

November 2016

Investment JOURNAL



Featured this Month:

Core Portfolio: October 2016

Stock Watch: Paddy Power Betfair Plc, PayPal

Green Effects Fund: Socially Responsible Investing

Investment Fund Focus: Invesco Global Targeted Returns

ETF of the Month: iShares Euro STOXX 50 UCITS ETF

EIIS: Interview with Adrian Boyle, co-founder and CEO of Cathx Ltd

Welcome...



Politics looks set to command market direction in the coming month given the US Presidential election and the final weeks of campaigning ahead of the Italian constitutional referendum fall in November. Italy's referendum looks set to be overshadowed until after the US elections, but is no less important in determining the possible future of the Eurozone, as Prime Minister Renzi has promised to step down if the referendum is not passed. While in the US, Secretary Clinton's campaign has been unsettled by the re-opening of FBI investigations into her improper use of e-mail.

The outcomes of both votes will likely be key determinants in both the ECB and Fed's decision regarding monetary policy in December, with knock-on impacts to the direction of markets into year end. We remain overweight equities and European bonds in our portfolios; the latter as a result of continued stimulus from the ECB and the scope for increases in the same. We retain a preference for Eurozone equities over those of the US and UK, given the superior earnings growth outlooks, continued stimulus from the ECB, and the improving economic backdrop and weaker euro.

David Donnelly

Senior Investment Analyst
November 2016



Cantor Fitzgerald Ireland was formed through the acquisition of Dolmen Stockbrokers in 2012, by leading global financial services firm Cantor Fitzgerald. With a proud history of stockbroking and servicing our private clients in Ireland since 1995, Cantor Fitzgerald Ireland provides a full suite of investment services, primarily in personalised Share Dealing, Pensions and Investment Management, Debt Capital Markets, Corporate Finance and Research. We are recognised as a primary dealer in government bonds. Our clients include private individuals and corporate entities, financial institutions, investment funds, Credit Unions and charities.

Cantor Fitzgerald, a leading global financial services group at the forefront of financial and technological innovation has been a proven and resilient leader for over 65 years. Cantor is a preeminent investment bank serving more than 7,000 institutional clients around the world, recognised for its strengths in fixed income and equity capital markets.

At Cantor Fitzgerald Ireland we pull together the expertise and experience of Analysts and Investment Professionals from across three continents. An office network that spans from New York to Hong Kong provides us with a uniquely global perspective on the investment goals of our clients, which we service through our local offices in Dublin, Cork and Limerick.

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Core Portfolio 2016



David Donnelly, CFA, Senior Investment Analyst

The Cantor Equity Core Portfolio is a collection of our preferred equity names in the US, UK and Eurozone and is benchmarked against an equal weighting of the leading indices in each region. The return of the portfolio and the benchmark are calculated in euro terms which include dividends.

The portfolio has enjoyed substantial annual returns since its inception, as highlighted in the table below. In 2015, the Core Portfolio's return was 4% higher than the benchmark.

Year	Core Portfolio Returns	S&P	EuroStoxx50	UK Index
2013	24.10%	26.70%	22.70%	15.80%
2014	15.60%	29.60%	4.90%	7.90%
2015	14.00%	12.30%	7.40%	-1.40%

*Total Returns in € terms. *Source: CFI Research / Bloomberg

Core Portfolio at 31st October 2016

StocStock	Price 31/10/16	Total Return Local Cncy (%) Year to date	Total Return Euro (%) Year to date *(SIP)	Fwd P/E FY1 (x)	Div Yield FY1	Target Weight (%)	Low of 2016	Date of that low
Glanbia	14.84	1.75	1.75	15.8	1.01%	2.0	15.61	27/06/2016
Ryanair	12.60	-19.02	-19.02	11.1	0.37%	4.5	10.46	27/06/2016
ICG	4.25	-17.45	-17.45	12.7	2.84%	2.0	4.20	30/06/2016
GlaxoSmithKline	1,618.50	26.42	7.70	14.6	4.99%	4.0	1344.50	07/01/2016
Pfizer	31.71	7.85	4.38	11.8	4.02%	4.0	28.56	08/02/2016
General Electric	29.10	-2.70	-5.83	17.3	3.30%	2.0	27.45	11/02/2016
Smurfit Kappa	19.96	-12.81	-12.81	9.4	3.96%	3.0	18.23	09/02/2016
Daimler	64.91	-14.75	-14.75	7.6	5.36%	3.5	51.97	06/07/2016
DCC*	6,665.00	25.46	7.62	22.1	1.72%	2.0	4779.00	08/02/2016
CRH	29.67	14.25	14.25	15.7	2.39%	4.5	21.00	09/02/2016
Grafton Group	497.30	-31.32	-41.50	11.0	2.89%	3.5	440.00	27/06/2016
Royal Dutch Shell	2,115.00	37.09	16.78	14.3	6.76%	4.0	1277.50	20/01/2016
Exxon Mobil	83.32	14.93	11.23	19.6	3.66%	4.0	73.18	20/01/2016
Apple	113.54	9.22	5.70	11.3	2.20%	2.0	90.34	12/05/2016
Alphabet	809.90	3.35	0.02	19.8	0.00%	4.0	681.14	27/06/2016
SAP	80.24	12.13	12.13	18.5	1.73%	4.0	64.90	11/02/2016
Facebook	130.99	22.56	18.61	25.5	0.00%	3.0	94.16	21/01/2016
PayPal	41.66	13.18	9.53	24.3	0.00%	3.5	31.20	20/01/2016
Vodafone	224.80	3.89	-11.50	27.7	5.67%	3.5	200.20	08/02/2016
Verizon	48.10	16.22	12.47	12.0	4.90%	3.5	44.15	13/01/2016
Bank of Ireland	0.20	-49.88	-49.88	9.3	3.59%	1.5	0.16	02/08/2016
Prudential	1,334.50	-7.32	-21.05	10.5	3.32%	2.0	1087.00	11/02/2016
Lloyds	57.26	-22.41	-35.83	8.9	6.34%	1.5	47.55	06/07/2016
AIG*	61.70	1.28	-2.56	11.1	2.28%	2.0	48.79	27/06/2016
Allianz	142.00	-15.02	-15.02	9.3	5.41%	4.0	119.20	06/07/2016
Intesa Sanpaolo	2.11	-31.95	-31.95	9.4	9.63%	3.5	1.55	27/06/2016
Kingspan*	22.30	0.00	0.00	15.4	1.55%	3.5	18.09	06/07/2016
iShare Dax ETF	93.46	-2.21	-2.21	12.2	3.33%	4.0	77.28	11/02/2016
Proshares Short S&P 500 ETF*	38.73	-5.01	-4.19	n/a	n/a	4.0	37.86	15/08/2016
Weighted Return (Local Cncy)		-1.5%		15.3	3.05%			

Current Price as at 31/10/2016. Source: Bloomberg, CFEU estimates. *SIP = Since Inclusion in Portfolio

Portfolio Total Return (€) YTD -6.04% | Benchmark Return(€) YTD -1.02%

Performance year to date

Year to date, the Core Portfolio has declined -6.0%, having been heavily impacted by the effects of the surprise UK vote to leave the European Union. The portfolio had been positioned to take advantage of weakness in stocks that are heavily exposed to either the underlying UK economy or to sterling, for example Bank of Ireland, Lloyds and Grafton Group, in the belief that following a successful Remain campaign the stocks would rebound strongly.

Conversely, our exposures to high dividend yielding names as well as some of our preferred names within the Tech sector have performed exceptionally well and include Verizon, Royal Dutch Shell and GlaxoSmithKline. Our top conviction call for 2016, Facebook has provided a total return in euro terms of 22.6% year-to-date, and we see ample further upside potential for the stock

A few points of interest in...

October



David Coffey, Senior Portfolio Manager

Sterling “flash crash” and a short history of flash crashes



Sterling suffered a so called “flash crash” early in October as the British currency dropped dramatically against other major currencies, particularly the US dollar. A flash crash is an event where a traded asset or index plunges dramatically only to rebound very quickly and regain all or most of the losses.

On the 7th October, before most of us got out of bed, the sterling/dollar rate – known as “the cable” – fell over 6% from approximately 1.26 to 1.18 in a matter of seconds before rebounding back up to 1.24 over the next thirty minutes. As with other flash crashes, nobody can really pinpoint why it happened but some common explanations include computer driven algorithms, lack of liquidity in the hours before European markets opened (currencies trade around the clock), a possible “fat finger” trade where an incorrect price is printed, etc.

There have been a number of flash crashes in recent years, some of which were:

6th May, 2010 saw the first of the big flash crashes in the post financial crisis era as the Dow Jones fell by as much as 9.2% in a matter of minutes, the biggest one-day fall since the infamous 1987 crash. Automated trading strategies were given a lot of the blame and one UK trader is currently fighting extradition to the US, accused of playing a hand in the crash by manipulating the market. If one trader can cause over \$1 trillion in value to be wiped out in seconds, then I think we need to look at the system more than the individual.

15th October, 2014 was the bond market’s turn and saw a 12-minute spell where treasury yields experienced intraday gyrations that had only experienced greater volatility on three previous occasions since 1998. Policy announcements caused banks to pull out of the market and automated trading strategies exacerbated the situation.

24th August, 2015 saw the Dow Jones plunge again by over 1,000 points but it quickly regained most of the losses and was back to where it started in a couple of days. A devaluation of the Chinese yuan seemed to act as a trigger on this occasion.

While these recent moments of extreme volatility may seem worrying in one respect, it is reassuring to see that markets corrected themselves in a short space of time and did not have a material impact on the average investor.

What is Blockchain?



Einstein once said that if you can't explain something simply, you don't understand it well enough. With that in mind, I will make no attempt to explain the technology behind Blockchain but simply attempt to explain the basic concept.

Blockchain is most famously known as the technology behind the crypto currency that is Bitcoin. It could be used to create public records or databases and remove the need for "trusted" middlemen such as clearing houses, banks and certain government authorities. Many of the world's leading banks are examining the possibility of using the technology for payments transfers and securities trading in the hope of reducing costs as returns continue to decline. Some banks have already announced that they intend using Blockchain to maintain a register of property valuations in the hope of speeding up loan applications and reducing costs. It is too early to know whether Blockchain will be adopted across the financial industry but we are likely to hear a lot more about it in the months and years ahead.

High Court Ruling Reveals MPs Must Hold Parliamentary Vote Before Enacting Article 50

Breaking news from the High Court in London reveals that UK politicians must vote before enacting Article 50. UK Prime Minister, Theresa May had planned to trigger Article 50 before March 2017. However, this ruling may delay the process by several months and will inevitably increase political uncertainty in the UK in the near-term. There is a market perception that such a vote could divide the Tory party, given that the majority of MPs favoured remaining in the EU. The announcement brings into question whether Brexit will go ahead or not.

UK MPs will have the power to reject the referendum decision in Parliament. This ruling will likely improve their negotiating position and diminishes the likelihood of a so called "Hard Brexit". Ultimately, this will increase political risk and prolong uncertainty for the UK economy. Globally this will be seen as a potential positive as a unified Europe is perceived as better than a Brexit event. The UK Government is expected to appeal this ruling to the Supreme Court before the end of the year, and respect the decision of the referendum from June 2016, when the UK voted to leave the EU. However, the pound, UK Government bonds and UK financial stocks have caught a bid on the back of this ruling which could have significant knock-on implications for markets.

In Brief....

The EURO STOXX Banks Index fell over 25% in the days after the Brexit referendum. It took four months but on the 24th October, the index of leading European banks finally recouped all those losses and moved above the level it traded at the day before the referendum. Irish and UK banks have lagged behind their European counterparts over this period as uncertainty about the UK economy and weaker sterling continues to weigh on them.

Ryanair issued a profit warning during the month that saw it cut its net profit guidance by 5%, primarily due to the impact of the fall in sterling. Despite the warning and falling fares across the European airline sector, Ryanair still expects to make a full year profit of between €1.3bn and €1.35bn. The share price opened lower on the warning but managed to close 5% higher on the day.

AT&T has agreed an \$85.4bn deal to acquire Time Warner. US regulators are likely to take at least a year to rule on the deal and many politicians have already come out against it on the grounds that the combined entity would have too much power over consumers. Time Warner was previously acquired for \$164bn by AOL in 2000 in one of the worst acquisitions in history that ended up with a \$100bn write down.

Microsoft hit a new all-time high for the first time since 30th December 1999 on the back of a strong quarterly earnings report boosted by strength in its cloud business.

The Chinese Renminbi (Yuan) hit its lowest level against the US dollar in five years. The Chinese seem happy enough to allow their currency to slowly depreciate and the dollar has been strengthening on an improving US economy and the expectation that the Fed are close to raising interest rates.

StockWatch



Shane Kelly,
Investment Analyst

Paddy Power Betfair Plc Current Price: €91.30*

We see Paddy Power Betfair ('PPB') as a strong partnership between two market leading brands, with separate customer characteristics and attractive growth opportunities. The core investment case for the group includes scale, synergies, positions in regulated markets, differentiated client base and a strong balance sheet for the combined Group. We see the recent weakness as an attractive opportunity to add to positions.

Recent weakness has followed negative headlines at a sector level, while the shares also trade at close to c. 26x 2016 earnings. Despite this we view the headlines on daytime advertisement bans and in store machine taxes as largely secondary concerns to PPB and while the valuation may look expensive at current levels, we see this normalising in line with peers by 2018, given expectations for annual growth of 19% YoY. We reiterate our outperform rating and see sub €100 as an attractive entry level for the shares.

Paddy Power and Betfair brands

As part of the merger, which was announced in the second half of 2015, management has said that it would keep Paddy Power and Betfair brands separate. A key rationale for this is to leverage the distinctive brand perceptions of both names. Paddy Power is seen as a playful and social brand while Betfair is seen as knowledgeable and authentic. Both utilise different strategies with Paddy Power strengths in its customer service and attractive promotions, while Betfair is seen to have attractive odds and a good product range.

Sports book

The distinctive brand perceptions as well as a differentiated focus on sports books ensure the Group can diversify its offer and attract new customers. The merger not only gives the Group strong positions and scale across all major regulated markets, it also diversifies Group risk away from a specific sport (racing for PP, soccer for Betfair). The merger has elevated the Group to the second biggest online operator by revenues (vs. 5th and 6th pre-merger). Online remains the key business driver and contributed c. 66% of Group revenues and c. 75% of operating profits in 2015. We expect this upward trend to continue as product offers and gaming continue to grow for both brands. Despite a strong position online and across most regulated markets, management has said that there is just 3% overlap between the two brands and 74% of customers online who do not use either brand, highlighting future growth potential.

Paddy Power's strong online and gaming presence coupled with Belfair's exchange (which allows customer back or lay bets) offers a key diversifier in the space. Both offer attractive odds and as part of the merger can leverage innovation by the other party and employ it in their offer. For example, Betfair users can now play Paddy Power games on the Betfair app, while Paddy Power customers now get in game score casts online and on mobile. There is further scope to expand this in the future, particularly given Belfair's various integrated sports products which it can continue to roll out to Paddy Power over time.

Valuation

The shares are trading on 21.1x 2017e earnings, closer to peers in the online space, dropping to 18.4x in 2018. With growth to 2018 of 18.5% YoY this would see the shares trade close to a PEG ratio of below 1x and a discount to its 10 year average of 22.5x.

*Prices as of 31/10/2016



David Donnelly
Senior Investment Analyst

PayPal Current Price: \$41.66*

Central to the investment case for PayPal is that the company is at the leading edge of a change in the way consumers live their lives and pay for goods and services.

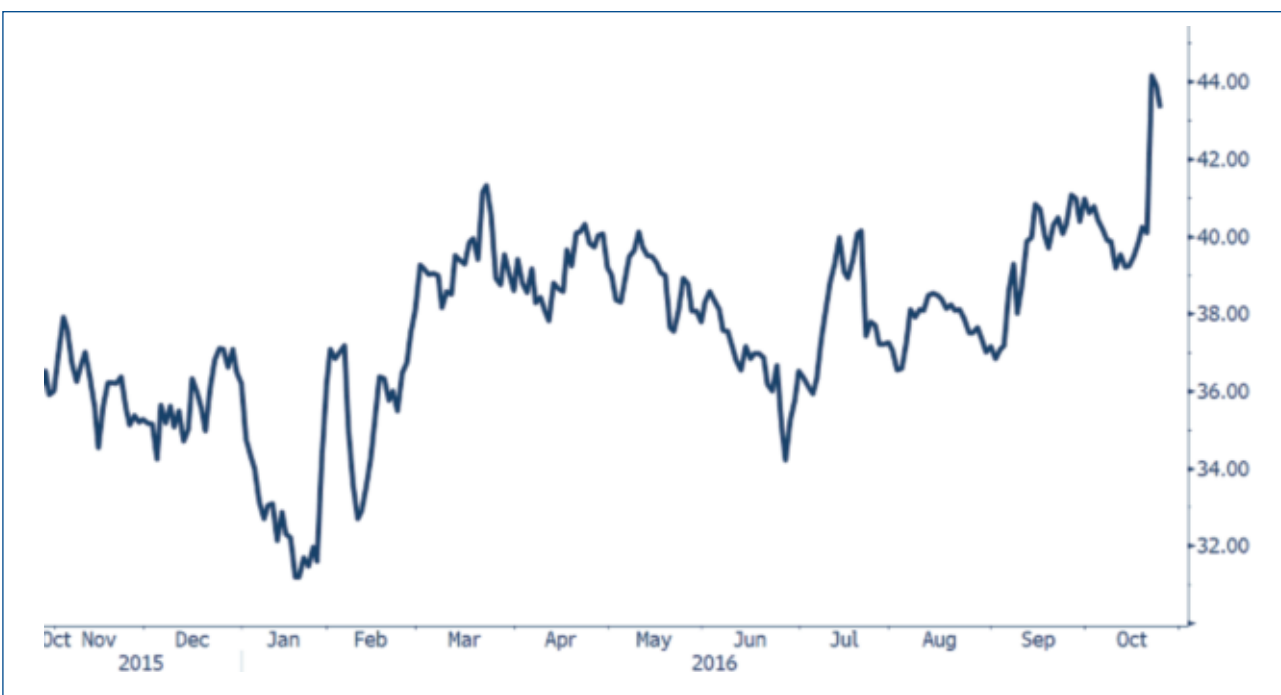
PayPal, once merely a secure online payments company, has evolved into a full service financial provider, offering international payments, credit facilities and many of the services traditionally associated with a consumer's current account. As a greater number of consumers shop online, especially through mobile devices, PayPal's popularity has sky rocketed. The company now boasts 192 million accounts worldwide, more than half outside the US, and processed \$81 billion in transactions last year. PayPal's growth rates are also highly enviable, as earnings increase at mid-teen rates, far in excess of the wider e-commerce market at c.13%. Current expectations are for earnings to rise at c.19.5% annually over the next four years.

Management is focused on increasing the frequency of use among consumers from the current 2-3 times per month to 2-3 times per week, and eventually to a daily habit, replacing or complimenting other payment methods like credit/debit card and cash. To aid in this endeavour, PayPal is accepting a slightly lower margin on transactions with Merchants in the short term in order to expand the popularity of the service. Longer term however, there should be scope to raise this margin once the platform has become the "de facto" name in online and mobile payments.

In a further positive development, PayPal has now partnered with merchants to allow consumers to load funds onto their PayPal account at cash registers in store. This is part of an overall strategy to increase the number of ways consumers can both add money to a PayPal account, but more importantly, utilise the funds on their accounts. Given the relatively high level of fixed costs within the business, there is a high drop through to the bottom line from increases in revenues.

Overall, we believe that PayPal represents an excellent opportunity to gain exposure to a company which is at the forefront of a change in the way consumers purchase goods and services. The trend of consumers shifting payments to online and mobile devices is set to continue in our view. This is highlighted by the rise of contactless payment which can now be seen in many point-of-sale locations around the world. We believe that PayPal is central to this cultural shift and is well positioned as the leading name in the space to capitalise on further growth.

PayPal Share Price



Source: Bloomberg

*Prices as of 31/10/2016

Green Effects Fund

Socially Responsible Investing



Richard Power, Director of Stockbroking

Objectives

The objective of the Fund is to achieve long term capital growth and income. The fund will provide investors with a product through which they can invest in companies with a commitment to supporting the environment and socially just production and work methods. For this purpose the fund only invests in stocks which are included in the Natural Stock Index (NAI).

Performance As of 31/10/2016.

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	0.2	2.9	4.2	12.5	14.9
MSCI World €	0.5	2.6	2.0	11.5	14.4
S&P 500 €	0.5	3.1	3.0	14.5	16.6
Euro STOXX 50	1.8	-6.5	-10.6	-0.1	5.1
Friends First Stewardship Ethical	-0.6	-0.7	1.0	11.3	13.7
New Ireland Ethical Managed	1.5	5.3	3.5	8.2	11.1

*Annualised Return. Source: Cantor Fitzgerald Ireland Ltd Research and Bloomberg.

Manager Comment

The Green Effects Fund NAV price ended October at **€185.90** which was a decline of -0.20% for the month. The year to date return for the fund is +2.90%. Equity market returns for the month were quite mixed. In Europe, the Eurostoxx50 returned +1.77% while the S&P500 returned +0.33% in euro terms. In a busy month for corporate earnings a number of fund holdings reported results. **Potlach**, the American diversified forest products company, reported quarterly EPS which was circa 9% ahead of expectations and the strongest revenue number in over two years. The company noted strong real estate demand as a key driver of the improvement in revenues. **Aegion Corp**, the US listed company, involved in the protection, rehabilitation, engineering and design of infrastructure projects for the water and wastewater sectors. The group report quarterly earnings marginally lower than forecasts with revenues of \$308.5m for the quarter. The recycling vending machine company **Tomra Systems**, completed a \$50m acquisition in Australia to acquire Compac Holdings Ltd which will further bolster Tomra's presence in the Food sector. Shimano, the Japanese bicycle parts manufacturer, noted weaker global demand for its products during the quarter but flagged some better than expected revenue numbers in Europe. The key focus for equity markets in the coming weeks will undoubtedly be the US presidential election on 8th November and the next meeting of the US Federal Reserve committee in mid-December.

Source: Cantor Fitzgerald Ireland Ltd Research

Key Information

Morningstar Rating	★★★★★
NAV	€185.90*
Minimum Investment	€5,000
Dealing Frequency	Weekly
Sales Agent	Cantor Fitzgerald Ireland Ltd
Custodian	Northern Trust
Administrator	Northern Trust
Investment Manager	Cantor Fitzgerald Ireland Ltd
Sales Commission	3%
Total Expense	1.24%
Investment Mgt Fee	0.75%
Website	www.cantorfitzgerald.ie/greeneffects

*Prices as of 31/10/2016

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Top Ten Holdings

SHIMANO	8.44%
VESTAS	8.20%
SVENSKA CELLULOSA	7.41%
KINGFISHER	6.52%
TOMRA SYSTEMS	4.23%
ACCIONA	3.88%
EAST JAPAN RAILWAY CO.	3.84%
ORMAT	3.82%
SMITH & NEPHEW	3.76%
MOLINA	3.63%

Source: Cantor Fitzgerald Ireland Ltd Research

Green Effects Fund NAV Since Inception



Source: Cantor Fitzgerald Ireland Ltd Research

Chart of the Month



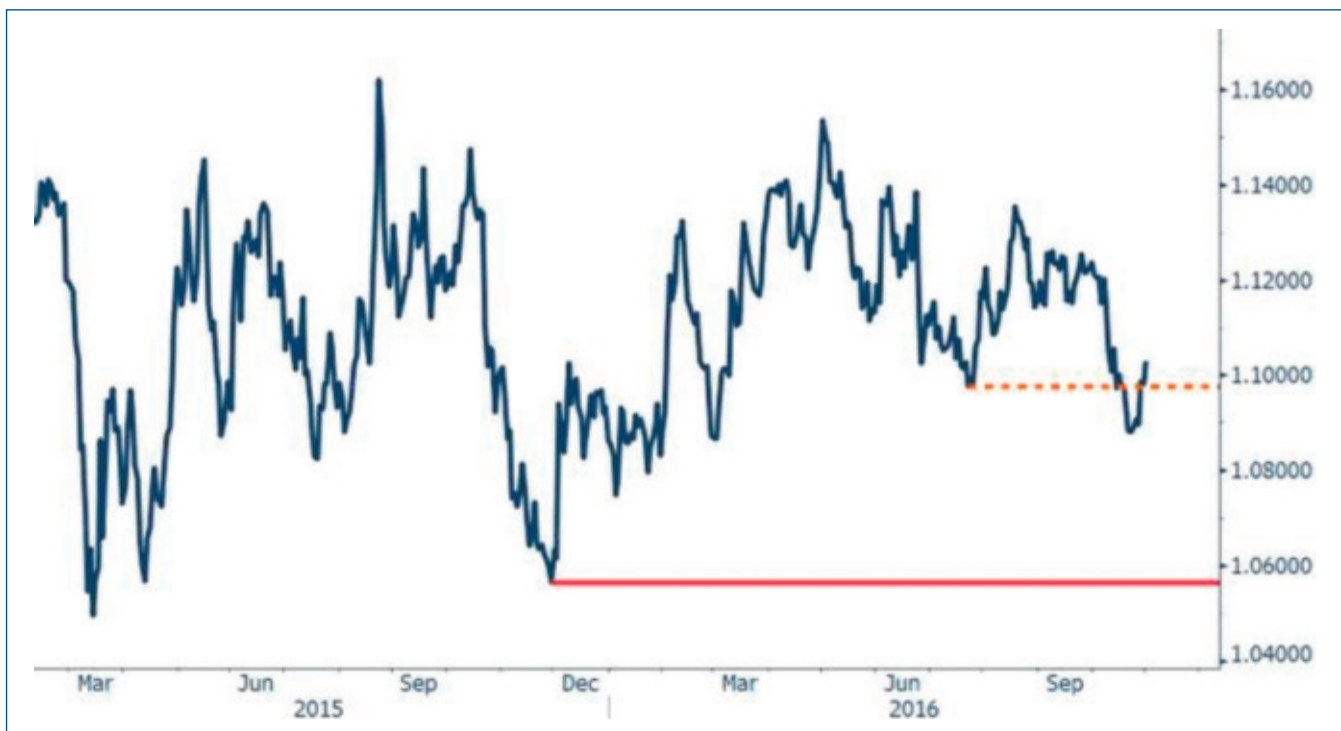
Stephen Hall, CFA, Investment Analyst

EURUSD - At the mercy of the US election

In recent weeks the market's expectations of a December rate hike from the US Federal Reserve has increased to 75% as US economic data remains resilient and Hillary Clinton held a commanding lead in the US Presidential election polls, which has seen the US Dollar trade weighted index rally to 7 months highs. The ECB was also dovish at its October Council Meeting where it signalled it is in no rush to taper its current Quantitative Easing (QE) bond buying programme and now most economists predict an extension of this programme beyond its original end date of March 2017, this in turn has weakened the Euro.

EURUSD broke through key support at \$1.0960 (dashed orange horizontal line) following the ECB's meeting touching a new post-Brexit low at \$1.0880 with \$1.0560 (red horizontal line) the near term target. However, in recent days the FBI in the US has re-opened its investigation into Hillary Clinton's email scandal just 1 week before the US Presidential Election on Tuesday the 8th of November. New polls shows Hillary Clinton lead has narrowed considerable and Donald Trump has taken a lead in Florida, a big swing state in the wake of this new investigation which has seen EURUSD retrace back above \$1.10. The outcome of the US Election is ultimately a binary event for the strength of the US Dollar similar to the UK Brexit referendum in June. A Trump election would likely be a risk off event for markets and lead to a material weakness in the US Dollar, whereas Hillary Clinton is viewed as maintaining the status quo meaning the US Dollar should continue to strengthen as the market will continue to price in a December Fed hike.

Key events before the end of 2016 includes this Friday's US Non-Farm Payroll, the next ECB Council Meeting on the 14th December and the Fed rate decision on the 8th December.



Source: Bloomberg

ETF of the Month



Mark McPaul, Portfolio Construction Analyst

iShares Euro STOXX 50 UCITS ETF

Why Invest in this Fund?

- **ECB Stimulus:** Ongoing monetary stimulus from the European Central Bank should attract capital flows into European equities.
- **Attractive Valuation:** European indices continue to trade at a discount to their US and UK counterparts offering further upside potential.
- **Low Cost:** This ETF offers cost effective investment across 50 of the largest companies in the Eurozone.
- **Yield:** Distribution yield of 3.61%.

Fund Overview

The Fund seeks to track the performance of an index composed of 50 of the largest companies in the Eurozone. The EURO STOXX 50 Index, is Europe's leading blue-chip index for the Eurozone. Our preference remains for European equities on a relative valuation basis with the US and UK and this ETF offers cost effective investment to a diversified portfolio of European blue-chip names.

Price Chart



Source: Bloomberg

Key Facts

Ticker (Bloomberg)	SX5EEX GY
Benchmark Index	EuroStoxx50
Currency	EUR
TER %	0.16%
Distribution Yield	3.61%
Distribution Frequency	Quarterly
Fund Size	6,236,688,253
No. Of Holdings	50

Source: www.ishares.com

Performance Summary

	FUND
1 Month	1.89%
YTD	-3.85%
1 Year*	-7.29%
3 Year*	3.48%
5 Year*	9.04%

*Annualised Returns

As of 31/10/2016

Top Ten Holdings

Total SA	5.19%
Sanofi SA	4.01%
Siemens AG	4.00%
Anheuser Busch Inbev Sa	3.86%
SAP	3.82%
Bayer	3.60%
Basf SE	3.55%
Allianz SE	3.13%
Daimler AG	3.12%
Banco Santander SA	3.11%
% total of top 10	37.4%

Source: www.ishares.com

Important Information: The value of your investment and the income from it will vary and your initial investment amount cannot be guaranteed. ETFs trade on exchanges like stocks and are bought and sold at market prices which may be different to the net asset values of the ETFs.

Investment Fund Focus



Mark McPaul, Portfolio Construction Analyst

Invesco Global Targeted Returns

Why Invest in this Fund?

Aim - to achieve a positive return in all market conditions.

Return - return of cash plus 5% per annum over three years.

Risk Management – aims for volatility of less than half that of equities over a three year period.

Fund Overview

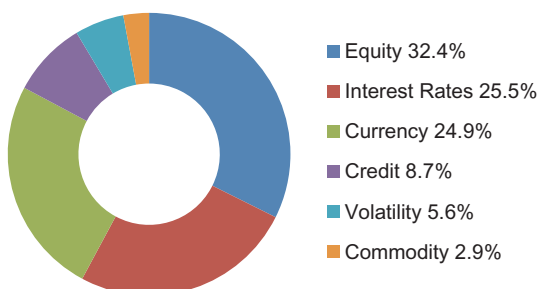
This is a multi-strategy fund which aims to achieve its objectives by combining a number of individual investment ideas, aiming to offer diversification across a mix of asset classes, geographies and sectors. The fund works well as hedging component in portfolios given its diversification which results in a lower correlation to most other traditional asset classes.

Price Chart



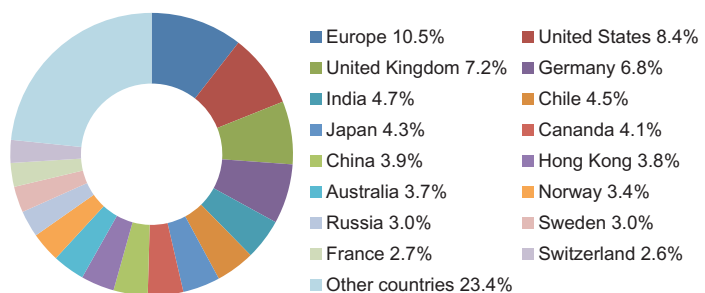
Source: Bloomberg

Risk Allocation by Asset Type



Source: Bloomberg

Risk Allocation by Region



Source: Bloomberg

Investment Information

Investment Manager	Invesco
ISIN	LU1004133531
Currency	EUR
TER %	0.87%
Distribution Yield	0.00%
Distribution Frequency	Not Applicable
Fund Size (Base Currency)	5,019,107,885

Performance Summary

1 Month	0.57%
YTD	2.30%
1 Year*	1.68%
3 Year*	-
5 Year*	-
<i>*Annualised Returns As of 31/10/2016</i>	

Investment Trust



Mark McPaul, Portfolio Construction Analyst

The City of London Investment Trust

Why Invest in this Fund?

Dividend Yield – Attractive dividend yield of 4.07% relative to government and corporate bonds

Blue-Chip portfolio - Diversified exposure to UK listed large-cap companies

Low Cost – Expense ratio of 0.42% per annum is very competitive for an actively managed equity fund with such a strong track record.

Fund Overview

The City of London Investment Trust Plc is a fund which offers investors exposure to a portfolio of UK listed multi-national companies that pay attractive dividends. Manager Job Curtis employs a conservative investment style and prefers companies that generate sufficient cash flow to support dividends and capital expenditure. While concerns remain regarding the impact of Brexit on the UK economy, the weakness in the sterling ex-change rate will continue to act as a tailwind for multi-national companies listed on the London stock exchange. Given the diverse geographical revenue streams from these companies, the weaker sterling results in a more favourable translation effect on foreign revenues thereby increasing their profit potential. The portfolio currently consists of c.117 holdings and is overweight defensive stocks in the consumer staples and healthcare sectors. The fund has an annual dividend yield of c.4% and one of the lowest expense ratios at 0.42% per annum.

Price Chart



Source: Bloomberg

Investment Information

Investment Manager	Henderson
Ticker	CTY LN
Currency	GBP
TER %	0.42%
Distribution Yield	4.07%
Distribution Frequency	Quarterly
Fund Size (Base Currency)	1,299,946,412

Performance Summary

1 Month	-0.45%
YTD	8.09%
1 Year*	7.25%
3 Year*	6.50%
5 Year*	11.70%
*Annualised Returns	As of 31/10/2016

Top Ten Holdings

British American Tobacco	5.3%
Royal Dutch Shell	4.2%
HSBC	3.9%
Vodafone Group	2.9%
Diageo	2.8%
BP	2.7%
Unilever	2.4%
National Grid	2.4%
RELX	2.1%
GlaxoSmithKline	2.1%
% total of top 10	30.8%

Source: Cantor Fitzgerald Ireland Ltd Research

Investor Event



Ryan McGrath, Head of Fixed Income Strategy & Sales

Cantor Fitzgerald Hosts Investor Breakfast with the NTMA and AIB in New York

On Thursday October 6th, Shawn Matthews (CEO of Cantor Fitzgerald Inc) and Ronan Reid (CEO of Cantor Fitzgerald Ireland) hosted an investor breakfast in New York on behalf of the Irish National Treasury Management Agency (NTMA) and Allied Irish Bank (AIB). Over 20 US investors attended the event from the hedge fund, asset management and insurance sectors.

Frank O'Connor, Head of Debt Management and **Rossa White**, Chief Economist spoke on behalf of the NTMA and highlighted the strength of the Irish macro-economic recovery as well as Ireland's debt issuance plans for 2017. The concept of negative rates was of particular interest to US investors. The fact that the US Treasury 2-year bond is yielding close to 80bps while the Irish 2-year benchmark bond is trading at minus 40bps highlights the divergence in current monetary policy on both sides of the Atlantic.

Bernard Byrne (CEO) and **Richard Pym** (Chairman) represented AIB and stressed management's desire to float the bank once again on the Irish Stock Exchange but noted that this was a decision ultimately for the Minister for Finance. Brexit was a key topic for US investors and in particular how both Ireland and the Eurozone would react to the UK leaving the single market. The NTMA highlighted that Ireland's recovery is now domestically-led and the potential inflow of further foreign direct investment from the UK is a positive. AIB acknowledged the challenges of Brexit but were confident that the bank's relatively small loan book exposure to the UK should help minimise any impact.

In general, US investors remain very bullish on Ireland and are looking for investment opportunities either in equity, fixed income or commercial real estate.



Rossa White – Chief Economist, NTMA



L to r : Ronan Reid, Christopher Pym, Bernard Byrne, Frank O'Connor, Rossa White, Shawn Matthews



Corporate Finance News



Conor McKeon, Head of Corporate Finance

As a market leader in providing capital raising and advisory services, we have a strong track record in providing funding solutions for companies at various stages of development. With a number of deals in the offing, this month we bring you:

- **Corporate Interview with CEO and co-founder of Cathx Limited, Adrian Boyle**
- **Update on investment opportunities within the Employment & Investment Incentive Scheme 2016**
- **Snapshot of Cantor Fitzgerald's recent activity within the healthcare sector**

www.cantorfitzgerald.ie/transactions

Corporate Interview

This month we interview our EIS partner, Adrian Boyle, co-founder and CEO of Cathx Limited ("Cathx")

Adrian Boyle

Co-founder & CEO, Cathx Limited ("Cathx")



In the coming weeks, Cantor Fitzgerald will be coming to market with an EIS offering in partnership with Cathx. Cathx Limited ("Cathx") was founded in 2009 to develop and manufacture the world's first subsea machine vision systems for use in Energy, Defence, Communications, Environmental Survey, Salvage and Oceanography.



Dr. Adrian Boyle is CEO and co-founder of Cathx, with 16 years' experience in electronics and machine vision technology companies working in technology, management and business roles. Dr. Boyle holds a Bachelor's Degree in Materials Science from Trinity College Dublin and a Ph.D. in optical physics from Trinity College Dublin.

Q 1: How did you become involved in the subsea engineering industry?

In 2009 we reviewed a number of opportunities in up-and-coming technology sectors. These ranged from solar panel manufacturing to drones and driverless cars. From previous companies, we recognised we had access to a unique talent pool with distinctive capabilities and knowledge in mechanical design, software, robotics, automation and machine vision technologies. When we drilled down into the up-and-coming sectors, we found that much of what we looked at was hype.

In 2009 we visited the Marine Institute in Galway and the Irish Navy in Haulbowline where we had been asked if we could do anything to improve the quality of imaging on a number of systems they used for "finding things" underwater.

With our background in imaging and our previous industry experience in industrial machine vision systems, we realised that the cameras on these systems were €500 off-the-shelf packages put into a tube and sold for €20,000. What's more, they could not see more than two meters away because the lighting was the wrong "colour". When we added up the total spend on imaging it was over €150,000.

We flew to Houston and asked one of the providers of subsea services how much of their operations were constrained by the camera. The answer we got back was 100%. If they cannot see, work stops. They

told us the ship cost €300,000 per day. We then found out Subsea 7 owned 150 of these vehicles, Saipem owned over 40, and that there were 1,200 of them with these systems being used on a range of underwater "industrial" operations globally.

The clincher was that because of the cameras the vehicles and ships could only move at less than a meter per second. We knew that if we could increase this by 5X that we would succeed. We decided to build a system that would eventually eliminate the ship and the need for people to review data manually.

Q 2: What were the main reasons you decided to found Cathx?

We realised from a technology perspective that underwater operations were in the dark ages. While we had plenty of questions, we knew that as long as we could prove at least 50% efficiency in a \$10Bn a year industry that we might do ok. There were very few opportunities where we were as well aligned in terms of technical and commercial experience and with such a clearly defined "need".

Through Enterprise Ireland and the IDA we met the CEO of Subsea 7 at the time, Mel Fitzgerald, and the COO of Saipem, Hugh O'Donnell. These two companies were and still are the largest subsea operations companies worldwide. They reviewed our assessment and agreed that the industry needed to change and that we had a strong business case to drive that change. They invested in the company pre-

revenue and are to this day active non-executive directors. Through their contacts and network worldwide we had sufficient evidence to go for it.

Q 3: What are the key milestones achieved by the business to date?

The first major milestones for the business came when with MMT in Sweden, we proved that an underwater vehicle designed to travel 10 times faster than conventional vehicles, could "find" a 2mm wide hairline feature on the seabed. What this meant was that we now had a business case that showed a contract for €18M to inspect the Nord Stream pipeline in the Baltic Sea, could be fulfilled for 50% of the price while allowing the company which did the work to achieve a substantial margin improvement over conventional contractors.

This fundamental proof point led to our systems being integrated onto almost all underwater pipeline inspection vehicles and resulted in Cathx achieving a positive EBITDA in 2015 and 2016.

This resulted in Kongsberg Maritime, recognised worldwide as leaders in underwater vehicle systems, designing Cathx in as the standard imaging payload in 2016.

In parallel with this business success, we have successfully deployed our systems with a number of oceanographic and salvage companies. Projects have included finding the Apollo 11 Spacecraft engine in

the Pacific, being deployed on the manned submarines used in the BBC's Great Barrier Reef program, supplying the Swedish Navy with lighting systems for clearing mines in the Balkans, and more recently being designed into a Chinese initiative to build underwater vehicles to Search for MH 370. These are all feathers in our engineering team's caps and they are very proud.

Q 4: The oil and gas industry has been hit by falling oil prices over the last 2 years. What impact is this having on Cathx and its business model?

To begin with, we expect about one third of our business to come from oil and gas. Subsea environmental monitoring, archaeology, research, salvage and defence make up the other two thirds.

In the oil and gas segment, the current oil price is causing oil companies to drive for efficiency out of existing assets while also looking to reduce costs for inspection repair and maintenance on these assets.

Statoil expect that reducing one ship from their operations in five years will lead to a €100M per year cost benefit. BP has explicitly told us that they will reduce Inspection, Repair and Maintenance (IRM) costs by 50% by 2020 by reducing vessel costs. Our short-term business model is simple. Sell as much hardware as possible so that we are positioned in as many

subsea operations as possible. Our projections are based on this.

Our data will integrate with existing "manual processes" making them more efficient. As we work through this process we will deliver software tools to process this data. At worst this will drive further sales, but this also provides substantial potential to access a part of the cost benefit we deliver.

Our strategic ambition is to cherry pick those high value applications and to access a part of the cost benefit that we deliver.

In short, for the one third of our business in oil and gas, low price oil is a major driver for success in the IRM segment. When prices pick back up, we expect growth in the construction and automation segment also.

Q 5: What are the challenges and the drivers of growth for the industry, and how is Cathx best placed to succeed in a sector dominated by multinational players?

We are uniquely positioned between major multinational service contractors, asset owners, integrity management companies and vehicle manufacturers. Most are not organised to provide the level of technology that we can deliver and do not have the skills base to do what we do. Cathx exists to reduce ship time and data

costs. Most of the multinational contractor companies that we deal with now realise that this is going to happen and that their existing processes and organisations need to adapt and to be responsive to their client needs. We are positioning ourselves to work with these companies as enablers to meet this need.

Q 6: What are Cathx plans for the future?

From where we are today, we expect that within 5 years full subsea autonomous systems will displace many of the manual systems in use today and that these will use Cathx technologies.

As we travel this journey, there are a number of major opportunities that could see us grow rapidly and beyond the scope of our current plans. Data analytics and real-time software tools that allow access to Cathx-provided data on any subsea of topside infrastructure represents a major enabler and opportunity in the industries where we operate.

We are around long enough to know that we have to be patient, work hard and to set the seeds to allow us take the opportunities in these areas when they emerge.

To find out more about our upcoming EIS investment opportunity with Cathx, call us on 01 633 3633

Employment and Investment Incentive Scheme (EIS)

Cantor successfully completed a €5m EIS fundraise at the end of October with Great Northern Distillery. The funding round is now closed and the EIS shares will be issued before year end.

This is the 3rd tranche of EIS funding that Cantor Fitzgerald has raised for Great Northern Distillery, following the successful fundraising of €2.5m in 2014 and €5m in 2015.

- Cantor Fitzgerald is one of the country's most experienced firms in structuring and placing EIS investments.
- Since the introduction of the EIS in 2011 Cantor Fitzgerald has raised in excess of €27m in funding for various Irish companies.
- Cantor Fitzgerald will shortly be launching a €2.5m EIS fundraise for Cathx Limited.



Great Northern Distillery Limited

- €5m EIS fundraise
- Exit after 4 years via Put/Call Option
- Tax relief of up to 40%
- Projected IRR of 14%

Supporting The Growing Healthcare Industry

Centric Health's New €10m Primary Healthcare Centre Due to Open in Celbridge



Centric Health's new €10 million primary healthcare centre is due to open in Celbridge, Co Kildare this November in partnership with the HSE and both of which will enter into a 25-year lease as anchor tenants. Cantor Fitzgerald worked directly with Centric Health in structuring the fundraise for the development of the Celbridge Primary Care Centre through Clarington Properties (Celbridge) Limited, a special purpose company established to provide the construction and subsequent project finance. Cantor Fitzgerald

arranged senior debt finance of €5m and raised a further €2.3m by way of private loan note capital.

Centric Health was founded in 2003 by Dr Maurice Cox and Dr Ray Power and is an international healthcare services company providing medical recruitment, primary care and diagnostic imaging services in Ireland and the UK. With staff in excess of 600, it is expanding its network of purpose-built Primary Care facilities where doctors and nurses work in tandem with dentists, consultants, physiotherapists and HSE Primary Care teams facilitated by onsite diagnostics to support medical needs in the local community. Centric Health operates a number of medical practices primarily in the Leinster region, including The Well Clinic in Sandyford, Co Dublin, the Centric Health Clinic in Ranelagh, Dublin 6 and the VHI Swiftcare clinics in Swords and Dundrum as part of a joint venture with VHI.

Scaling and Growing Your Long-Term Care Business

Bank of Ireland hosted a Breakfast Briefing on the topic of "Scaling and Growing Your Long-Term Care Business" on Wednesday, 19th October. The event took place at Croke Park and was well attended by a range of parties involved in the long term care industry. Cantor Fitzgerald was invited to participate on the panel of experts to discuss opportunities within the sector, to comment on the benefits of the Employment and Investment Incentive Scheme (EIS) and how it can complement the capital funding structures for the development or refurbishment of long term care facilities. Other topics included the recruiting and retaining of staff and planning for growth. Hilary Coates, Head of Health Sector, Bank of Ireland outlined the opportunities for growth and scale in the sector, demand and supply issues and combining business and care models.

Cantor Fitzgerald was delighted to have worked with Bank of Ireland and the BDO EIS Fund earlier in 2016 in raising EIS capital to assist in the financing of ACR Healthcare Limited, trading as Laurel Lodge Nursing Home in Longford.



L to r: Conor McKeon, Head of Corporate Finance, Cantor Fitzgerald Ireland; Michael Lauhoff, Head of Business Banking Growth, Bank of Ireland; Hilary Coates, Head of Health Sector, Bank of Ireland; Brian Crowley, CEO TTM Healthcare; Liam McLoughlin, CEO Retail Ireland, Bank of Ireland.

CANTOR FITZGERALD STRUCTURED PRODUCT PORTFOLIO

With continued market volatility, and with interest rates remaining close to 0% or negative in certain circumstances, it is more important than ever to have a diversified portfolio which includes an element of downside protection, along with the opportunity for investment growth. We now have two new investment opportunities available across differing structures and return payoffs, offering investors an exposure to a range of underlying assets.



Key Features - Euro Blue Chip Kick Out Bond II

- Returns are linked to 4 blue chip European stocks
 - LVMH - Unilever
 - BASF - Bayer
- 5-year term with potential early maturities after year 1 and semi-annually thereafter.
- Bond automatically redeems early if all 4 stocks are equal to or above their Initial Price Level at any semi-annual valuation date.
- 3 additional protection features included;
 - Step down feature – applies at the early redemption dates.
 - Star Feature – applies at maturity.
 - 50% Barrier – applies at maturity.
- Potential coupons of 10% p.a. (5% per semi-annual early maturity date).



Key Features - Protected Star Performers Bond II

- Bond returns are linked to an index of 4 leading investment funds specially selected by Morningstar.
- 170% Participation in the index returns.
- 90% Capital protection at Final Maturity Date is provided by BNP Paribas S.A (rated A/A1/A+).
- 6 year investment with optional access to funds at market value after 3 years or at investors request.
- Maximum capital at risk 10% of your investment.
- Aims to achieve positive returns significantly ahead of deposit rates in all market conditions.

Common Features to Both Bonds

- Both products are issued by BNP Paribas S.A.
- Closing date is 9th December 2016.
- Minimum investment is € 10,000 per product.
- Products are available to personal, pension, Friends First SDIO, ARF / AMRF & corporate investors.

For more information, please contact your Cantor Fitzgerald portfolio manager or visit www.cantorfitzgerald.ie to download a detailed brochure.



Warning: Past performance is not a reliable guide to future performance. The value of investments may go down as well as up.



Performance DATA

October 2016

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Performance Data

Investment Returns

October 2016

Equities

Index	30/09/16	31/10/16	% Change	% ytd Change	52 Week High	Date
ISEQ	6034.83	5912.77	-2.0%	-12.9%	6,921	03/12/2015
DAX	10511.02	10665.01	1.5%	-0.7%	11,431	30/11/2015
Eurostoxx50	3002.24	3055.25	1.8%	-6.5%	3,524	30/11/2015
Stoxx600 (Europe)	342.92	338.97	-1.2%	-7.3%	387	03/12/2015
Nasdaq (100)	4875.697	4801.271	-1.5%	4.5%	4,912	25/10/2016
Dow Jones	18308.15	18142.42	-0.9%	4.1%	18,668	15/08/2016
S&P500	2168.27	2126.15	-1.9%	4.0%	2,194	15/08/2016
Nikkei	16449.84	17425.02	5.9%	-8.5%	20,012	01/12/2015
Hang Seng	23297.15	22934.54	-1.6%	4.7%	24,364	09/09/2016
China (Shanghai Composite)	3004.703	3100.492	3.2%	-12.4%	3,685	23/12/2015
India	27865.96	27876	0.0%	6.7%	29,077	08/09/2016
MSCI World Index	1725.67	1690.92	-2.0%	1.7%	1,750	08/09/2016
MSCI BRIC Index	252.15	254.57	1.0%	15.2%	261	11/10/2016

Currencies

Currency Pair	30/09/16	31/10/16	% Change	% ytd Change	52 Week High	Date
EuroUSD	1.1235	1.0981	-2.3%	1.1%	1.1616	03/05/2016
EuroGBP	0.86608	0.89685	3.6%	21.7%	0.9415	07/10/2016
GBP/USD	1.2972	1.2242	-5.6%	-16.9%	1.5445	04/11/2015
Euro/AUD	1.46598	1.44304	-1.6%	-3.2%	1.6253	11/02/2016
Euro/CAD	1.47483	1.47241	-0.2%	-2.1%	1.6106	20/01/2016
Euro/JPY	113.92	115.1	1.0%	-11.9%	134.6000	04/12/2015
Euro/CHF	1.0915	1.08599	-0.5%	-0.2%	1.1200	04/02/2016
Euro/HKD	8.7137	8.516	-2.3%	1.1%	9.0126	03/05/2016
Euro/CNY	7.5029	7.4165	-1.2%	-1.7%	7.5607	26/08/2016
Euro/INR (India)	74.42	73.237	-1.6%	1.5%	77.4900	12/02/2016
Euro/IDR (Indonesia)	14585.59	14290.92	-2.0%	-5.1%	15,547.3800	15/12/2015
AUD/USD	0.7664	0.7609	-0.7%	4.4%	0.7835	21/04/2016
USD/JPY	101.35	104.82	3.4%	-12.8%	123.7600	18/11/2015
US Dollar Index	95.463	98.445	3.1%	-0.2%	100.5100	02/12/2015

Commodities

Commodity	30/09/16	31/10/16	% Change	% ytd Change	52 Week High	Date
Oil (Crude)	48.82	46.86	-4.0%	6.9%	53.66	03/11/2015
Oil (Brent)	49.06	48.3	-1.5%	29.6%	53.73	10/10/2016
Gold	1315.75	1277.3	-2.9%	20.3%	1,375.45	06/07/2016
Silver	19.1775	17.9075	-6.6%	29.2%	21.14	04/07/2016
Copper	221.05	220.5	-0.2%	2.3%	236.85	04/11/2015
CRB Commodity Index	402.44	403.58	0.3%	7.7%	542.10	08/06/2016
DJUBS Grains Index	36.6677	38.3809	4.7%	-3.1%	47.95	10/06/2016
DJUBS Soft Commodity	111.3561	114.819	3.1%	7.5%	129.93	08/06/2016
Gas	2.906	3.026	4.1%	29.5%	3.37	13/10/2016
Wheat	402	416.25	3.5%	-18.0%	554.75	04/11/2015
Corn	336.75	354.75	5.3%	-7.4%	449.00	17/06/2016

Bonds

Issuer	30/09/16	31/10/16	Yield Change	% ytd Change	52 Week High	Date
Irish 5yr	-0.235	-0.079	0.16	-0.53	0.62	09/11/2015
Irish 10yr	0.224	0.499	0.28	-0.65	1.29	09/11/2015
German 2yr	-0.683	-0.618	0.07	-0.27	-0.16	07/12/2015
German 5yr	-0.576	-0.401	0.18	-0.36	0.03	04/12/2015
German 10yr	-0.119	0.163	0.28	-0.47	0.74	04/12/2015
UK 2yr	0.102	0.263	0.16	-0.39	0.77	09/11/2015
UK 5yr	0.224	0.594	0.37	-0.75	1.43	09/11/2015
UK 10yr	0.746	1.245	0.50	-0.72	2.09	09/11/2015
US 2yr	0.7619	0.8409	0.08	-0.21	1.10	29/12/2015
US 5yr	1.1492	1.3067	0.16	-0.45	1.83	30/12/2015
US 10yr	1.5944	1.8255	0.23	-0.44	2.37	09/11/2015

Source: Bloomberg and Cantor Fitzgerald Ireland Ltd Research.

Performance Data

Cantor Fitzgerald Ireland Bond Returns

Indicative performance figures & maturity dates

Cantor Fitzgerald Equity & Commodity Linked Bonds:

Cantor Fitzgerald Bond Issue	Underlying Asset (Ticker)	Indicative Initial Strike	Indicative Current Level	Indicative Underlying Asset Performance	Option A Participation Rate	Option B Participation Rate	Option A Indicative Performance	Option B Indicative Performance
GLOBAL DIVIDEND BOND	SDGR10%RC	100.00	5697.60	28.40%	80%	170%	22.72%	48.28%
DIVIDEND ARISTOCRATS BOND 1	SPXD10EE	1535.18	2054.35	33.82%	50%	145%	16.91%	49.04%
DIVIDEND ARISTOCRATS BOND 2	SPXD10EE	1522.93	2054.35	34.89%	50%	140%	17.45%	48.85%
DIVIDEND ARISTOCRATS GBP	SPXD10EE	1522.93	2054.35	34.89%	50%	140%	17.45%	48.85%
80% PROTECTED KICK OUT 1*	AAPL	86.37	113.54	31.46%	Kick Out Level:	30% In Year 2	-	-
	PRU	1395.00	1334.50	-4.34%		45% In Year 3	-	-
	BMW	88.18	79.37	-9.99%		60% In Year 4	-	-
	VOD	217.15	224.80	3.52%		-	-	-
	Indicative Performance:							-9.99%
80% PROTECTED KICK OUT 2*	AAPL	94.72	113.54	19.87%	Kick Out Level:	30% In Year 2	-	-
	GSK	1555.00	1618.50	4.08%		45% In Year 3	-	-
	BMW	93.97	79.37	-15.54%		60% In Year 4	-	-
	VOD	195.65	224.80	14.90%		-	-	-
	Indicative Performance:							-15.54%
80% PROTECTED KICK OUT 3*	RDSA	2346.50	2038.50	-13.13%	Kick Out Level:	30% In Year 2	-	-
	GSK	1432.50	1618.50	12.98%		45% In Year 3	-	-
	BMW	85.64	79.37	-7.32%		60% In Year 4	-	-
	ALV	128.20	142.00	10.76%		-	-	-
	Indicative Performance:							-13.13%
80% PROTECTED KICK OUT 4*	RDSA	2132.50	2038.50	-4.41%	Kick Out Level:	30% In Year 2	-	-
	GSK	1485.00	1618.50	8.99%		45% In Year 3	-	-
	RYA	8.56	12.60	47.16%		60% In Year 4	-	-
	ALV	138.45	142.00	2.56%		-	-	-
	Indicative Performance:							-4.41%
CAPITAL SECURE MIN RETURN 1*	SX5E	2579.76	3055.25	18.43%	-	-	10.00%	11.50%
CAPITAL SECURE MIN RETURN 2*	SX5E	2589.25	3055.25	18.00%	-	-	9.10%	17.60%
CAPITAL SECURE MIN RETURN 5*	SX5E	2799.2	3055.25	9.15%	-	-	9.00%	N/a
SECURE INCOME & GROWTH*	SX5E	2161.87	3055.25	41.32%	-	-	-	-
	UKX	5351.53	6954.22	29.95%	-	-	26.00%	N/a
CREDIT UNION EURO BONUS BOND*	SX5E	3674.05	3055.25	-16.84%	-	-	1.00%	N/a
OIL & GAS KICKOUT NOTE*	XOM	82.23	83.32	1.33%	-	-	-	-
	RDSB	1717.00	2115.00	23.18%	-	-	-	-
	BP	391.70	483.70	23.49%	-	-	-	-
	FP	44.33	43.72	-1.38%	-	-	0.00%	N/a
	Indicative Performance:							
OIL & GAS KICKOUT NOTE 2*	XOM	77.28	83.32	7.82%	-	-	-	-
	RDSB	1469.00	2115.00	43.98%	-	-	-	-
	BP	339.30	483.70	42.56%	-	-	-	-
	FP	42.01	43.72	4.07%	-	-	17.00%	N/a
	Indicative Performance:							
OIL & GAS KICKOUT NOTE 3*	XOM	82.87	83.32	0.54%	-	-	-	-
	RDSB	1711.00	2115.00	23.61%	-	-	-	-
	BP	350.10	483.70	38.16%	-	-	-	-
	FP	41.88	43.72	4.41%	-	-	17.00%	N/a
	Indicative Performance:							
REAL ESTATE KICKOUT NOTE*	SPG	190.52	185.96	-2.39%	-	-	-	-
	UL	233.60	217.00	-7.11%	-	-	-	-
	DLR	74.80	93.43	24.91%	-	-	-	-
	HCN	65.25	68.53	5.03%	-	-	0.00%	N/a
	Indicative Performance:							
EUROSTOXX 50 DOUBLE GROWTH NOTE	SX5E	2986.73	3055.25	2.29%	200%	-	4.59%	N/a
PROTECTED ABSOLUTE RETURN STRATEGIES	SLGLARA	12.05	11.86	-1.60%	-	-	-	-
	CARMPAT	615.33	637.66	3.63%	-	-	-	-
	ETAKTVE	128.74	130.31	1.22%	-	-	-	-
	Indicative Performance:		Weighted Basket	1.08%	120%	-	1.30%	N/a
GLOBAL REAL RETURN NOTE	BNGRRAE	1.27	1.29	1.28%	150%	-	1.92%	N/a
EURO BLUE CHIP KICKOUT BOND	ALV	128.00	142.00	10.94%	-	-	-	-
	SIE	94.49	103.45	9.48%	-	-	-	-
	RYA	11.57	12.60	8.90%	-	-	-	-
	DAI	58.39	64.91	11.17%	-	-	12.00%	20.00%
PROTECTED STAR PERFORMERS BOND	BNPIAFST	130.53	130.25	-0.22%	180%	-	-10.00%	N/a

Cantor Fitzgerald Split Deposit Bonds

Cantor Fitzgerald Bond Issue	Underlying Asset (Ticker)	Indicative Initial Strike	Indicative Averaged Level	Indicative Underlying Asset Performance	Option A Participation Rate	Option A Indicative Performance	Option B Indicative Performance	Split Deposit Return
SAFE HARBOUR BOND VIII**	BNPIHBEE	629.75	693.13	10.06%	70%	7.05%	N/a	10.00%

All figures are indicative of underlying performance after participation only and represent the potential indicative return of the underlying strategy only, had the investments matured on 31st October 2016. Indicative performance figures may need to be added to the relevant capital protected amount, if any, which may be less than 100% of the funds originally invested. All performance figures are indicative only and do not include the impact of averaging, if any.

*Indicative performance figures may also include a performance related bonus (if applicable). However final payment of this bonus will depend on the underlying performance at next annual observation date or maturity. Please consult the Terms and Conditions in the relevant product brochure for further information.

**The above indicative returns reflect the averaging of available prices within the applicable final averaging period.

WARNING : Investments may fall as well as rise in value. Past performance is not a reliable guide to future performance

Please note that while your capital protected amount is secure on maturity, any indicative returns, including those figures quoted above are not secure (other than any minimum interest return on maturity, if applicable). You may only receive your capital protected amount back. These are not encashment values. The performance above is solely an indicative illustration of the current performance of the underlying assets tracked after participation, gross of tax, and are NOT ENCASHMENT VALUES. If early encashment is possible, the value may be considerably lower than the original investment amount. Please consult the Terms and Conditions in the relevant product brochure for further information.

Strike and Maturity Dates for Cantor Fitzgerald Bonds:

Bond	Strike Date	Next Kick Out Observation Date	Maturity Date
Protected Star Performers Bond	27/09/16		30/09/22
Euro Bluechip Kickout Bond	15/07/16	17/07/17	15/07/21
Global Real Return Note	29/04/16		12/07/21
Protected Absolute Return Strategies	24/03/16		31/03/21
EuroSTOXX 50 Double Growth Note	24/03/16		09/04/21
Oil & Gas Kick Out Note 3	16/03/16	16/03/17	30/03/21
Real Estate Kick Out Note	18/12/15	19/12/16	05/01/21
Oil & Gas Kick Out Note 2	18/12/15	19/12/16	05/01/21
Oil & Gas Kick Out Note	30/10/15	02/05/17	12/11/20
80% Protected Kick Out 1	19/05/14	19/05/17	28/05/18
80% Protected Kick Out 2	22/07/14	24/07/17	30/07/18
80% Protected Kick Out 3	26/09/14	26/09/17	03/10/18
80% Protected Kick Out 4	28/11/14	28/11/16	05/12/18
Capital Secure Min Return 1	21/02/13		21/02/19
Capital Secure Min Return 2	08/04/13		08/04/19
Capital Secure Min Return 5	30/05/13		30/05/18
Credit Union Euro Bonus Bond	17/04/15		22/04/21
Dividend Aristocrat Bond 1	27/05/13		27/04/17
Dividend Aristocrat Bond 2	26/07/13		26/06/17
Dividend Aristocrat Bond GBP	26/07/13		26/06/17
Global Dividend Bond	26/02/13		26/01/17
Safe Harbour Bond VIII	23/01/13		23/12/16
Secure Income & Growth	21/05/12		21/11/17

Long Term Investment Returns

October 2016

Asset Class Performances (returns in Local Currency)*

Equities

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
MSCI World Index	15.5%	10.2%	20.9%	9.8%	-40.2%	30.9%	12.5%	-4.9%	16.7%	27.5%	2.9%	-1.9%	1.7%
MSCI Emerging Market Index	26.0%	34.4%	32.6%	39.7%	-53.1%	78.7%	19.4%	-18.2%	18.7%	-2.3%	-4.6%	-17.2%	14.0%
China	-14.1%	-5.8%	135.1%	98.0%	-64.9%	82.6%	-12.8%	-20.2%	5.8%	-3.9%	52.9%	10.5%	-12.4%
Japan	8.6%	41.8%	8.1%	-10.0%	-41.1%	21.1%	-1.3%	-15.6%	25.6%	59.4%	7.1%	9.1%	-8.5%
India	14.1%	44.6%	48.8%	48.8%	-51.8%	78.5%	19.1%	-23.6%	28.0%	9.8%	30.1%	-5.6%	6.8%
S&P500	10.9%	4.9%	15.8%	5.6%	-37.0%	26.4%	15.1%	2.1%	16.0%	32.4%	11.4%	0.2%	4.0%
Eurostoxx50	10.3%	25.4%	19.2%	10.4%	-41.8%	27.0%	-1.8%	-13.1%	19.6%	22.7%	1.2%	4.5%	-6.5%
DAX	7.3%	27.1%	22.0%	22.3%	-40.4%	23.8%	16.1%	-14.7%	29.1%	25.5%	2.7%	9.6%	-0.7%
ISEQ	29.0%	21.6%	30.6%	-24.7%	-65.1%	29.8%	-0.1%	2.6%	20.4%	35.7%	15.1%	31.2%	-12.9%

Source: Bloomberg.

Bonds 10yr

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Ireland	9.59%	5.42%	-0.17%	1.23%	7.89%	3.89%	-19.58%	12.02%	34.64%	12.45%	23.67%	2.53%	5.12%
UK	6.62%	7.66%	-0.47%	6.69%	14.97%	-0.65%	9.43%	15.90%	4.64%	-4.99%	12.13%	0.48%	7.22%
Spain	9.30%	6.01%	-1.08%	1.56%	9.82%	4.54%	-5.67%	9.68%	4.69%	14.24%	22.77%	1.33%	6.59%
Portugal	10.06%	5.87%	-1.18%	2.16%	9.71%	4.91%	-10.25%	-33.47%	75.51%	10.98%	31.85%	5.05%	-2.28%
USA	4.25%	2.35%	2.73%	10.31%	19.74%	-7.30%	9.39%	15.24%	4.01%	-5.92%	8.45%	1.50%	5.38%
Germany	9.23%	5.88%	-0.95%	1.88%	14.78%	1.76%	6.81%	12.79%	6.81%	-1.72%	13.44%	0.74%	4.46%

Source: Bloomberg EFFAS Government Bond Indices & FINRA Corporate Indices

Commodities

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gold	5.4%	18.4%	23.0%	31.3%	5.5%	24.0%	29.7%	10.2%	7.0%	-28.3%	-1.5%	-10.5%	20.08%
Brent Oil	34.1%	45.8%	3.2%	54.2%	-51.4%	70.9%	21.6%	13.3%	3.5%	-0.3%	-48.3%	-36.4%	29.56%
Crude Oil	33.6%	40.5%	0.0%	57.2%	-53.5%	77.9%	15.1%	8.2%	-7.1%	7.2%	-45.9%	-31.3%	26.51%
Copper	38.9%	40.6%	40.6%	5.9%	-53.6%	137.3%	32.9%	-22.7%	6.3%	-7.0%	-16.8%	-24.0%	3.28%
Silver	14.3%	29.6%	45.3%	15.4%	-23.8%	49.3%	83.7%	-9.8%	8.2%	-35.9%	-19.5%	-11.3%	28.93%
CRB Commodity Index	3.3%	3.4%	19.6%	14.1%	-23.8%	33.7%	23.6%	-7.4%	0.4%	-5.7%	-4.1%	-14.6%	7.71%

Source: Bloomberg

Currencies

	2009	2009	2009	2009	2009	2009	2010	2011	2012	2013	2014	2015	2016
Euro/USD	8.0%	-12.6%	11.4%	10.5%	-4.3%	2.0%	-6.6%	-3.2%	1.8%	4.1%	-12.1%	-9.7%	1.15%
Euro/GBP	0.4%	-2.7%	-2.0%	9.1%	30.0%	-7.2%	-3.3%	-2.8%	-2.6%	2.2%	-6.5%	-5.0%	21.61%
GBP/USD	7.6%	-10.2%	13.7%	1.3%	-26.5%	10.2%	-3.3%	-0.4%	4.6%	1.9%	-6.0%	-4.9%	-16.98%
US Dollar Index	-7.0%	12.8%	-8.2%	-8.3%	6.1%	-4.2%	1.5%	1.5%	-0.5%	0.4%	12.7%	8.9%	-0.24%

Source: Bloomberg

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Paddy Power Betfair PLC: Paddy Power Betfair PLC is an international betting and gaming group, formed following the merger of Paddy Power and Betfair. The Group provides betting services through the Internet, licensed bookmakers, by telephone and offers online gaming services.

iShares EURO STOXX 50 UCITS ETF: The Fund seeks to track the performance of an index composed of 50 of the largest companies in the Eurozone

The City of London Investment Trust plc: The fund looks to provide investors with long term growth in income and capital by mainly investing in UK listed equities

Invesco Global Targeted Returns: The fund aims to achieve a positive total return in all market conditions over a rolling 3 year period. The fund seeks to achieve its objective by combining a number of individual investment ideas in a risk-managed portfolio.

Historical Record of Recommendation

PayPal: We added PayPal to our Core Portfolio on the 20/07/15 and have an Outperform outlook on the stock.

Paddy Power Betfair PLC: We have a Not Rated recommendation on Paddy Power's Betfair outlook and no changes have been made in the last 12 Months.



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