INTERIM INVESTMENT UPDATE

November & December 2022

SEASPRAY PRIVATE
Creating Investment Solutions

Introduction

Since we released our Q3 Investment Update in October we have seen equity markets rally and bonds trade flat to slightly higher. Europe's EuroStoxx50 index has impressively bounced by 23% from its 2022-lows, while the S&P 500 is up by circa 17% over the same time period. Early signs that we may be currently seeing, or have already seen in some cases, peak inflation in key areas around the globe have resulted in a scaling back of rate hike expectations, helping risk appetite. Markets now see US rates peaking around 5%, UK reaching 4.25% and Eurozone rates getting to just below 3% before pausing there. One of the biggest market moves lately has been the US dollar which has lost significant ground over the past couple of months. The Euro has increased from $0.98 at the start of October to its current $1.05, while Sterling has climbed from roughly $1.12 to $1.23 during this period.

We acknowledge that the uncertainties around current economic conditions and policy actions have the potential to cause short-lived episodes of volatility at some stage during H1 2023, and investors will remain focused on whether central banks can tame inflation without triggering a global recession. Nonetheless, economic and corporate fundamentals remain strong, as reflected in tight labour markets and generally healthy balance sheet positions. This means that any further signs that inflation has peaked and is falling may spark a shift in policy direction and will most likely improve market sentiment.

At Seaspray we believe the importance of maintaining a longer-term view, and a consistent strategy and approach to your investments is vital, especially during a bear market. In this piece, we will discuss the major developments that financial markets have seen so far this quarter, and look ahead to what is set to be an interesting final month of the year for investors. This will include our advice on navigating downturns, the long-term opportunities that periods of volatility in markets present, along with our views and commentary on the global economy and the most influential central banks. Peak inflation and peak policy should provide investors with an investment backdrop ripe with opportunity, and we feel that asset prices will fare better next year as markets have already priced in the lagging impact of rate rises.

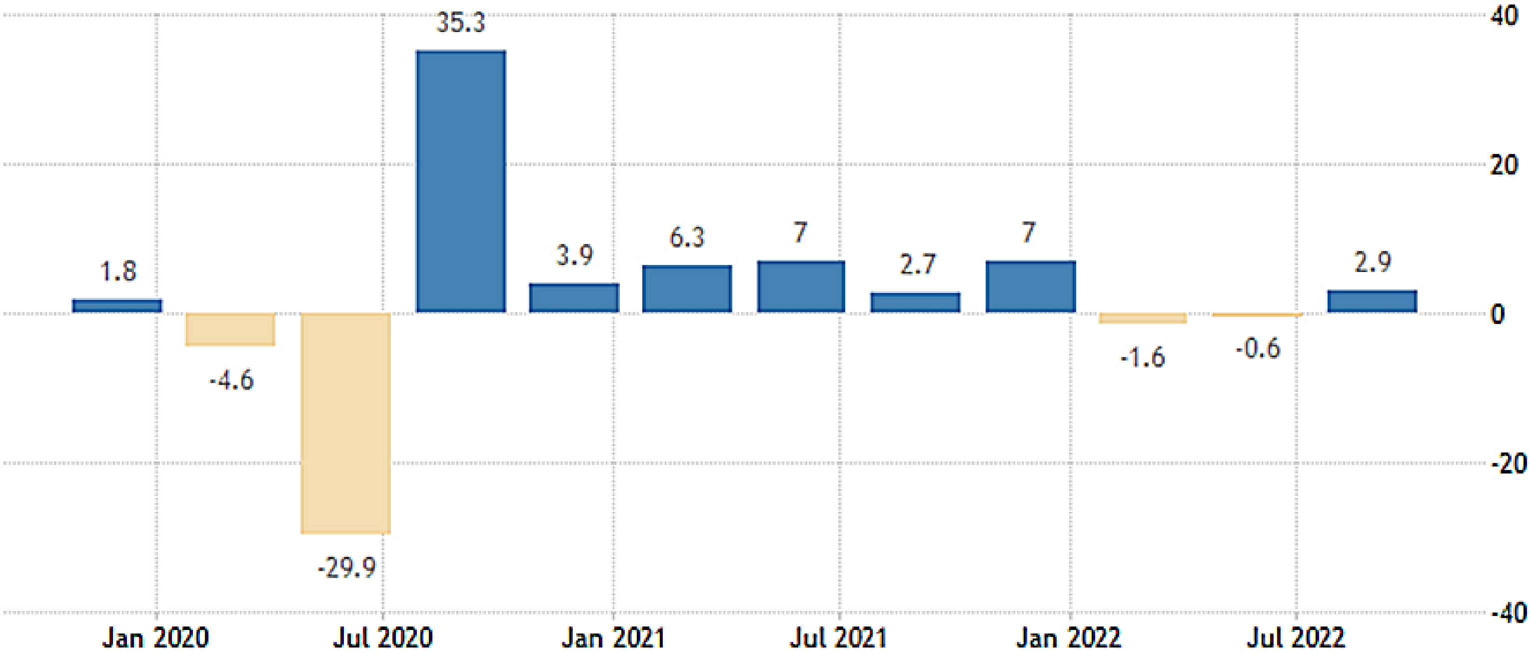
SEASPRAY PRIVATE
Creating Investment Solutions

	1 Month	3 Month	YTD
Equity Indices			
S&P 500	9.6%	2.8%	-14.5%
Nasdaq	11.0%	-2.6%	-26.6%
DAX	10.9%	15.2%	-8.3%
EuroStoxx 50	11.0%	15.4%	-7.2%
ISEQ	4.7%	7.8%	-13.4%
FTSE	4.9%	5.5%	2.2%
Multi-Asset Funds			
Aviva Multi-Asset ESG 3	2.4%	-1.6%	-9.7%
Irish Life MAPS 3	2.7%	0.5%	-6.6%
New Ireland iFunds 3	1.0%	-0.9%	-5.0%
New Ireland PRIME 3	1.1%	-1.5%	-6.3%
Zurich Prisma 3	0.9%	-0.7%	-6.8%
Aviva Multi-Asset ESG 4	3.4%	-0.4%	-8.6%
Irish Life MAPS 4	3.0%	0.8%	-6.1%
New Ireland iFunds 4	1.1%	-0.7%	-5.1%
New Ireland PRIME 4	1.2%	-1.6%	-7.7%
Zurich Prisma 4	1.2%	-1.3%	-10.5%
Aviva Multi-Asset ESG 5	4.3%	0.7%	-7.0%
Irish Life MAPS 5	3.8%	0.4%	-7.8%
New Ireland iFunds 5	1.5%	-0.6%	-4.8%
New Ireland PRIME 5	1.2%	-1.6%	-7.7%
Zurich Prisma 5	1.3%	-1.8%	-13.4%
Currencies			
EUR/USD	8.1%	5.9%	-7.3%
EUR/GBP	-1.7%	-0.4%	2.1%
GBP/USD	10.1%	6.4%	-9.2%
USD/JPY	-9.6%	-4.4%	16.5%
Fixed Income			
US 10yr	-0.52	0.39	2.07
German 10yr	-0.32	0.30	1.94
Irish 10yr	-0.39	0.10	1.99
UK 10yr	-0.29	0.19	2.14
Commodities			
Gold	11.1%	6.3%	-1.0%
Brent Crude Oil	-7.7%	-5.3%	12.4%

Source: Seaspray Financial Services, December 2022

Global Economy & Inflation

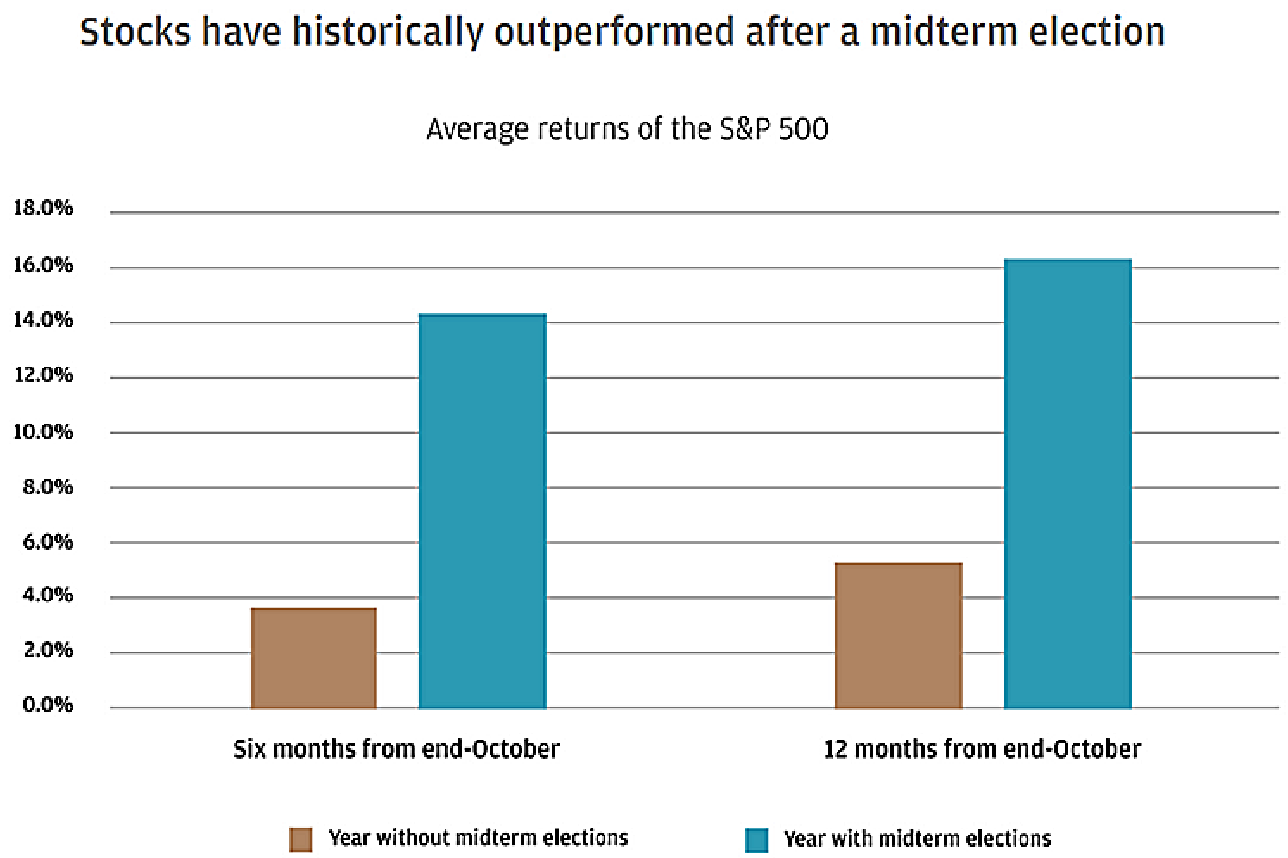
Firstly, we will take a look at the US economy. Having contracted by an annualised 1.6% during Q1, and then by 0.6% in Q2, US GDP rebounded by 2.9% in the third quarter. In the first half of the year, volatility in trade and inventories (mostly coming from the supply chain issues caused by the pandemic), led to the fall in output. In real terms, domestic sales which exclude external trade and inventories, actually increased in both quarters. In the third quarter, the US saw a significant positive contribution come from net trade. Imports fell as businesses had already rebuilt their stockpiles, while exports increased and consumer spending was stronger than anticipated, all helping to boost the headline GDP figure.



Source: Tradingeconomics.com, US Bureau of Economic Analysis

In terms of the US labour market, conditions are still very tight against the backdrop of continued strong job growth. Non-Farm Payrolls have been in positive territory now for 22 consecutive months, rising by circa 4 million jobs over the first ten months of the year. The unemployment rate has remained historically low, despite increasing from 3.5% to 3.7% in October. Labour force participation is still 1.2 percentage points below its pre-pandemic level though. The tight conditions in the labour market have placed further upward pressure on wages, with average earnings 4.7% higher y/y in October.

Another recent development for the US economy was the country's midterm elections, which took place at the beginning of November. It was confirmed that the Democrats retained control of the US Senate in the country's midterm elections, while the Republican party took back control of the House of Representatives, albeit by a very narrow margin. This will of course now lead to a new era of divided government in the United States, after Democrats held each of the Presidency, the House, and the Senate for the past two years. Markets took some comfort from the fact that the region's government will be in gridlock for the remainder of Biden's term. This election outcome means that for the next two years the US will likely not see any big, controversial legislation passed by the incumbent president. During a political gridlock, businesses tend to get a few years of relative calm when it comes to regulation and taxes, and therefore have a longer horizon for planning and capital investment.



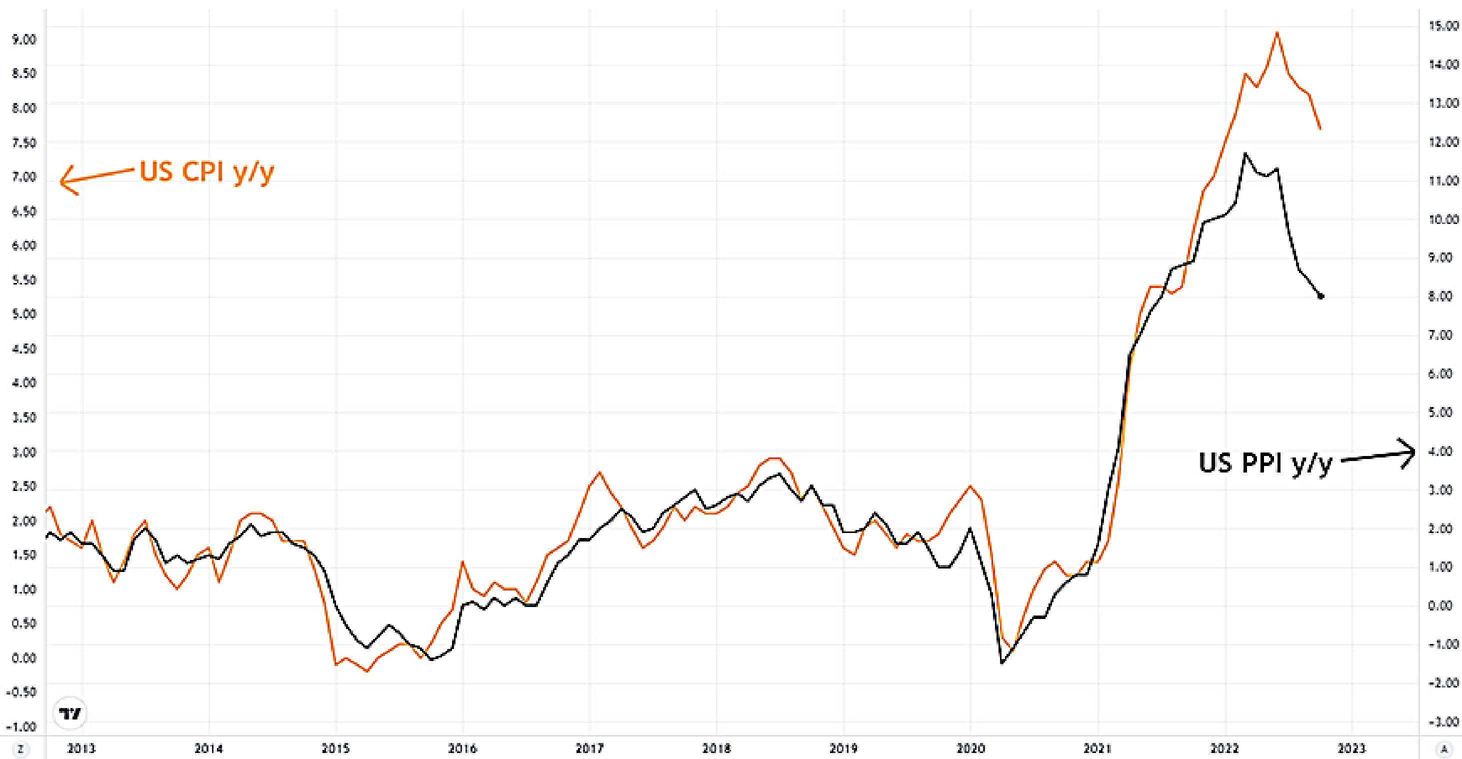
Source: JP Morgan

As the graph above illustrates, midterm elections have historically acted as a tailwind for US equities. In a typical non-midterm election year, the S&P 500 has returned an average of 3.7% in the six months and 5.3% in the 12 months following the end of October. On the other hand, in a midterm election year these same timelines give noteworthy average returns of 14.3% and 16.4%. These are clearly very striking numbers.

Meanwhile, headline inflation in the States has fallen now for four consecutive months, with the most recent figure coming in at 7.7% y/y for the month of October. This was the lowest US CPI reading since January, came in below forecasts for 8%, and was welcomed by market participants who have been hoping for a less hawkish Federal Reserve for some time now. Inflation has without a doubt become more broad-based and is less about energy costs than it was during H1 of this year. Inflation in terms of the Core CPI figure, which excludes food and energy price changes, has proven to be more sticky over recent months and is what will influence central bankers going forward. The US Core CPI result for October was 6.3% y/y, down slightly from yet another 40-year high in September of 6.6%.

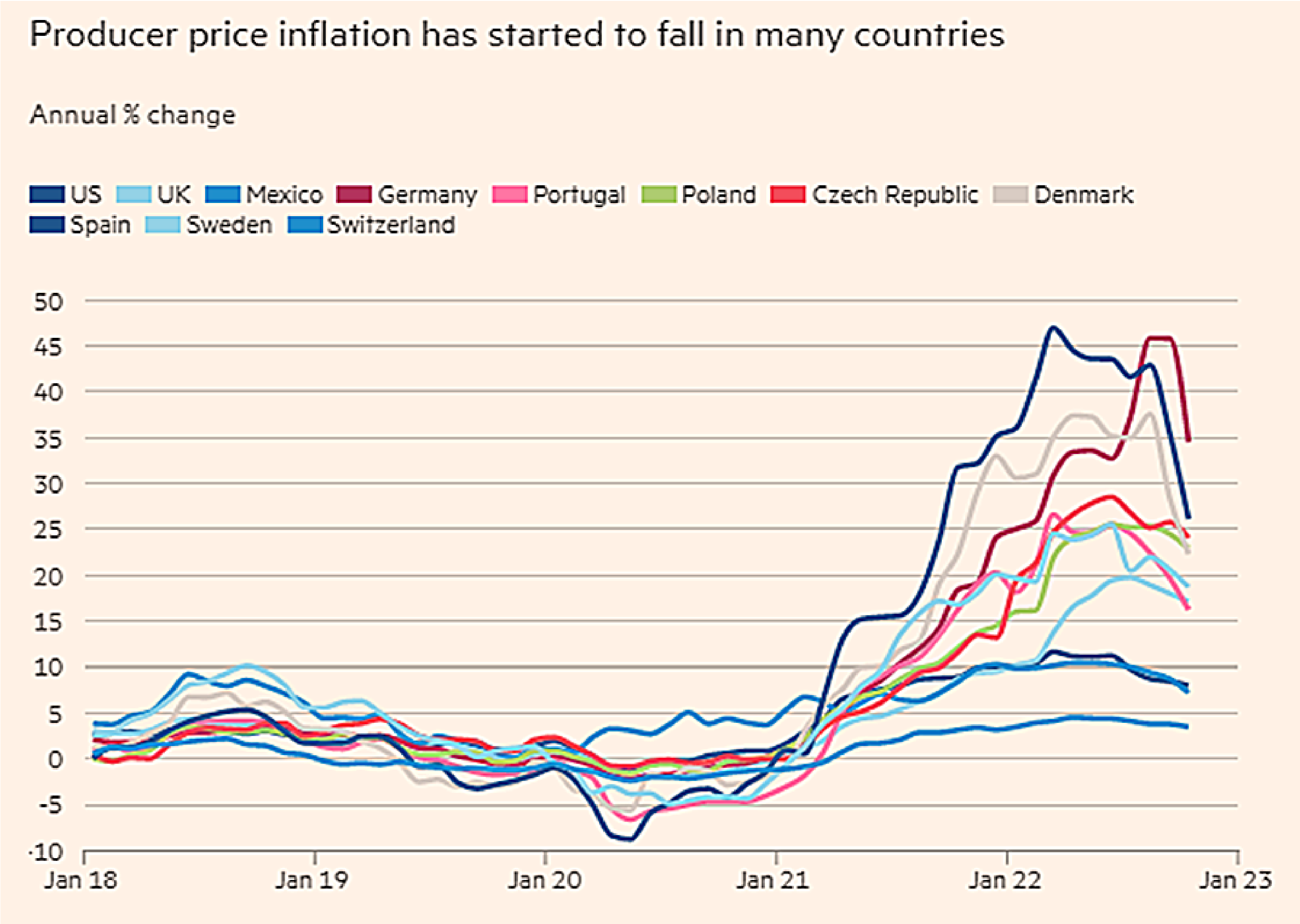
Importantly, last month the US PPI (Producer Price Index) release came out at 8.0% y/y for October, below analysts' estimates for 8.3% and representing the fourth consecutive month of descending US PPI. Core PPI also came in lower, at 6.7% vs expectations for 7.2%. On the chart below, you will see the US PPI y/y rate in black (scale on right-hand side) and US CPI y/y in orange (left). As can be seen over the past 10 years, producer price changes have been highly correlated with consumer price changes. However, we have seen a divergence over the course of this year, especially as US PPI has fallen faster in recent months than CPI.

The PPI rate often serves as a leading indicator for CPI - when producers face input inflation (or disinflation), the increases (or decreases) in their costs are passed on to consumers, for the most-part. We believe over the course of 2023 and likely into 2024 we will see US CPI follow PPI sharply lower, which will allow the Federal Reserve to pause and eventually cut the Fed Funds rate. This should send both stocks and bonds significantly higher over the medium and longer terms.



Source: Seaspray, November 2022

Not just in the US but around the developed world we have seen factories' raw material prices, shipping rates, commodity prices and inflation expectations all begin to subside from their recent all-time highs. These data series are closely watched by investors and policymakers alike, as they provide an early indication of the trends that will shape future headline inflation readings. According to economists, the figures suggest that price pressures on global supply chains are easing, making it likely that global CPI inflation will fall from the historically high rates that have hit household finances and business activity so far in 2022. As the chart below shows, most major European nations that have released their October producer price indices have reported a slower pace of y/y growth than during September, meaning that we are now trending in the right direction.

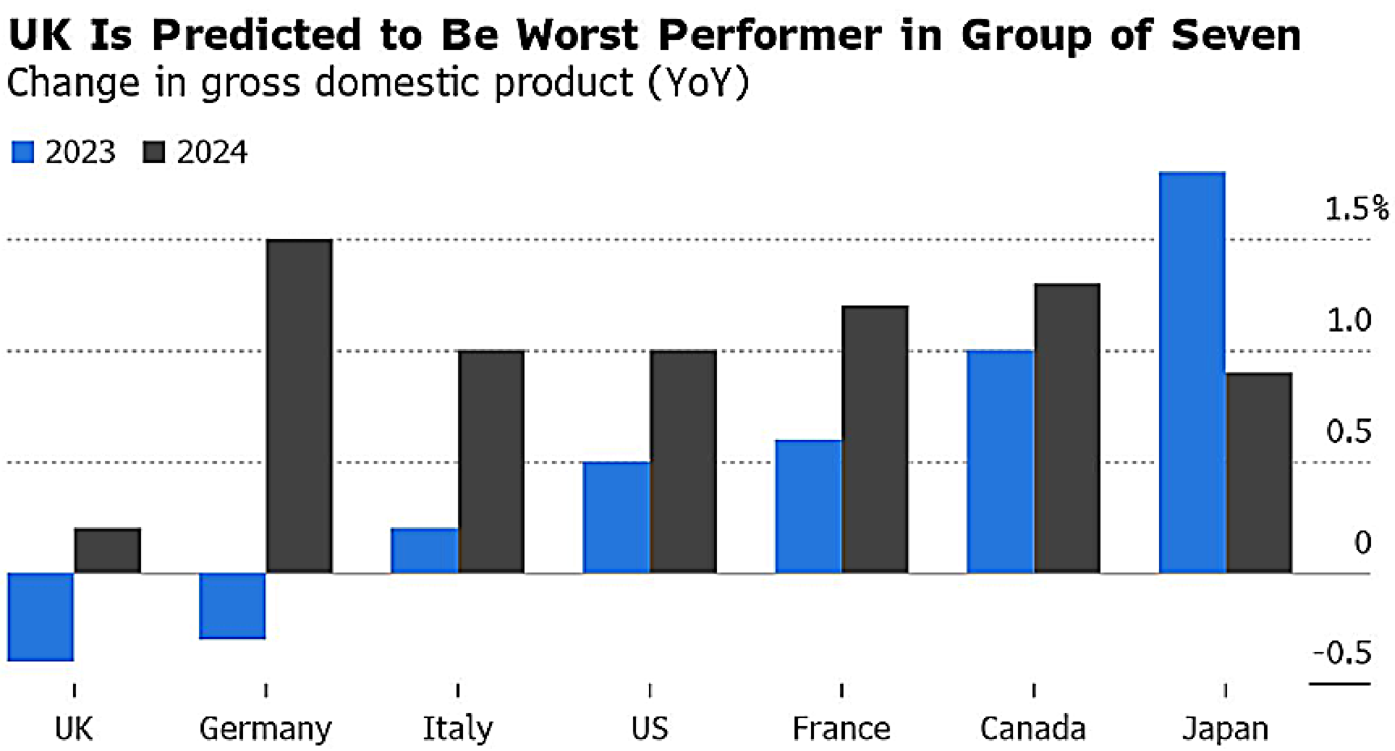


Source: Financial Times, Refinitiv

Many European countries appear to be on the brink of recession, if not already in recession. In terms of leading indicators such as Services and Manufacturing PMIs, the region as a whole has been in contractionary territory for a number of months now. Admittedly, the hard data has not deteriorated as much. Eurozone GDP for example has remained positive over the past 6 quarters (most recent GDP growth of 0.2% q/q in Q3) and the UK has only just entered contraction (-0.2% q/q in Q3 after five quarters of expansion). However, this data is less timely and we expect it to worsen over the next few months.

Meanwhile, while economic sentiment indices for the Euro Area picked up slightly in November, they remain near multi-decade or in some cases all-time lows. These have generally been trending lower since the onset of the war in Ukraine. Similarly, consumer confidence picked up somewhat last month but still remains near its lowest level on record, as surging inflation weighs on real household incomes. On a brighter note, European natural gas prices have declined sharply since late-August, mostly due to mild weather so far, and gas reserve levels that are close to full capacity. This undoubtedly helps the inflation outlook for Europe and suggest the Eurozone is coming into the winter in better shape than had initially been feared.

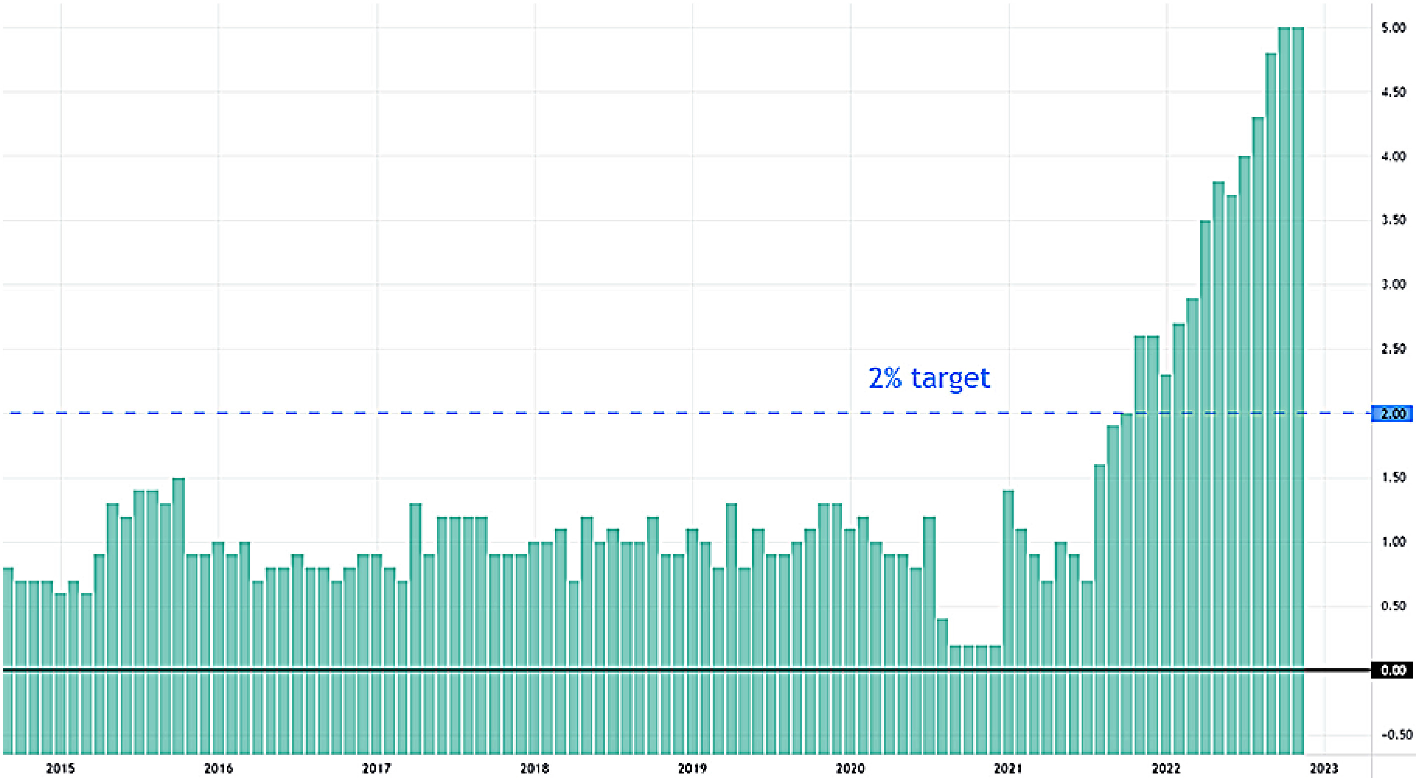
The UK economy is set to be the worst performer in the G20 bar Russia over the next two years, according to recent projections from the OECD. In its half-yearly economic outlook, the organisation stated that the UK's economy would expand by 4.4% in 2022, but contract by 0.4% next year. Germany is the only other G7 country forecast to shrink next year, by 0.3%, but is set to bounce back with 1.5% growth in 2024 as can be seen below. OECD chief economist Álvaro Pereira said the UK's poor performance was because of a combination of rising interest rates, government action to bring down borrowing and debt, and the market turbulence during Liz Truss' brief period as prime minister.



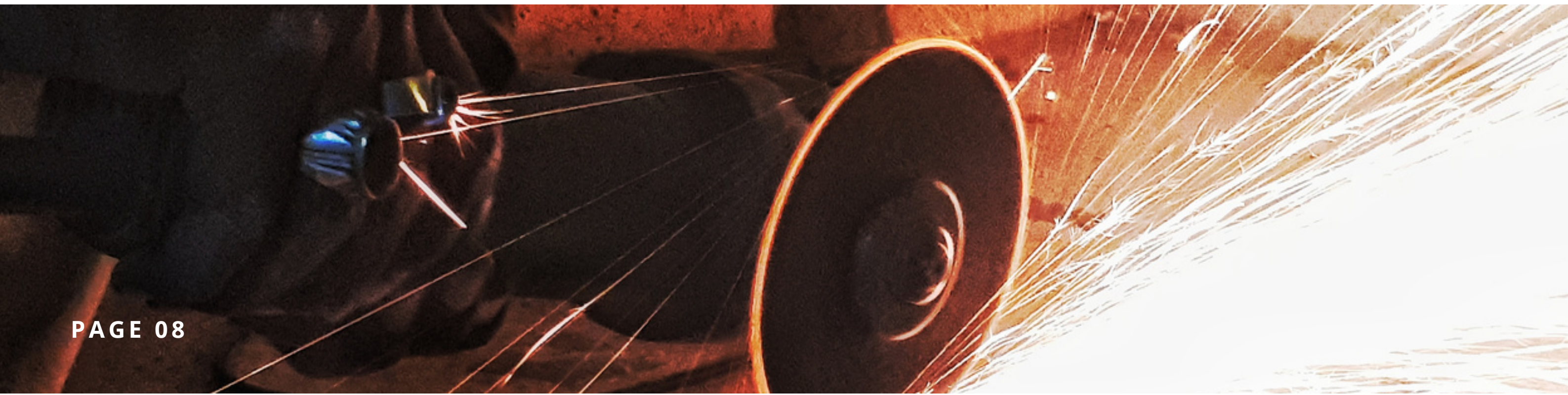
Source: OECD, Bloomberg

So far, the labour market has held up, with the Unemployment Rate at a record low of 6.5% in the Eurozone and still close to 50-year lows in the UK. However, most forecasters believe it is likely that the downturn should broaden and deepen as we head through the winter, and unemployment across the region may start increasing somewhat from Q4 onwards.

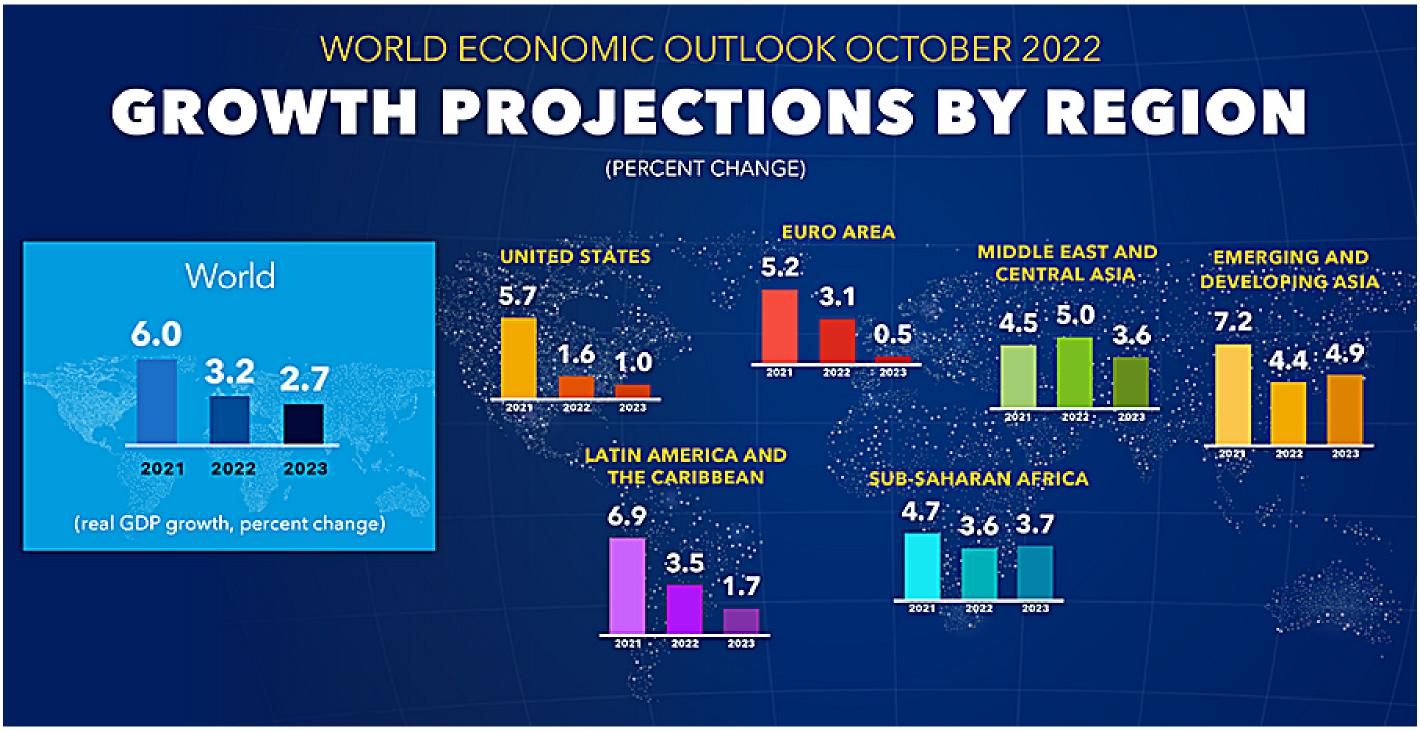
On inflation, things are slightly less clear for Europe than they are across the Atlantic. The Eurozone headline CPI figure for November came in at 10.0% last week, down from the prior 10.6%, and slowing for the first time since June 2021. This may offer us some early signs that price pressures have peaked, but the rate still does remain very close to record levels and five times above the ECB's 2% target. In any case, the main data point that the ECB will be watching will be the region's Core CPI (seen in green below). The Core figure was in-line with the previous month at 5.0% y/y, and therefore has not given us any clear evidence yet that inflation has definitely peaked in Europe.



Source: Seaspray, December 2022



Growth forecasts were scaled back over the last couple of months nearly everywhere as elevated inflation and energy costs continued to put significant downward pressure on households' real disposable incomes. Meanwhile, most central banks are still engaged in a pronounced tightening of monetary policy. There has been substantial tightening of financial conditions, with the faster and more extensive hiking of interest rates by central banks, which is weighing on economic activity. As well as the OECD, the IMF has also made downgrades to its growth forecasts, in its recent autumn update, saying global growth has slowed significantly in 2022 and will weaken further next year. There has also been a greater-than-anticipated slowdown in the Chinese economy, largely reflecting continuous Covid-19 outbreaks and lockdowns.



Source: IMF, World Economic Outlook

The IMF, as can be seen above, predicted in October that the world economy will grow by around 3.2% this year and 2.7% in 2023. This compares to their projections for 3.6% growth in 2022 and 2023, made six months prior. It also marks a relatively sharp slowdown from the 6% seen in 2021. Forecasters are hoping that the high levels of private sector savings, strong labour markets and fiscal measures to mitigate some of the impact of higher energy costs on households and businesses this winter, will help most advanced economies to avoid outright recession. According to the IMF, central banks should stay the course to restore price stability, and fiscal policy should aim to alleviate the cost-of-living pressures while maintaining a sufficiently tight stance aligned with monetary policy. Additionally, structural reforms can further support the fight against inflation by improving productivity and easing supply side pressures, while multilateral cooperation is necessary for fast-tracking the green energy transition and preventing fragmentation.

Monetary Policy

Central banks have been in tightening mode now for most of 2022 – the Federal Reserve, ECB and the Bank of England will all be shrinking their balance sheets over the next several months, and likely at a pace that we have not seen before. However, this follows quantitative easing measures on a scale that we had previously not seen before either and has been well communicated by central bank leaders to the market. This means that while we could see further market disruptions in the near-term, most or all of this tightening is already in the price.

It is possible that if we see a disruption in the flow in credit, or a generalized pullback in spending because of heightened risk, markets could pull back further. However, it is worth pointing out that as we saw with the Bank of England during the significant turmoil in the Gilt market recently - if there is a market disruption, we believe central banks will at the very least temporarily pause their quantitative tightening should the disruption prove to be severe enough, and give markets a chance to settle down. These swift actions from the BOE, in what was becoming an increasingly uncertain time for the United Kingdom and it pensions market, give us a sense of relief with the knowledge that central bankers stand ready to reverse policy quickly if conditions call for it.

Federal Reserve

The US Federal Reserve last month increased interest rates in the region by 0.75% for the fourth consecutive meeting, in what was a unanimous vote from policymakers. While there were hints at potentially slowing the pace in the future, Fed Chair Powell reiterated the bank's commitment to raising rates further in their attempt to bring inflation back down towards 2%. The rate increase brings the target range for the Fed funds rate to 3.75 - 4.00%, up from just 0.00 – 0.25% at the start of this tightening cycle in March of this year.

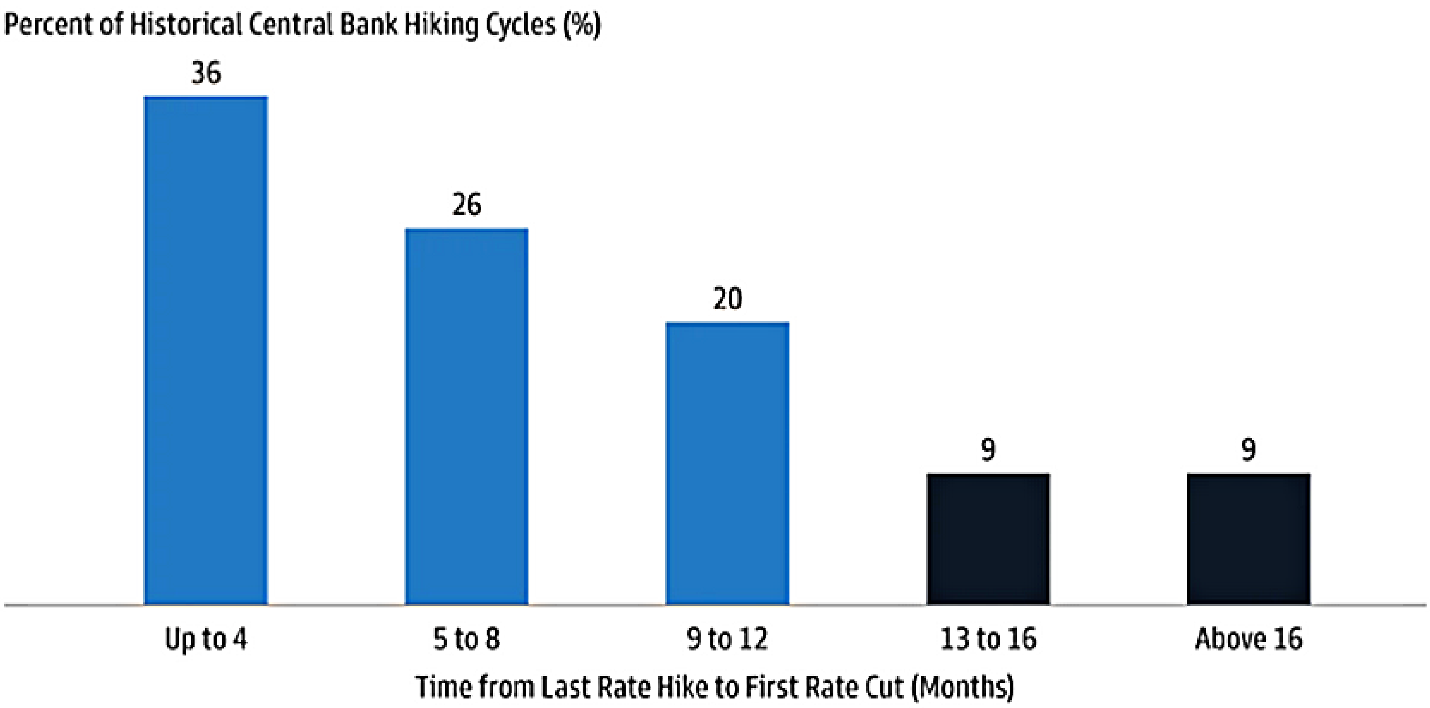
Given that the 75bps increase was well sign-posted and fully priced-in by markets, the main point of interest was on what signals, if any, the Fed would provide, regarding the magnitude of rate hikes going forward. The Fed's statement said: "In determining the pace of future increases in the target range the committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation and economic and financial developments." This was taken by investors as a relatively dovish turn by the Fed.

However, the statement proved to be rather misleading - Powell stressed in his post-meeting press conference that he believes it is premature to be thinking about pausing their rate increases, adding that the Fed needs ongoing rate hikes to get to a level of sufficiently restrictive territory. He noted that the macro news flow since their last meeting, in September, suggests that the "ultimate level of rates will be higher than previously expected." He guided that any decision on reducing the magnitude of rate hikes will be data dependent, while also emphasizing the importance of focusing on where rates will end up at the end of its current tightening phase, rather than the pace of rate hikes to get there.

The Fed will next release on December 14th, when they will also produce updated economic projections. Markets are currently pricing in a roughly 80% chance that the Fed will hike by a smaller 50bp at the final meeting of 2022, with a 20% chance of yet another 75bp move. Most now believe the central bank will pause around the 5.00% mark, likely in March.

Federal Reserve*, contd........*

The chart below shows the different time periods from the last rate hike in the cycle to the first subsequent rate cut, with regard to the Federal Reserve. Interestingly, 36% of the time there has been four months or less between these two events, and 26% of the time there has been between 5 and 8 months. This data would suggest that we may end up seeing rate cuts sooner than many have been expecting, which would of course support both equity and bond markets.



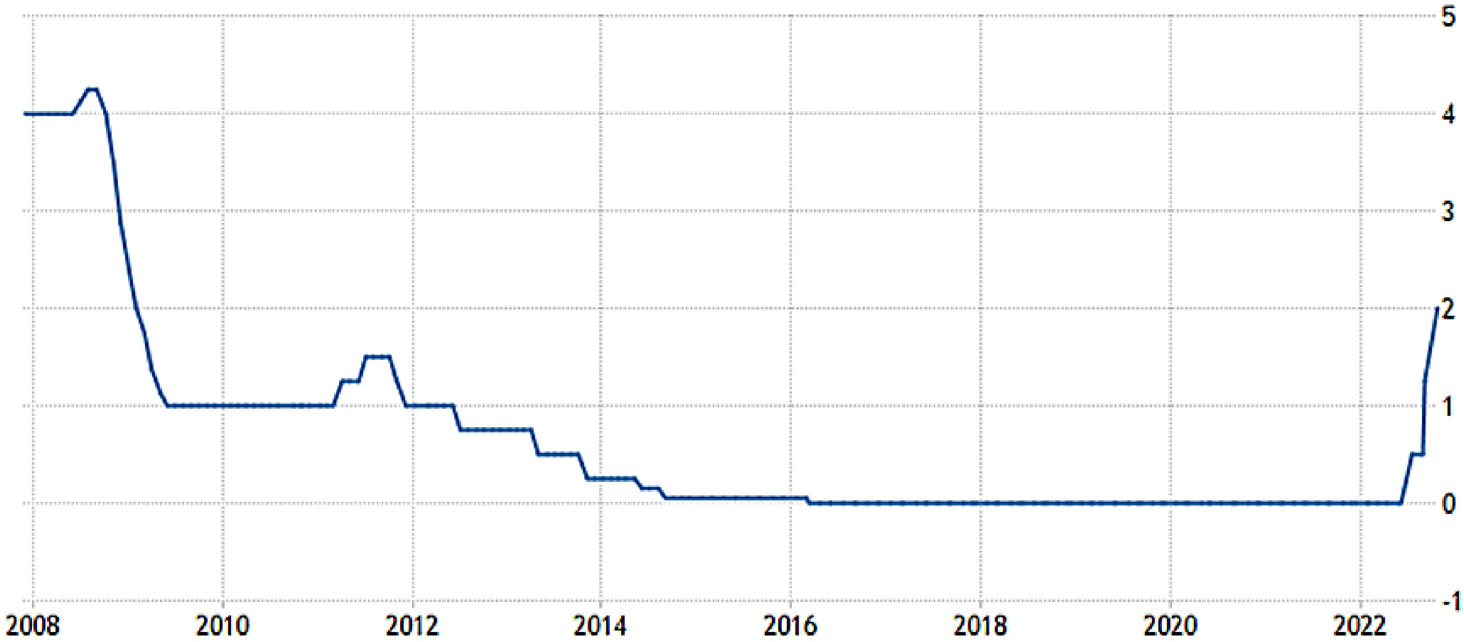
Source: Haver Analytics, Goldman Sachs Global Investment Research, Goldman Sachs Asset Management

European Central Bank

At the end of October, we saw the ECB hike each of its main interest rates by 75 basis points, as was broadly expected by the market. The central bank's main refinancing operations rate now stands at 2.00%, while its deposit facility is 1.50% and marginal lending facility at 2.25%. These are the highest levels for rates in the Euro area since early 2009 when the ECB were rapidly cutting rates. President Lagarde stated that the ECB are not done tightening yet, and there is more ground to cover in terms of raising rates. However, in a key line in the meeting statement, the ECB indicated that "it has made substantial progress in withdrawing monetary policy accommodation".

Many investors interpreted this as a dovish signal and scaled back their expectations on the scale of further rate hikes. Similar to the Federal Reserve in America, Lagarde stated that rate decisions at the ECB will be made on a meeting-by-meeting basis and would be very much data dependent, taking into consideration in particular the outlook for inflation and the risks of a recession. However, she refused to give any indication of how many more rate hikes are likely to be delivered by the ECB in this cycle.

> "Rate decisions at the ECB will be made on a meeting-by-meeting basis and would be very much data dependent, taking into consideration in particular the outlook for inflation and the risks of a recession.".
> ***ECB President Lagarde***



Source: Tradingeconomics.com

Unsurprisingly, policymakers repeated that inflation remains far too high and is likely to stay above target for an extended period of time, while also alluding to the fact that price pressures have broadened across the economy. However, and importantly for investors, the overall wording of the central bank's statement was slightly less aggressive than what we have previously heard. The ECB is no longer setting out to "dampen demand" but only aiming for "reducing support for demand." The bank also took the first steps toward shrinking its €8.8 trillion balance sheet, a move which will take excess liquidity out of the system and directly undo some of the quantitative easing seen during the pandemic. Christine Lagarde said they would discuss how to begin reducing their €5tn bond portfolio in December, adding that an increase in the cost of its €2.1tn programme of ultra-cheap loans to commercial banks (TLTRO's) was likely to encourage many to repay them earlier.

The final ECB meeting of the year takes place on December 15th. Futures contracts suggest that most of the market is expecting a 50bp rate hike. This would see the main refinancing rate end 2022 at 2.50%. Further out, the market is anticipating a further two 25bp moves in the first quarter of 2023. We believe a half-percent move in ECB rates will bring us close to some sort of a neutral level that no longer stimulates the Eurozone economy.

Equity Markets

We would like to take this opportunity to reiterate our view from our Q3 Investment Update that we currently have a neutral stance on developed market equities in the near-term. Beyond this, we will likely look to move to an overweight positioning should we see a pullback in prices over the coming months, similar to what we witnessed in early October. As we have mentioned before, if we see central banks overtighten and then subsequently make a dovish pivot at some stage during the first half of 2023, this would also give us a valid signal to take advantage and move back towards an overweight in equities.

October and November have been a more encouraging period for equity markets, with more investors now beginning to see glimmers of light at the end of the tunnel. While we welcome the recent rally, we remain somewhat cautious in the short-term and believe that it is still too soon to decisively say that the bear market bottom has been put in. Having said this, both our medium and longer-term conviction on equities is still strong and we will look to take advantage of any periods of volatility that we may be presented with throughout H1 of 2023.

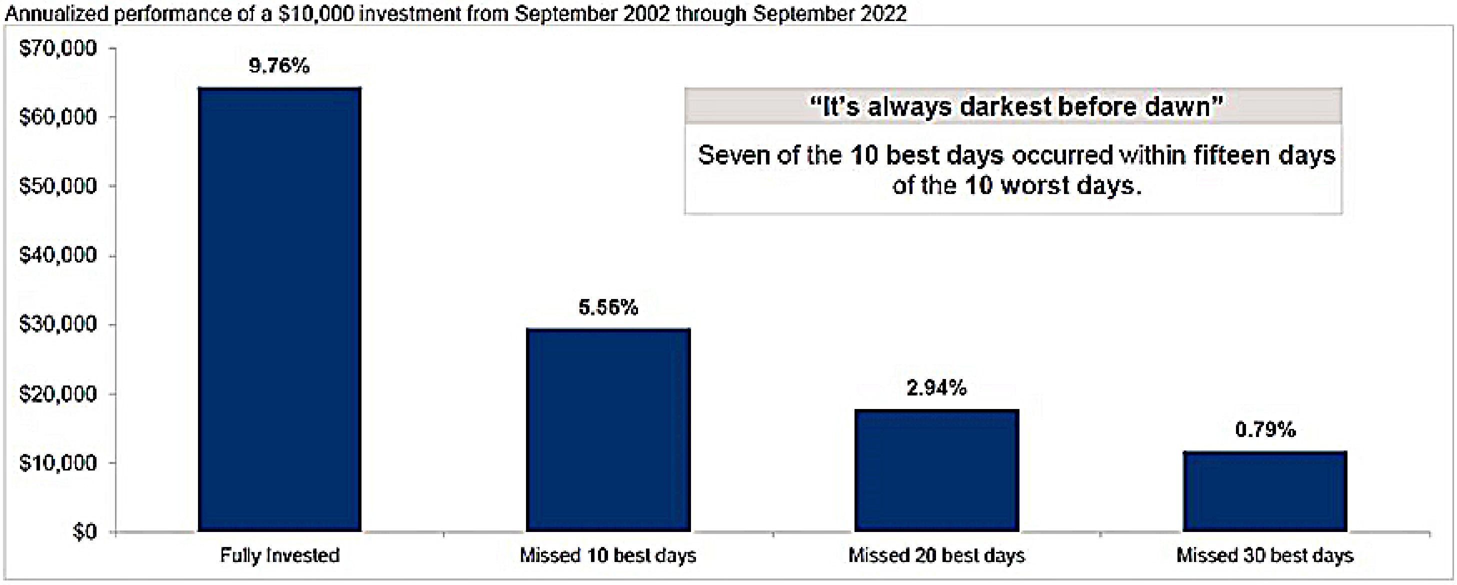
The move higher seen over the past eight weeks actually began in volatile trade following the release of stronger-than-expected September US inflation data - which initially sent US indices to their lowest levels of the year, before staging a remarkable recovery to end the day firmly higher. This intraday move on October 13th saw the benchmark S&P 500 sell off by 2% at one stage and then finish the session 2% higher, making it the largest one-day swing in US stock markets since the height of the pandemic-induced turmoil of March 2020. We believe this serves as yet another example of the wild swings that can often occur around market bottoms and why it pays to remain invested during bear markets.

At Seaspray, we strongly believe in the mantra that 'Time in the market' is a better strategy than 'Timing the market'. The study below speaks volumes in this regard. According to JP Morgan's back-testing of the last twenty years of trade on the S&P 500 index, an investor would have earned a 9.7% annualized return had they stayed invested over the course of the whole period. In comparison, had that same investor wrongfully timed the market and missed the ten best days they would have seen just a 5.5% annualized return. The same goes for missing the twenty best days (2.9% return) and thirty best days (0.8%). It is also worth noting that seven of the best days in this study occurred within fifteen days of the worst ten. This, in our view, demonstrates that it is incredibly difficult to time the market effectively.

➢ ***Staying invested!*** *Get back to being a long-term investor, not trying to time the market*

PERFORMANCE OF THE S&P 500

Annualized performance of a $10,000 investment from September 2002 through September 2022



Source: JP Morgan Asset Management, Morningstar Direct.

As can be seen below, a record high 83% of surveyed fund managers around the world are now expecting an outperformance of high-quality corporates over low quality earnings. This view fits in with our preference for the 'Quality' equity factor, as expressed in our recent Quarterly Investment Update. High-quality companies are those that have durable business models, sustainable competitive advantages, consistent earnings and robust balance sheets. These stocks are usually the best placed to navigate a slowing global economy, which we are undoubtedly now experiencing.

FMS investors still believe in quality outperformance in next 12 months

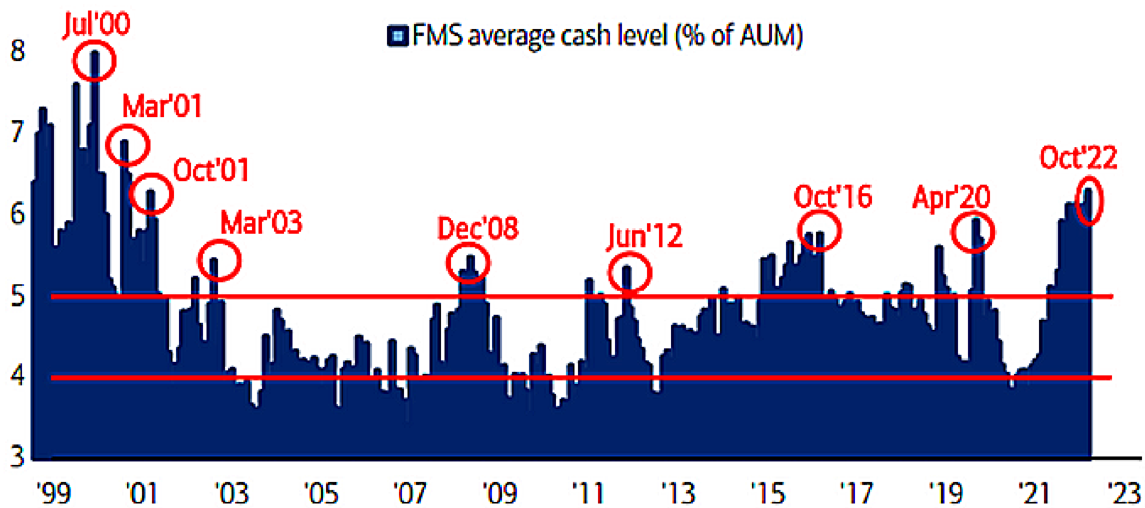
Net % saying high quality earnings will beat low quality earnings

Source: Bank of America

Fund managers from the same Bank of America survey reported higher cash levels over the past couple of months. In fact, global funds now have their highest average cash balance since April of 2001. Cash levels towards the end of October were up to 6.3%, well above the long-term average of 4.8%. In our view, this represents a proverbial wall of institutional money that is waiting to be allocated to both equity and bond markets. A dovish pivot from the main central banks in the West would be the most likely catalyst for these funds to begin allocating this cash to markets. Other potential catalysts may include a de-escalation of conflicts in Ukraine, some sort of a decrease in geopolitical uncertainty between US-China or US-Russia, or indeed a stronger than expected set of Q4 or Q1 earnings results across the board.

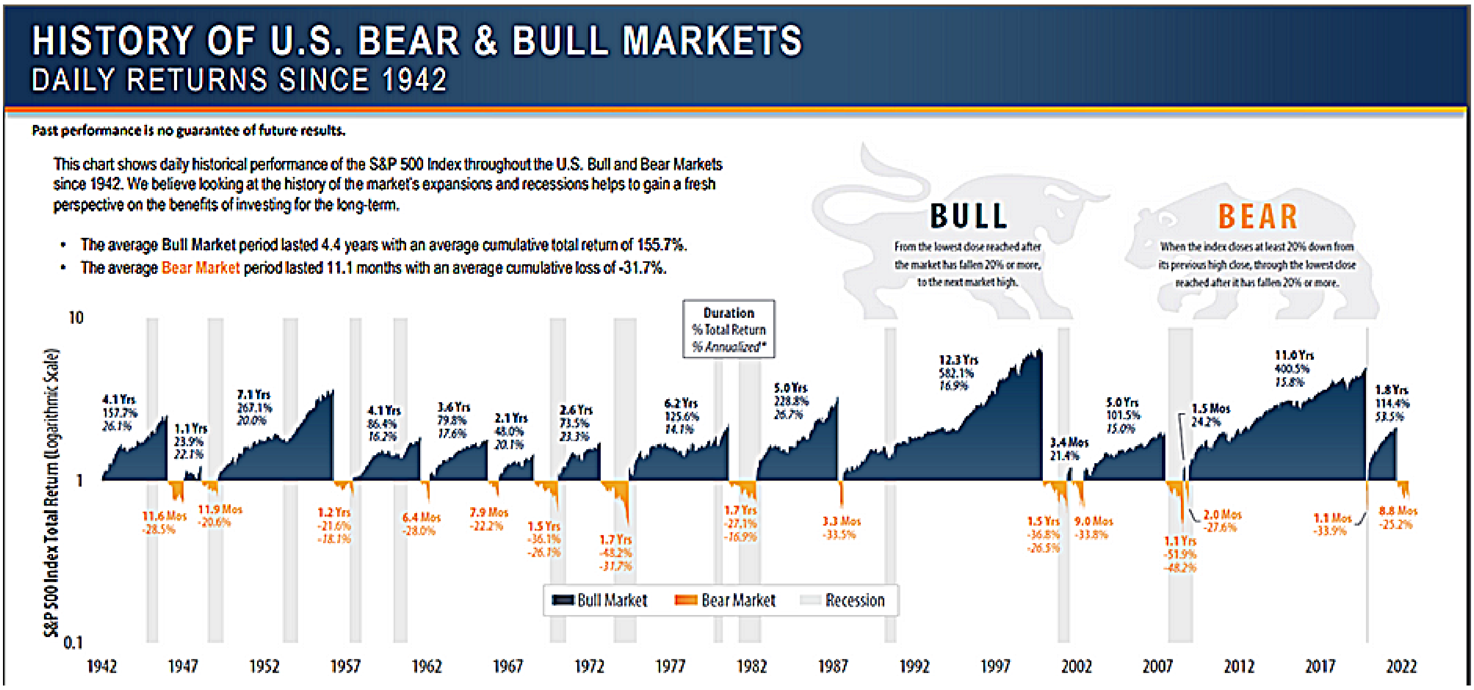
FMS investors raised cash levels further in October '22

FMS average cash balance, %



Source: Bank of America

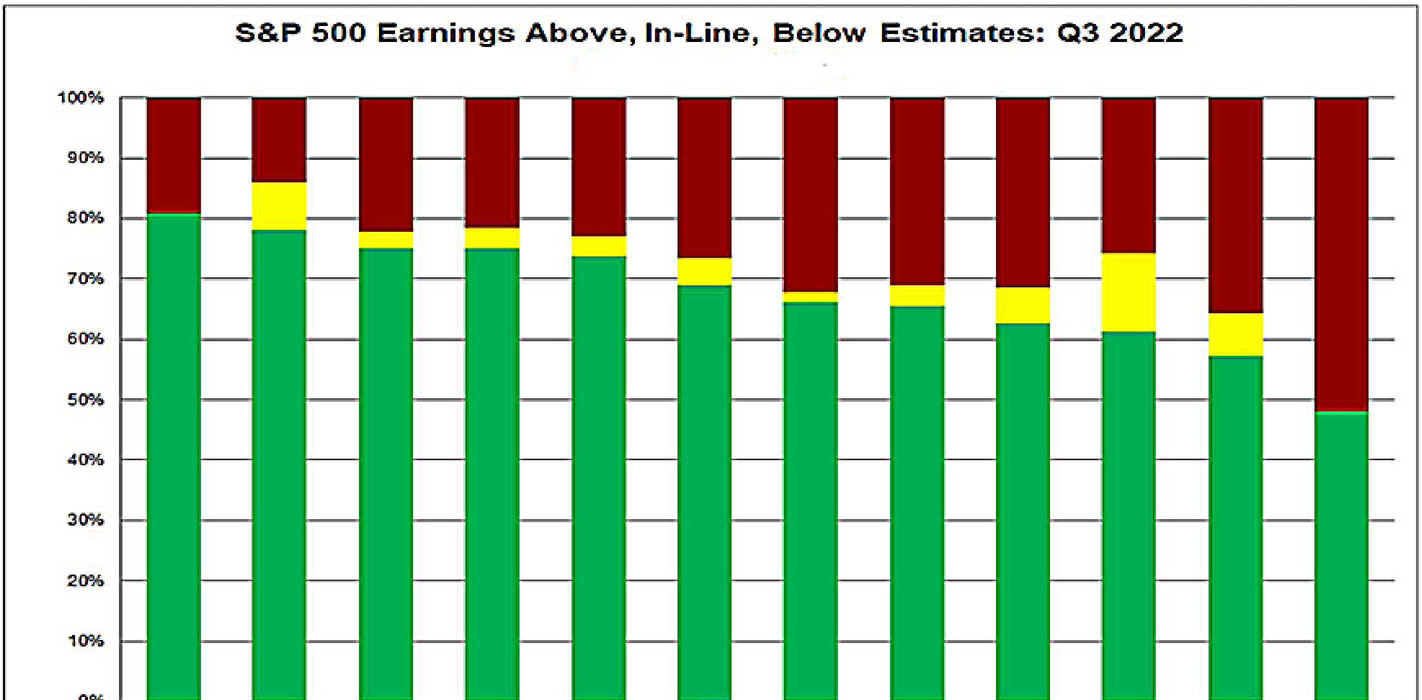
The chart below demonstrates historical performance of the S&P 500 index throughout bull and bear markets since the early 1940s. We believe that by taking a step back and observing the market's expansions and contractions over the course of decades, we can gain a decent perspective on the benefits of investing for the long-term. This also helps us accept short or even medium-term volatility, with the knowledge that underlying positive trends in equity markets have always prevailed in the long run. The average bull market for the S&P 500 during this time period lasted 4.4 years with an average cumulative total return of 155.7%. In comparison, the average bear market lasted just 11.1 months with an average cumulative loss of 31.7%. The current bear market of 2022 is now 11 months long and saw a peak-to-trough of -27.5%. While bear markets understandably often feel like the longest part of the investment cycle and are somewhat painful, they are in fact almost always the shortest, and always present us with excellent longer-term buying opportunities.



Source: First Trust Advisors L.P., Bloomberg

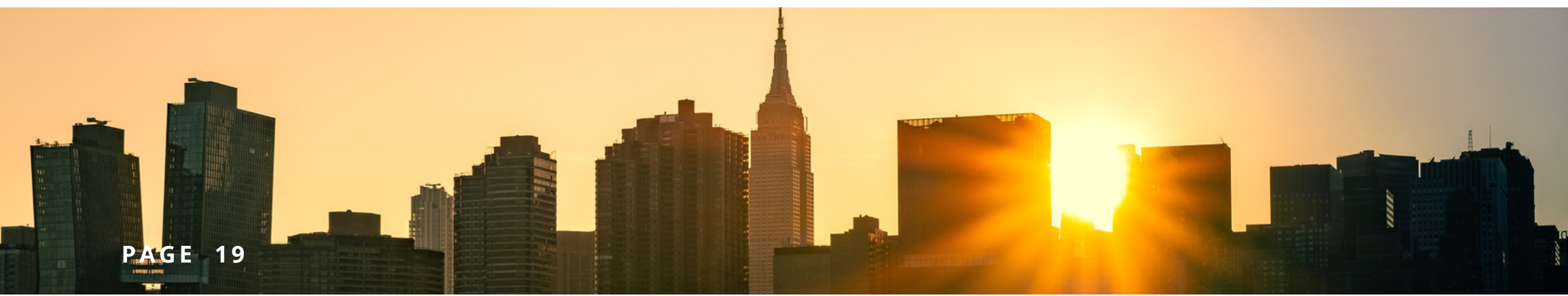
One of the main risks for equities over the next couple of quarters is the possibility for a disappointing Q4 or Q1 2023 earnings season. Third quarter earnings were mixed this year, with several of the companies that were expected to struggle still holding up relatively well while there was also some surprise weakness in large tech firms. Inflation remained stubbornly high over the three-month period and the jobs market was tight, by historical standards. Firms did report softer demand in some areas, but the market as a whole still remains fairly robust. Generally speaking, corporate earnings expectations have yet to fully reflect even a modest recession.

As can be seen below, 69% of businesses in the S&P 500 (highlighted in the centre of the graph) saw their earnings per share (EPS) come in above analysts' forecasts in Q3 which, while strong, is below the 5-year average of 77% and the 10-year average of 73%. 27% of these firms saw earnings come in below expectations (as shown by the red bars) and 4% were in-line (yellow bars). The graph also breaks down each sector's third-quarter results. Unsurprisingly, energy firms have outperformed, with 81% of these companies beating EPS forecasts.



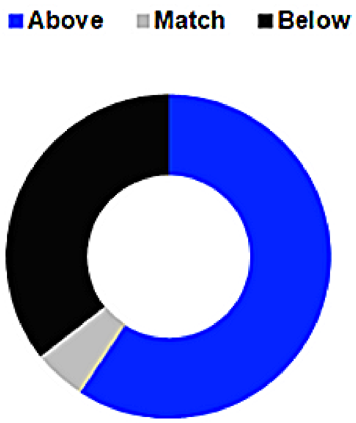
	Energy	Info. Technology	Industrials	Consumer Staples	Health Care	S&P 500	Financials	Utilities	Consumer Disc.	Real Estate	Materials	Comm. Services
Below	19%	14%	22%	21%	23%	27%	32%	31%	31%	26%	36%	52%
In-Line	0%	8%	3%	4%	3%	4%	2%	3%	6%	13%	7%	0%
Above	81%	78%	75%	75%	74%	69%	66%	66%	63%	61%	57%	48%

Source: FactSet

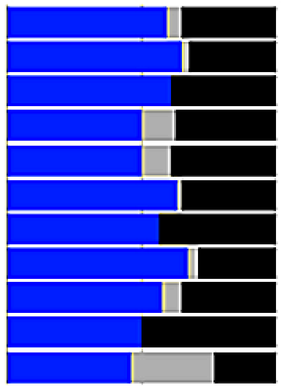


The year-over-year earnings growth rate for the S&P 500 was +2.2%, marking the lowest growth rate the index has seen since Q3 of 2020 (-5.7%). Analysts now expect the index to report a y/y decline in earnings for the fourth quarter of roughly -2.1%. Four of the eleven sectors reported y/y earnings growth, led by the energy, real estate, and industrials sectors. On the other hand, seven sectors saw a decline in earnings – the worst affected were communication services, financials, and materials.

Similar to in the US, 59% of companies in Europe's EuroStoxx 600 index (seen below) have beaten analysts forecasts for the third quarter. 36% came in below expectations while 5% were in-line. This compares to a typical quarter over the past decade in which roughly 53% of names would beat EPS estimates. The index saw an impressive y/y earnings increase of 35%, driven mostly by energy, utilities, and industrials. Excluding the energy sector, earnings would have seen growth of 19.6% y/y.



	Above	Match	Below
STOXX 600	**59%**	**5%**	**36%**
Basic Materials	65%	3%	32%
Consumer Cyclicals	61%	0%	39%
Consumer Non-Cyclicals	50%	13%	38%
Energy	50%	11%	39%
Financials	63%	2%	35%
Healthcare	57%	0%	43%
Industrials	67%	4%	29%
Technology	58%	8%	35%
Real Estate	50%	0%	50%
Utilities	46%	31%	23%



Source: Refinitiv I/B/E/S data

We continue to believe that certain long-term secular growth themes such as technological innovation and environmental sustainability, have a high probability of driving capital markets over the coming decades and that fundamentally sound companies on the right side of these trends should be well-positioned to outperform. So far in 2022, equities of companies that offer innovative solutions in areas such as technology, healthcare and environmental sustainability have been the most sensitive to expectations that rates will keep rising, but we have not witnessed a broad-based deterioration of fundamentals. As we see it, this year's pullback presents us with longer-term buying opportunities, at more reasonable prices.

An inflationary environment also encourages large businesses to invest in technology, and tech companies offering innovative products tend to exert considerable pricing power, allowing them to pass on input costs to customers.

SEASPRAY PRIVATE
Creating Investment Solutions

Warning: The value of your investment may go down as well as up and you may lose some or all of the money you invest**. Warning:** Past performance is not a reliable guide to future performance. **Warning:** Investments denominated in a currency other than your base currency may be affected by changes in currency exchange rates.

This material is approved for distribution in Ireland by Seaspray Private Ltd .It is intended for Irish retails clients only and is not intended for distribution to, or use by, any person in any country where such distribution or use would be contrary to local law or regulation. Seaspray Private Ltd is regulated by the Central Bank of Ireland.

Where Seaspray Private Ltd wishes to make this and other Seaspray Private Ltd research available to Retail clients, such information is provided without liability and in accordance with our terms and conditions that are available on the Seaspray Private website.

No report is intended to and does not constitute a personal recommendations or investment advice, nor does it provide the sole basis for any evaluation of the securities that may be the subject matter of the report. Specifically, the information contained in this report should not be taken as an offer or solicitation of investment advice, or to encourage the purchased or sale of any particular security. Not all recommendations are necessarily suitable for all investors and Seaspray Private Ltd recommend that specific advice should always be sought prior to investment, based on the particular circumstances of the investor either from your Seaspray Private Ltd investment adviser or another investment adviser.

Seaspray Private Ltd takes all responsibility to ensure that reasonable efforts are made to present accurate information but Seaspray Private Ltd gives no warranty or guarantee as to, and do not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. This is entirely at the risk of the recipient of the report. Nor shall Seaspray Private Ltd, its subsidiaries, affiliates or parent company or any of their employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk

All estimates, views and opinions included in this research note constitute Seaspray Private Ltd judgment as of the date of the note but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

Unless specifically indicated to the contrary this research note has not been disclosed to the covered issuer(s) in advance of publication.

Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. The income you get from your investment may go down as well as up. Figures quoted are estimates only; they are not a reliable guide to the future performance of this investment.

Conflicts of Interest & Share Ownership Policy

It is noted that research analysts' compensation is impacted upon by overall firm profitability and accordingly may be affected to some extent by revenues arising other Seaspray Private Ltd business units including Investment Management . Revenues in these business units may derive in part from the recommendations or views in this report. Notwithstanding, Seaspray Private Ltd is satisfied that the objectivity of views and recommendations contained in this note has not been compromised. Nonetheless Seaspray Private Ltd is satisfied that the impartiality of research, views and recommendations remains assured.

Analyst Certification

Each research analyst responsible for the content of this research note, in whole or in part, certifies that: (1) all of the views expressed accurately reflect his or her personal views about those securities or issuers; and (2) no part of his or her compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed by that research analyst in the research note.

We have assessed the publication and have classed it as Research under MIFID II. All charges in relation to this publication will be borne by Seaspray Private Ltd

EON.

+353 (91) 342 512 (Galway) | +353 (21) 7011 253 (Cork) | +353 (1) 70 70000 (Dublin) | www.seasprayprivate.ie