



March 2017

# Investment JOURNAL

## Featured this Month:

**Core Equity Portfolio:** Highest Conviction Stock Picks for 2017

**Stock Watch:** Amazon, Kerry

**Core Funds Range:** Investment Funds, ETFs, Trusts

**Commercial Property Investment Opportunity:** The Park, Carrickmines

**Irish REITs Update:** Green REIT, Hibernia REIT

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*Fitzgerald*

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# WELCOME...



**David Donnelly,**  
*CFA, Senior  
Investment  
Analyst*

February closed with President Trump's address to a joint sitting on Congress, where markets hoped clarity and specifics on his various policy goals would be forthcoming, only to be disappointed on both fronts. Though the President did mention a desire to roll out \$1 trillion in infrastructure spending and repeal Obamacare among other elements, he provided no insight into how these policies would be funded. The previous day, the President had indicated that any changes to tax policy would have to take a back seat to repealing Obamacare, dashing market hopes of an earnings boost this year from lower corporate taxes.

Attention therefore turns to the Federal Reserve on March 15th and the outlook for US interest rates. At the time of writing the market has priced in an 88% chance of a hike this month, having seen a sharp spike in probability in the wake of comments from Fed members in recent days. We continue to anticipate a rate hike within the 1st six months of 2017, followed by a further 1-2 hikes in H2 of this year.

The other area of focus will be political developments in both the UK and Europe, given the impending invocation of Article 50 and the fast approaching French Presidential elections. The latter is particularly headline worthy in light of Marine LePen's recent surge in the polls, coupled with reports of police investigations into many of the Presidential candidates. LePen, the country's far-right candidate, has previously voiced anti-European sentiments, leading some to fear of a "Frexit" if she were to be elected. Developments in this story should be a key determinant in the direction of European markets and the single currency over the coming weeks.

Given the recent softening of global bond yields, we maintain our view that the market has priced in this likely central bank action, and that yields will be largely capped in the near term by last year's highs. Furthermore, we remain of the view that equity markets require a modest pull back to reflect these higher yields, and having done so would represent attractive value.

David Donnelly  
March 2017



# Asset Allocation

March 2017



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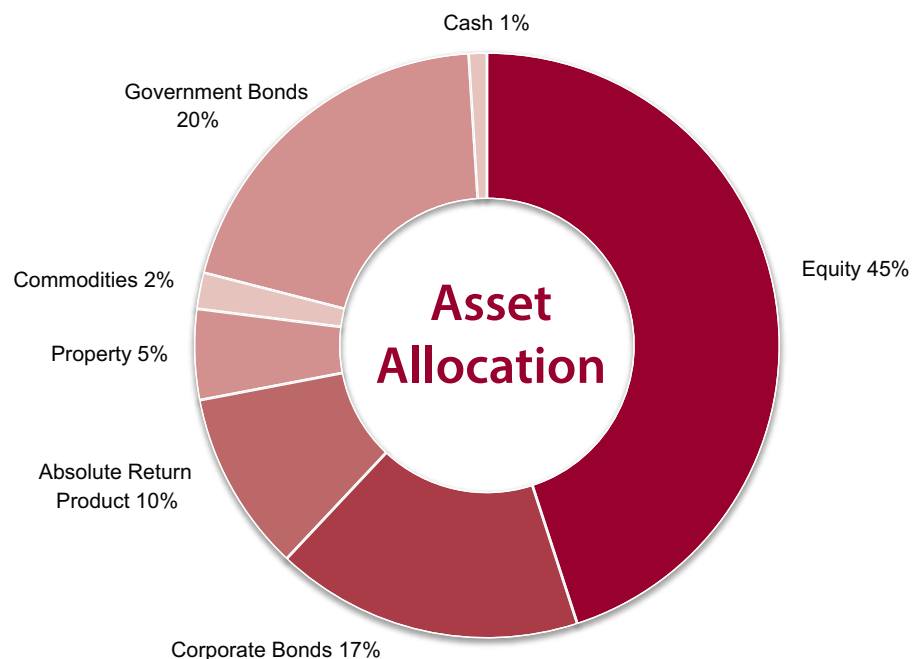
# ASSET ALLOCATION



**David Beaton,**  
Chief Investment  
Officer

## How we're positioned

Our current asset allocation is reflective of our outlook across the various asset classes, detailed below. It is based on a medium risk investor of middle age. We maintain an overweight equity exposure for the time being, but continue to monitor this position in light of the increased political and policy uncertainty emanating from the US. We remain comfortable with our under-weight sovereign bond position and prefer an overweight exposure to corporate bonds, while we maintain a modest cash weighting given the continued absence of returns from this asset class.



## Our Views

### Equities

We expect a near term pullback in equities of 7-10%, following which we prefer US equities over those of Europe for H1 until European elections have been completed.

### Bonds

We see a range of 2.34-2.50% on the US 10 year Treasury as being broadly reflective of likely Fed policy in H1, while a range of 0.25%-0.34% on German Bunds is reflective of ECB policy over the same period.

### Currencies

We expect the Fed to raise rates once in H1 and for the ECB to maintain loose monetary policy, as such we believe c.\$1.05 versus the euro is broadly reflective of these fundamentals. We anticipate sterling will weaken to £0.90 against the euro as economic data in the UK begins to slow.

### Commodities

Oil should trade within a \$50-\$55 range as supply continues to outstrip demand. Our view on Gold has turned neutral given the rise in yields and the absence of significant inflation.

# CORE PORTFOLIO 2017



**David Donnelly,**  
CFA, Senior  
Investment  
Analyst

The outperformance of the Cantor Equity Core Portfolio continued through February, posting returns of 2.9% year-to-date. We made one change during the month, removing AIG in favour of online retailing giant Amazon (discussed further in the coming pages in the Stock Watch section).

The Cantor Equity Core Portfolio is a collection of our preferred equity names in the US, UK and Eurozone and is benchmarked against 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.

Year	Core Portfolio Returns	S&P	EuroStoxx50	UK Index
2014	15.60%	29.60%	4.90%	7.90%
2015	14.00%	12.30%	7.40%	-1.40%
2016	1.66%	15.34%	4.83%	2.85

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

## Core Portfolio at 28th February 2018

Stock	Price 28/02/2017	Total Return Euro (%) Year to date *(SIP)	Fwd P/E FY1 (x)	Div Yield FY1
Glanbia	18.48	17.08	18.3	0.87%
Greencore	259.60	11.41	14.8	2.41%
Ryanair	14.30	-1.32	12.1	0.63%
Inditex	30.32	-2.19	26.3	2.54%
Daimler	68.64	-2.94	8.1	5.01%
Lloyds	68.67	9.67	10.6	5.96%
Bank of Ireland	0.22	-3.56	10.8	3.96%
Allianz	164.20	4.54	10.3	4.91%
Facebook	135.54	16.46	20.2	0.00%
PayPal	42.00	5.74	20.6	0.00%
Alphabet	844.93	5.92	17.4	0.00%
Amazon	845.04	-1.93	44.5	0.00%
General Electric	29.81	-5.50	15.5	3.32%
Smurfit Kappa	25.11	15.28	11.5	3.47%
CRH	31.87	-3.33	15.3	2.28%
Kingspan	29.00	12.04	17.4	1.38%
Royal Dutch Shell	2,173.50	-6.20	12.0	6.91%
DCC	6,865.00	13.79	20.9	1.79%
GlaxoSmithKline	1,648.00	7.21	14.4	4.90%
Verizon	49.63	-6.63	12.4	4.79%
<b>Weighted Return (Local Crncy)</b>			<b>16.7</b>	<b>2.76%</b>

Current Price as at 28/2/2017. Source: Bloomberg, CFEU estimates. \*SIP = Since Inclusion in Portfolio

Portfolio Total Return (€) YTD 2.91%. | Benchmark Return(€) YTD 2.10%

# CHART OF THE MONTH



**David Donnelly,**  
CFA, Senior  
Investment  
Analyst

## Euro/Sterling

The euro has been weakening against sterling as fears mount regarding Marine LePen's recent boost in Presidential polls in France. The anti-European right-winger has been gaining ground against rivals, prompting yields on French sovereign debt to move higher.

The resurgence of concerns about Greece's future has also weighed on the euro, as disagreement between the relevant parties continues. The IMF is maintaining its stance that it will not participate in further Greek bailouts with first seeing debt relief from the country's other creditors, however such a move would be politically unpalatable across core European countries given the pending elections across the region. In addition, the Greek governing party, Syriza, has openly stated that it will not agree to any further austerity measures, demands for which have not been ruled out by Eurozone finance ministers.

Key support for euro/sterling comes at £0.8342, and a move below this level would complete a broad topping pattern. Fundamentally we continue to expect sterling to move back toward £0.90 as the impact of Brexit on the UK economy takes further hold and growth in the country begins to slow.

### EURO/STERLING CHART



Source: Bloomberg



# REALITY OF POLITICAL RISK



**William Heffernan,**  
Investment Analyst

If one was only looking at European economic data over the past few months you could be forgiven for thinking all is well in the Eurozone. Unemployment, while still high in some periphery economies, continues to decline. Most service and manufacturing purchasing managers indices are in expansionary territory. All Eurozone members have posted positive headline inflation figures for the first time since February 2013 with the overall Eurozone figure coming at 1.8%, which was a 4-year high.

Yet at the same time yields continue to decline to multi-year lows. The German 10-year, a benchmark for the Eurozone economy as a whole, is now at 0.28%, well down on where it was on 26th January at 0.482%. Some have argued that the bond market does not really buy the recent inflationary & growth data and think it is merely transitory. It could also be attributed to the very dovish Draghi statement recently where he outlined that the ECB would not be willing to move until core inflation gains traction. However, there is one other explanation – political risk.

Speculation has centred on the French election where Marine Le Pen appears to be the favourite to win the 1st round on 23rd April. The majority of polls have shown that Le Pen will lose the 2nd round on 7th May. However, her margin of defeat in the 2nd round had been narrowing in recent weeks. If that trend was to continue markets are likely to become increasingly wary of a Le Pen upset in the 2nd round, considering the results of the Brexit referendum and the US election. The recent alliance between Emmanuel Macron and influential centrist Emmanuel Bayrou has helped halt Le Pen's momentum for now.

At the same time markets have to factor in a Dutch election on 15th March where the anti-establishment party, the PPV led by Geert Wilders, is likely to end up as the biggest party in parliament. This also comes in a year where German elections take place in September and Italian elections are look increasingly likely as Matteo Renzi struggles to unite his Democratic Party.

What does this mean for markets? Well as already mentioned, the flight to safety for investors has pushed German yields down to multi-year lows. Franco-German spreads widened out to multi-year highs as investors demanded a larger premium for holding French debt. It also resulted in the euro showing weakness against most major currencies, even against sterling which had been beset by Brexit weakness. Based on recent movements, it appears negative sentiment towards Europe has reduced over the past few weeks, with markets having already priced in a lot of the potential downside. This means markets are primed for the euro and yields to appreciate in the event of Le Pen losing the 2nd round. However, it can be expected that the euro and European yields will continue to show volatility over the coming weeks in the lead up to the election.



*Upcoming Dutch, French, German and Italian elections is adding to uncertainty in the markets.*

# RESEARCH & INVESTMENT INSIGHTS

Our expert team regularly produces a series of publications, profiling key investment insights and opportunities

## Daily Note



Market commentary outlining critical economic & company developments

## Investment Forum



Online forum for market news, investment insights and a series of informative articles.

## Weekly Trader



Our view on equity markets for the coming days

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# Investment Opportunities

March 2017



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# STOCKWATCH



**David Donnelly,**  
CFA, Senior  
Investment  
Analyst

## Amazon

Current Price: €848.91\*

We are removing **AIG** from the Core Portfolio and adding Amazon. We placed AIG under review in the wake of its full year results which fell short of expectations.

AIG's net loss in the fourth quarter increased YoY due to an increase in reserve for previously written business within its Commercial insurance division, which has been a drag on AIG's earnings for a number of quarters. The company also fell short of its Return on Equity targets. We will keep the stock at Under Review pending greater clarity of management's plans to instigate a turnaround in the business. AIG has been in the Core Portfolio since Jan 2013 and has posted a return of c.81% since that time.

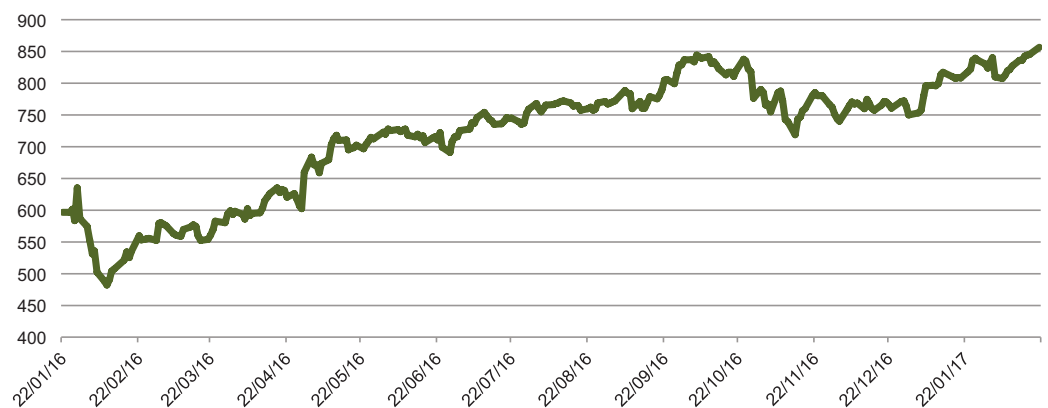
In its place, we are adding Amazon with a 5% weighting. Amazon has three revenue lines: The Online Shopping Business, the Media business where Prime members can rent movies and TV shows through a similar business to Netflix, and Amazon Web Services (AWS) which provides Cloud computing. AWS is a key source of growth for Amazon, having posted 55% growth year-on-year in 2016.

In the last set of results, Amazon was criticised for a planned increase in capex and operating expenditure this year, which will be used to

expand the business geographically and improve service, like reducing delivery times and producing more original shows for streaming on Amazon Prime. This criticism is misplaced in our view, because Amazon has a dominant position in a rapidly growing industry, and in order to maintain that dominance, investment is essential.

In its latest set of results, Amazon beat Q4 estimates by 13.2% on the EPS line and recorded 22.4% Revenue growth, far in excess of the overall e-commerce sector with is growing at c.13% per annum. The expansion in Q4 was mirrored on a full year basis, where revenue increased 27%. Growth rates remain high this year, and EBITDA is expected to increase by 25% to \$19.4bn, which more than justifies the 20.5x EV/EBITDA multiple in our view. We see further upside for the stock given its dominant position within a rapidly expanding industry.

### AMAZON SHARE PRICE



Source: Cantor Fitzgerald Ireland Ltd Research  
\*Price as of 28/2/2017



**Stephen Hall,**  
CFA, Investment  
Analyst

## Kerry

Current Price: €74.26\*

Kerry Group reported a strong FY16 set of results on the 21st February 2017, which delivered solid margin expansion, good EPS growth despite FX headwind from weaker a pound and strong underlying organic volume growth. Adjusted EPS grew 7.1% YoY to €3.234, 0.6% ahead of consensus analyst expectations of €3.215. A weaker Pound acted as a 4.4% headwind to EPS growth in 2016. It reported revenue of €6.1bn, right in-line with consensus expectations.

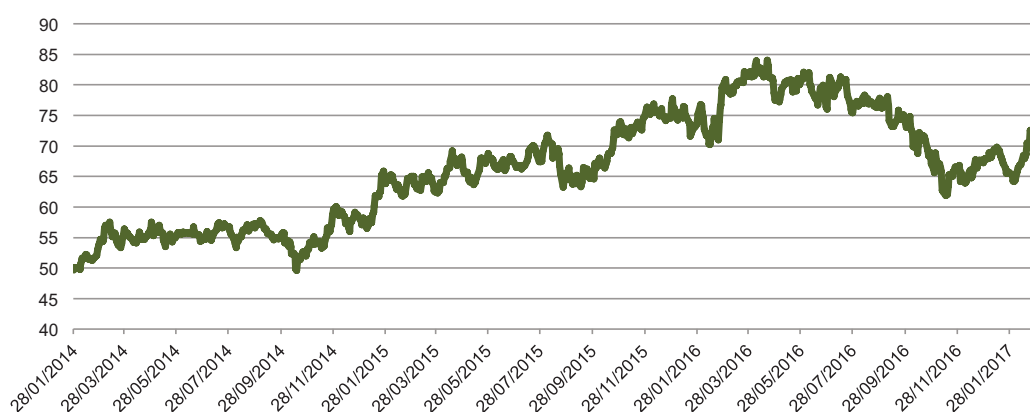
On a Group level, it reported organic volume growth of 3.6% YoY, which is right in the middle of management's long term annual goal of between 3% to 5% volume growth. Looking on a divisional level, Kerry's Taste and Nutrition (T&N) division which now accounts for 79% of Group revenues (€4.9bn) and 86% of trading profit saw 4% volume growth, and 60bps improvement in EBIT margin to 14.7% in 2016 from 14.1% in 2015, driven by improved business efficiencies and operational leverage. Its Consumer Foods division reported 2.1% volume growth and price deflation of 2.1%. On a geographical basis, it noted strong growth in North America, improved performance in Latin America, challenging conditions in EMEA while Asia reported excellent growth and the pipeline for growth opportunities looks attractive also.

It made significant progress on debt reduction in 2016, with Net Debt falling by €326m to €1.32bn and its Net Debt/ EBITDA

ratio dropping from 1.9x at December 2015 to 1.5x at December 2016. We expect management to announce further bolt on acquisitions in 2017 given its financial flexibility.

Kerry is well positioned to benefit from a structural shift in consumer tastes and preferences. Health and wellness trends continue to drive "nutritionally minded" consumer choices, increasing demand for taste, active nutrition, higher protein, natural, free-from, authentic, clean-label food and beverage products. We are seeing increased market fragmentation away from retail towards foodservice and ecommerce channels which are leading to significant product churn as food manufacturers look to differentiate and innovate its product offerings. We are pleased with the underlying volume growth despite challenging comparisons and maintain our "Outperform" outlook on the stock.

### KERRY SHARE PRICE



Source: Cantor Fitzgerald Ireland Ltd Research  
\*Price as of 28/2/2017



# INVESTMENT FUNDS



**Mark McPaul,**  
Portfolio  
Construction  
Analyst

Our Core Funds range is a selection of funds that our investment committee feels could compliment portfolios and enhance diversification. The Core Funds range offers investment options across multiple asset classes and markets. Funds selected have undergone a comprehensive screening process by our investment committee and are reviewed regularly.

## Core Investment Funds

Equity Funds						
SEDOL	Name	Morningstar Rating™	Risk Rating (1 - 7)	Currency	TER %	Yield %
<b>Global Equity</b>						
B7MN7P9	Veritas Global Equity Income	★★	5	EUR	0.88	3.68
<b>European Equity</b>						
B9MB3P9	Threadneedle European Select	★★★★	6	EUR	0.83	0.00
<b>UK Equity</b>						
B3K76Q9	J O Hambro UK Opportunities	★★★★	5	GBP	0.82	3.08
<b>US Equity</b>						
B632VH8	Franklin Mutual Beacon	★★★	5	USD	1.33	0.00
<b>Bond Funds</b>						
SEDOL	Name		Risk Rating (1 - 7)	Currency	TER %	Yield %
<b>Corporate Bond</b>						
B3D1YW0	PIMCO GIS Global Investment Grade Credit	★★★★	3	EUR	0.49	3.93
<b>Government Bond</b>						
0393238	BNY Mellon Global Bond	★★★	4	EUR	0.65	0.00
<b>High Yield</b>						
B1P7284	HSBC Euro High Yield Bond	★★★★	4	EUR	1.35	2.89
B39R682	Templeton Global Total Return	★★★	4	EUR	1.44	6.76
<b>Alternative Funds</b>						
SEDOL	Name		Risk Rating (1 - 7)	Currency	TER %	Yield %
<b>Absolute Return</b>						
BH5MDY4	Invesco Global Targeted Return	-	3	EUR	0.86	0.00
B52MKP3	BNY Mellon Global Real Return	-	4	EUR	1.10	1.34
B694286	Standard Life GARS	-	4	EUR	0.90	0.00
<b>Multi - Asset Allocation</b>						
B56D9Q6	M&G Dynamic Allocation	★★★★	4	EUR	0.91	0.00

Source: Morningstar™

# Fund Performance

## Equity Fund Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Global Equity</b>						
Veritas Global Equity Income	4.75	8.73	7.85	25.05	8.54	8.80
<b>European Equity</b>						
Threadneedle European Select	2.74	6.88	3.67	9.50	8.61	11.95
<b>UK Equity</b>						
J O Hambro UK Opportunities	1.50	3.03	1.63	14.41	8.12	10.81
<b>US Equity</b>						
Franklin Mutual Beacon	2.60	6.58	12.02	28.40	7.33	10.88

## Bond Fund Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Corporate Bond</b>						
PIMCO GIS Global Investment Grade Credit	1.30	2.37	-0.83	6.47	4.13	4.52
<b>Government Bond</b>						
BNY Mellon Global Bond	1.98	0.54	-2.02	2.22	8.06	3.98
<b>High Yield</b>						
HSBC Euro High Yield Bond	0.64	2.45	0.92	9.55	4.20	7.16
Templeton Global Total Return	2.55	5.46	9.29	13.17	0.89	2.62

## Alternative Fund Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Absolute Return</b>						
Invesco Global Targeted Return	1.24	2.32	0.51	2.38	3.35	-
BNY Mellon Global Real Return	1.60	1.32	-4.38	-0.29	2.16	2.85
Standard Life GARS	0.53	2.05	0.91	-0.64	1.47	2.87
<b>Multi - Asset Allocation</b>						
M&G Dynamic Allocation	0.58	4.74	7.81	17.31	8.09	7.32

Source: Morningstar™

# ETHICAL INVESTING



**Richard Power,**  
Director of  
Stockbroking

## Key Information

Morningstar Rating	★★★★★
NAV	€195.39*
Minimum Investment	€5,000
Dealing Frequency	Weekly
Investment Manager	Cantor Fitzgerald Ireland Ltd
Sales Commission	3%
TER %	1.24%
Investment Mgt Fee	0.75%
<a href="http://www.cantorfitzgerald.ie/greeneffects">www.cantorfitzgerald.ie/greeneffects</a>	

\*Prices as of 28/02/2017

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

## Top Ten Holdings

SVENSKA CELLULOSA	7.74%
VESTAS	7.44%
SHIMANO	7.11%
SMITH & NEPHEW	6.18%
KINGFISHER	5.91%
ORMAT	4.33%
TOMRA SYSTEMS	4.20%
AEGION	4.06%
EAST JAPAN RAILWAY CO.	3.80%
ACCIONA	3.71%

Source: Cantor Fitzgerald Ireland Ltd Research

## Green Effects Fund

### Objectives

The objective of the fund is to achieve long term capital growth and income. The fund invests in companies with a commitment to supporting the environment, socially just production and work methods. For this purpose the fund only invest in stocks which are included in the Natural Stock Index (NAI) and provides a well-diversified investment alternative.

### Performance As of 28/2/2017.

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	1.8	2.1	14.1	12.6	13.5
MSCI World €	4.5	4.5	24.0	14.8	14.6
S&P 500 €	5.5	4.8	25.1	18.2	16.9
Euro STOXX 50	2.8	0.9	12.7	1.8	5.7
Friends First Stewardship Ethical	4.2	3.9	19.7	14.0	13.4
New Ireland Ethical Managed	2.6	3.4	22.9	11.0	11.3

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

### GREEN EFFECTS FUND NAV SINCE INCEPTION



Source: Cantor Fitzgerald Ireland Ltd Research

# ETFs & TRUSTS



**Mark McPaul,**  
Portfolio  
Construction  
Analyst

Our Core ETF and Investment Trust range is a selection of active and passive collective funds which are listed on primary exchanges. This range offers a selection of the listed investment options available across multiple asset classes and markets.

## Core ETFs & Trusts

### Equity ETFs & Trusts

Ticker	Name	SEDOL	Currency	TER %	Yield %	UCITS
<b>Global Equity</b>						
<b>SDGPX</b>	<b>iShares Global STOXX 100 Select Dividend ETF</b>	B401VZ2	EUR	0.46	3.92	Yes

#### European Equity

<b>SXSEEX</b>	<b>iShares Euro STOXX 50 ETF</b>	7018910	EUR	0.16	3.26	Yes
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#### UK Equity

<b>CTY</b>	<b>City of London Investment Trust Plc</b>	0199049	GBp	0.44	3.94	No
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#### US Equity

<b>FDL</b>	<b>First Trust Morningstar Dividend Leaders ETF</b>	B11C885	USD	0.45	2.79	No
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#### Emerging Market Equity

<b>JMG</b>	<b>JPMorgan Emerging Markets Investment Trust Plc</b>	B11C885	GBP	1.16	1.06	No
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### Bond ETFs & Trusts

Ticker	Name	SEDOL	Currency	TER %	Yield %	UCITS
<b>Corporate Bond</b>						
<b>IEXF</b>	<b>iShares Euro Corporate Bond Ex-Financials ETF</b>	B4L5ZG2	EUR	0.20	1.60	Yes

#### Government Bond

<b>IEGA</b>	<b>iShares Core Euro Government Bond ETF</b>	B4WXJJ6	EUR	0.20	0.80	Yes
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#### High Yield

<b>IHYG</b>	<b>iShares Euro High Yield Corporate Bond ETF</b>	B66F475	EUR	0.50	3.99	Yes
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### Commodity ETFs & Trusts

Ticker	Name	SEDOL	Currency	TER %	Yield %	UCITS
<b>Precious Metals</b>						
<b>SGLD</b>	<b>Source Physical Gold ETF</b>	B599TV6	USD	0.29	0.00	No

#### Commodity

<b>OILB</b>	<b>ETFS 1 Month Brent ETF</b>	B0CTWC0	USD	0.49	0.00	No
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Source: Morningstar™

# Fund Performance

## Equity Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Global Equity</b>						
iShares Global STOXX 100 Select Dividend ETF	4.14	6.86	11.01	20.70	13.32	12.21
<b>European Equity</b>						
iShares EuroSTOXX 50 ETF	2.89	9.20	10.72	17.05	5.49	9.71
<b>UK Equity</b>						
City of London Investment Trust Plc	3.17	8.46	5.38	16.05	6.85	11.58
<b>US Equity</b>						
First Trust Morningstar Dividend Leaders ETF	4.32	8.53	8.46	23.84	13.56	14.62
<b>Emerging Market Equity</b>						
JPMorgan Emerging Markets Investment Trust Plc	5.47	9.55	10.05	41.15	14.86	7.32

## Bond Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Corporate Bond</b>						
iShares Euro Corporate Bond Ex-Financials ETF	1.30	1.19	-1.08	4.28	3.68	4.20
<b>Government Bond</b>						
iShares Core Euro Government Bond ETF	1.06	-0.39	-3.87	-0.89	4.34	4.97
<b>High Yield</b>						
iShares Euro High Yield Corporate Bond ETF	0.69	2.87	2.50	10.85	3.52	6.35

## Commodity Performance

Name	1 Month %	3 Month %	6 Month %	1 Year %	3 Year %	5 Year %
<b>Precious Metals</b>						
Source Physical Gold ETF	3.64	6.64	-4.11	1.51	-2.06	-6.88
<b>Commodity</b>						
ETFS 1 Month Brent ETF	0.88	5.49	11.92	34.27	-29.78	-19.03

Source: Morningstar™



# IRISH REITS UPDATE

FEBRUARY 2017



**William Heffernan,**  
Investment Analyst

## Green REIT

Current Price €1.39 | NAV FY17e €1.64

Green REIT issued full half year results on the 21st February. Again it was a robust update. However, consensus estimates for revaluation income came in below market expectations which resulted in a miss on consensus half year NAV.

Management stated that returns have and will continue to moderate as the Dublin commercial sector moves from the explosive growth of 2-3 years ago to a more mature part of the cycle. This should be a more stable dynamic than the very cyclical revaluation element driving growth.

Overall rental income was up 6.2% to €65.1mn. Further uplift is on the horizon as developments come on stream. EPS was up 37% on H1/16 to 2.6 cents per share. The balance sheet remains solid with a loan to value ratio of 21.3%. Management has stated that they consider 25% to be the optimum LTV level which allows some room for reallocation of capital to take advantage of Brexit opportunities. All

developments remain on track with healthy interest from prospective tenants.

In summary both REITs continue to be positioned to take advantage of any Brexit related moves by major financial firms. For both, the majority of assets are prime office spaces within the Dublin region, exactly what these firms would be looking for. Office rents are expected to appreciate by between 7 – 9% in 2017 before you even factor in Brexit. Both managements have been able to achieve consistently higher rents than the expected value. Both also are currently trading at 10-15% discounts to consensus estimated 2017 NAVs which we believe are reasonable.

## Hibernia REIT

Current Price €1.246 | NAV FY17e €1.43

Hibernia REIT issued a trading update on 21st of January and it was generally regarded as a solid update by the market with the only real negative being a slight increase in development costs.

Full ownership of 1 Windmill Lane has now been completed. This consists of 122,000 sq. ft. of offices, 7,000 sq. ft. of retail and 14 residential units. Development on this site is expected to complete ahead of schedule in mid-2017. Discussions are currently ongoing with parties regarding potential lettings.

Two Dockland Central and 1 Sir John Rogerson's Quay developments both remain on schedule for their respective completion dates in late 2017 and mid-2018. At 1 SRJQ worse than expected site-specific conditions along with some design improvements means total capital expenditure is anticipated to increase by €2.5m to €57.5m. This should in part be mitigated by an increase in development value by the completion date.

From an asset management perspective there was also welcome news. Hibernia agreed a non-renewable six year lease with the OPW at the Harcourt Square for an increased amount of €6.0m per annum. It was previously €4.9m and this new agreement gives Hibernia certainty regarding OPW's departure date. Hibernia has planning permission for a 276,000 sq. ft. office on the site.

# COMMERCIAL PROPERTY



**Conor McKeon,**  
Head of Corporate  
Finance

## The Park Collection, Carrickmines

Cantor Fitzgerald is coming to market in March with a commercial real estate investment opportunity to acquire a direct interest in the Park Collection. The Park Collection comprises of four office blocks located in the Dublin suburb of Carrickmines, Dublin 18 and benefits from excellent transport links to the city via the M50 motorway, LUAS and bus services.

Demand for office accommodation has pushed Dublin city centre rental rates up to €60 psf. The increased cost is pushing more businesses to locate in high quality office offerings in well-located Dublin suburbs.

### Key features of the Park Collection:

Purchase Price	€41m (inclusive of costs)
Target Annual Distribution	4% - 5%
Anticipated Term/Exit Mechanism	5 Years/Property Sale
Anticipated Investor Equity Capital Uplift on Exit	c.70%
Total Forecast IRR / Times Money Return	15% / 1.9x



To find out more please contact your broker/portfolio manager directly or call:  
 DUBLIN **01 633 3633** | CORK **021 422 2122** | LIMERICK **061 436 500**  
[www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie)

# Latest **News**

March 2017



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# MARKET ROUND-UP

FEBRUARY 2017



**David Coffey,**  
Senior Portfolio  
Manager

## A \$20 Trillion Market



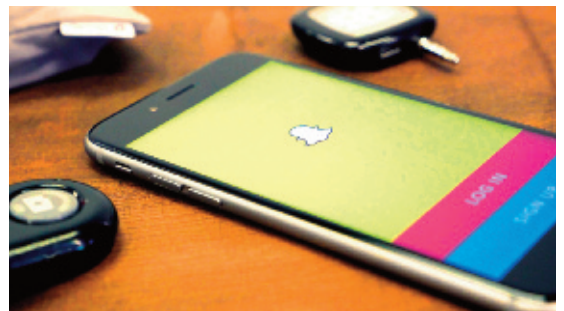
The **Dow Jones Industrial Average** traded through 20,000 for the first time ever last month. Not to be outdone, the **S&P 500**, set its own record during February as its market value topped \$20 trillion for the first time.

On hopes of “phenomenal” tax cuts and major fiscal stimulus, the US market has rallied over

10% since the US election last November and the S&P has already hit the year-end target set by Wall Street analysts. The Dow Jones enjoyed its longest run of hitting new highs since the mid 1980s as it recorded an impressive twelve consecutive days where it closed at an all-time high.

## SNAP IPO

The owners of the **Snapchat** app (find someone in their 20’s to explain it to you) IPO’d to great fanfare on 2nd March. Priced at the higher end of expectations (\$17.00), it still managed to close 44% higher on its first day of trading, valuing the company at \$28.3bn. The company is trading at a lofty 27 times estimated revenues of c. \$1bn for 2017 and is expected to report a loss of more than \$1bn. We would not be buyers at this point in time.



# Bond Markets



**Bond markets are back in focus,** driven mainly by commentary from the Fed and political uncertainties in Europe and the US. The US 10 year yield was trading at 1.8% ahead of the US election and rose as high as 2.6% in December, an important level as it represents the top of a downtrend that US yields have been in for three decades. However, the level has not yet been breached and is trading back down towards 2.3% despite indications from the Fed that it is still on course to raise rates three times this year.

Europe has seen a divergence between German and French 10 year yields as the gap between the two has moved to its widest level in four years. The upcoming French election is the main reason and has caused French yields to rise on fears of a victory for the right-wing National Front led by Ms Marine Le Pen. German yields have moved lower as money flows into the relative safety of bunds, sending the 2 year yield to another record low of almost minus 1%.

# Oil prices holding up



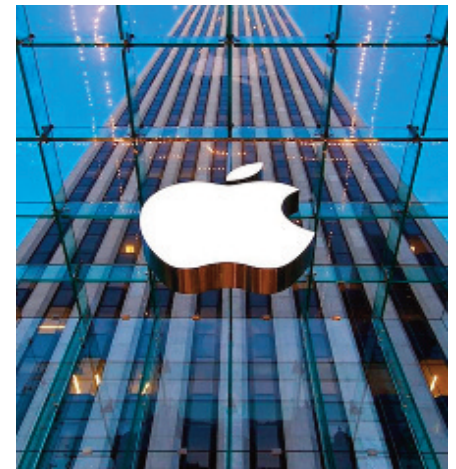
**Brent Crude** has traded in a tight range between c. \$53.50 and \$57.00 since the beginning of the year. OPEC appears to be maintaining discipline with reports of 90% compliance in relation to previously announced production cuts but there are some concerns that prices could sell off again if these production cuts are not extended beyond the first half of this year. The

US has seen its stockpile of crude oil inventories rise to a record level but traders have been ignoring this seemingly bearish data and the US benchmark (WTI Crude) has been rising in recent weeks on the release of the weekly EIA report regarding inventory levels. Meanwhile, hedge funds are reported to be holding more than a billion barrels of bets that the rally will continue.

## NEWS IN BRIEF...

**The Irish jobs markets** continued to improve, as evidenced in the CSO's Quarterly National Household Survey for Q4 2016. The number of people employed in the state rose by 65,100 (3.3%) to over 2 million. Unemployment fell by 40,000 in 2016 to 147,400 and the seasonally adjusted unemployment rate fell from 7.8% to 7.1% during the quarter.

\*\*\*



**Apple** hit an all-time high during the month as it reported Q1 earnings and a cash pile that has now swelled to \$246 billion. If the cash alone was a publically traded company, it would be the 13th largest in the world and it wouldn't be too far behind the GDP of Ireland.

\*\*\*

**Tesla** has completed the first third of its massive **gigafactory** in the Nevada desert. Built for the purpose of developing lithium-ion batteries, when completed, it will be the biggest building in the world at 5.5m square feet, or equivalent to 100 football fields.

\*\*\*

**Tax the Robots**, that was the call from Bill Gates, the world's richest person and co-founder of Microsoft. Robots and/or advanced technologies will replace millions of jobs in the years ahead but robots don't pay income tax. Mr Gates proposes taxing the technologies and using the proceeds to retrain people to do the jobs that the machines cannot do.



# GLANDORE BUSINESS CENTRES LTD



**Glenn Bradley,**  
Director  
Corporate Finance

## Successful Loan Note Repayment

Cantor Fitzgerald Corporate Finance is delighted to confirm that our valued client, Glandore Business Centres Limited has successfully repaid the €3m loan note raised from Cantor Fitzgerald investors.

- Lone note issued on 1st February 2016 with a 1-year term, paying a coupon of 10% per annum.
- Coupon paid in 6 monthly instalments per the agreed investment contract and the loan note has now successfully been repaid.

Glandore Business Centres Limited was founded by the Kelly family in 2001. It is a serviced office business and offers innovative, flexible workspace with prestigious addresses in the heart of the business and tech hubs of Dublin and Belfast. We wish them continued success and look forward to continuing our very successful partnership with the company.

We were delighted to bring this investment opportunity to clients of Cantor Fitzgerald and are pleased to have overseen another loan note that provided successful payment of coupon and return of capital to our investors.



*Fitzwilliam Hall, Glandore's flagship building in the heart of Dublin's business district.*

# ALTERNATIVE FINANCING BRIEFING

## Thursday, 9th March

Cantor Fitzgerald is hosting a briefing entitled "Alternative Financing for Irish Businesses" on Thursday, 9th March. The event is aimed at accountants and financial directors/controllers.

At Cantor Fitzgerald we have been very active in sourcing and structuring private investment capital to invest in Irish corporates through loan note structures. We will provide a guide on how to best raise capital from this investor base. Sebastien Maurin, Managing Director of Debt Capital Markets at Cantor Fitzgerald London, will also provide an insight into how Cantor can assist Irish businesses in accessing capital from this vibrant market.

If you are in this field and would like to hear more about our approach to debt capital and our wide range of capital providers, please speak with your Cantor Fitzgerald broker or account executive.

[www.cantorfitzgerald.ie/corporate-finance](http://www.cantorfitzgerald.ie/corporate-finance)

# Performance **DATA**

March 2017



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# INVESTMENT RETURNS

## Equities

Index	31/01/17	28/02/17	% Change	% ytd Change	52 Week High	Date
ISEQ	6517.24	6546.57	0.5%	0.5%	6,721	01/03/2017
DAX	11481.06	11834.41	3.1%	3.1%	12,083	30/12/16
Eurostoxx50	3290.52	3319.61	0.9%	0.9%	3,393	30/12/16
Stoxx600 (Europe)	361.42	370.24	2.4%	2.4%	376	02/03/2017
Nasdaq (100)	4863.62	5330.305	9.6%	9.6%	5,398	01/03/2017
Dow Jones	19762.6	20812.24	5.3%	5.3%	21,169	01/03/2017
S&P500	2238.83	2363.64	5.6%	5.6%	2,401	01/03/2017
Nikkei	19114.37	19118.99	0.0%	0.0%	19,668	02/03/2017
Hang Seng	23360	23740.73	1.6%	7.9%	24,364	09/09/2016
China (Shanghai Composite)	3159.16	3241.733	2.6%	4.4%	3,301	29/11/2016
India	27876	28743.32	3.1%	3.1%	29,146	02/03/2017
MSCI World Index	1751.22	1838.7	5.0%	5.0%	1,859	01/03/2017
MSCI BRIC Index	241.87	265.12	9.6%	9.6%	273	23/02/2017

## Currencies

Currency Pair	31/01/17	28/02/17	% Change	% ytd Change	52 Week High	Date
EuroUSD	1.0517	1.0576	0.6%	0.6%	1.1616	03/05/2016
EuroGBP	0.85352	0.85427	0.1%	0.1%	0.9415	07/10/2016
GBP/USD	1.234	1.238	0.3%	0.3%	1.5018	24/06/2016
Euro/AUD	1.45969	1.38129	-5.4%	-5.4%	1.5646	24/05/2016
Euro/CAD	1.41338	1.40673	-0.5%	-0.5%	1.5282	09/11/2016
Euro/JPY	122.97	119.27	-3.0%	-3.0%	128.2200	31/03/2016
Euro/CHF	1.07209	1.06383	-0.8%	-0.8%	1.1129	20/05/2016
Euro/HKD	8.1586	8.2098	0.6%	0.6%	9.0126	03/05/2016
Euro/CNY	7.3381	7.2946	-0.6%	-0.6%	7.6351	09/11/2016
Euro/INR (India)	71.677	70.688	-1.4%	-1.4%	77.0130	03/05/2016
Euro/IDR (Indonesia)	14161.32	14119.6	-0.3%	-0.3%	15,362.1200	24/05/2016
AUD/USD	0.7208	0.7657	6.2%	6.2%	0.7835	21/04/2016
USD/JPY	116.96	112.77	-3.6%	-3.6%	118.6600	15/12/2016
US Dollar Index	102.21	101.12	-1.1%	-1.1%	103.8200	03/01/2017

## Commodities

Commodity	31/01/17	28/02/17	% Change	% ytd Change	52 Week High	Date
Oil (Crude)	55.43	54.01	-2.6%	-2.6%	56.92	03/01/2017
Oil (Brent)	56.82	55.59	-2.2%	-2.2%	58.37	30/12/16
Gold	1152.27	1248.33	8.3%	8.3%	1,375.45	06/07/2016
Silver	15.918	18.316	15.1%	15.1%	21.14	04/07/2016
Copper	251.2	271.4	8.0%	8.0%	283.60	13/02/2017
CRB Commodity Index	423.08	432.61	2.3%	2.3%	542.10	15/02/2017
DJUBS Grains Index	37.152	38.5941	3.9%	3.9%	47.95	10/06/2016
Gas	3.724	2.774	-25.5%	-25.5%	3.99	28/12/2016
Wheat	420.5	443.75	5.5%	5.5%	580.00	08/06/2016
Corn	357.5	373.75	4.5%	4.5%	455.00	15/06/2016

## Bonds

Issuer	31/01/17	28/02/17	Yield Change	% ytd Change	52 Week High	Date
Irish 5yr	-0.02	0.181	0.20	-254.7%	0.50	30/01/2017
Irish 10yr	0.682	0.889	0.21	61.1%	1.25	30/01/2017
German 2yr	-0.727	-0.899	-0.17	17.4%	-0.45	10/03/2016
German 5yr	-0.429	-0.57	-0.14	7.1%	-0.22	10/03/2016
German 10yr	0.275	0.208	-0.07	0.0%	0.50	26/01/2017
UK 2yr	0.128	0.1	-0.03	19.0%	0.58	14/03/2016
UK 5yr	0.611	0.554	-0.06	13.5%	1.04	26/04/2016
UK 10yr	1.418	1.151	-0.27	-7.1%	1.67	26/04/2016
US 2yr	1.113	1.2601	0.15	6.0%	1.34	02/03/2017
US 5yr	1.842	1.9294	0.09	0.1%	2.12	15/12/2016
US 10yr	2.3809	2.3899	0.01	-2.2%	2.64	15/12/2016

Source: Bloomberg and Cantor Fitzgerald Ireland Ltd Research.

# LONG TERM INVESTMENT RETURNS

## Asset Class Performances (returns in Local Currency)\*

### Equities

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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%	5.3%	5.0%
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%	8.6%	8.6%
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%	-12.3%	4.4%
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%	0.4%	0.0%
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%	1.8%	8.0%
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%	9.5%	5.6%
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%	0.7%	0.9%
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%	6.9%	3.1%
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%	-4.0%	0.5%

Source: Bloomberg.

### Bonds 10yr

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Ireland	9.6%	5.4%	-0.2%	1.2%	7.9%	3.9%	-19.6%	12.0%	34.6%	12.4%	23.7%	2.5%	4.7%	-0.7%
UK	6.6%	7.7%	-0.5%	6.7%	15.0%	-0.6%	9.4%	15.9%	4.6%	-5.0%	12.1%	0.5%	7.8%	1.4%
Spain	9.3%	6.0%	-1.1%	1.6%	9.8%	4.5%	-5.7%	9.7%	4.7%	14.2%	22.8%	1.3%	5.2%	-0.9%
Portugal	10.1%	5.9%	-1.2%	2.2%	9.7%	4.9%	-10.2%	-33.5%	75.5%	11.0%	31.9%	5.1%	-4.2%	-0.3%
USA	4.2%	2.4%	2.7%	10.3%	19.7%	-7.3%	9.4%	15.2%	4.0%	-5.9%	8.5%	1.5%	0.8%	0.7%
Germany	9.2%	5.9%	-1.0%	1.9%	14.8%	1.8%	6.8%	12.8%	6.8%	-1.7%	13.4%	0.7%	4.3%	0.7%

Source: Bloomberg EFFAS Government Bond Indices & FINRA Corporate Indices

### Commodities

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
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%	8.6%	8.9%
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%	52.4%	-2.2%
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%	45.0%	0.5%
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%	17.4%	7.9%
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%	15.8%	15.2%
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%	12.9%	2.3%

Source: Bloomberg

### Currencies

	2009	2009	2009	2009	2009	2009	2010	2011	2012	2013	2014	2015	2016	2017
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%	-3.1%	0.6%
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%	15.7%	0.1%
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%	-16.3%	0.3%
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%	3.6%	-1.1%

Source: Bloomberg

# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES

## FEBRUARY 2017

### 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
<b>DIVIDEND ARISTOCRATS BOND 1**</b>	SPXD10EE	1535.18	2185.25	42.35%	50%	145%	<b>21.17%</b>	<b>61.40%</b>
<b>DIVIDEND ARISTOCRATS BOND 2**</b>	SPXD10EE	1522.93	2235.53	46.79%	50%	140%	<b>23.40%</b>	<b>65.51%</b>
<b>DIVIDEND ARISTOCRATS GBP**</b>	SPXD10EE	1522.93	2235.53	46.79%	50%	140%	<b>23.40%</b>	<b>65.51%</b>
<b>OIL &amp; GAS KICKOUT NOTE*</b>	XOM	82.23	81.32	-1.11%	-	-	-	-
	RDSB	1717.00	2173.50	26.59%	-	-	-	-
	BP	391.70	453.55	15.79%	-	-	-	-
	FP	44.33	47.05	6.14%	-	-	<b>0.00%</b>	<b>N/a</b>
<b>OIL &amp; GAS KICKOUT NOTE 3*</b>	XOM	82.87	81.32	-1.87%	-	-	-	-
	RDSB	1711.00	2173.50	27.03%	-	-	-	-
	BP	350.10	453.55	29.55%	-	-	-	-
	FP	41.88	47.05	12.36%	-	-	<b>0.00%</b>	<b>N/a</b>
<b>REAL ESTATE KICKOUT NOTE*</b>	SPG	190.52	184.40	-3.21%	-	-	-	-
	UL	233.60	215.35	-7.81%	-	-	-	-
	DLR	74.80	108.00	44.39%	-	-	-	-
	HCN	65.25	70.38	7.86%	-	-	<b>0.00%</b>	<b>N/a</b>
<b>EUROSTOXX 50 DOUBLE GROWTH NOTE*</b>	SX5E	2986.73	3319.61	11.15%	200%	-	<b>22.29%</b>	<b>N/a</b>
<b>PROTECTED ABSOLUTE RETURN STRATEGIES*</b>	SLGLARA	12.05	11.96	-0.77%	-	-	-	-
	CARMPAT	615.33	656.85	6.75%	-	-	-	-
	ETAKTVE	128.74	131.44	2.10%	-	-	-	-
			<b>Weighted Basket</b>	2.69%	120%	-	<b>3.23%</b>	<b>N/a</b>
<b>GLOBAL REAL RETURN NOTE*</b>	BNGRRAE	1.27	1.26	-1.19%	150%	-	<b>-10.00%</b>	<b>N/a</b>
<b>EURO BLUE CHIP KICKOUT BOND*</b>	ALV	128.00	164.20	28.28%	-	-	-	-
	SIE	94.49	122.80	29.96%	-	-	-	-
	RYA	11.57	14.30	23.60%	-	-	-	-
	DAI	58.39	68.64	17.55%	-	-	<b>12.00%</b>	<b>20.00%</b>
<b>EURO BLUE CHIP KICKOUT BOND II*</b>	UNA	38.27	44.62	16.59%	-	-	-	-
	BAYN	97.57	103.80	6.39%	-	-	-	-
	BAS	87.72	87.90	0.21%	-	-	-	-
	MC	179.20	189.45	5.72%	-	-	<b>10.00%</b>	<b>N/a</b>
<b>PROTECTED STAR PERFORMERS BOND*</b>	BNPIAFST	130.53	132.56	1.56%	180%	-	<b>2.80%</b>	<b>N/a</b>
<b>PROTECTED STAR PERFORMERS BOND II*BNPIAFST</b>	BNPIAFST	130.91	132.56	1.26%	170%	-	<b>2.14%</b>	<b>N/a</b>
<b>80% PROTECTED KICK OUT 1*</b>	AAPL	86.37	136.99	58.61%	<b>Kick Out Level:</b>	45% In Year 3	-	-
	PRU	1395.00	1607.50	15.23%		60% In Year 4	-	-
	BMW	88.18	84.37	-4.32%			-	-
	VOD	217.15	201.90	-7.02%			-	-
						<b>Indicative Performance:</b>	<b>-7.02%</b>	<b>N/a</b>
<b>80% PROTECTED KICK OUT 2*</b>	AAPL	94.72	136.99	44.63%	<b>Kick Out Level:</b>	45% In Year 3	-	-
	GSK	1532.80	1648.00	7.52%		60% In Year 4	-	-
	BMW	93.97	84.37	-10.22%			-	-
	VOD	195.65	201.90	3.19%			-	-
						<b>Indicative Performance:</b>	<b>-10.22%</b>	<b>N/a</b>
<b>80% PROTECTED KICK OUT 3*</b>	RDSA	2346.50	2079.50	-11.38%	<b>Kick Out Level:</b>	45% In Year 3	-	-
	GSK	1412.05	1648.00	16.71%		60% In Year 4	-	-
	BMW	85.64	84.37	-1.48%			-	-
	ALV	128.20	164.20	28.08%			-	-
						<b>Indicative Performance:</b>	<b>-11.38%</b>	<b>N/a</b>
<b>80% PROTECTED KICK OUT 4*</b>	RDSA	2132.50	2079.50	-2.49%	<b>Kick Out Level:</b>	45% In Year 3	-	-
	GSK	1663.80	1648.00	-0.95%		60% In Year 4	-	-
	RYA	8.27	14.30	72.85%			-	-
	ALV	138.45	164.20	18.60%			-	-
						<b>Indicative Performance:</b>	<b>-2.49%</b>	<b>N/a</b>
<b>CAPITAL SECURE MIN RETURN 1*</b>	SX5E	2579.76	3319.61	28.68%	-	-	<b>10.00%</b>	<b>11.50%</b>
<b>CAPITAL SECURE MIN RETURN 2*</b>	SX5E	2589.25	3319.61	28.21%	-	-	<b>9.10%</b>	<b>17.60%</b>
<b>CAPITAL SECURE MIN RETURN 5*</b>	SX5E	2799.2	3319.61	18.59%	-	-	<b>9.00%</b>	<b>N/a</b>



## Strike and Maturity Dates for Cantor Fitzgerald Bonds:

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

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 28th February 2017. 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 may include the impact of averaging over the final averaging period 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.

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### Company Description

**Amazon:** Amazon.com, Inc. is an online retailer that offers a wide range of products.

**Kerry:** Kerry Group PLC is a major international food corporation. The Group develops, manufactures, and delivers innovative taste solutions and nutritional and functional ingredients.

**Green REIT plc** operates as a property investment company. The Company invests in a portfolio of long-lease and freehold, primarily commercial and mainly Dublin-based properties.

**Hibernia REIT plc** operates as a real estate investment trust. The Company invests in commercial properties including offices, industrial properties, retail stores, warehousing and distribution centers, and other related property assets.

### Historical Record of Recommendation

**Amazon:** We have an Outperform recommendation for Amazon since 26/07/13, and no changes have been made since then.

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**Kerry:** We added Kerry to our Core Portfolio on the 16/11/2016.

**Green REIT:** We have an Outperform rating for Green REIT since 09/02/15 and no changes to the recommendation have been made in the last 12 months.

**Hibernia REIT:** We have an Outperform rating for Hibernia REIT since 22/08/14 and no changes to the recommendation have been made in the last 12 month.



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