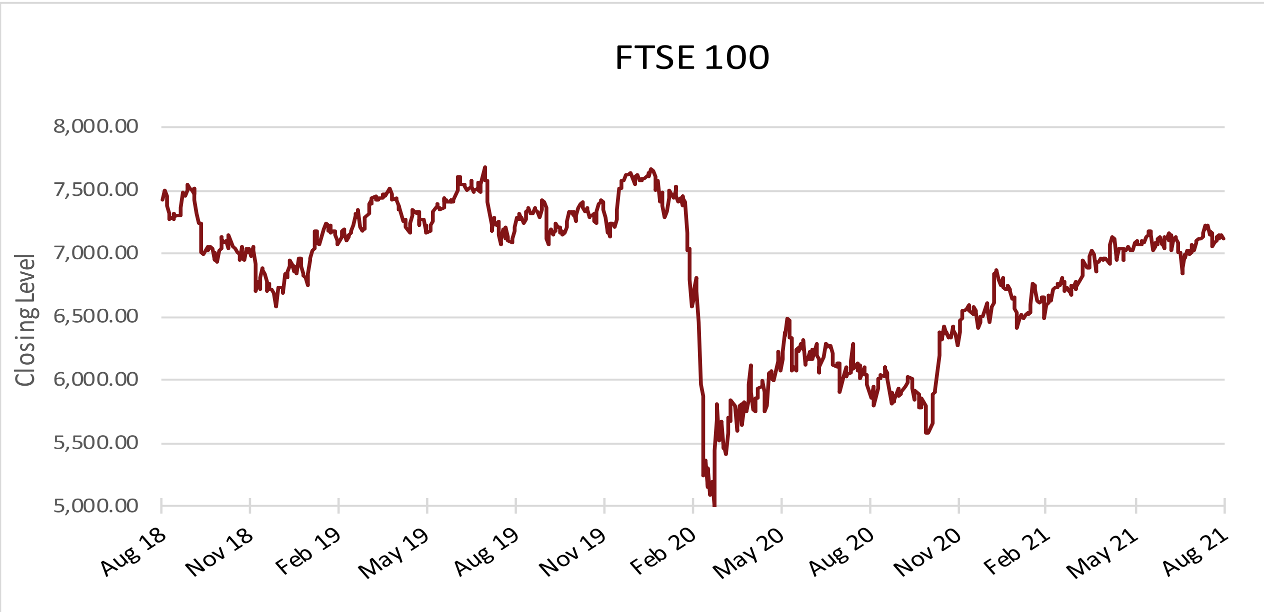
Quarter 3 in the UK was the first time since the onset of the pandemic that restrictions were fully lifted. This is reflected in the table above, where preliminary figures for the quarter show increased wage growth and falling unemployment rates, as people slowly return to work.

With the summer 2020 holiday season disrupted by Covid restrictions, 2021 was the first time many people went away in two years. Whilst it is yet to be seen how much of an effect the holiday season will have on the wider UK economy, we believe it will be a significant improvement from 2020, with a much-needed boost to the crippled travel industry.

Experts have predicted that with Covid restrictions removed, the UK can expect to make a significant economic recovery in 2021, with the Chamber of British Commerce predicting GDP growth of 6.8% for 2021, which would represent the highest GDP growth for the UK since 1949. Most of this growth is expected to be driven by consumer spending, which could lead to higher levels of inflation in the coming quarters. It is believed that through this recovery, the UK will be back to pre-pandemic levels in early 2022.

Recently, the UK government announced a 1.25% increase to National Insurance (NI) from April 2022, to help fund health and social care. This will be discussed further.

Although there are some encouraging signs in the UK economy, we will continue to shift exposure from the UK to the US market.



Market Commentary US

Macroeconomic Highlights 01/06/2021 to 31/08/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	9.0%*	Increased from 6.4%
Yearly Inflation	2.3%*	Increased from 1.4%
Wage Growth Including Bonuses	10.2%*	Fell from 10.5%
Unemployment Rate	5.9%*	Remained at 5.9%
Interest Rates	0.25%	Remained at 0.25%

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

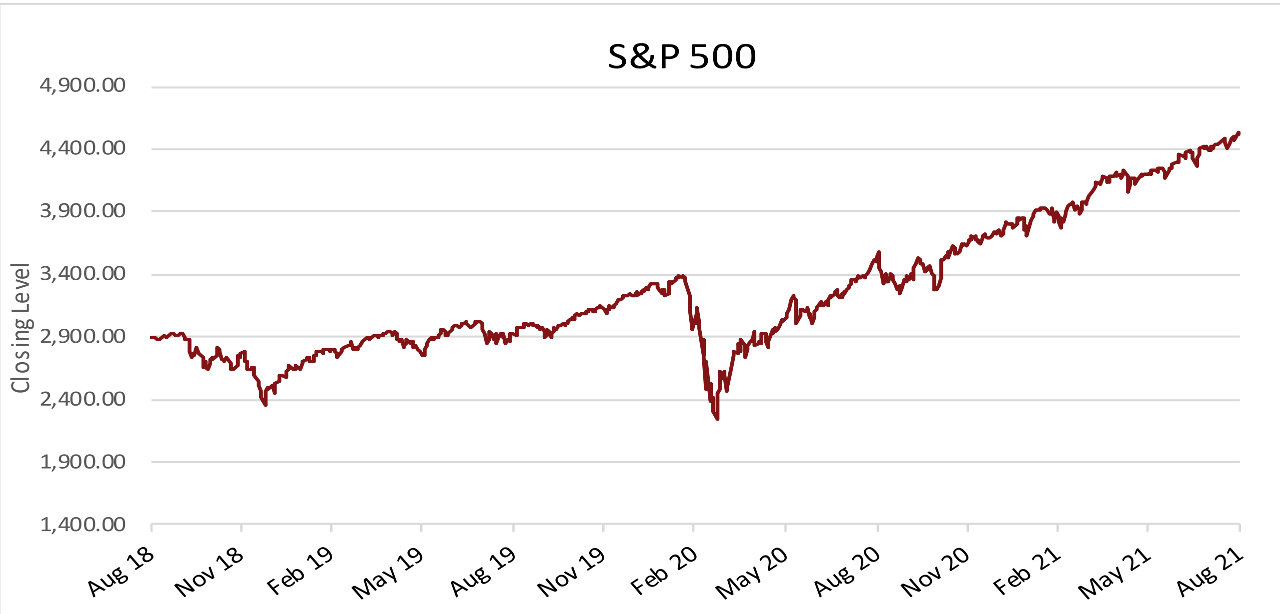
The US economy continued to perform well in Q3, fuelled by significant amounts of fiscal aid and a major increase in consumer spending (there was an estimated excess of $2.4 trillion in savings during the pandemic) as various states removed restrictions.

Whilst the rate of unemployment has not changed much over the past quarter, it is still far from the record lows of 3.5% seen at the start of 2020 and currently sits at just under 6%.

One concern from the increase in consumer spending has been the rise in inflation rates; Consumer Price Index (CPI) has risen by over 5% in the past year, the highest since August 2008. Experts predict this is just a temporary pressure on the economy and that this inflation rise will slow down once the post-pandemic recovery settles.

Away from pandemic-related news, the US officially withdrew all its troops from Afghanistan on August 31st, bringing an end to a 20-year war. The war came at an immense cost to the US, losing around 2,500 soldiers as well as $2 trillion. Regardless of political viewpoint, the withdrawal is sure to bring a significant and timely amount of financial relief to the US Government.

We are continuing the transfer of our global large cap exposure across our portfolios from the FTSE 100 to the US market (S&P 500) due to US listed companies continuing to dominate global growth.



Market Commentary Europe

Macroeconomic Highlights 01/06/2021 to 31/08/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	3.2%*	Increased from 2.0%
Yearly Inflation	2.4%*	Increased from 1.6%
Wage Growth	5.1%*	Increased from 3.6%
Unemployment Rate	7.7%*	Fell from 8.1%

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

The Eurozone has seen unprecedented levels of growth over the past quarter, particularly in June, which saw the fastest level of growth in the past 15 years. This was driven by a boom in the manufacturing sector, which benefitted from an increased amount of world trade and the lifting of restrictions for tourists during the summer holiday season, helping countries like Spain where tourism can be up to 12% of GDP.

Consumer confidence increased beyond expectations as restrictions eased, setting up strong growth for the rest of the year. The first tranche of the huge €750 billion fund, announced last year by the EU to aid fiscal growth, will be released in the coming month. Taking this into account, Eurozone growth is predicted to be around 4% for 2021.

Inflation remains one of the major concerns for the EU, although relatively stable, it is still the highest it has been since 2012, with worries that further consumer spending could lead to even more inflationary pressure. There is also concern that the emergence of the Delta variant could lead to some restrictions being reimposed.

Despite this, Europe is predicted to perform strongly over the second half of the year and any disruption should be relatively minor. As such, we have decided to maintain our current overweight exposure in Europe.

Market Commentary Japan

Macroeconomic Highlights 01/06/2021 to 31/08/2021		
	Latest Reading	Compared to Previous Quarter
GDP Growth	1.5%*	Increased from 0.5%
Yearly Inflation	-0.4%*	Increased from -0.8%
Unemployment Rate	2.9%*	Increased from 2.8%

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

The last quarter saw the delayed 2020 Summer Olympics take place. Unfortunately, with no spectators allowed due to Covid restrictions, it was impossible for Japan to gain the revenue anticipated during the original bid for the Games. It will take time to see how much the Olympics has impacted the Japanese economy and whether there will be any kind of economic boost. We will keep an eye on this in the upcoming quarters.

Unfortunately, one immediate impact from the Games has been an increase in Coronavirus cases, which has meant that the state of emergency in Tokyo and other regions has been extended, leading to further disruptions in the economy. This has led to a downgrade in growth prospects for 2021 from 4.8% to 4.2%.

Another problem the Japanese government faces is the latent wage growth. Wages have only grown at 1.8%, the lowest rate in the past 12 years. This, coupled with a slight rise in unemployment rates, means many people currently maintain very low levels of disposable income, thus delaying the much-needed rebound in consumer spending the government needs.

For the majority of 2021, recovery in Japan has been stagnant, and we foresee economic improvement largely dependent on the easing of current Covid restrictions. We have only made marginal increases in our Japanese exposure this year.

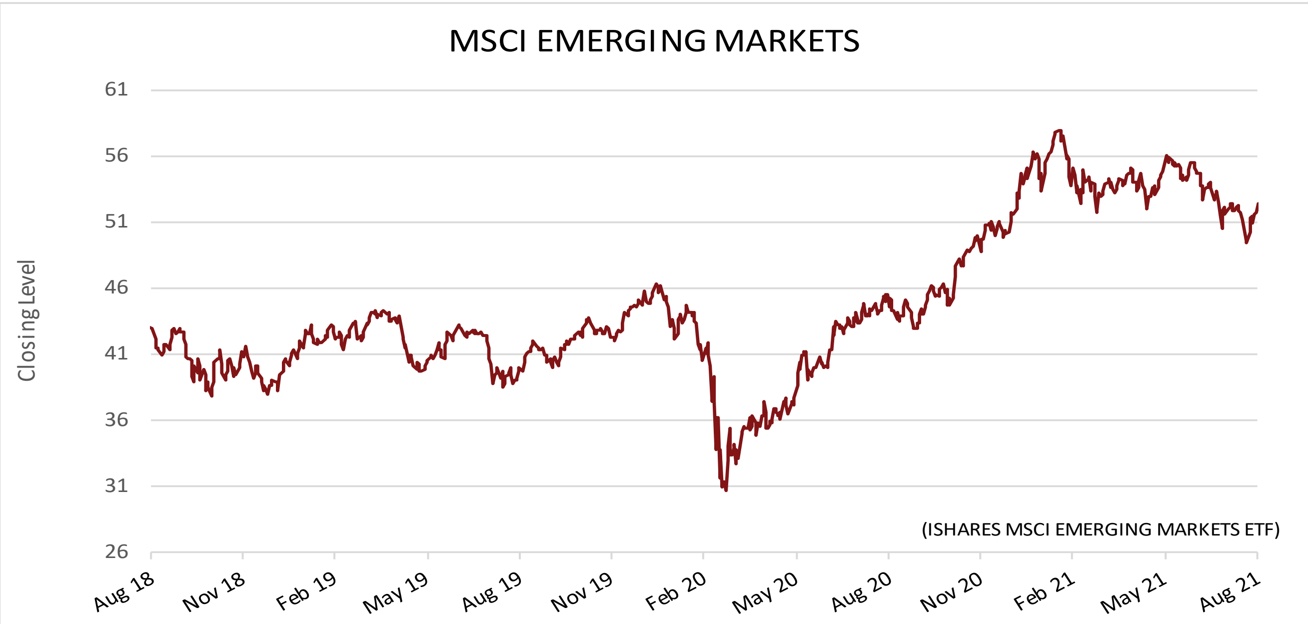
Market Commentary Emerging Markets

While the economic recovery is strong in developed nations, the same cannot be said for nations in the emerging markets sector. This is partially explained by the fact that the 40 wealthiest countries by GDP have vaccinated 63.37% of their populations compared to 34.05% of people from 66 of the world's lowest income countries (ourworldindata.org 29/09/2021). This makes them more susceptible to possible outbreaks from new variants, such as what has been seen in India with the Delta variant.

Another reason for the latent economic recovery in emerging markets comes down to the policy decisions taken by respective governments. The advanced economies all pledged large amounts of fiscal support to bolster their economies during the difficult times, whereas any support provided by the smaller economies was on a lesser scale and had mostly expired by the end of 2020. In fact, as mentioned in the previous quarter, many nations have started increasing interest rates to reduce the pressures from inflation. It is therefore unlikely that these nations will see the increase in consumer spending that is much needed.

Despite these concerns, the International Monetary Fund has predicted that the pace of recovery in the emerging markets will pick up towards the end of 2021 and continue into 2022 as inflationary pressure slows and the vaccination programme continues. As a result, the IMF has issued a revised prediction of 6.3% and 5.2% growth, respectively.

We have decided to maintain our emerging markets exposure at its current level.

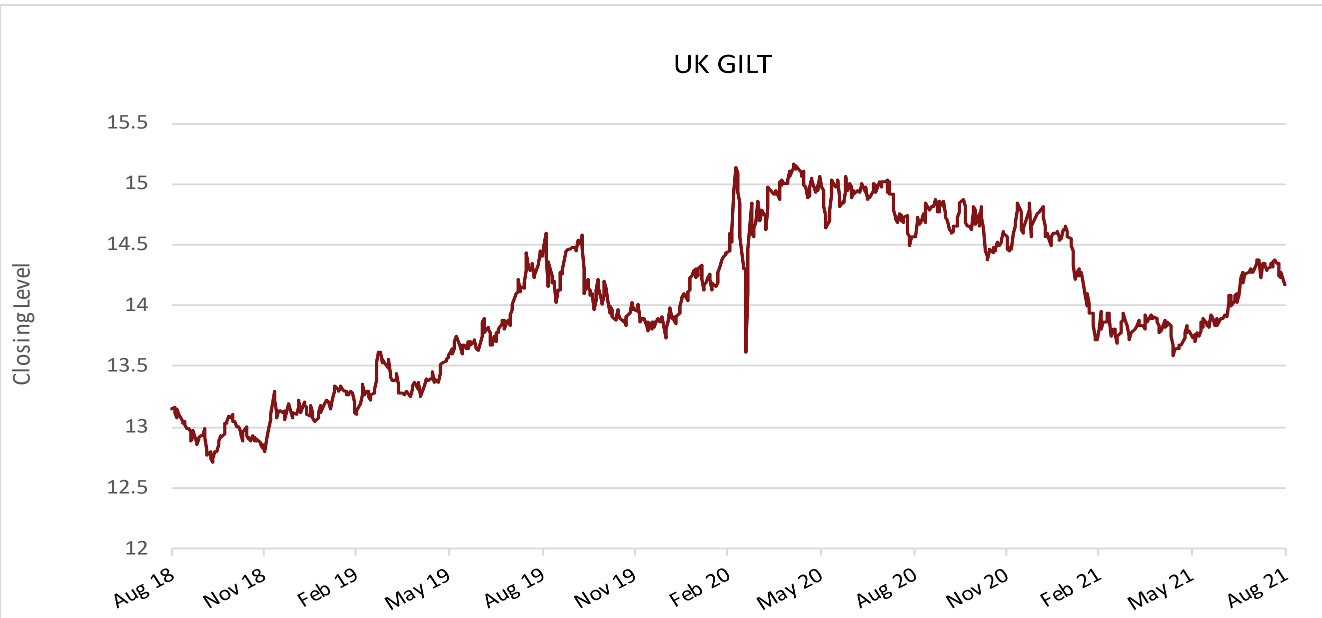


Market Commentary Fixed Interest

Inflation has increased across the globe, at a higher rate than expected. The reasoning behind this rise can be attributed to a few factors: first, the rise in oil prices, which has rebounded spectacularly since the lows of last year; secondly, bottlenecking in the global supply chain due to economies reopening at different speeds. In the US, inflation has been rising at 5.4%, which is far higher than the pre-pandemic average of 1.5-2%. In the UK, inflation is expected to hit 4% before the end of year.

These factors have led to questions regarding whether or not central banks across the globe will begin raising interest rates from the record lows they currently sit at (as has already happened in some states in the emerging markets sector). The Bank of England and the Federal Reserve predict that this inflationary pressure is only temporary and will subside soon. As such, both banks only have plans to raise base rates from 2023 onwards and, even then, it will be at a very gradual rate.

We believe gilts will continue to provide poor returns in the short term; corporate bonds could fare slightly better, but ultimately our investors should look towards equities for better returns, which is reflected in our portfolios.



Our Tactical Allocation—Adventurous

Sector	Forecast	Position	Morningstar Adventurous Allocation (%)	Tactical Overlay (%)	Adventurous Final Allocation (%)
US	Favourable	Overweight	13	9	22
UK Large Cap	Unfavourable	Underweight	20	-6	14
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	6	17
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	-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	Favourable	Overweight	9	5	14
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	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	2	9

Our Tactical Allocation—Moderately Cautious

Sector	Forecast	Position	Morningstar Moderately Cautious Allocation (%)	Tactical Overlay (%)	Moderately Cautious Final Allocation (%)
US	Favourable	Overweight	7	4	11
UK Large Cap	Unfavourable	Underweight	16	-2	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	3	13

Our Tactical Allocation—Cautious

Sector	Forecast	Position	Morningstar Cautious Allocation (%)	Tactical Overlay (%)	Cautious Final Allocation (%)
US	Favourable	Overweight	3	2	5
UK Large Cap	Unfavourable	Underweight	13	-2	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 1.6% 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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