EB Wealth

QUARTERLY REPORT Q4 2022

Global Overview

Global sector performance for the period 01/09/2022 - 30/11/2022				
Markets	**Country**	**Index (ex div) / Sector**	**Performance 01/09/2022 to 30/11/2022**	**Performance 01/01/2022 to 30/11/2022***
North America	USA	S&P 500	2.86%	-14.94%
		Dow Jones	9.27%	-5.45%
		Nasdaq	-2.69%	-27.57%
UK	UK	FTSE 100	5.94%	0.90%
		FTSE All-Share	5.44%	-3.19%
Europe	Germany	Xetra DAX	13.99%	-10.13%
	France	Paris CAC 40	11.67%	-6.63%
	EU Countries	FTSEurofirst 300	8.20%	-8.36%
Asia	Japan	Nikkei 225	1.11%	-4.55%
	China	Hang Seng	-5.10%	-20.10%
	India	Nifty 50	6.93%	6.43%
South America	Brazil	Sao Paulo Se Bovespa	1.88%	8.24%
	Mexico	SE IPC	13.88%	-2.37%
Other Markets	South Africa	JSE FTSE ALL SHARE	13.34%	1.50%
	Australia	S&P AUST	6.41%	-4.03%
	Russia	RTS	-12.06%	-30.66%
	Canada	S&P/TSX COMPS	6.85%	-3.69%
Commodities	N/A	Gold	3.49%	-3.20%
		Silver	-9.87%	-7.57%
		Brent Crude Oil	-9.17%	11.95%
		Copper	10.53%	-14.48%

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

Despite some tough quarters earlier this year, the end of the year has seen almost all sectors rebound.

Our portfolios outperformed their respective benchmarks again this year, which was largely due to being overweight in Europe and underweight in gilts and fixed interest.   Europe was the best performing sector last quarter, followed by the UK .

Whilst our portfolios have benefitted from being highly underweight in gilts and fixed interest over the last few years, we believe that a return to a more balanced asset allocation is now appropriate, and we will be making changes to reflect this in the first quarter of 2023.

2022 Round-up

EB portfolios performed surprisingly well in 2022 with our more adventurous portfolios registering the greatest outperformance. In contrast, it has been a desperate year for crypto and Tesla evangelists, with these assets falling by approximately 75% from previous highs. Many feel that Tesla shares have now fallen to a "sensible level"; however, bitcoin and other crypto assets remain, in our view, an asset class without any intrinsic value and predictions for bitcoin in 2023 range from -60% to +1,500%!

The New Year celebrations at the beginning of 2022 were filled with a sense of optimism as economies rebounded and increasing numbers of companies adopted permanent flexible working strategies to the delight of many. However, the outlook quickly turned bleak following the Russian invasion of Ukraine, which resulted in over 7 million Ukrainian refugees registered outside of Ukraine, as well as severe economic knock-on effects around the globe.

The UK was hit harder than most by high inflation, with UK GDP falling squarely into the European "slow lane". With COVID factors stripped out – and despite the massive government stimulus package and the UK's relative shelter from the mayhem of European energy markets – the negative economic effects of Brexit are becoming harder to deny.

Not content with the problems being piled on the UK economy, the Conservative Party ousted Boris Johnson in favour of Liz Truss, who promptly pushed through an ill-conceived and ill-fated "mini-budget" without first submitting it to the Office of Budget and Responsibility. The massive crash in the pound's value and subsequent interest rate shocks were sufficient to ensure Truss's resignation after just 44 days in office, making her the shortest serving leader in UK history.

Despite all the financial turbulence, the intensifying first-hand evidence of climate change and the severe humanitarian and refugee crises across the globe (currently there are 32 million refugees around the world), it is worth highlighting some of the amazing advances made in 2022.

Science fiction became reality this year when NASA successfully tested its ability to change the trajectory of an asteroid with its Double Asteroid Redirection Test ('DART'). Thankfully, Bruce Willis's services won't be needed to avert a future Armageddon as the mission was an autonomous one!

The same technology used to create the mRNA COVID vaccines has led to the development of two mRNA vaccine candidates which have shown themselves to be "highly effective" in reducing malaria infection and transmission. Malaria kills more than 500,000 people every year and is found in more than 90 countries. Professor Kumar at the George Washington Institute stated, "Malaria elimination will not happen overnight, but such vaccines could potentially banish

2022 Round-up continued . . .

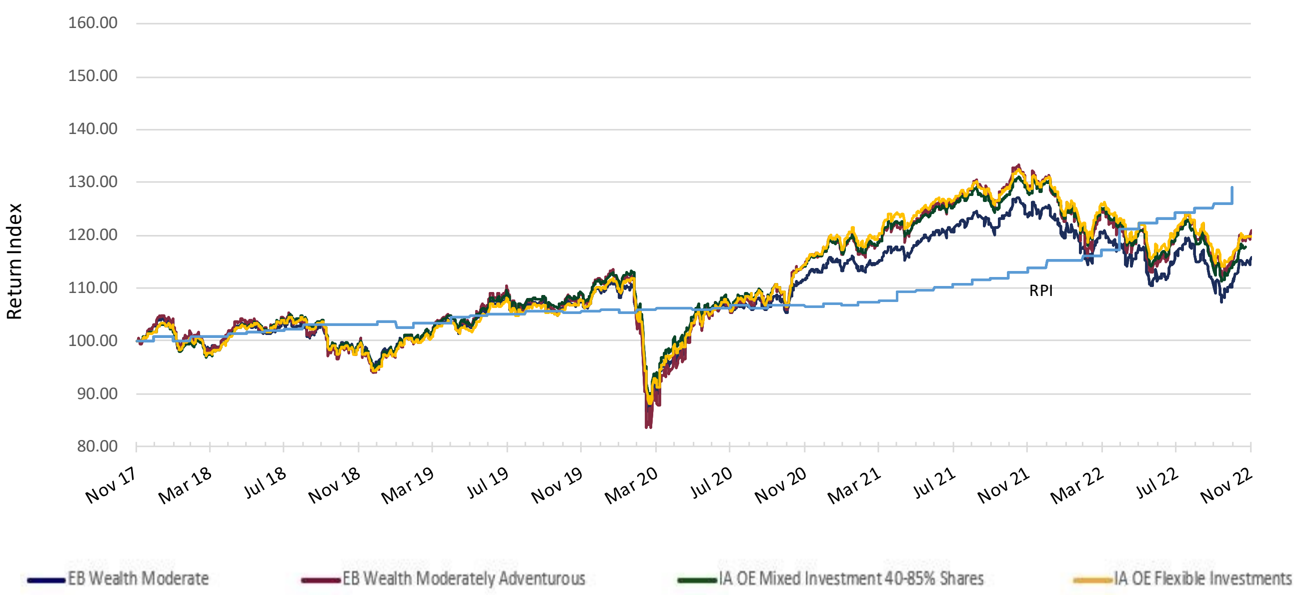
malaria from many parts of the world".

And last but not least, both the EU and US nuclear fusion projects made significant leaps forward this year with the EU project smashing previous records for energy production and, on the 5th of December 2022, a fusion reactor at the Lawrence Livermore National Laboratory achieved "fusion ignition" for the first time ever i.e., it created more energy from fusion reactions than the energy used to start the process. Although commercial applications are a long way off, we are one step closer to the holy grail of clean, cheap energy. If fusion is commercialised in future, we may look back on the 5th of December much in the way we now look back at the Wright brothers' first flight, or the moon landing, a date to go down in history.

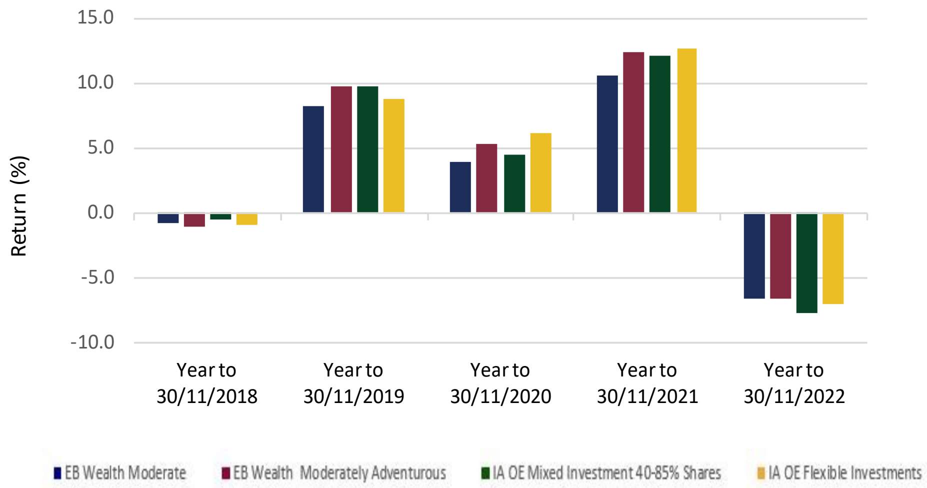
Happy New Year and best wishes for 2023!

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.



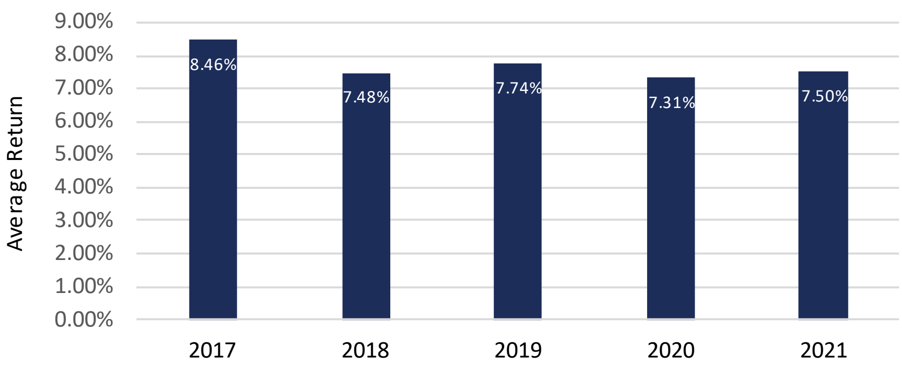
Discrete Annual Performance

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 01/09/2022 to 30/11/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-0.2%*	Fell from -0.1%
Yearly Inflation	11.1%*	Increased from 10.1%
Wage Growth Including Bonuses	6.0%*	Increased from 5.1%
Unemployment Rate	3.6%*	Fell from 3.8%
Interest Rates	3.50%	Increased from 1.75%

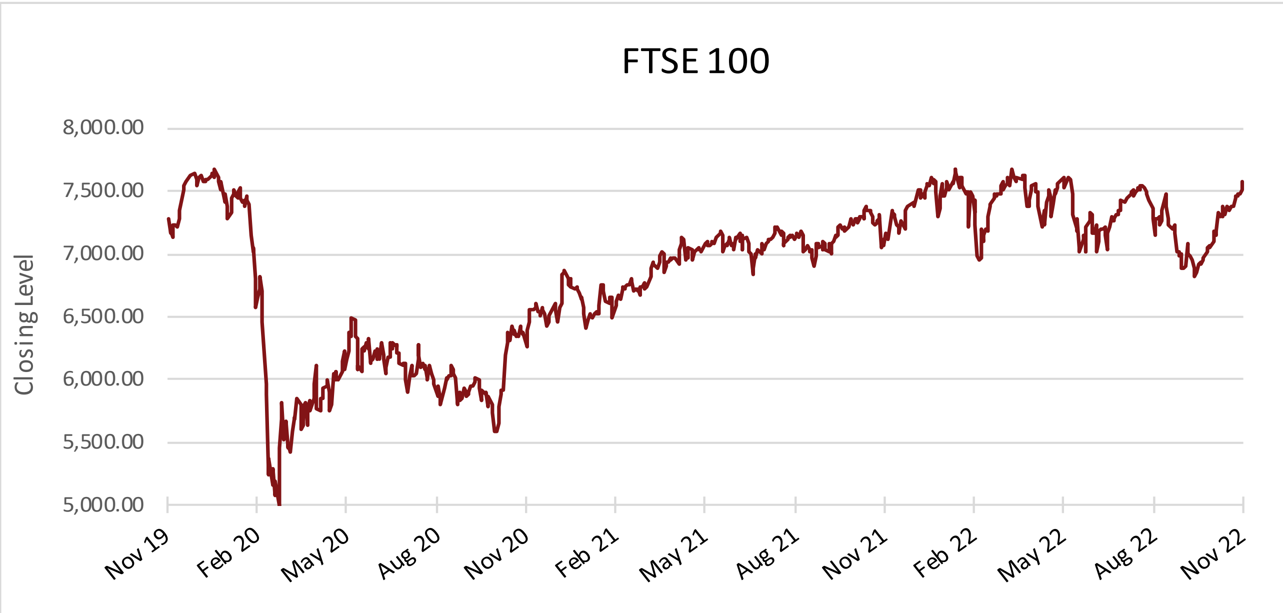
*Based on the latest available data at the time of print.

Britain has had a tough year, with some of the highest inflation and lowest growth figures of any developed nation. The FTSE 100 has rebounded strongly from its previous depths in October, while sterling is worth just as much in dollar terms as it was mid-summer before Liz Truss's mini-budget. This is largely down to the make-up of UK large-cap stocks, with general optimism in global markets also a likely contributor.

UK assets reacted positively to Rishi Sunak being appointed leader of the Conservative Party and, by extension, becoming the country's new Prime Minister. The wildly pro-cyclical policies of Truss and Kwarteng were replaced by a more austere public sector agenda, even though the very substantial energy support subsidy payments remain in place for the short term.

In terms of economic growth, the OECD predicts Britain's economy will shrink by 0.4% next year, the second worst performance of any G20 nation, behind only Russia. UK is likely already in a technical recession. Despite Jeremy Hunt's fiscal support, a very challenging two-year recession has been forecast by the Bank of England.

We will continue our ongoing theme of decreasing UK exposure in favour of the US next quarter.



Market Commentary US

Macroeconomic Highlights 01/09/2022 to 30/11/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	2.9%*	Increased from -0.6%
Yearly Inflation	7.7%*	Fell from 8.5%
Wage Growth Including Bonuses	6.7%*	Fell from 10.0%
Unemployment Rate	3.7%*	Remained at 3.7%
Interest Rates	4.0%	Increased from 2.5%

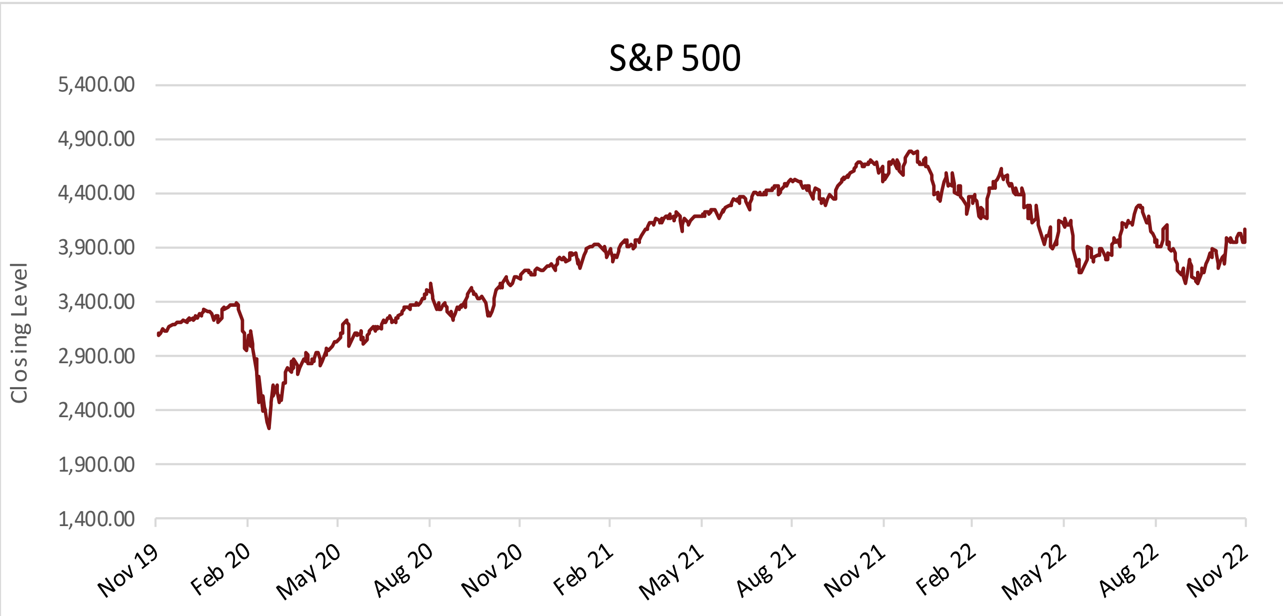
*Based on the latest available data at the time of print.

Despite all the talk of recession, layoffs and cost-of-living crises, the US is in a strong position. Equities recovered some ground in October, after several weeks of decline, and rose in November as well. This continued strength, though, seems to be worrying the Fed as it sees low unemployment and high inflation as a recipe for disaster. Fed Chair Jerome Powell also warns about a potential wage-price spiral as more people require an increase in wages to cope with increasing prices of goods.

Following an extensive period of tightening instructed by the Fed, inflation has gone down and we are likely to see it reduce further in 2023, albeit gradually. However, the coming years with structured trends such as decarbonisation, deglobalisation, as well as the process of dealing with high debt levels, will add to the inflationary pressure already in place.

Trump has confirmed his intention to run in 2024 and Biden is still the most likely Democratic candidate. Republicans have historically been the balanced-budget party, but Trump's policies were the polar opposite. Biden's inflation reduction act suggests the Democrats might outflank their opponents on the issue.

We will continue our trend towards greater US exposure next quarter.



Market Commentary Europe

Macroeconomic Highlights 01/09/2022 to 30/11/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	0.6%*	Remained at 0.6%
Inflation	10.0%*	Increased from 9.1%
Wage Growth	4.1%*	Increased from 2.7%
Unemployment Rate	6.5%*	Fell from 6.6%

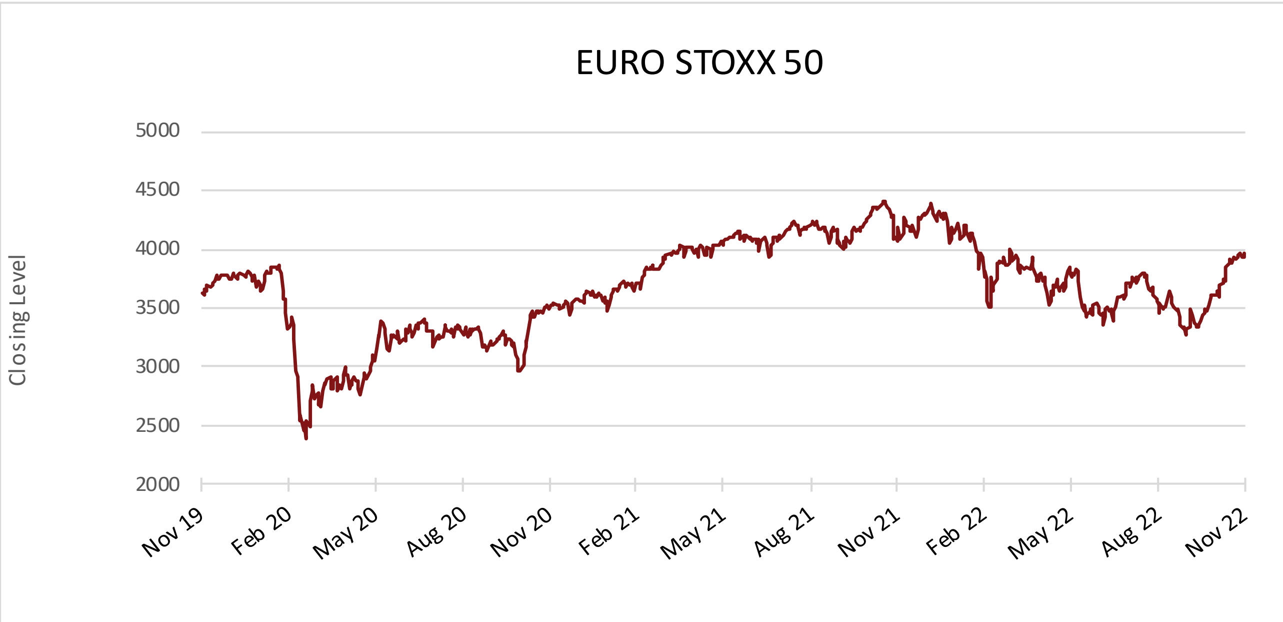
*Based on the latest available data at the time of print.

Extending the gains made in October, Eurozone shares further advanced in November, supported by hopes that inflation may be moderating both in the Eurozone as well as in the US. The top performers were the consumer discretionary and information technology sectors whereas the weakest sectors were healthcare and communication services.

Many forecasters believe that the Eurozone is already in recession. Despite this negativity, things could look much brighter come spring; gas prices have already fallen from their extraordinary peaks and should remain stable into the new year. The reward for suffering gas prices is that the continent is no longer beholden to Russia, which should boost long-term stability. There has also been a surprising display of cohesion and solidarity across the EU despite Moscow's attempt to divide European politicians over the years.

What is reassuring to see given the current economic turmoil, is that environmental targets are still on the European MEPs' agenda for 2023. Both the European Green Deal and the Fit for 55 are laws aiming to ensure that greenhouse emissions are cut by at least 55% by 2030 and Europe's economy and society will become climate-neutral by 2050.

We will retain our overweight stance in Europe next quarter.



Market Commentary Japan

Macroeconomic Highlights 01/09/2022 to 30/11/2022		
	Latest Reading	Compared to Previous Quarter
GDP Growth	-0.3%*	Fell from 0.5%
Inflation	3.7%*	Increased from 2.6%
Unemployment Rate	2.6%*	Remained at 2.6%

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

The higher-than-expected US inflation has caused some volatility in the Japanese stock market. However, with global investors having anticipated a slowing of US interest rates, the stock market managed to regain some ground in October.

While the overall investment outlook is gloomy, there are themes that could provide the catalyst for sentiment to improve. As far as Japan is concerned, we will be watching guidance from the Bank of Japan closely for any indication they are ready to step away from yield curve control. This would stem the yen's devaluation and could potentially push global government bond yields higher.

The Bank of Japan's governor, Haruhiko Kuroda, has surprised everyone with his decision to double the trading band of the 10-year Japanese government bond. This might well seem like a signal towards a more hawkish turn; however, Kuroda has stressed that this is just a technical move to smooth the yield curve.

Japan has kept long-term yields down since 2016 to try to boost inflation and the previous range had been in place since 2021. Inflation, which is now at target, will be a key metric to watch over 2023.

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

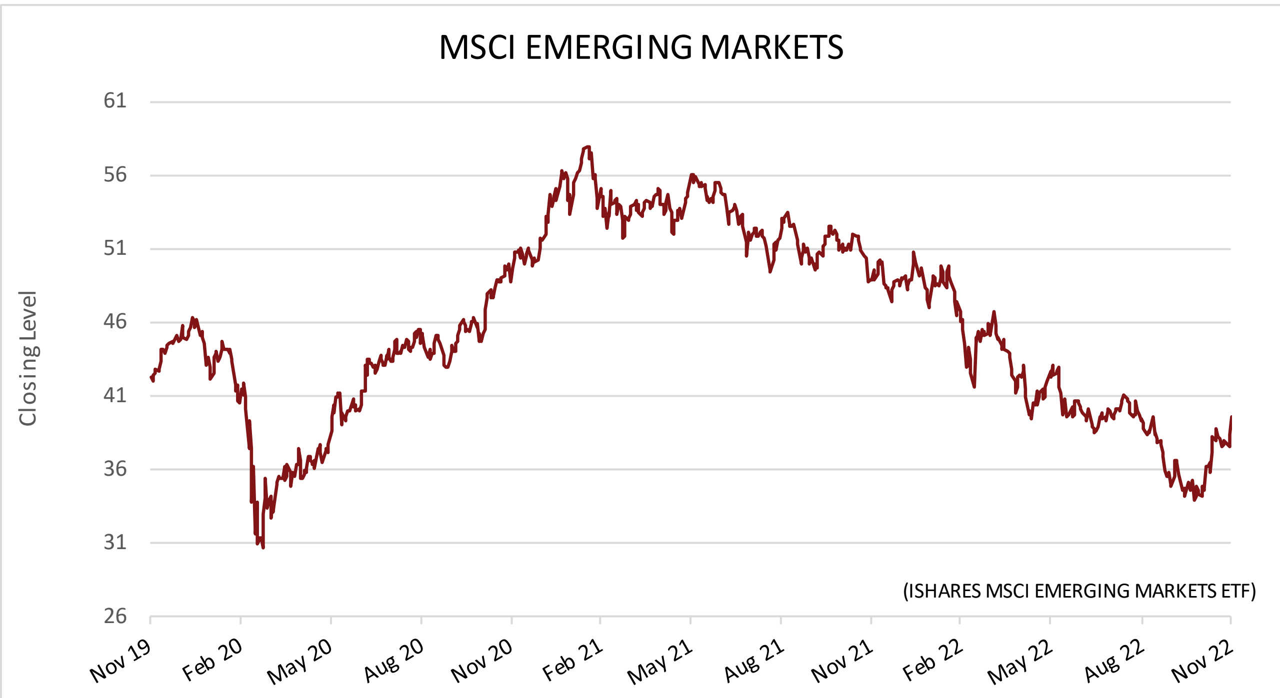
Market Commentary Emerging Markets

Following a weak rally in October, emerging market equities rebounded in November, outperforming equities in developed markets. Expectations that Chinese demand will recover next year, along with softer US inflation and a signal from the US Fed that interest rate rises may be slower from December, all contributed to a risk-on sentiment.

The Chinese economy could have huge potential to bounce back in 2023, following a disappointing period, but political tensions mean there are serious added risks. There are various factors that have held back the world's second largest economy: systematic crackdowns on companies and sectors have decreased investment; deleveraging efforts have slowed business activity and depressed the property sector but, above all, their zero-COVID policy has crushed domestic demand.

Turkey was the best performing market in September and continued the same trend throughout October. Despite inflation that is over 80%, the central bank cut interest rates twice during the quarter and the economy continues to grow strongly. The policy rate is expected to remain unchanged at 9% and that will possibly mark the end of the easing cycle. However, economists say the path of monetary policy for next year will depend on the outcome of presidential and parliamentary elections scheduled for June 2023.

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

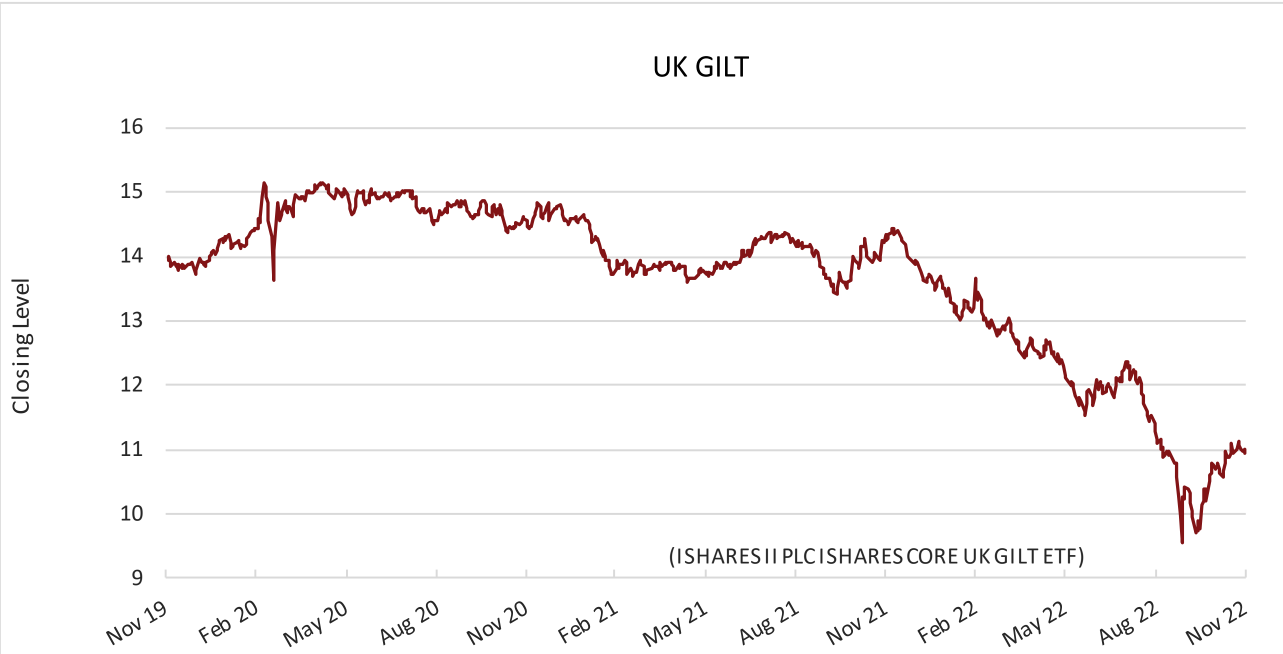


Market Commentary Fixed Interest

Policymakers will finally be forced into a long-speculated pivot towards easier policy. The difficulty over the past year has been predicting when that will occur. The prospect of the Fed pivoting has been pushed out to at least March 2023. Inflation will likely prove key to this. Consumer price growth in the US and Europe has remained stubbornly high, but the first falls may allow central banks to shift.

This year saw quite an incredible bond market sell-off, prompted by historic inflation and sharply higher interest rates. It was made painfully clear to UK investors in October, but investors all over the world were also significantly less eager to hold debt as an asset class, pushing up both government yields and corporate credit spreads. Judging from the shape of the US yield curve (the yield difference between two-year and ten-year bonds), investors see inflation falling significantly in 2023. In fact, the inversion is the steepest in over 40 years, suggesting bond traders see not only a fall in inflation, but also falling real yields (i.e., yields after subtracting inflation expectations).

Following the dramatic decline we will move back to a more balanced asset allocation, moving away from the exceptionally low allocations we previously had 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
Asia	Favourable	Overweight	2	4	6
Emerging Markets	Favourable	Overweight	10	5	15
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	1	1
Global Fixed Income	Unfavourable	Underweight	2	-2	0
UK Gilts	Unfavourable	Underweight	2	-2	0
UK Corporate Bonds	Unfavourable	Underweight	1	-1	0
UK Inflation Indexed	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
Asia	Favourable	Overweight	2	2	4
Emerging Markets	Favourable	Overweight	8	3	11
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	3	3
Global Fixed Income	Unfavourable	Underweight	5	-4	1
UK Gilts	Unfavourable	Underweight	7	-6	1
UK Corporate Bonds	Unfavourable	Underweight	5	-2	3
UK Inflation Indexed	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
Asia	Favourable	Overweight	2	3	5
Emerging Markets	Favourable	Overweight	6	1	7
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	7	-4	3
UK Gilts	Unfavourable	Underweight	13	-9	4
UK Corporate Bonds	Fair	Neutral	7	0	7
UK Inflation Indexed	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
Asia	Favourable	Overweight	0	2	2
Emerging Markets	Favourable	Overweight	4	1	5
Property	Favourable	Overweight	0	4	4
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	11	-2	9
UK Gilts	Unfavourable	Underweight	16	-9	7
UK Corporate Bonds	Unfavourable	Underweight	12	-4	8
UK Inflation Indexed	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
Asia	Favourable	Overweight	0	1	1
Emerging Markets	Favourable	Overweight	2	1	3
Property	Favourable	Overweight	0	3	3
Commodities	Favourable	Overweight	0	2	2
Global Fixed Income	Unfavourable	Underweight	15	-5	10
UK Gilts	Unfavourable	Underweight	20	-10	10
UK Corporate Bonds	Unfavourable	Underweight	18	-6	12
UK Inflation Indexed	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 and we believe is a more relevant figure for measuring real returns. RPI is currently running circa 3.5% 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

Issue: Dec 2022

EB Wealth

The EB Partnership London Ltd
Apsley House
176 Upper Richmond Road
London
SW15 2SH

Phone: 0207 015 2145
Email: wealth@theebpartnership.co.uk
Web: www.ebwealth.co.uk