EB WEALTH

EB Wealth

WHO WE ARE

The EB Partnership's Wealth Management division, EB Wealth, provides individuals with market-leading levels of service and innovation. We can offer cost effective investment solutions on either a face-to-face or remote basis. We believe in giving honest advice based on solid research and are committed to delivering the highest level of ongoing service.

Our independent status allows us to work closely with our clients to understand their individual requirements, before researching the whole of the market to find the most suitable solution to meet those needs. We are able to advise on all regulated life, pension and investment related business.

Kai Tang - Head of Wealth Management

HOW CAN WE HELP YOU?

We can assist you to make key financial decisions and help to secure your long-term financial future. Whatever your lifestyle or financial needs, we will find the most appropriate solution for you. By talking to you about your financial objectives, as well as gaining a complete picture of your existing financial arrangements, we can discuss and agree on a strategy that will help you achieve your goals.

Once we have chosen and agreed an approach, we can apply our robust investment methodology across your entire portfolio. At EB Wealth we pride ourselves on going the extra mile in building and monitoring our clients' investment portfolios.

We follow a four-step approach to smooth your overall portfolio performance and reduce volatility. We start by taking enough time to gauge your appetite for risk and understand what you are trying to achieve with your investment.

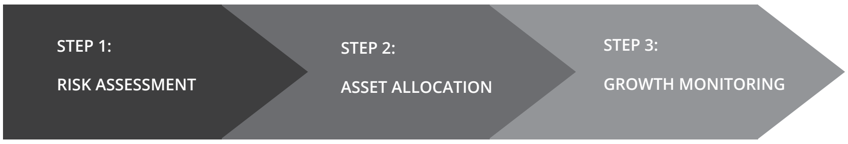
Once we have assessed your risk tolerance, we apply a standard asset allocation model and overlay this with "strategic weightings" with the objective of reducing the level of risk in a portfolio due to shorter-term economic and political factors to improve short and longer-term risk-adjusted performance.

We not only monitor all investment portfolios regularly but we also provide a quarterly Market Update. Our service allows you to take control and be as proactive as you wish in adjusting your portfolio at any point in the year.

Most importantly we keep you informed throughout the entire recommendation and review process and make sure you understand and agree with all our proposals at every stage - we can even help you with the form filling if necessary!

OUR INVESTMENT PROCESS

Our Investment Process is based on a solid risk assessment, tactical asset allocation, growth monitoring and asset readjustments when required. This approach sets us apart from many other Investment Advisers and can be applied whether your assets are held in a pension, ISA, bond, unit trust or other General Investment Account.



Standard Investment Process

Our Investment Process

STEP 1: RISK ASSESSMENT

We place great importance on helping you to understand the level of risk which you are willing to take on your investment. We will also guide you as to the impact your risk tolerance will have on your potential investment returns. As part of this process, we use the Morningstar Risk Assessment Questionnaire. Morningstar is a leading provider of independent investment research and their Risk Assessment Questionnaire leverages the company's asset allocation and investment expertise.

STEP 2: ASSET ALLOCATION

Your risk profile and investment horizon will determine the initial asset allocation which will be split into a maximum of 16 asset classes:

8 Equity Classes
4 Fixed Income Classes (Gilts & Corporate Bonds)
Structured Capital-At-Risk Investments
Structured Products
Property
Commodities

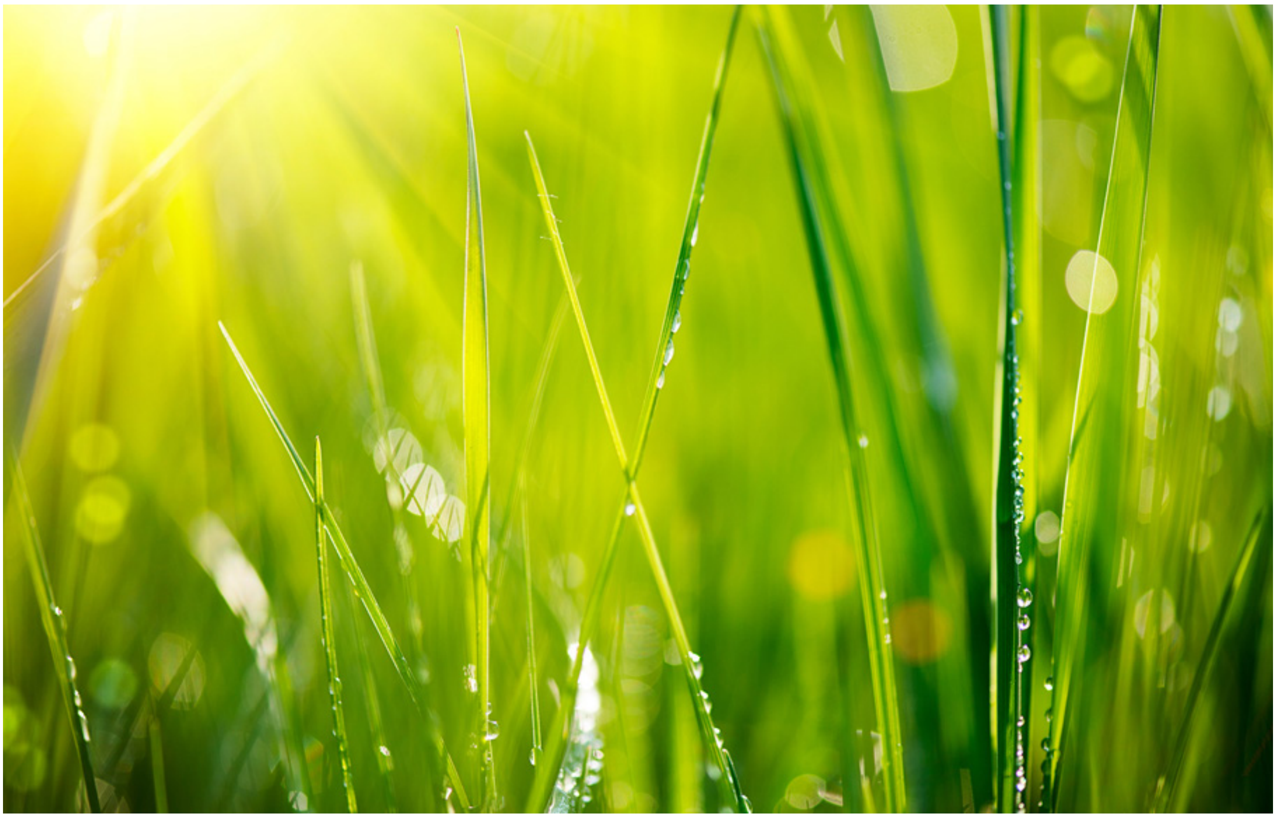
STEP 3: TACTICAL OVERLAY OF ASSET ALLOCATION

Many investment advisers only use standard asset allocation models. Whilst we also use these models as a starting point, we believe it is fundamentally flawed to use past performance as the sole driver of asset allocation. It is not guaranteed that the optimum asset allocation based on past performance will produce the same level of returns in the future. In order to take best advantage of current market sentiment and economic conditions, we apply weighting factors to the standard asset allocation models with the objective of reducing the level of risk in a portfolio to ultimately improve short and longer-term performance.

STEP 4: GROWTH MONITORING & ASSET READJUSTMENT

We will review your personalised investment portfolio quarterly. In addition to that, we will produce a quarterly Market Update report in which we discuss the current economic outlook as expressed by key market commentators and take into account expected short and medium-term factors in each respective sector.

After reviewing the performance of your investment portfolio and updating you with any changes to our tactical asset allocations, we will recommend any appropriate fund switches or rebalancing - also taking into account any personal investment preferences you may have.



HOW DO WE SELECT FUNDS FOR OUR PORTFOLIOS?

We use both quantitative and qualitative analysis to allow us to come up with a portfolio of funds that we consider have the potential to provide good returns over the medium to long term.

INITIAL RESEARCH

We use Trustnet as our initial research tool, which provides us with access to timely and accurate data. This allows us to examine funds on a quantitative basis, looking at:

Past Performance

- How has the fund performed over the past 1, 3 & 5 years?
- How consistent has the fund performance been?
- How has the fund performed in both upward and downward moving markets?

Volatility

- How volatile the fund has been over the past 1 & 3 years?

Cost

- What are the ongoing charges for the fund and how does this compare with its peers?

PORTFOLIO SELECTION

Once we have a shortlist of potential funds, we then use the independent, credible research support available through Morningstar Adviser Workstation, along with Fund Manager updates and general market commentary to perform a qualitative analysis, looking at:

The Fund Manager

- How experienced is the Fund Manager?
- How are they supported by both their parent company and their team of analysts?
- What is their management style and methodology for picking stocks?

Morningstar OBSR Analyst Ratings

- Morningstar OBSR (Old Broad Street Research) carries out extensive independent research and awards positive ratings (Gold, Silver & Bronze) to funds that it believes can outperform their peer group and/or relevant benchmark over the long term.

Market Commentary

- We constantly review articles and listen to commentary from industry professionals on what funds they are choosing and why.

Our portfolios consist of a mixture of both active and passive funds (funds that track a benchmark index, e.g. the FTSE 100), helping to reduce the overall ongoing charges.

ALTERNATIVE INVESTMENTS

In addition to our selection of active funds and passive trackers, we are happy to recommend alternative investments (e.g. investment trusts and structured products) where appropriate. We are advocates of using structured products, with the aim of reducing volatility and offering a degree of protection on a portion of your overall investment portfolio. However, please note that the value of your investment can go down as well as up and you may get back less than the amount invested.

STRUCTURED CAPITAL-AT-RISK INVESTMENTS

Structured capital-at-risk investments are designed to offer growth or income, with performance linked to an underlying asset (such as the FTSE 100). They offer varying levels of capital protection while still allowing investors to participate in some of the upside returns. Although an investor's capital could be at risk if the underlying asset (e.g. FTSE 100) falls below a certain level, a structured investment reduces exposure to stock market risk compared to investing directly in the index.

The major advantage of a structured investment is that the returns are pre-defined – you know what your investment return will be in certain market conditions. Structured products that provide a regular income can also be a useful retirement planning tool as the income can help in covering any pension administration costs or regular income withdrawals. However, these types of investments may not be suitable for everyone and you should seek professional advice. It is also important to note that if the investment counterparty fails or becomes insolvent, you could lose some or all of your initial investment and you would not be able to claim compensation from the Financial Services Compensation Scheme (FSCS).

STRUCTURED DEPOSITS

Structured deposit plans are term deposits (similar to a fixed rate bond) where the return is also linked to the performance of an underlying asset (such as the FTSE 100). However, with a structured deposit, the original capital is protected no matter how much the underlying asset might decrease in value. In the event that the organisation holding your initial deposit fails, you will need to seek compensation from the FSCS. It is also important to note that with this type of deposit, the return is not guaranteed and inflation will reduce what you could buy in the future. Using a risk-appropriate combination of structured investments and deposits will enable us to create a portfolio with a more defined payoff structure than pure direct investments. It also reduces the risk of having to realise losses due to stock market fluctuations. The result is a better defined portfolio return profile with lower overall portfolio volatility.

CASE STUDY

The following is an example only of how we can help our clients. It is important to seek financial advice relevant to your own needs and circumstances before making any financial decisions. Please also note that the value of an investment can go down as well as up. Past performance is not a guide to future performance.

Beatrice approached EB Wealth with a lump sum to invest. As a starting point, we worked with Beatrice to help her understand the level of risk she was willing to take with her investments and the impact her risk tolerance would have on her potential investment returns.

We were then able to move forward with designing a bespoke portfolio of funds, with the aim of maximising the potential returns for the level of risk Beatrice was willing to take. We also proposed a range of structured products with the objective of reducing volatility on the overall portfolio.

One of these products obtained a 33% return over a period of 3 years. Over the course of the plan, the FTSE 100 fell over 10% but ended up increasing just under 3% at the end of the three years. By comparison, Beatrice walked away with 100% of her original investment AND a return of 33%!

EB Wealth now reviews Beatrice's holdings on a regular basis to ensure that her investment portfolio still suits her individual circumstances and tolerance for risk. Each year, we also ensure that the portfolio is as tax-efficient as possible, ensuring that Beatrice's ISA allowance is used in full.

How does EB Wealth's service benefit Beatrice?

- We build in a degree of protection from stock market falls into Beatrice's portfolio which protects the value of her investment during market downturns.
- Beatrice benefits from investments that pay a regular income stream which creates some stability and avoids the need for her to sell other holdings at a loss.
- Diversifying the portfolio across a range of market sectors and geographical areas helps to smooth the performance of Beatrice's portfolio in times of volatility.
- By maximising Beatrice's ISA allowances, she saves on both income and capital gains tax.
- We do not require Beatrice to tie into an annual service model so if she ever feels that our services are no longer of benefit, Beatrice is free to stop our fees at any point.

WHY CHOOSE A PERSONAL PENSION MANAGED BY EB WEALTH?

A Personal Pension provides access to a wide range of investments to give you control over your retirement funds, providing a high degree of flexibility over how you access benefits in retirement.

Choosing EB Wealth to manage your pension funds could enhance the benefits that a Personal Pension has to offer. Our goal is to implement and support a successful retirement strategy for our clients by using our robust investment methodology and tailoring this to your individual requirements.

CASE STUDY

The following is an example only of how we can help our clients. It is important to seek financial advice relevant to your own needs and circumstances before making any financial decisions. Please also note that the value of an investment can go down as well as up. Past performance is not a guide to future performance.

Ken was 42 years old and had built up a pension fund of just over £130,000 in a group personal pension offered by his employer. He was interested in finding an alternative pension plan that offered greater investment flexibility and that would allow him to have access to his retirement benefits before his state retirement age of 66.

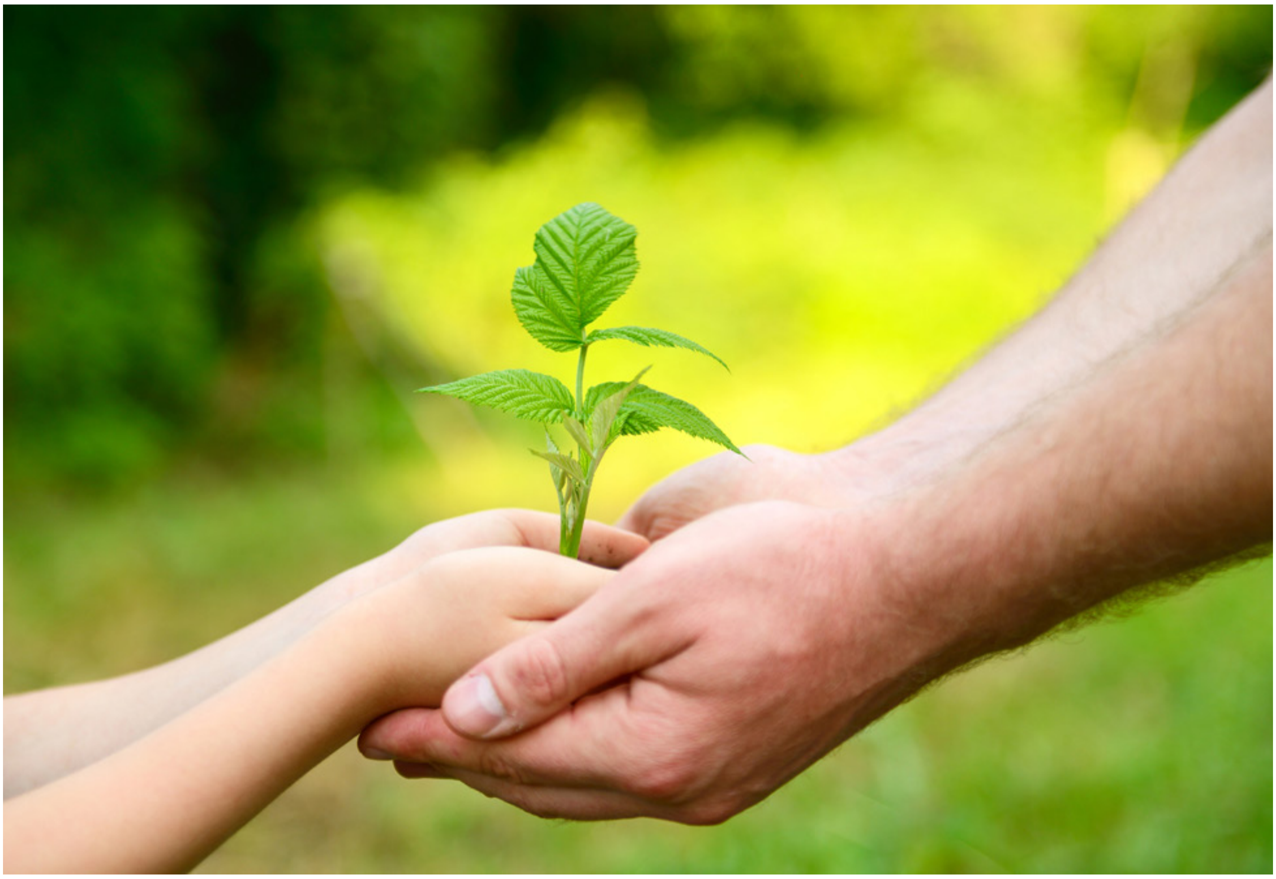
EB Wealth advised Ken that a Personal Pension would be a great option for him to consider as he would be able to place funds in a wide variety of investment vehicles including unit trusts, individual stocks & shares and structured products. He would also have the option to access income drawdown before his state retirement age, providing the flexibility Ken needed to take his pension benefits in a way that would suit his future circumstances and objectives.

Once the Personal Pension was set up, we designed a portfolio of funds for the pension with the aim of maximising the potential returns whilst taking Ken's attitude to risk into account. We included index tracker funds in our recommendation in order to keep costs to a minimum. We also proposed two different structured products in order to reduce volatility on the overall portfolio and build in some stock market protection to reduce the risk of losses on Ken's pension fund. One product generates a yearly income of 7% as long as the FTSE 100 does not fall more than 20% over the year and the other product will pay 10% per annum on any anniversary plan date if the FTSE 100 is higher than its level when the product started. Importantly, Ken benefits from a defined level of protection from stock market risk on both of these products. His capital will only be at risk if the relevant indices fall 40% or more at the end of the plan.

Further to our initial recommendation, EB Wealth now reviews Ken's Personal Pension on a regular basis to ensure that his investment portfolio still suits his individual circumstances and meets his target of being able to retire at his chosen age.

How does EB Wealth's service benefit Ken?

- We build a degree of protection from stock market falls into Ken's portfolio, which protects the value of his investment during market downturns.
- By using investments that pay a regular income stream, Ken will be able to enjoy some peace of mind in relation to the income generated from his pension in the run up to and during retirement.
- Ken benefits from a marked reduction in the volatility of his portfolio due to the smoothing effect that the investments with stock market protection and the investments paying a fixed income has on the rest of the portfolio.
- We do not require Ken to tie into an annual service model so if he ever feels that our services are no longer of benefit, Ken is free to stop our fees at any point.



For further information or queries please contact Kai Tang at EB Wealth.

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