



August 2017

Investment JOURNAL

Featured this Month:

Market Outlook: Where to into year-end?

Core Equity Portfolio: Highest Conviction Stock Picks for 2017

Stock Watch: Update on CRH, Smurfit Kappa and Irish Banks Update

Core Funds Range: Investment Funds, ETFs, Trusts

Trading Calls: Siemens, Green REIT, Inditex and Greencore

Green Effects Fund: Socially Responsible Investing

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WELCOME...



William Heffernan,
Investment Analyst

This month's focus was firmly on earnings season in Europe and the US. With policy disappointment in the US and central banks turning more hawkish in June, markets were looking to earnings season in order to deliver the next catalyst to push markets onto new highs. Earnings season has yet to finish but so far it has delivered on estimates.

Earnings Season Review

In the US 70% of S&P 500 companies have reported with earnings coming in 2% above consensus expectations, implying +8% YoY earnings growth. Expectations also climbed across all sectors except Energy. Sales are coming in 0.2% better than expected with Q2 sales growth tracking at +5% YoY. 67% of companies have beaten on EPS, 68% have beaten on sales and 51% have beaten on both. However, this year companies who beat have performed in line with the market in the following days, Tech has actually sold off despite widespread EPS beats. In Europe 44% of companies have reported so far, with 52% beating EPS expectations. This is not as strong as seen in Q1 but still solid from a longer historical perspective. Unlike the US, EPS beats have been rewarded with outperformance while misses have resulted in underperformance. Stoxx600 2017 EPS growth expectations has come in from +14% to +12%.

White House Instability

This month Mr Trump fired his Communications Director Sean Spicer and replaced him with Anthony Scaramucci. He then fired his Chief of Staff Reince Priebus and replaced him with John Kelly, his Homeland Security Director and a former four star Marine Corps general. Mr Kelly then promptly fired Mr Scaramucci who was only in the job ten days. Separately leaks from the ongoing numerous investigations into the links between Russia and the Trump campaign continue to dominate headlines. At Cantor we think that markets may be under-pricing the fall-out from political volatility in both the short and medium term. Focus will now shift to US tax reform with the White House wishing to gain some form of legislative win before the end of the year. A number of Republican fiscal hawks,

including Senate leader Mitch McConnell, have insisted that any tax reform package be deficit neutral, which is more difficult now than are little or no savings from the proposed healthcare reform and the border adjustment tax is now dead.

Jackson Hole

The major focus this month for markets will be on the annual Economic Policy Symposium in Jackson Hole on the 24th -26th August. ECB President Mario Draghi will attend, the first time he has attended in 3 years. When Draghi last spoke there in 2014 he added a line to his prepared remarks saying inflation expectations had fallen "at all horizons". He did this without consulting the Governing Council. This preceded the start of large scale QE four months later. When it was announced that he would attend this year markets quickly began to speculate if this meant he may use this event to announce some form of initial tapering. In almost uniform fashion most central bankers turned hawkish towards the end of June resulting in spiking yields and equity sell-offs. Since then the Fed has turned more dovish as has the BOE. The ECB has not yet gone down that path. But as the euro spiked European exporters have begun to feel the pinch and EPS expectations have softened. A stronger euro will also make it more difficult for the ECB to reach its inflation target due to cheap energy and imports. We expect Mr Draghi to push back any announcement of tapering to until after the German election in September.

William Heffernan,
August 2017

Asset Allocation

August 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. Having evaluated the outlook for markets for the remainder of the year (see outlook comment on pages 11-12) we maintain an overweight equity exposure, and make no change to our preference for European over US equities. Notwithstanding the recent period of euro strength, we continue to favour the stronger growth dynamics of the euro-zone along with the favourable valuations, along with the more stable political environment that has emerged in the region this year. Equally, further delays in the delivery of the pro-growth policies promised by President Trump leave the US economy vulnerable to slowdown while US equity market valuations look even more stretched after their recent move higher. The UK market will continue to be influenced by Brexit and political uncertainties which underscores our preference for European equities into year-end. We maintain our under-weight sovereign bond position and retain an overweight exposure to corporate bonds. Our cash allocation remains modest given the absence of returns from this asset class.

Our Views

Equities

Our call for European equity outperformance for the year has been correct year-to-date. While the recent move higher in the euro has stalled the strong performance of the regions equity markets, from a euro investor's perspective they are still outperforming the S&P and Dow as well as UK equities by circa 7% this year. The one exception to this has been against the NASDAQ which has benefitted from exceptional gains from our Core Portfolio holdings of Amazon, Alphabet, Facebook and PayPal Holdings.

Despite this pause in their strong performance as a result of recent euro strength, we continue to favour European equities over their US and UK counterparts highlighting the broad based nature of the euro-zone economic recovery which is supportive of intra-eurozone trade, the reduction in political risk, along with strong earnings growth which is supportive of market valuations relative to the US.

Bonds

Following the sharp move higher in global core bond yields in June, more recent dovish comments from central banks (the Fed in particular) along with softer inflation data in a number of economies, bond yields have moved lower as expectations for aggressive monetary tightening recede. We see US bond yields finishing the year at circa 2.4% from 2.27% currently based on our view that recent weak inflation data leave the Fed focusing on balance sheet reduction rather than a further rate increase. In Europe we see German 10 Year yields finishing the year at 0.70% from 0.49% currently as the recent surge in the value of the euro will force the ECB to delay its much anticipated tapering of asset purchases until later in the year.

Currencies

We recently revised our target for the euro/dollar cross to 1.18 to 1.20 from our previous 1.09 to 1.15 range. We see the move higher in the euro as almost complete and expect the rate to hold around these levels into year-end as the ECB seeks to 'talk-down' the currency and as the Fed implements quasi-monetary tightening through balance sheet reduction.

Against sterling, we stick with our target of 0.90 with a risk of a move to the 0.94 level by year-end as Brexit uncertainties restrict the Bank of England's ability to tackle above target inflation and as domestic political uncertainty increases.

CORE PORTFOLIO 2017



David Beaton,
Chief Investment
Officer

The outperformance of the Cantor Equity Core Portfolio continued through July, posting returns of 5.2% year to date versus a benchmark return of 3.3%. 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.

From an absolute perspective this performance was down on the 6% figure at the end of June. This was the consequence of continued pressure on our European equity holdings which were impacted by a strong move higher in the euro which acted as a headwind for European exporters. European equities account for 54% of our portfolio versus 26% UK and 20% US. Despite this move higher in the euro we maintain our expectation that European equities will re-establish the trend of outperformance in H2/17 and are comfortable with our current portfolio makeup. The overweight exposure was predicated on our favourable outlook for the euro-zone economy and the reduction in the level of political risk following elections in the Netherlands and France.

The year-to-date recovery in European economic data continued during July which was reflected in the recently released strong second-quarter GDP reading backing up an impressive first-quarter reading. On an annualised basis the euro-zone is now growing faster than the UK and at the same pace as the US. After a strong second-quarter European earnings season, the recent period of weakness leaves European equity valuations looking even more attractive relative to other markets.

While we continue to favour European equities, we continue to monitor all components of the Core Portfolio with a view to maximising returns. In this regard we have placed German industrial group Siemens under review following somewhat disappointing results, however we have been encouraged by the recent strong performances in Verizon and Royal Dutch Shell which had lagged in recent months.

The inclusion of Siemens maintains the European weighting in the Core Portfolio and provides exposure to a company trading at an attractive PE multiple of 15.4x compared to the sector average of 18x and offering a dividend yield of 2.9%.

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 1st August 2017

Stocks	Price 31/7/17	Total Return Euro (%) Year to date	Fwd P/E FY1 (x)	Div Yield FY1
Glanbia	17.5	9.9%	18.7x	0.8%
Greencore	223.8	-9.4%	14.3x	2.4%
Ryanair	17.765	25.4%	14.4x	0.4%
Inditex	33.59	4.1%	28.8x	2.3%
Lloyds	65.58	16.8%	8.9x	5.6%
Bank of Ireland	7.05	-2.9%	10.9x	2.3%
Allianz	180	16.7%	11.6x	4.3%
iShares European Bank ETF	13.19	16.8%	11.8x	4.4%
Facebook	169.25	31.7%	29.0x	0.0%
PayPal	58.55	24.2%	31.9x	0.0%
Alphabet	945.5	16.9%	23.4x	0.0%
Amazon	987.78	24.5%	92.9x	0.0%
Smurfit Kappa	25.12	13.1%	11.9x	3.4%
Siemens	114.75	-3.6%	14.2x	3.4%
CRH	29.695	-10.2%	16.4x	2.3%
Kingspan	28.12	8.4%	17.8x	1.3%
Royal Dutch Shell	2152	-10.7%	16.8x	6.3%
DCC	6665	20.8%	22.3x	1.7%
GlaxoSmithKline	1514.5	9.7%	13.7x	5.2%
Verizon	48.4	-10.6%	12.8x	4.8%

Current Price as at 31/07/2017. Source: Bloomberg. *SIP = Since Inclusion in Portfolio

Cantor Core Portfolio Return	4.00%
Benchmark Return	2.00%
Relative outperformance	2.00%

Cantor Core Portfolio in brief

Below we give a brief overview of the investment case for our Core Portfolio names.

Siemens

Siemens are currently engaged in a restructuring program entitled "Vision 2020" which we believe will revolutionize their business model. They have already begun to spin off some of their lower margin businesses. This streamlined model will be more effective in terms of cost control and margin generation in the future. Management has guided optimistically for the remainder of 2017.

Facebook

With over 1.2 billion users per day Facebook is at the cutting edge of the continued shift of advertising budgets to mobile and online platforms, where advertisers can obtain superior impact from each dollar spent. In addition, the company has a suite of other businesses which have yet to be monetised fully, thereby offering ample growth for the next 10 years and beyond.

Amazon

We added Amazon to our equity core portfolio on February 21st with a 5% weighting. The company holds a dominant position within the rapidly growing online retailing space, while also expanding its Cloud Computing business and Media entertainment unit. We see substantial further upside for the stock and view its valuation of 20.6x FY17e EV/EBITDA as attractive.

GlaxoSmithKline

GlaxoSmithKline remains one of the more attractive stories within the Pharma space in our view. In the wake of its asset swap deal with Novartis, the company is better diversified, exposed to attractive growth areas, in particular vaccines and HIV treatments.

PayPal

PayPal is the leading name in the mobile payments space – an area which we expect will continue to gain prominence in coming years. The company has established a position throughout the variety of areas where consumers need to exchange money, like point-of-sale, online check-outs, and consumer to consumer.

Alphabet

Alphabet, the parent company of internet giant Google is the number one online advertising company in the world. Google generates 98% of revenue from advertising on both its Search website and YouTube. Tight cost controls and innovative development of new technologies should help maintain Alphabet at the top of the internet-based industry for many years to come.

Allianz

One of Europe's leading insurers, Allianz is benefitting from the recent rise in global bond yields which boost its investment returns and help balance the company's liabilities. Allianz recently announced a €3 billion share buyback programme and the dividend yield of 4.9% remains well covered and attractive.

Royal Dutch Shell

Shell's management are in the process of a multi-year pivot of operations toward natural gas and away from crude. The company is on target to complete \$30 billion worth of disposals by 2018, aiding this transition and dramatically improving Free Cash Flow. This should support the maintenance of the attractive dividend, which offers an expected yield of 6.9%, despite the continued depressed oil price.

Verizon

Verizon is completing the acquisition of Yahoo's core search business, providing it with a platform of over 1 billion users to direct advertising to. The deal should dovetail well with prior purchases and establish Verizon in the c.\$600 billion per annum market of online advertising, thereby providing scope for earnings growth and continued dividend payment, which offers an expected yield of 4.8%

Inditex

Inditex's short lead time model gives it numerous competitive advantages over its peers which have become increasingly important as consumers move their purchasing online. Inditex has managed this shift very well and have continued to increase margins and sales when their peers are struggling. We would expect Inditex to maintain this trend going forward.

Stoxx 600 Banks ETF

European financials have already rallied this year as data has improved but we believe there the sector can move on further after years of underperformance. With the decline in political risk stemming from the French and Dutch elections, European yields should move higher due to the better economic data and higher inflation. Banks should profit in such circumstances.

CRH

CRH is one of the world's leading cement companies and is primed to benefit from any increase in infrastructure spending on the behalf of the Trump Administration. Its greater revenue exposure to the US than peers should allow it outperform in the near term supported by the strong US housing market and potential Trump policy.

DCC

DCC is one of Europe's leading fuel suppliers with a historical capacity for accretive M&A growth. The excellent management have proved multiple times in the past they are capable of adding value through M&A with superior execution and integration skills. This has led to consistent earnings upgrades over the past few years and we would expect this trend to continue.

Glanbia

Post the spinoff of Glanbia's Dairy Ireland business, its two remaining wholly owned businesses, Glanbia Performance Nutrition (GPN) and Glanbia Nutritionals (GN) are both high margin and operate within high growth segments of the food sector. Glanbia has a strong balance sheet and has significant firepower to grow earnings through accretive bolt-on acquisitions.

Greencore

Greencore's stock has recently come under pressure from rising UK inflation readings which raises concerns of operating margin pressures. However, Greencore has successfully navigated a rising inflationary environment before, and has cost pass through contracts in place with the majority of its retailer grocery customer base. Valuations of 15x FY17e earnings look attractive.

Kingspan

Kingspan is set to benefit from the on-going structural shift towards more energy efficient construction in commercial and residential real estate. It remains a high conviction multi-year growth story in our opinion which currently trades at 19x FY17e earnings. It is a highly cash generative, with a strong balance sheet and a very experienced management.

Smurfit

Despite the recent positive re-rating in Smurfit in 2017, it still trades at an unjustifiable discount relative to its closest peers, Mondi and DS Smith in our opinion. It announced price increases in 2017, due to rising raw material costs and strong demand which should protect operating margins. It trades at 12x FY17e earnings and offers a dividend yield of 3.3%.

Ryanair

Ryanair remains the lowest cost operator within the European Low Cost Carrier (LCC) sector, which gives it a competitive advantage on fares, and should enable it to capture market share from less efficient operators in Europe. It currently trades at just 12.2x FY18e earnings, which we view as attractive given the airline's ambitious growth plans under the best-in-class management team.

Bank of Ireland

A rising yield environment helped by reducing political risks in Europe is a supportive backdrop for European financials. Bank of Ireland should re-instate a dividend in 2018 relating to 2017's financial year as asset quality continues to improve, as its capital base strengthens, and as mortgage lending growth picks up. It currently trades at just 0.83x FY17e Price/Book.

Lloyds

Lloyds' FY16 results came in ahead of market expectations across nearly all financial metrics and management were positive on the outlook for 2017. Lloyds is now a more simplified, low risk, UK focused bank and the asset quality of the bank remains very strong despite of Brexit risks. It has a strong capital base, offers investors a 5.4% dividend yield and trades at 1.07x FY17e Price/Book.

CHART OF THE MONTH



William Heffernan,
Investment Analyst

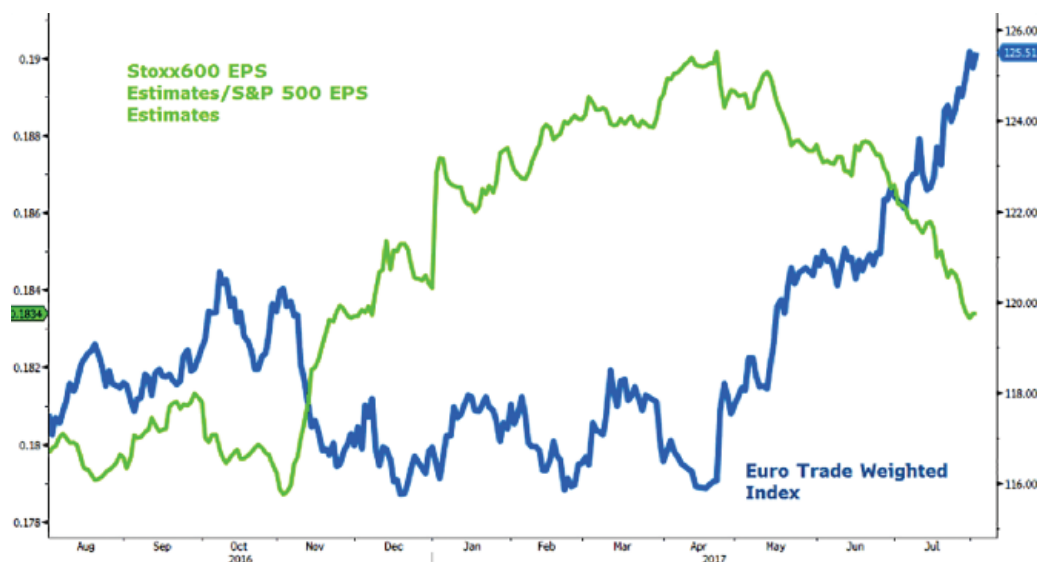
EUR Trade Weighted Index

Euro Strength Weighs on European Stocks

The major market event this month began in the last week of June which was the beginning of a sustained rally in the euro versus all major currencies, which ultimately cause European equity markets to sell off. In the below chart the blue line is the euro trade weighted index. This is simply the euro vs a weighted basket of currencies including the US dollar, yen, Swiss franc and sterling. The green line reflects EPS expectations for the Stoxx 600 divided by S&P 500 EPS expectations. If the line is moving up it means European EPS expectations are outperforming their US counterparts. As is evident on the chart, this trend rolled over as euro strength picked up against other major currencies.

This recent bout of strength was kicked off by Mario Draghi's hawkish remarks at the ECB forum in Sintra at the end of June. Mr Draghi has since turned down opportunities to talk down the euro, implying it is of little concern to the Governing Council. The euro has also been buoyed by continuing strong economic data and reduced political risk. Likewise the dollar and sterling side have not been helped by continuing political volatility and uncertainty regarding the White House agenda & Brexit negotiations. We believe that the euro should continue to rally into the end of year based on better economic fundamentals. However long euro positioning is now severely overstretched and a rally past \$1.20 - \$1.21 is likely to dent the ECB's inflation targeting program. We believe this has increased the possibility of Mr Draghi engaging in some form of verbal intervention to talk down the currency in the autumn. In the short term the stretched nature of the position should contain the euro's rally for now.

EUR TRADE WEIGHTED INDEX



Source: Bloomberg

MARKET OUTLOOK: WHERE TO INTO YEAR-END?



David Beaton,
Chief Investment
Officer

At the start of the year we commented that 2017 would be a story of two halves suggesting that the outcome of significant events such as the first 100 days of the Trump presidency, political risks in Europe and the commencement of Brexit negotiations would determine the outlook for markets in the second-half of the year.

MACRO OVERVIEW - The Impact On Currencies and Bonds Yield:

Our view at the start of the year was that we were sceptical about the ability of President Trump to deliver on his election promises on the grounds that they were heavy on bombast, but light (i.e. zero) on detail and lacked the full backing of the Republican Party. Three failed attempts at repealing Obamacare, a one-page document on tax reform plans, not to mention an investigation into his links to Russia and consistent turmoil emanating from the White House, have confirmed our start of year view. It is possible that the recent failures make the passing of tax reform legislation in 2018 even more important for a flailing Republican Party. However, we maintain that the risks related to this administration remain firmly to the downside.

While the Trump presidency has morphed into something of a soap opera, that is where the entertainment value ends. The culmination of all the above factors, but in particular the inability to deliver on his pre-election promises, has had ramifications for Federal Reserve policy, the US dollar, and the overall outlook for US growth.

Regarding the Fed, its own forecast at the start of the year for four interest rate hikes looks unlikely at this stage. Following two rate increases in the first half of the year, a softer than expected inflation reading for June, coupled with softer than expected GDP readings for the first and second quarters has changed the outlook for US interest rates. This was confirmed by recent testimony from Fed Chair Yellen in which she stated that the weak inflation data was due to a number of factors that needed to be watched carefully. This was a significant change from the Fed's previous view that the weakness was 'transitory'.

As a result, we do not see the Fed increasing interest rates again this year, but we do expect

it to commence the process of reducing its \$4.5 trillion balance sheet in the fourth quarter, but on a very gradual basis. While this is effectively a form of monetary tightening, the modest pace of reduction should have minimal impact on financial markets. We therefore see the yield on the US 10 Year Treasury Bond finishing the year at 2.40% from the current level of 2.30%, as the more dovish stance by the Fed caps the upside potential for US yields.

As for the US dollar, this has seen the most reaction to the ongoing political dysfunction and policy inaction from the White House. As the absence of policy measures has reduced the potential for further interest rate increases, the US dollar has suffered its most prolonged period of weakness against all major currencies in over 30 years.

This is particularly evident in the move against the euro which has been exacerbated by expectations of ECB tapering of its current asset purchase programme following comments from Mario Draghi in June. While subsequently noting the recent move higher by the euro, Mr. Draghi failed to 'talk-down' the move at the last ECB Council meeting press conference, further boosting the performance of the single currency.

The implications of a stronger euro can be seen by the weakness in Eurozone export companies in the last month, but critically it also has a deflationary impact on the Eurozone economy at a time when inflation is still some way off the ECB's 2% target rate.

While expectations are that Mr. Draghi will announce a plan for asset purchase tapering at the upcoming Jackson Hole Symposium at the end of the month, we are of the view that recent euro strength and the continuing level of sub-target inflation will see the central bank push back any announcement until after the German Election at the end of September. We

MARKET OUTLOOK CONTINUED

expect the rate of tapering will be very gradual, with monetary policy accommodation continuing into at least the middle of 2018.

We therefore see the move higher by the euro against the dollar being capped in the region of 1.20 into year-end and for German 10 Year Bunds yields to finish the year marginally higher at 0.70% from 0.53% currently.

Against sterling, we stick with our target of 0.90 with a risk of a move to the 0.94 level by year-end as Brexit uncertainties restrict the Bank of England's ability to tackle above target inflation and as domestic political uncertainty increases.

Equity Outlook:

Our call for European equity outperformance for the year has been correct year-to-date. While the recent move higher in the euro has stalled the strong performance of the regions equity markets, from a euro investor's perspective they are still outperforming the S&P and Dow, as well as UK equities, by circa 7% this year. The one exception to this has been against the NASDAQ which has benefitted from exceptional gains from our Core Portfolio holdings of Amazon, Alphabet, Facebook and PayPal Holdings.

Despite this pause in their strong performance as a result of recent euro strength, we continue to favour European equities over their US and UK counterparts. As outlined above we see the bulk of the strength of the euro as almost complete and ECB monetary accommodation remaining in place into 2018. We would also highlight the broad based nature of the Eurozone economic recovery which is supportive of intra-Eurozone trade, the reduction in political risk, along with strong earnings growth which is supportive of market valuations relative to the US.

We continue to favour Eurozone financials on improving loan growth, a reduction in non-performing loans as well as the anticipated increase in bond yields into year-end in anticipation of tapering by the ECB. We also continue to favour growth focused sectors of industrials, construction and materials, while

we see upside potential in the travel & leisure and consumer discretionary sectors given the improving dynamics of the Eurozone economy.

Notwithstanding the fact that we anticipate a less aggressive Fed as we move into year-end and a solid, if unspectacular second-quarter earnings season, we remain cautious on US equities given their valuation relative to European equities and also to the US 10 Year Treasury yield. Despite its strong performance year-to-date we continue to favour the technology sector while the recent approval by the Fed for increased buybacks and dividends by US banks will be supportive for the sector.

We are also cautious on domestic-focused UK equities given the increased uncertainty surrounding Brexit preferring instead sectors and stocks with an international exposure given our cautious outlook for sterling.

Commodities:

Oil: We maintain our start-of-year view for oil to trade in a range of between \$45 and \$50 despite its recent 10% move higher to the upper end of this range. We remain sceptical over OPEC's ability to enforce 'agreed' production cuts, while any move higher in oil has traditionally seen a sharp increase in output by US shale producers which will restrict any further up-side price move.

Gold: We maintain our neutral stance on gold given the subdued level of inflation across all major economic regions. While the recent US dollar weakness has lifted the precious metal from its year low, we see limited upside from current levels into the year-end.

Investment Opportunities

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STOCKWATCH



William Heffernan,
Investment Analyst

CRH

Current Price: €29.69

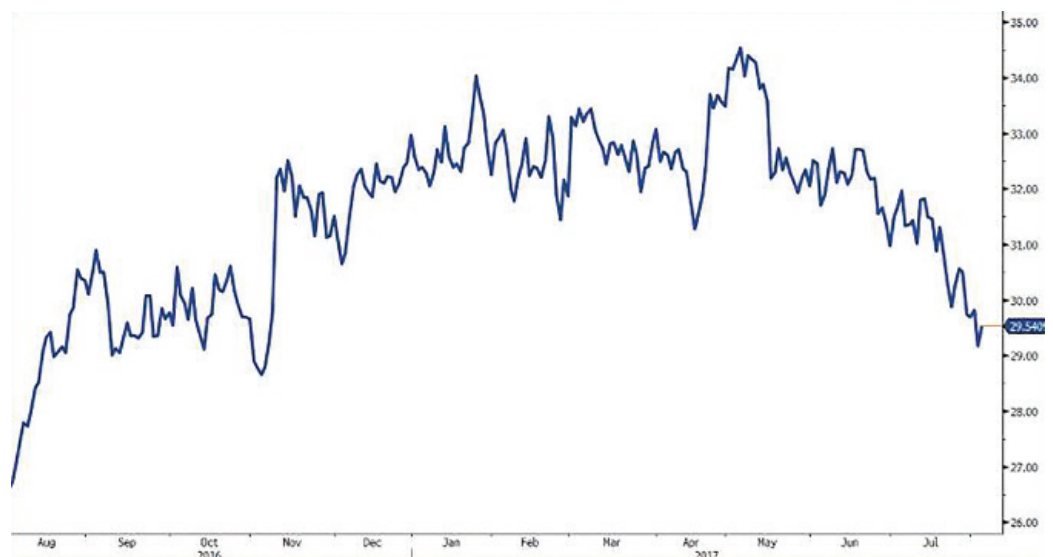
CRH has been weak lately and the share price has retracted approx. 13% since mid-May. Despite a positive sector backdrop, improving volumes and expectations for a better second half of the year, CRH has continued to trade down and is now pricing at €29.69. There are a number of factors driving this sell off which we have listed below. We have also laid out why we believe the investment case is still valid.

Firstly, bad weather and flooding impacted volumes in North America, particularly in the southern, north-eastern and mid-western states. This offset the continuing recovery in volumes that we have been seeing in Europe. CRH, which derives 60% of its EBITDA from North America, has suffered as a result. It has also not been helped by a stronger euro which will result in international earnings having less impact on the bottom line. Lack discernible M&A activity has also not helped. Finally recent price action has seen the share price go through some decent support levels which would have been negative from a technical perspective.

We believe CRH remains poised for a strong performance in the second half of the year.

European volumes have remained resilient and should continue to pick up as European economic growth gathers pace. The US, which has been weak, is expected to pick up in the second half the year. Housing data has improved (building permits +7.4% this month vs estimates of +3%) and US construction employment has also increased. The Portland Cement Association, a major industry body, has forecast 3.5% annual growth in volumes for 2017 and 2018. This is without any Trump infrastructure program. Finally net debt/EBITDA is expected to drop to 1.3x by 2017 and there is approx. €2.5bn in cash on the balance sheet. In our view this leaves plenty of scope for M&A activity in the second half of the year.

CRH SHARE PRICE



Source: Bloomberg



Stephen Hall,
CFA, Investment
Analyst

Smurfit Kappa

Current Price: €25.12

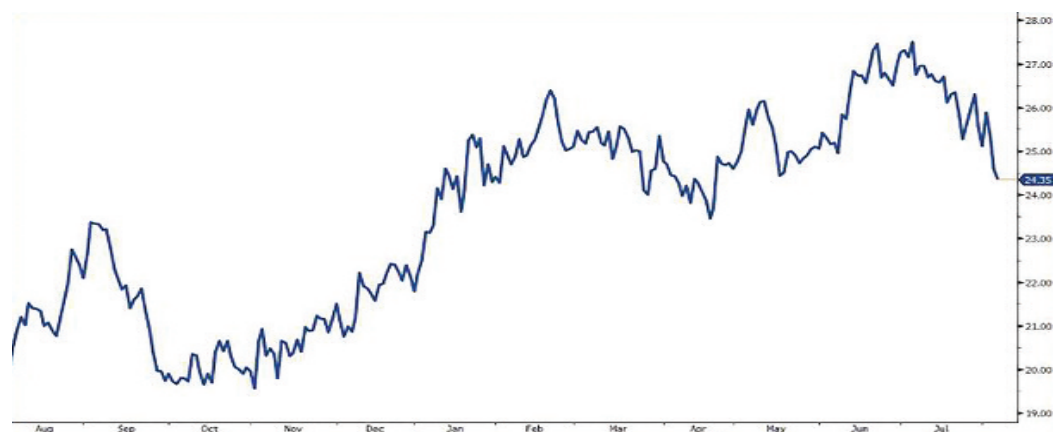
Smurfit Kappa recently released H1/17 results which were virtually in line with consensus market expectations. The Group reported Q2/17 revenues of €2,104m and Q2/17 EBITDA of €292m, which was a 6% decline year-on-year.

Organic volume growth in Europe for the second quarter was +5% year-on-year on an adjusted basis, supported by a strong demand environment, while volume growth in the Americas region was up 3%. Smurfit had to contend with rising Old Corrugated Container (OCC) input prices in the first half of 2017, which impacted EBITDA to the tune of €75m accordingly and squeezed operating margins in the period. Management said “recovered fibre cost pressures present short-term challenges but Smurfit is better positioned today than at any other point in our recent history. Its capital structure, its asset base and its integrated business model all continue to strengthen”.

In our opinion this was a strong performance despite significant raw material headwinds in the period. Smurfit’s profitability is very sensitive to underlying corrugated box pricing which increased by 2% in Q2/17 compared to Q1/17, and we anticipate further price increases in H2/17 and into early 2018 which should help reverse the recent squeeze on operating margins. Management is also

confident pricing should improve in the second half of the year due to the lagged nature of passing on higher costs to customers. Underlying economic data in Europe is strengthening which is a supportive backdrop for rising demand, while the opportunity for consistent long term growth in the Americas looks attractive. Smurfit currently trades at 12.2x 2017’s earnings, and offers investors a 3.3% dividend yield with management committed to a progressive dividend policy. Smurfit continues to innovate on behalf of its customer which should lead to margin enhancing improvements. Net Debt/ EBITDA currently stands at 2.5x, but management’s tight focus on costs, capital allocation and working capital management should see free cash flow continue to improve over the coming years. We wouldn’t be surprised if Smurfit announced a bolt-on acquisition in H2/17 and given management’s history of efficient capital allocation we’d presume any new deal would be accretive to earnings.

SMURFIT KAPPA PRICE



Source: Bloomberg

STOCKWATCH



Stephen Hall,
CFA, Investment
Analyst

Irish Banks Update

All three publicly quoted Irish banks published H1/17 results in the last week in July. We summarise the recent performance and our outlook for each bank below.

Permanent TSB

Permanent TSB reported a very mixed set of H1/17 results to which investors reacted very negatively. The Group made good progress on new lending growth which was up 62% year-on-year to €392m and grew its market share of new Irish mortgage lending to 10.8%. It also saw a small uptick in its Net Interest Margin to 1.81% in H1/17. However, investors were clearly disappointed by the negligible €100m reduction in the banks' outstanding Non-Performing Loan (NPL) balance which reduced to €5.8bn at June 2017 from €5.9bn at December 2016 despite a strengthening Irish economy and rising house prices seen in 2017. NPLs as a percentage of gross loans actually increased to 28% at June 2017 from 27% at December 2016, unlike AIB and Bank of Ireland where NPL balances have steadily trended lower in recent years. PTSB's management plans to tackle the €2.7bn of NPLs (13% of gross loans) which are still classified as untreated, as a priority. The bank is open to disposing a proportion of NPLs however the level of haircut given on such a potential sale is uncertain at this point and led us to downgrade our outlook on the stock from Outperform to Market Perform as a result. The outcome of the ECB's TRIM review process and the introduction of IFRS9 are negative headwinds to the Group's future capital positions too. These factors ultimately push back the likelihood of any dividend until 2020 at the earliest in our opinion.

Bank of Ireland

Bank of Ireland's H1/17 results were positive overall; however its share price remains virtually unchanged since release. The Group generated an underlying profit of €480m

which was 11.3% ahead of consensus expectations of €431m. New lending was €6.6bn, marginally down compared to €6.9bn recorded in H1/16, but was flat year-on-year on a constant currency basis. Its market share of new mortgage lending remained constant at 26%, but this lending channel offers attractive growth prospects over the medium term as the Irish housing market continues to recover from depressed levels. Impaired loans in H1/17 reduced by €800m to €5.4bn, while Non-Performing Exposures (NPE) fell by €1.3bn to €8.1bn. The bank's pension deficit stood at €490m down from €650m in Q1/17, as European yields ticked higher in the quarter. It recorded an impairment charge of €59m (14bps) which came in below management's expectations. Management reiterated its intention to recommence dividend payments in respect of financial year 2017 with the initial payment likely to be made in the first half of 2018. Its capital position strengthened with a Fully Loaded CET1 ratio of 12.5%. We maintain our Outperform stance and 12 month target price at €8.16. It currently trades at 0.81x 2017's Price/ Book. Despite having a greater loan exposure to the UK, BOI is our preferred play from the Irish banking sector given its valuation discount relative to AIB.

Allied Irish Bank

Allied Irish Bank's first set of results since the 28.7% equity sale by the Irish Government was very encouraging. Underlying profitability was €800m for H1/17 driven by strong sustainable business performance. Its Net Interest Margin (NIM) rose to 2.54% in H1/17 from 2.06% in H1/16. Its positive NIM trajectory was the result of lower funding

Irish Banks Update CONTINUED

costs, stable asset yields and the redemption of legacy instruments. It has now completed €705m of its on-going €870m IT capital investment programme which will be completed in the second half of 2017 and should lead to operational efficiencies in the Group going forward. The trend of improving asset quality remains firmly in place with a further €1.3bn reduction in Non-Performing Loans (NPLs) in H1/17, €500m in Q1/17 which accelerated to €800m in Q2/17. NPLs as a percentage of gross loans fell from 14% to 12.1%. Its Non Performing Exposures (NPE) balance reduced by €2bn to €12.1bn. It generated 130bps of organic capital in the first 6 months of 2017 and saw its fully loaded CET1 position improve to 16.6% at June 2017 from 16.0% at March 2017. New lending was up 15% to €4.3bn in H1/17 from €3.9bn in H1/16, with a 41% growth in new mortgage lending in Ireland which should be an attractive avenue for new lending growth over the coming years. Overall a very strong update with improving asset quality, a positive NIM trajectory, growth in new lending, a strengthening capital position, and with its IT capital investment nearing completion, the bank should be able to reduce its cost/ income ratio over the coming years. We maintain our Outperform outlook and our 12 month Target Price at €5.05, and believe AIB can be viewed as a sustainable dividend story and is a more focused play on a strengthening Irish economy than BOI. However given that it trades at 1.05x Price/ Book, which is close to fair value, we favour BOI in the near term.

TRADING CALLS

Siemens

We remain positive on Siemens and believe the market has somewhat overreacted to the recent negative earnings report. The stronger euro has also contributed to recent weakness. The investment case based on major restructuring of the business along with growth in automation and industrial software remains in place.

Current Price:	€112.8*
Entry Level:	Current Levels
Target Exit Level:	€119-€120

	1 month	3 month	YTD
Returns	-8.37%	-14.8%	-0.5%

FY17 P/E	Div Yield
14.2x	3.42%

Source: Bloomberg as of 31/07/2017. *Prices as of 31/07/2017.

Inditex

Inditex maintains the only production model amongst peers that is likely to be able to withstand the onslaught of online. Its short lead time model is well suited to the fast-paced demands of the online consumer. With more and more consumption shifting online, we believe this should allow Inditex to outperform its peers and the overall markets.

Current Price:	€33.54*
Entry Level:	Current Levels
Target Exit Level:	€37 - €38

	1 month	3 month	YTD
Returns	-0.89%	-6.12%	4.39%

FY17 P/E	Div Yield
28.6x	2.33%

Source: Bloomberg as of 31/07/2017. *Prices as of 31/07/2017.

Green REIT

The last few months have seen a definitive pickup in firms who have chosen Dublin as their new European hub for when the UK leaves the EU. These moves should ensure that the corporate office sector within Dublin remains buoyant allowing REITs to achieve above rental values for any office space. Green continues to trade at 10% discounts to FY17 estimated NAV of 1.64.

Current Price:	€1.48*
Entry Level:	Current Price
Target Exit Level:	€1.52 - €1.55

	1 month	3 month	YTD
Returns	3.78%	8.72%	8.16%

FY17 P/E	Div Yield
14.27x	2.96%

Source: Bloomberg as of 31/07/2017. *Prices as of 31/07/2017.

Greencore

Despite a positive Q3/17 results update which showed continued strong organic volume growth in both the US and UK, Greencore's share price has failed to re-rate higher, but continues to hold key support at GBp 217.80. Greencore's management said the prospect for new contract wins with its key Consumer Packaged Goods (CPG) customers in the US looks encouraging which could provide a potential uplift to earnings. The stock trades at just 12.8x FY18e earnings.

Current Price:	GBp 223*
Entry Level:	Current Levels
Target Exit Level:	GBp 260 - GBp 280

	1 month	3 month	YTD
Returns	-7.1%	-2.8%	-9.6%

FY17 P/E	Div Yield
12.8x	2.64%

Source: Bloomberg as of 30/06/2017. *Prices as of 30/06/2017.

ETHICAL INVESTING



Richard Power,
Director of
Stockbroking

Key Information

Morningstar Rating	★★★★★
NAV	€199.63
Minimum Investment	€5,000
Dealing Frequency	Weekly
Investment Manager	Cantor Fitzgerald Ireland Ltd
Sales Commission	3%
TER %	1.24%
Investment Mgt Fee	0.75%
www.cantorfitzgerald.ie/greeneffects	

*Prices as of 31/07/2017

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Top Ten Holdings

VESTAS	8.90%
SMITH & NEPHEW	7.29%
SHIMANO	6.03%
KINGFISHER	5.87%
TOMRA SYSTEMS	4.55%
ORMAT	4.00%
MOLINA	3.69%
AEGION	3.67%
ACCIONA	3.62%
MAYR MELNHOF	3.39%

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 31/7/2017.

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-1.6	3.3	7.1	11.3	13.7
MSCI World €	-1.0	1.5	10.3	11.8	13.2
S&P 500 €	-1.4	-0.4	9.6	15.6	15.7
Euro STOXX 50	0.3	7.7	19.2	7.2	12.2
Friends First Stewardship Ethical	-0.5	4.0	11.2	12.4	12.1
New Ireland Ethical Managed	-0.4	3.8	14.1	8.5	10.3

*Annualised Return. **As per company website, FY runs to Q1 of each year **As per company website

Source: Cantor Fitzgerald Ireland Ltd Research and Bloomberg.

GREEN EFFECTS FUND NAV SINCE INCEPTION



Source: Cantor Fitzgerald Ireland Ltd Research

Annual Returns

2000	2001	2002	2003	2004	2005	2006	2007	2008
2.40%	-11.25%	-30.00%	9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%
2009	2010	2011	2012	2013	2014	2015	2016	2017
31.28%	13.47%	-19.61%	16.02%	19.87%	18.42%	15.72%	6.62%	4.20%

INVESTMENT FUNDS



Niall Sexton,
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)	ISIN	Currency	TER %	Yield %
Global Equity							
B5TRT09	Veritas Global Equity Income	★★	5	IE00B5TRT092	EUR	1.13	3.62
European Equity							
B9MB3P9	Threadneedle European Select	★★★★	5	GB00B9MB3P97	EUR	0.83	1.02
UK Equity							
B3K76Q9	J O Hambro UK Opportunities	★★★★	5	GB00B3K76Q93	GBP	0.82	3.02
US Equity							
B632VH8	Franklin Mutual Beacon	★★★	5	LU0476945075	USD	1.33	0.00
Bond Funds							
SEDOL	Name		Risk Rating (1 - 7)	ISIN	Currency	TER %	Yield %
Corporate Bond							
B3D1YW0	PIMCO GIS Global Investment Grade Credit	★★★★	3	IE00B3D1YW09	EUR	0.49	3.59
Government Bond							
0393238	BNY Mellon Global Bond	★★★	4	IE0003932385	EUR	0.50	0.00
High Yield							
B1P7284	HSBC Euro High Yield Bond	★★★★	4	LU0165128421	EUR	1.36	2.87
Diversified Bond							
B39R682	Templeton Global Total Return	★★★	4	LU0366773504	EUR	1.44	7.01
Alternative Funds							
SEDOL	Name		Risk Rating (1 - 7)	ISIN	Currency	TER %	Yield %
Absolute Return							
BH5MDY4	Invesco Global Targeted Return	-	3	LU1004133531	EUR	0.86	0.00
B52MKP3	BNY Mellon Global Real Return	-	4	IE00B52MKP33	EUR	1.10	1.34
B694286	Standard Life GARS	-	4	LU0548153799	EUR	0.90	0.00
Multi - Asset Allocation							
B56D9Q6	M&G Dynamic Allocation	★★★★	4	GB00B56D9Q63	EUR	0.94	0.80

Source: Morningstar™

Fund Performance

Equity Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Global Equity						
Veritas Global Equity Income	-2.06	-0.80	9.31	9.80	6.00	7.14
European Equity						
Threadneedle European Select	-0.62	0.11	11.15	11.82	10.58	12.22
UK Equity						
J O Hambro UK Opportunities	-0.29	1.71	2.54	5.78	8.45	10.25
US Equity						
Franklin Mutual Beacon	1.33	0.81	5.03	14.97	5.68	11.07

Bond Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
PIMCO GIS Global Investment Grade Credit	0.56	1.22	3.57	1.79	3.83	3.95
Government Bond						
BNY Mellon Global Bond	-1.70	-4.04	-4.52	-7.14	4.50	0.64
High Yield						
HSBC Euro High Yield Bond	0.63	1.42	3.84	5.14	4.44	7.18
Diversified Bond						
Templeton Global Total Return	-0.69	-1.55	2.23	10.84	-0.33	2.45

Alternative Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Absolute Return						
Invesco Global Targeted Return	-0.70	-0.73	1.49	1.92	2.73	-
BNY Mellon Global Real Return	-1.09	-0.77	1.33	-5.46	1.72	2.08
Standard Life GARS	0.48	0.53	1.10	2.87	0.99	2.85
Multi - Asset Allocation						
M&G Dynamic Allocation	0.47	2.59	6.70	15.26	7.71	8.09

Source: Morningstar™

ETFs & TRUSTS



Niall Sexton,
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	Bloomberg Ticker	ISIN	Currency	TER %	Yield %	UCITS
Global Equity								
SDGPEX	iShares Global STOXX 100 Select Dividend ETF	B401VZ2	SDGPEX GY EQUITY	DE000A0F5UH1	EUR	0.46	5.37	Yes
European Equity								
SX5EEX	iShares Euro STOXX 50 ETF	7018910	SX5EEX GY EQUITY	DE0005933956	EUR	0.16	3.98	Yes
UK Equity								
CTY	City of London Investment Trust Plc	0199049	CTY LN EQUITY	GB0001990497	GBP	0.44	3.98	No
US Equity								
FDL	First Trust Morningstar Dividend Leaders ETF	B11C885	FDL US EQUITY	US3369171091	USD	0.45	3.23	No
Emerging Market Equity								
JMG	JPMorgan Emerging Markets Investment Trust Plc	0341895	JMG LN equity	GB0003418950	GBP	1.17	1.00	No
Bond ETFs & Trusts								
Ticker	Name	SEDOL	Bloomberg Ticker	ISIN	Currency	TER %	Yield %	UCITS
Corporate Bond								
IEXF	iShares Euro Corporate Bond Ex-Financials ETF	B4L5ZG2	IEXF LN EQUITY	IE00B4L5ZG21	EUR	0.20	1.44	Yes
Government Bond								
IEGA	iShares Core Euro Government Bond ETF	B4WXJ6	IEGA LN EQUITY	IE00B4WXJ64	EUR	0.20	0.70	Yes
High Yield								
IHYG	iShares Euro High Yield Corporate Bond ETF	B66F475	IHYG LN EQUITY	IE00B66F4759	EUR	0.50	3.76	Yes
Commodity ETFs & Trusts								
Ticker	Name	SEDOL	Bloomberg Ticker	ISIN	Currency	TER %	Yield %	UCITS
Precious Metals								
SGLD	Source Physical Gold ETF	B599TV6	SGLD LN EQUITY	IE00B579F325	USD	0.29	0.00	No
Commodity								

Source: Morningstar™

Fund Performance

Equity Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Global Equity						
iShares Global STOXX 100 Select Dividend ETF	-1.29	-3.67	-1.46	4.86	7.39	8.72
European Equity						
iShares EuroSTOXX 50 ETF	0.36	-1.23	7.80	19.39	7.05	12.05
UK Equity						
City of London Investment Trust Plc	1.62	2.47	8.17	11.66	8.61	11.58
US Equity						
First Trust Morningstar Dividend Leaders ETF	1.35	0.87	4.36	6.46	10.30	11.94
Emerging Market Equity						
JPMorgan Emerging Markets Investment Trust Plc	2.44	7.63	18.38	20.89	14.86	9.83

Bond Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
iShares Euro Corporate Bond Ex-Financials ETF	0.71	0.26	0.74	-1.15	2.52	3.59
Government Bond						
iShares Core Euro Government Bond ETF	0.24	0.27	-0.91	-3.98	2.78	4.65
High Yield						
iShares Euro High Yield Corporate Bond ETF	0.89	1.59	3.72	6.07	3.73	6.05

Commodity Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Precious Metals						
Source Physical Gold ETF	2.01	-0.05	9.25	-6.24	-0.76	-5.04
Commodity						
ETFS 1 Month Brent ETF	7.52	-1.86	-12.35	7.48	-31.94	-18.65

Source: Morningstar™

STRUCTURED PRODUCT



Stephen Rice,
Director of
Intermediaries &
Structured Product

New Structured Product Launch

We are delighted to launch the 6th tranche of our popular Protected Star Performers Bond. This bond provides investors with access to a basket of 4 leading investment funds carefully screened and selected by Morningstar. The bond is focused to investment growth but also contains 90% capital protection which provides investors with the added comfort of downside protection.

Protected Star Performers Bond 6 Key Features



- Returns are linked to an index of 4 leading investment funds specially selected by Morningstar
- 200% participation in the index returns
- 90% capital protection at Final Maturity Date is provided by BNP Paribas S.A
- Returns are added to the 90% capital protected amount at maturity
- Aims to achieve positive returns significantly ahead of deposit rates in all market conditions
- 5-year investment with optional access to funds at market value after year 3 or at investor's request
- Product is available to personal, pension, ARF/AMRF, Friends First SDIO & corporate investors
- Minimum investment : €10,000

Closing date: 15th September 2017

Dividend Aristocrats Bonds 1 & 2

In Quarter 2, 2017 both the Dividend Aristocrats Bond 1 & 2 matured. Both products were similar 3 year 11 month structured deposits with returns linked to the S&P Dividend Aristocrats Risk Controlled Index. Both products featured a 90% and 100% capital protected version.

Investment Returns

Product	Investment Type	Maturity Date	Performance Option A	Performance Option B
Dividend Aristocrats Bond II	Capital protected product with returns linked to the S&P Index Dividend Aristocrats Risk Controlled Index	26/6/17	123% (100% Capital protected amount + 23% investment return)	155% (90% capital protected amount +65% investment growth)
Dividend Aristocrats Bond	Capital protected product with returns linked to the S&P Index Dividend Aristocrats Risk Controlled Index	26/4/17	121.7% (100% Capital protected amount + 21.7% investment return)	153% (90% capital protected amount +63% investment growth)

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MARKET ROUND-UP JULY 2017



David Coffey,
Senior Portfolio
Manager

TRUMP BUMP: stocks up but dollar down



The US President recently felt the need to inform his Twitter followers that the stock market was up almost 20% since his election, like he was somehow responsible for it despite being unable to get anything passed in Congress. He also failed to mention that the US dollar had fallen by 10% since the beginning of the year but this is probably something that pleases him as he had previously

complained about the strong dollar and how other nations manipulate their currencies (the US is as guilty as anyone else when it comes to currency manipulation. They are all at it). The truth is that the US President does not deserve too much of the credit or blame for what happens to the economy, the stock market or the currency; there are many other factors at work.

Jackson Hole

The annual symposium, sponsored by the Federal Reserve Bank of Kansas City, will take place at its usual location in Jackson Hole, Wyoming, between 24th and 26th August. The event has been held every year since 1978 and is attended by central bankers, finance ministers, academics and financial market participants from around the world. In the past, it has been used as a platform by central bankers to signal potential changes in policy and Mr. Draghi's (ECB President) speech will be scrutinised closely this year for any such changes. The theme of the 2017 symposium is "Fostering a Dynamic Global Economy".



Canada raises interest rates

Canada became the first G7 nation to follow the Fed's lead and raise interest rates. The quarter point move to 0.75% was the first rate hike by the Bank of Canada since 2010 and it has helped propel the Loonie (Canadian dollar) to new highs for the year. The Fed has raised rates twice so far in 2017 and is expected to squeeze one more in before the year is out. The ECB has hinted at reducing QE but is still a long way from raising rates. The Bank of England is split on the timing of any possible rate hike



QE v QT

Abbreviations and acronyms are commonplace in the financial industry and many have entered the daily lexicon in recent years. One such abbreviation is QE or Quantitative Easing as it is formally known. As the central banks, beginning with the Fed, start to move away from easy monetary policies, we will have the opposite of QE and it is already being called Quantitative Tightening or QT. Expect to hear a lot more about QT in the months ahead.

Greece is back in the bond market



Despite it still being in the middle of an €86bn bailout, Greece managed to issue €3bn of five year bonds at a yield of 4.625%. Approximately half of the issue was new money with the other half coming from 2019 bond investors switching into the longer dated and higher yielding bond. The country's third bailout is set to run to mid-2018 at which point it may be awarded a debt restructuring deal. The economy is showing some very modest growth but, with debt to GDP still at 180%, investors are clearly betting that a deal will be done.

NEWS IN BRIEF...

The Irish Economy

In its third quarterly bulletin for 2017, the Central Bank raised its economic growth forecast for the year from 3.5% to 4.5% and for 2018 from 3.2% to 3.6%. The number of people employed is expected to reach 2.1m for the first time in ten years. In terms of economic growth, Ireland will lead the eurozone for the fourth consecutive year.

Fear Gauge hits record lows



The CBOE Vix index, sometimes referred to as Wall Street's fear gauge, hit its lowest level since its inception in the early 1990s. Between 1995 and 2016, the Vix closed below 10 on just four occasions and in July 2017, the Vix closed below 10 on ten occasions. What does this tell us? ... there are a lot of investors betting on volatility remaining low and the levels of complacency are high. Volatility will rise again but it is impossible to know when it will happen and what will trigger it ... but, when it happens, a lot of investors betting on low volatility will get burned.

The Nifty 50



India's benchmark, the Nifty 50, broke above 10,000 for the first time ever and is up over 20% in 2017. Last year's withdrawal of the 500 and 1,000 rupee notes did not have as negative an impact as some had feared and the economy is still growing at over 6%. The wider emerging markets are also having a good year as evidenced in the +20% performance of the MSCI Emerging Markets Index.

EIIS SEASON

The Employment & Investment Incentive Scheme (EIIS) which replaced the Business Expansion Scheme (BES) has now been in place for 7 years. EIIS is one of the few remaining sources of total income relief, allowing you to obtain income tax relief on investments in qualifying small to medium sized enterprises. Tax relief is available on PAYE earnings, rental income from property held in a personal capacity and ARF distribution income. Cantor Fitzgerald will be launching a series of EIIS investment opportunities over the coming months and has raised in excess of €38m in EIIS funding since 2011.



PRIVATE EQUITY/EIIS OPPORTUNITY

Boxever

We are pleased to announce our intention to bring to market our first EIIS investment for 2017.

Boxever empowers organisations to transform the way they market, sell and communicate with their customers through the innovative use of analytics, data and technology. Boxever technology helps airlines, travel companies and financial services organisations to generate more revenue by connecting their data into a single customer profile across multiple digital channels. With over 15 blue chip customers to date including Aer Lingus, Emirates and Air New Zealand, Boxever is demonstrating high growth potential.

Key Features

Investment:	Full equity participation, by way of ordinary shares, allowing investors to participate in any capital growth of the business.
Fundraise Amount:	€4.5m.
Tax Relief:	This investment qualifies for EIIS relief, or alternatively is available for self-administered pension funds.
Expected Term & Exit Strategy:	A minimum of 4 years and it is envisaged that exit will be by way of either a trade sale or initial public offer.
Minimum Investment:	€25,000.
Investor Fees:	3% placement fee.
Timing:	September 2017.

For more details visit www.cantorfitzgerald.ie/EIIS

Performance **DATA**

August 2017



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INVESTMENT RETURNS

Equities

Index	30/06/17	31/07/17	% Change	% ytd Change	52 Week High	Date
ISEQ	6827.62	6649.39	-2.6%	2.0%	7,157	09/05/2017
DAX	12325.12	12118.25	-1.7%	5.5%	12,952	20/06/2017
Eurostoxx50	3441.88	3449.36	0.2%	4.8%	3,667	08/05/2017
Stoxx600 (Europe)	379.37	377.85	-0.4%	4.5%	397	15/05/2017
Nasdaq (100)	5646.917	5880.327	4.1%	20.9%	5,996	27/07/2017
Dow Jones	21349.63	21891.12	2.5%	10.8%	22,041	03/08/2017
S&P500	2423.41	2470.3	1.9%	10.3%	2,484	27/07/2017
Nikkei	20033.43	19925.18	-0.5%	4.2%	20,318	20/06/2017
Hang Seng	25764.58	27323.99	6.1%	24.2%	27,747	02/08/2017
China (Shanghai Composite)	3192.427	3273.028	2.5%	5.5%	3,305	02/08/2017
India	30921.61	32514.94	5.2%	16.6%	32,686	02/08/2017
MSCI World Index	1916.43	1961.1	2.3%	12.0%	1,971	01/08/2017
MSCI BRIC Index	279.67	302.21	8.1%	24.9%	305	02/08/2017

Currencies

Currency Pair	30/06/17	31/07/17	% Change	% ytd Change	52 Week High	Date
EuroUSD	1.1426	1.1842	3.6%	12.6%	1.1910	02/08/2017
EuroGBP	0.8771	0.89608	2.2%	5.0%	0.9415	07/10/2016
GBP/USD	1.3025	1.3215	1.5%	7.1%	1.3445	06/09/2016
Euro/AUD	1.48584	1.47976	-0.4%	1.4%	1.5228	01/06/2017
Euro/CAD	1.48114	1.47777	-0.2%	4.6%	1.5282	09/11/2016
Euro/JPY	128.4	130.57	1.7%	6.2%	131.4000	02/08/2017
Euro/CHF	1.09504	1.1449	4.6%	6.8%	1.1524	02/08/2017
Euro/HKD	8.9205	9.2488	3.7%	13.4%	9.3100	02/08/2017
Euro/CNY	7.7369	7.9278	2.5%	8.0%	7.9936	03/08/2017
Euro/INR (India)	73.698	75.314	2.2%	5.1%	76.1511	23/08/2016
Euro/IDR (Indonesia)	15222.73	15636.65	2.7%	10.4%	15,819.6700	02/08/2017
AUD/USD	0.7689	0.8003	4.1%	11.0%	0.8066	27/07/2017
USD/JPY	112.39	110.26	-1.9%	-5.7%	118.6600	15/12/2016
US Dollar Index	95.628	92.863	-2.9%	-9.1%	103.8200	03/01/2017

Commodities

Commodity	30/06/17	31/07/17	% Change	% ytd Change	52 Week High	Date
Oil (Crude)	46.29	50.17	8.4%	-12.0%	58.36	03/01/2017
Oil (Brent)	47.92	52.65	9.9%	-7.3%	58.37	03/01/2017
Gold	1241.55	1269.44	2.2%	10.2%	1,366.70	03/08/2016
Silver	16.6275	16.8275	1.2%	5.7%	20.73	03/08/2016
Copper	271.1	289.15	6.7%	14.7%	292.00	31/07/2017
CRB Commodity Index	446.63	441.74	-1.1%	4.4%	542.10	03/07/2017
DJUBS Grains Index	38.1088	37.1947	-2.4%	0.1%	40.76	11/07/2017
Gas	3.035	2.794	-7.9%	-25.0%	3.99	28/12/2016
Wheat	526	474.5	-9.8%	6.0%	574.50	05/07/2017
Corn	392	384.75	-1.8%	1.3%	417.25	11/07/2017

Bonds

Issuer	30/06/17	31/07/17	Yield Change	% ytd Change	52 Week High	Date
Irish 5yr	0.057	0.18	0.12	-253.8%	0.50	30/01/2017
Irish 10yr	0.78	0.842	0.06	12.1%	1.25	30/01/2017
German 2yr	-0.713	-0.68	0.03	-11.2%	-0.48	22/08/2016
German 5yr	-0.431	-0.178	0.25	-66.5%	-0.06	06/07/2017
German 10yr	0.304	0.543	0.24	161.1%	0.62	12/07/2017
UK 2yr	0.131	0.269	0.14	220.2%	0.40	30/06/2017
UK 5yr	0.485	0.591	0.11	21.1%	0.74	18/11/2016
UK 10yr	1.046	1.23	0.18	-0.7%	1.54	15/12/2016
US 2yr	1.2818	1.3491	0.07	13.5%	1.43	06/07/2017
US 5yr	1.7516	1.8356	0.08	-4.8%	2.15	10/03/2017
US 10yr	2.2028	2.2942	0.09	-6.1%	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%	11.98%
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%	23.65%
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%	5.46%
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%	4.24%
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%	22.12%
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%	10.34%
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%	4.83%
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%	5.55%
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%	2.03%

Source: Bloomberg.

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%	9.98%
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%	-7.34%
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%	-6.61%
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%	15.41%
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%	4.98%
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%	4.41%

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%	12.599%
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%	4.986%
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%	7.091%
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%	-9.145%

Source: Bloomberg

INDICATIVE PERFORMANCE FIGURES & MATURITY DATES

JULY 2017

Cantor Fitzgerald Capital Protected Products

Cantor Fitzgerald Capital Protected Products	Underlying Asset (Ticker)	Indicative Initial Strike	Indicative Current Level	Indicative Underlying Asset Performance	Participation Rate	Option A Indicative Performance	Option B Indicative Performance
EUROSTOXX 50 DOUBLE GROWTH NOTE*	SX5E	2986.73	3449.36	15.49%	200%	30.00%	N/a
PROTECTED ABSOLUTE RETURN STRATEGIES*	SLGLARA	12.05	12.04	-0.12%	-	-	-
	CARMPAT	615.33	659.97	7.25%	-	-	-
	ETAKTVE	128.74	132.77	3.13%	-	-	-
			Weighted Basket	3.42%	120%	4.11%	N/a
GLOBAL REAL RETURN NOTE*	BNGRRAE	1.27	1.26	-1.26%	150%	-10.00%	N/a
PROTECTED STAR PERFORMERS BOND*	BNPIAFST	130.53	135.87	4.09%	180%	7.36%	N/a
PROTECTED STAR PERFORMERS BOND II*	BNPIAFST	130.91	135.87	3.79%	170%	6.44%	N/a
PROTECTED STAR PERFORMERS BOND III*	BNPIAFST	133.58	135.87	1.71%	170%	2.91%	N/a
PROTECTED STAR PERFORMERS BOND IV*	BNPIA2MT	166.28	164.95	-0.80%	200%	-10.00%	N/a
PROTECTED STAR PERFORMERS BOND V*	BNPIA2MT	165.75	164.95	-0.48%	200%	-10.00%	N/a
CAPITAL SECURE MIN RETURN 1*	SX5E	2579.76	3449.36	33.71%	-	13.00%	18.50%
CAPITAL SECURE MIN RETURN 2*	SX5E	2589.25	3449.36	33.22%	-	11.80%	23.25%
CAPITAL SECURE MIN RETURN 5*	SX5E	2799.2	3449.36	23.23%	-	11.00%	N/a

Strike and Maturity Dates for Cantor Fitzgerald Bonds:

Bond	Strike 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
Capital Secure Min Return 5	30/05/13	30/05/18
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
Protected Star Performers Bond	27/09/16	30/09/22
Protected Star Performers Bond II	16/12/16	21/12/22
Protected Star Performers Bond III	16/03/17	22/03/22
Protected Star Performers Bond IV	24/05/17	30/05/22
Protected Star Performers BondV	26/07/17	02/08/22

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 31st July 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.

Cantor Fitzgerald Kick Out Notes

Cantor Fitzgerald Bond Issue	Underlying Asset (Ticker)	Indicative Initial Strike	Indicative Current Level	Indicative Underlying Asset Performance			Indicative Performance
OIL & GAS KICKOUT NOTE*	XOM	82.23	80.04	-2.66%	Next Potential Coupon	34%	-
	RDSB	1717.00	2152.00	25.33%			-
	BP	391.70	445.80	13.81%			-
	FP	44.33	42.96	-3.09%			0%
OIL & GAS KICKOUT NOTE 3*	XOM	82.87	80.04	-3.41%	Next Potential Coupon	25.5%	-
	RDSB	1711.00	2152.00	25.77%			-
	BP	350.10	445.80	27.34%			-
	FP	41.88	42.96	2.59%			0%
REAL ESTATE KICKOUT NOTE*	SPG	190.52	158.50	-16.81%	Next Potential Coupon	40%	-
	UL	233.60	211.35	-9.52%			-
	DLR	74.80	115.34	54.20%			-
	HCN	65.25	73.39	12.48%			0%
EURO BLUE CHIP KICKOUT BOND II*	UNA	38.27	49.30	28.84%	Next Potential Coupon	20%	-
	BAYN	97.57	107.15	9.82%			-
	BAS	87.72	80.59	-8.13%			-
	MC	179.20	212.70	18.69%			0%
EURO BLUE CHIP KICKOUT BOND III*	ITX	31.68	33.59	6.03%	Next Potential Coupon	10%	-
	BN	62.79	63.09	0.48%			-
	ADS	183.05	193.00	5.44%			-
	CRH	32.82	29.70	-9.52%			0%
EURO BLUE CHIP KICKOUT BOND IV*	BMW	86.69	77.71	-10.36%	Next Potential Coupon	9%	-
	FP	48.70	42.96	-11.79%			-
	ADS	177.25	193.00	8.89%			-
	CRH	33.56	29.70	-11.52%			0%
80% PROTECTED KICK OUT 1*	AAPL	86.37	148.73	72.20%	Next Potential Coupon	60% In Year 4	-
	PRU	1395.00	1848.00	32.47%			-
	BMW	88.18	77.71	-11.87%			-
	VOD	217.15	222.00	2.23%			-
							-11.87%
80% PROTECTED KICK OUT 2*	AAPL	94.72	148.73	57.02%	Next Potential Coupon	60% In Year 4	-
	GSK	1532.80	1514.50	-1.19%			-
	BMW	93.97	77.71	-17.30%			-
	VOD	195.65	222.00	13.47%			-
							-17.30%
80% PROTECTED KICK OUT 3*	RDSA	2346.50	2133.00	-9.10%	Next Potential Coupon	45% In Year 3 60% In Year 4	-
	GSK	1412.05	1514.50	7.26%			-
	BMW	85.64	77.71	-9.26%			-
	ALV	128.20	180.00	40.41%			-
							-9.26%
80% PROTECTED KICK OUT 4*	RDSA	2132.50	2133.00	0.02%	Next Potential Coupon	45% In Year 3 60% In Year 4	-
	GSK	1663.80	1514.50	-8.97%			-
	RYA	8.27	17.77	114.73%			-
	ALV	138.45	180.00	30.01%			-
							-8.97%

Strike and Maturity Dates for Cantor Fitzgerald Kick Out Notes:

Bond	Strike Date	Next Kick Out Observation Date	Maturity Date
80% Protected Kick Out 3	26/09/14	26/09/17	03/10/18
Oil & Gas Kick Out Note 3	16/03/16	02/10/17	30/03/21
Oil & Gas Kick Out Note	30/10/15	30/10/17	12/11/20
80% Protected Kick Out 4	28/11/14	28/11/17	05/12/18
Real Estate Kick Out Note	18/12/15	18/12/17	05/01/21
Euro Bluechip Kickout Bond II	16/12/16	18/12/17	21/12/21
Euro Bluechip Kickout Bond III	16/03/17	16/03/18	16/03/22
80% Protected Kick Out 1	19/05/14	21/05/18	28/05/18
Euro Bluechip Kickout Bond IV	16/05/17	16/05/18	16/05/22
80% Protected Kick Out 2	22/07/14	23/07/18	30/07/18

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Company Description

Inditex: Industria de diseno Textil, S.a. designs, manufactures and distributes apparel. The company operates retail chains in Europe, the Americas, Asia and Africa.

IFG: IFG Group PLC is a focused financial services company. The Company offers full platform services, pension administration and independent financial advice.

Siemens AG is an engineering and manufacturing company. The Company focuses on four major business sectors including infrastructure and cities, healthcare, industry and energy. Siemens AG also provides engineering solutions in automation and control, power, transportation, and medical.

Facebook: Facebook Inc. operates a social networking website. The Company's website allows people to communicate with their family, friends, and co-workers. Facebook develops technologies that facilitate the sharing of information, photographs, website links, and videos. Facebook users have the ability to share and restrict information based on their own specific criteria.

PayPal: PayPal Holdings Inc operates as a technology platform company that enables digital and mobile payments on behalf of consumers and merchants. The company offers online payment solutions. PayPal Holdings serves customers worldwide.

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

GlaxoSmithKline: GlaxoSmithKline PLC is a research-based pharmaceutical company.

Alphabet: Alphabet, Inc. operates as a holding company. The Company, through its subsidiaries, provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products.

Allianz: Allianz SE, through subsidiaries, offers insurance and financial services. The Company offers property and casualty, life and health, credit, motor vehicle and travel insurance, and fund management services.

Verizon: Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, internet services, and published directory information.

Royal Dutch Shell: Royal Dutch Shell PLC, through subsidiaries, explores for, produces, and refines petroleum.

CRH: CRH public limited company is a global building materials group. The Company manufactures and distributes a range of construction products such as heavy materials and elements to construct the frame and value-added exterior products.

General Electric: General electric Company is a globally diversified technology and financial services company. the Company's products and services include aircraft engines, power generation, water processing, and household appliances to medical imaging, business and consumer financing and industrial products.

Glanbia: Glanbia plc is an international dairy, consumer foods, and nutritional products company. the Company conducts operations primarily in Ireland, the United kingdom, and the United states.

Greencore: Greencore Group plc manufactures and distributes a diverse range of primary foods and related products, food ingredients and prepared foods to the consumer and industrial sectors.

Ryanair: Ryanair Holdings plc provides low fare passenger airline services to destinations in Europe.

Lloyds: Lloyds Banking Group plc, through subsidiaries and associated companies, offers a range of banking and financial services. The Company provides retail banking, mortgages, pensions, asset management, insurance services, corporate banking, and treasury services.

Bank of Ireland: Bank of Ireland provides a range of banking, life insurance and other financial services to customers in Ireland and United kingdom.

Kingspan: Kingspan Group PLC is a global market player in high performance insulation and building envelope technologies.

Smurfit Kappa Group: smurfit kappa Group PLC manufactures containerboards, solid boards, graphic boards, corrugated and solid board packaging product.

DCC: DCC is a sales, marketing, distribution and business support services Group. The Group operates in the following sectors, energy, IT entertainment products, healthcare, and environmental services. DCC's strategy is to grow a sustainable, diversified business.

Historical Record of recommendation

Inditex - We have initiated coverage of Inditex with an Outperform rating, as of 23/01/2016.

IFG: We have been positive on IFG's outlook since 17/05/14 and no changes have been made to the recommendation since then, Cantor Fitzgerald Ireland clients hold a significant portion of IFG stock.

Siemens: We changed our rating to Outperform on the 30/01/2017.

Facebook: We have been positive on the outlook for Facebook, and it was added to the core portfolio on the 11/05/2015 and no changes to our recommendation have been since.

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

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

GlaxoSmithKline: We have been positive on GSK's outlook since 04/02/13 and no changes have been made to the recommendation since then.

Alphabet: Google which is now Alphabet was added to the Core Portfolio on 07/01/13 and no changes have been made to the recommendation since its inclusion.

Allianz: We have been positive on Core Portfolio stock, Allianz since 24/04/14 and no changes have been made to the recommendation since then.

Verizon: We have been positive on Core Portfolio stock, Verizon, since 26/02/14 and no change has been made to our recommendation since then.

Royal Dutch Shell: We have been positive on Core Portfolio stock, Royal Dutch Shell, since 20/05/13 and no change has been made to our recommendation since then.

CRH: We have added CRH to our core portfolio on the 01/01/16, with a recommendation of Outperform.

General Electric: We have an Outperform recommendation on General electric however; we cut its weighting in our core portfolio to 2% from 4% on the 22/09/2015.

Glanbia: We have been positive on Glanbia's outlook since 13/03/13 and no changes have been made to the recommendation since then.

Greencore: We have upgraded our recommendation for Greencore, to Outperform from Not Rated, as of 25/11/2015.

Ryanair: Ryanair was added to the Core Portfolio at inception in and have had an Outperform recommendation since then.

Lloyds: We have been positive on Core Portfolio stock, Lloyds, since 01/03/14 and no change has been made to our recommendation since.

Bank of Ireland: We have reinstated an outperform rating on Bank of Ireland as of 13/07/2016.

Kingspan: We have changed our rating for Kingspan from Not Rated to Outperform on the 14/03/2016.

Smurfit Kappa Group: We have added smurfit kappa to our core portfolio on the 01/01/2016 and we have upgraded our recommendation from Market Perform to Outperform.

DCC: We have an Outperform on DCC as of 17/8/15 changing to Outperform from Not Rated.



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