March 2018

Investment JOURNAL

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Cantor Fitzgerald

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WELCOME...

William Heffernan,
Investment Analyst

February was an interesting month for markets divided into two periods. In the first week, markets sold off, declining 8.5% after already falling 1.7% in the last few days of January. Since the 8th of February markets have recovered somewhat, rising 6.3% but importantly still approx. 4.5% off January highs. In summary, February was the perfect example of what we expected in 2018 – the return of volatility!

Swings & Roundabouts

Risk off sentiment abounded in early February as equity investors took flight. The spike in volatility, which began in late January, accelerated with the Dow moving 1000 points on some days, before the market found a bottom on February 8th. Initially, it was thought that a spike in volatility had led strategies which use volatility as an input to sell equities, which in turn led to further selling. Stronger than expected US wage inflation led the market to believe that the the Fed could go for 3-4 hikes this year and yields spiked up in the aftermath of this data release. Lastly, we had been highlighting the extraordinary returns that equity markets had seen in January and the increased probability of profit taking, especially towards month end due to pension fund and asset allocation rebalancing. So after a tumultuous February, what is in store for the rest of 2018?

At the time, we wrote that we thought the correction was healthy. In fact, we welcomed it after a year like 2017, where volatility, dispersion and cross asset correlation all reached abnormally artificial levels. Valuations, which were stretched prior to the correction, came back to attractive levels. The majority of our Core Portfolio and preferred names now have decent upside to 12 month target prices again. Stock fundamentals, recent earnings and the broader economic environment still remain overwhelmingly positive and we remain long equities for 2018.

However, market action like we had in January never happens in a vacuum. It always pays to pay attention to the broader picture. We expect volatility to continue to tick up from the abnormally low levels of the past three years. We have moved into an era of quantitative tightening where yields will move higher, albeit at a slow and gradual pace, and are likely to become a headwind for equities at some point. Lastly, this bull market is now in its 9th year. Bull markets do not die of age alone, and as stated above the data remains strong. But this market may just be getting ready for its final bull run.

"I am a tariff man, standing on a tariff platform"

The above quote is from William McKinley, 25th President of the United States, during the 1896 election campaign. He won. Last month the White House leaked details of upcoming tariffs on steel and aluminium imports that will more than likely be signed off on by Mr Trump this week. This month Mr Trump is expected to give the go-ahead for a 25% tariff on steel and 10% on aluminium. China and the EU were quick to respond, stating that they would engage in reciprocal tariffs on imported goods from the US. The logic surrounding this tariff is debatable as it is likely to impact Canada to a much greater extent than China. UK officials, who had been pressing for an exemption, are rumoured to have been met with a resolute no. The EU has already drawn up a €2.8bn list of proposed counter measures which would affect US goods, including bourbon, Harley Davidsons and blue jeans.

We had been expecting Mr Trump to escalate the protectionist side of his agenda this year after remaining fairly silent on it in 2017, especially after the move in January to impose tariffs on South Korean washing machines and solar panels. These kind of actions always end up in a lose-lose situations for both sides and ultimately impacts global growth negatively. As illustrated by Frederic Bastiat's famous Candle Maker's Petition, tariffs are simply "legal plunder". It remains to be seen how far this escalates but we will continue to monitor it on an ongoing basis.

William Heffernan,
March 2018

Asset **Allocation**

March 2018

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.

In the February edition of our Investment Journal we highlighted our concerns about the relentless pace of equity market gains in recent months, but in particular January.

These concerns centred on our view that the positive sentiment towards risk assets was overdone and also that the upward trend in global bond yields could pose a headwind for global equity markets.

Price action in the early part of February confirmed these concerns with a sharp move higher in bond yields on the back of heightened inflation concerns resulting in a decline in equity markets of close to 125 from their 2018 highs.

While this initial bout of market weakness reversed somewhat in the second half of the month global equity markets still registered declines of on average 2.8% (in euro terms) with the US NASDAQ (+0.4%) outperforming the broader US markets (-1.4%) as well as European markets (-4.4%) and the UK market (-4.4%).

The catalyst for this return of market volatility was a stronger than expected reading for Average Hourly Earnings in the January US Non-Farm Payrolls numbers. This showed US wages increasing at their fastest pace in almost five years. Since the US Federal Reserve has repeatedly highlighted the absence of wage growth as the 'missing link' in the US economic recovery, the stronger than expected reading was interpreted by investors as a sign that this could result in a more aggressive pace of interest rate increases from the Fed.

This resulted in a swift move higher in US bond yields towards the 2.9% range from 2.7% prior to the employment data release and while actual move higher in yields was not unexpected, it was the speed of the move that unsettled equity markets.

Also adding to the excessive bout of market volatility was an increase in computer based trading programmes which were triggered as a result of the original move lower in equity markets, while esoteric products designed on the assumption that market volatility would remain low, actually added to the market sell-off as the sudden spike in volatility saw their trading strategies unravel.

While equity markets did manage to recover more than half of their early month declines following the release of in-line US inflation data and weaker than expected US retail sales data, the release of more hawkish than expected minutes of the Federal Reserve's January meeting along with an equally hawkish testimony to congress by new Fed Chair Powell, saw the return of market volatility towards the end of the month.

While this return of volatility was on a more modest level to that experienced at the start of the month, it served to highlight the reality that following a year of below average volatility in 2017, 2018 looks set to be a much more volatile year.

The unusual thing about this volatile market performance in February was that it came against a backdrop of continued strong global growth and stronger than expected US and European earnings growth. While these are clearly two positive factors, the over-riding focus for markets is the reality that the prolonged period of central bank monetary policy accommodation is almost at an end and that gradually over the coming year a process of 'Quantitative Tightening' will replace the era of Quantitative Easing.

Against this reversal in policy accommodation and a move higher in bond yields, investor attention will turn increasingly towards the relative valuations of other asset classes such as equities against the returns available from the lower risk assets such as sovereign bonds

Our Views

Equities

For many months we have been outlining our concerns about the relative valuation of US equities compared to European equities. We were concerned about the excessive market multiple of close to 19x 2018 earnings at which the S&P 500 was trading against a backdrop of a rising US interest rate environment.

Accordingly, while surprised at the speed of the recent market sell-off, we are of the view that after almost 14 months of upward price movements, the move lower was a healthy development. This move lower in markets has helped to adjust market valuations to more reasonable levels but importantly has helped serve as a useful reminder that market volatility is a natural companion for asset markets.

As result, we maintain our positive outlook for risk assets for 2018 as the fundamental backdrop remains positive.

Global growth remains robust with positive momentum in all major economic regions while corporate earnings in all major economies are also growing strongly. For the US, fourth-quarter 2017 earnings growth is currently running at 15.2% while in Europe the corresponding growth rate is 11%.

As outlined above we see the recent pull-back in markets as being a healthy and natural development and it provides the opportunity to add exposure to a number of our preferred names, particularly in Europe as attractive valuations.

Despite underperforming US markets during February, we maintain a preference for European equities based on based on relative valuation which is supported by strong economic and earnings growth.

From a sector perspective we see value in the financial, industrial, infrastructure, and Irish property sectors while we continue to see value in the US technology sector on any volatility induced weakness.

Bonds

The catalyst for the move lower in risk assets, as outlined above, was the sharp move higher in global bond yields.

While the move higher in bond yields commenced during January, this move accelerated during February following the higher than expected wage component of the January US Non-Farm Payroll data. As with our surprise with the speed of the move lower in equity markets we were equally surprised by the speed of this move higher in bond yields. The reason for this is based on our view that we do not believe that inflation will increase as quickly as some market participants anticipate.

We hold this view based on the fact that while the US wage data in January was stronger than expected it was likely skewed higher by weather related issues and that one isolated reading does not indicate a trend. Equally, headline and core US inflation readings are still below the Fed's target of 2%.

Also, while oil prices rallied strongly at the start of the year on the back of a weaker US dollar, a rally in the dollar coupled with increased production data has seen oil decline by 8% to just above $60 a barrel not far above its year-ago level of $57.

As result of the above we believe the move higher in bond yields is almost complete for the time being and that inflationary pressures will not be as strong as the move higher in yields suggests however following the more hawkish tone from both the Fed and its newly appointed Chairman,

ASSET ALLOCATION CONTINUED

there is risk to the upside for global bond yields and as a result we remain underweight sovereign bonds on an asset allocation basis and maintain our marginal preference for corporate bonds.

Currencies

Having traded as high as 1.25 against the dollar during the month the cross has finished the month at its lowest level since early January at 1.22. This move lower was the result of positive comments from Fed Chairman Powell at his testimony about the outlook for US growth and inflation which increased the potential for a more aggressive Federal Reserve in 2018.

This potential for a quicker pace of interest rate increases in 2018 saw the dollar rally against all major global currencies along with the euro. Despite this rally in the dollar we maintain our 2018 target range of 1.23 and 1.25 as we see increased deficit concerns off-setting the positive impact of higher interest rates.

As for euro/sterling, sterling rallied somewhat against the euro despite continued uncertainty over the outlook for Brexit negotiations. We continue to believe that this modest rally will be short-lived however as the risks of a challenge against Prime Minister May increases. We therefore maintain our call for a move lower by sterling in 2018 to the 0.92/0.93 level.

Commodities

Oil: Oil (Brent crude), along with other risk assets, endured a volatile February initially falling 10% from $70 on the back of the general risk-off tone to markets and a higher than expected build in US oil inventories.

In-line with the broader rally in risk assets, the commodity finished the month just 5% lower in the middle of our forecast range for the year of $60 to $70. We expect this range to be maintained during 2018 with any rally to the top of the range being the catalyst for a for a pick-up in US shale production.

Gold: We maintain our neutral stance on gold given the subdued level of inflation across all major economic regions and we continue to see limited short-term upside potential in the absence of any meaningful pick-up in inflation.

ASSET ALLOCATION

CORE PORTFOLIO 2018

David Beaton,
Chief Investment Officer

Despite the pick-up in market volatility during February the Cantor Equity Core Portfolio continues to show a positive performance year-to-date and to outperform the portfolio benchmark. Year-to-date the Core Portfolio has appreciated by 0.3% compared to a decline of 3.1% for the portfolio benchmark. 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.

This outperformance year-to-date is due to strong gains from the US technology names within the portfolio and reflects the fact that the NASDAQ Composite Index is the only major global index in positive territory for 2018.

Also contributing to the positive portfolio performance have been the the financial holdings which are benefitting from a strong bank earnings season as well as the move higher in global bond yields.

The other area of strength within the portfolio has been the European industrial sector which continues to benefit from the on-going recovery in the euro-zone and the continued policy accommodation from the ECB.

These strong performances have helped outweigh disappointing performances from the less economically sensitive sectors of Consumer Staples (food) and Healthcare. We continue to assess the portfolio's exposure to the less growth-focused sectors in the portfolio in the light of their relative underperformance.

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%
2017	8.10%	6.98%	9.95%	7.6%

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

Core Portfolio at 28th February 2018

Stocks	Closing Price 28/02/2018	Total Return Euro (%) Year to date	Fwd P/E FY1 (x)	Div Yield FY1
Glanbia	14.58	-3.6%	16.8x	1.5%
AIB	5.4	-3.7%	14.4x	3.0%
Ryanair	16.2	5.2%	13.0x	0.4%
Inditex	24.96	-17.3%	22.2x	3.0%
Lloyds	68.8	-1.6%	9.0x	6.3%
Bank of Ireland	7.7	4.9%	11.9x	2.8%
Allianz	199.35	-2.0%	10.8x	4.7%
iShares European Bank ETF	18.47	-2.1%	11.8x	4.4%
Facebook	178.32	1.0%	20.2x	0.0%
PayPal	79.41	6.5%	34.4x	0.0%
Alphabet	1103.92	3.0%	22.0x	0.0%
Amazon	1512.45	29.0%	92.0x	0.0%
Smurfit Kappa	28.7	1.2%	12.1x	3.3%
Siemens	122.5	-10.4%	13.7x	3.6%
CRH	27.27	-7.6%	13.9x	2.6%
Kingspan	34.8	-7.3%	18.6x	1.2%
Royal Dutch Shell	2321	-9.0%	13.3x	5.9%
DCC	6635	-11.4%	21.1x	1.8%
GlaxoSmithKline	1307.2	-1.3%	12.3x	6.1%
Vinci	81.32	-6.3%	15.2x	3.2%

*Current Price as at 28/02/2018. Source: Bloomberg. *SIP = Since Inclusion in Portfolio*

Cantor Core Portfolio Return	0.30%
Benchmark Return	-3.10%
Relative outperformance	3.40%

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.

AIB

We recently replaced Verizon with AIB which furthered increased our overweight allocation to financials. AIB is Ireland's largest mortgage provider with a strong capital position and a dividend policy in place.

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 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.

Vinci

Vinci is a market leader in the European infrastructure space and the ideal way to play the ongoing European economic recovery. Vinci owns infrastructure assets across Europe including toll roads, rail and airports. These are likely to see increased traffic in coming years. Vinci is also likely to see earnings upgrades due to new contract wins and M&A. .

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.

Investment **Opportunities**

March 2018

STOCKWATCH

Pierce Byrne, CFA,
Investment Analyst

AIB

Current Price: €5.40

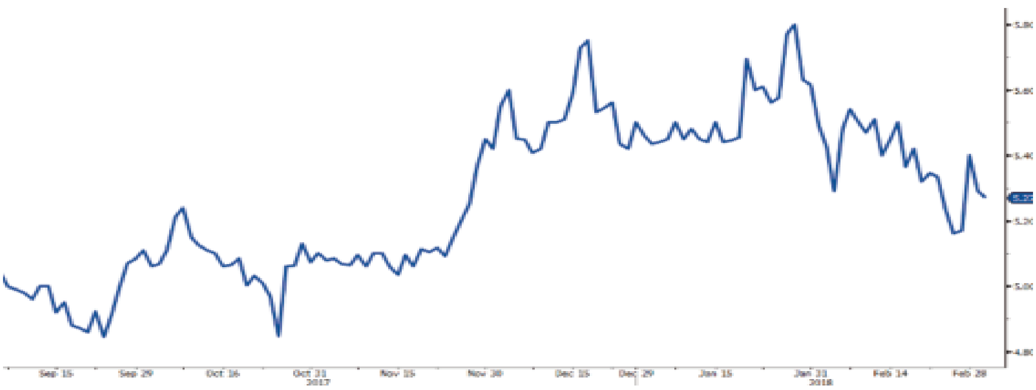
Central Bank data indicates that Irish credit markets are turning around and starting to show some growth. Lending figures are recording positive net growth across mortgages, personal consumption lending and Non-Financial Corporates (NFCs). Against this positive back drop and considering AIB's recent results, how is AIB positioned to take advantage of the current environment and where does its future lie?

The interesting piece for a potential AIB investor or shareholder is with potential in our opinion. The major question facing management, what is its longer term strategy with regards to the excess capital it holds? It has yet to give much guidance on it. We foresee this issue becoming increasingly important with regulatory issuances mandated by MREL in the range of €3bn to €5bn. AIB has more in customer funding than it has lent to customers, with a Loan to Deposit ratio (LDR) of 93% or c. €4.6bn. Given the current climate, there is capacity to look at increasing risk budgets for certain higher margin business lines while still maintaining the quality first strategy towards loan growth. Acquisitions could be another avenue to deploy excess capital and generate positive returns for shareholders. Finally, distributing to shareholders is also an option.

FY17 results produced a lot of positives, including strong revenue growth on the back of increased lending. Solid performance on operating costs continued with a focus on an efficient operating model. The Cost/Income (C/I) ratio is close to a sustainable 50% level. This has been driven by efficiencies arising from an €870 mln investment program over the past three years. Looking past the capital issue from a future returns perspective, the balance sheet is strong with a stable funding mix along with quality income producing assets. Reduction in the legacy NPE portfolios has been very good, which are expected to be in line with EU averages in the coming 18-24 months. This is excellent performance considering the starting position.

Our current view, sees AIB as a very efficient lender, with an effective strategy and a strong resilient balance sheet. The likely resolution of the excess capital position will be a mix of quality lead asset growth, with some additional distributions to shareholders and the possibility of some M&A. Our primary focus will be on management's strategy, guidance on capital and core operating performance along with monitoring the headline metrics NIM, C/I, loan growth, and funding costs.

AIB PRICE



Source: Bloomberg. Prices as of 28/02/2018

Pierce Byrne, CFA,
Investment Analyst

BOI

Current Price: €7.70

We have seen consistent contractions year on year in loan growth and along with strong growth in deposits resulting in Loan-to-Deposit ratios now well below 100% for the Irish banking sector. The last few months indicate that this picture is beginning to improve.

The dial appears to be turning however and we are seeing a turnaround in lending figures. Net mortgage lending rose by €126mln, in what was the third consecutive month of marginally positive annual growth since 2010. Net lending to Non-Financial Corporates (NFCs) increased by €92 million in annual terms to January. This was the first increase recorded in this series since July 2009

Regarding Bank of Ireland, there is a particular focus by the market on its costs strategy as it is very important in sustaining long term performance. FY17 C/I was 62%, which was one of the headline disappointments in FY17 results. To achieve the targeted C/I ratio would require a €265mln cost cut or a 15% reduction on FY17 operating expenses. NIM growth was slightly behind expectation at 229 bps with impacts on the funding side, MREL issuance, and the reduction of riskier, higher yielding assets, to maintain a stronger capital position.

The Group's strategy in the mortgage market has had positive results. Management also announced their intention to re-enter the third party broker market which should help increase market share. Mortgage pricing has been competitive across all products with Bank of Ireland being a leader on Fixed Mortgage products and Cash Back Offers. Non-Performing Loan (NPL) performance was very strong supporting our view on Balance Sheet strength. Capital generation was strong with a total fully loaded CET1 at 13.8%. We are expecting BOI to have approximately 100bps of capital to deploy on an annual basis going forward, implying an increased probability of a higher dividend. Management stated on the call that it is their goal to move to a 50% payout ratio of sustainable earnings in the longer term.

With mixed results from Bank of Ireland last month, we still see potential for long term value creation. They have the balance sheet to drive growth in their main markets as well as having cash to develop some ancillary revenues or even acquisitions. Performance on costs and NIM will be metrics to follow over the coming months. Consistent improvement in these should drive earnings growth.

BOI PRICE

Source: Bloomberg. Prices as of 28/02/2018

ASSET ALLOCATION

TRADING CALLS

Datalex

So far this year Datalex has managed to pull back some of the losses experienced last quarter. Toward the end of last year the stock sold off due to what appears to have been a seller trading very low volume on a regular basis. With no change to the fundamental case we deem it likely to rebound further in the short term. Longer term, its high quality innovative platform should ensure both the addition of new carriers and further organic growth from current carriers.

Current Price:	€3.20
Entry Level:	€3.00 - €3.10
Target Exit Level:	€3.40

	1 month	3 month	YTD
Returns	-5.41%	-9.97%	10.53%

FY17 P/E	Div Yield
42.50	1.53%

Bloomberg as of 28/2/2018. Prices as of 28/2/2018.

Ryanair

The share price has recovered somewhat this year following the combination of flight cancellations and pilot disputes last quarter. Ryanair has announced a €750m share buyback, the purchase of higher capacity more fuel efficient plane and earnings that were in line with expectations. We anticipate further re-rating and remain positive given company fundamentals and the current macro-economic backdrop.

Current Price:	€16.10
Entry Level:	€14.60 - €15.35
Target Exit Level:	€16.75

	1 month	3 month	YTD
Returns	-3.43%	-7.50%	7.41%

FY18 P/E	Div Yield
13.26	0.36%

Bloomberg as of 28/2/2018. Prices as of 28/2/2018.

SAP

SAP's product cycle continues to have good momentum, as illustrated by the recent upgraded guidance.. There may be room for margin expansion from 2018 onwards. Underlying business trends are robust with CEO Bill McDermott "We see growth in every corner of the business, which is why we are again raising our guidance for full year".

Current Price:	€84.10
Entry Level:	€84.00
Target Exit Level:	€90.20

	1 month	3 month	YTD
Returns	-3.67%	-10.92%	-9.87%

FY18 P/E	FY18 Div
19.88x	1.71%

Bloomberg as of 28/2/2018. Prices as of 28/2/2018.

Vodafone

Vodafone has traded down YTD -13%, on the back of concerns around competition, costs and regulation. The uncertainty around the future structure of its European business as talks with Liberty Global are on-going have also weighed on share price. We see long term value in Vodafone considering both the structural and strategic changes implemented by management.

Current Price:	GBp 204.35
Entry Level:	GBp 198 - 205
Target Exit Level:	GBp 223

	1 month	3 month	YTD
Returns	-9.22%	-8.82%	-12.85%

FY17 P/E	Div Yield
21.25	6.48%

Bloomberg as of 28/2/2018. Prices as of 28/2/2018.

ETHICAL INVESTING

***Richard Power**, Director of Stockbroking*

Key Information

Morningstar Rating	★★★★★
NAV	€205.24
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 28/02/2018*
Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Top Ten Holdings

VESTAS	8.13%
SMITH & NEPHEW	7.69%
KINGFISHER	7.22%
SHIMANO	6.26%
SVENSKA CELLULOSA	5.22%
TOMRA SYSTEMS	5.11%
MOLINA	4.12%
KURITA	4.09%
EAST JAPAN RAILWAY CO.	3.98%
ORMAT	3.78%

Source: Cantor Fitzgerald Ireland Ltd Research

Green Effects Fund

Objectives

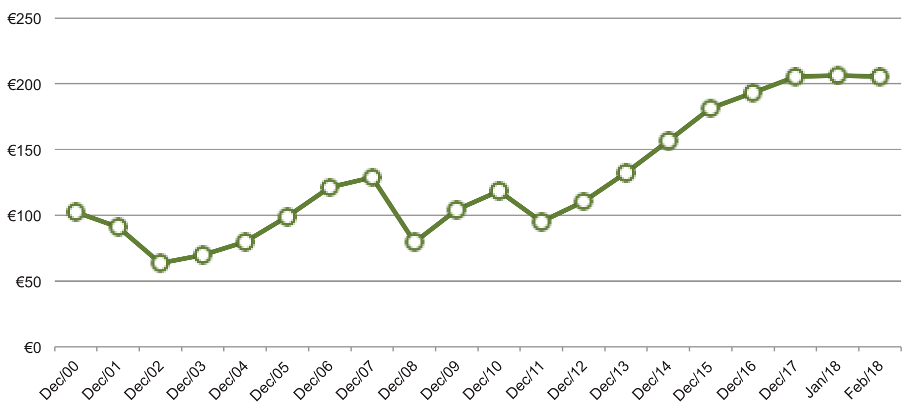
The objective of the fund is to achieve long term capital growth through a basket of ethically screened stocks. The fund invests in a range of companies with a commitment to supporting the environment, socially just production and work methods. For this purpose the fund only invest in stocks which are included in the Natural Stock Index (NAI) and provides a well-diversified investment alternative. This index was set up in Germany in 1994 and is currently comprised of 30 global equities.

Performance As of 28/02/2018.

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-2.3	0.0	5.0	4.6	11.5
MSCI World €	-3.8	-0.6	1.1	5.7	12.9
S&P 500 €	-3.5	0.3	-0.1	8.0	16.2
Euro STOXX 50	-5.5	-1.6	4.7	2.0	9.5
Friends First Stewardship Ethical	-2.8	1.1	8.5	6.5	12.8
New Ireland Ethical Managed	-2.7	1.1	8.0	6.7	10.6

**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%	6.8%

2018
-0.03%

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)	Currency	TER %	Yield %
Global Equity						
B5TRT09	Veritas Global Equity Income	★★	5	EUR	1.13	3.71
European Equity						
B9MB3P9	Threadneedle European Select	★★★★	5	EUR	0.83	0.98
UK Equity						
B3K76Q9	J O Hambro UK Opportunities	★★★★	5	GBP	0.82	2.99
US Equity						
BYR8HRO	Old Mutual North American Equity	★★★★	6	EUR	0.89	0.00

Bond Funds

SEDOL	Name		Risk Rating (1 - 7)	Currency	TER %	Yield %
Corporate Bond						
B3D1YW0	PIMCO GIS Global Investment Grade Credit	★★★★	3	EUR	0.49	3.25
Government Bond						
0393238	BNY Mellon Global Bond	★★★	4	EUR	0.65	0.00
High Yield						
B1P7284	HSBC Euro High Yield Bond	★★★★	4	EUR	1.35	2.83
Diversified Bond						
B39R682	Templeton Global Total Return	★★★	4	EUR	1.44	7.40

Alternative Funds

SEDOL	Name		Risk Rating (1 - 7)	Currency	TER %	Yield %
Absolute Return						
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
Multi - Asset Allocation						
B56D9Q6	M&G Dynamic Allocation	★★★★	4	EUR	0.93	0.65

Source: Bloomberg. Prices as of 28/2/2018.

Fund Performance

Equity Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Global Equity						
Veritas Global Equity Income	-5.30	-4.19	-3.79	-1.64	2.60	6.53
European Equity						
Threadneedle European Select	-2.73	-1.33	-0.83	11.30	4.03	10.30
UK Equity						
J O Hambro UK Opportunities	-2.86	-6.13	-7.47	-4.36	3.23	6.85
US Equity						
Old Mutual North American Equity	-1.45	0.69	0.30	7.09	9.30	10.14

Bond Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
PIMCO GIS Global Investment Grade Credit	-0.81	-1.66	-1.52	2.76	2.07	3.00
Government Bond						
BNY Mellon Global Bond	0.50	-2.74	-1.60	-6.28	-1.18	2.21
High Yield						
HSBC Euro High Yield Bond	-0.61	-0.26	-0.41	4.33	3.50	5.22
Diversified Bond						
Templeton Global Total Return	-0.76	-1.07	-0.07	1.74	0.25	0.51

Alternative Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Absolute Return						
Invesco Global Targeted Return	1.43	0.42	1.43	2.08	0.32	-
BNY Mellon Global Real Return	-0.67	-1.31	-0.67	0.97	-0.22	2.11
Standard Life GARS	1.24	2.14	1.24	3.61	0.08	2.77
Multi - Asset Allocation						
M&G Dynamic Allocation	-1.28	1.51	1.32	9.55	6.00	7.93

Source: Bloomberg. Prices as of 28/2/2018.

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	Currency	TER %	Yield %	UCITS
Global Equity						
SDGPEX	iShares Global STOXX 100 Select Dividend ETF	B401VZ2	EUR	0.46	5.57	Yes
European Equity						
SX5EEX	iShares Euro STOXX 50 ETF	7018910	EUR	0.16	3.83	Yes
UK Equity						
CTY	City of London Investment Trust Plc	0199049	GBp	0.44	3.89	No
US Equity						
FDL	First Trust Morningstar Dividend Leaders ETF	B11C885	USD	0.45	3.18	No
Emerging Market Equity						
JMG	JPMorgan Emerging Markets Investment Trust Plc	0341895	GBP	1.17	1.11	No

Bond ETFs & Trusts

Ticker	Name	SEDOL	Currency	TER %	Yield %	UCITS
Corporate Bond						
IEXF	iShares Euro Corporate Bond Ex-Financials ETF	B4L5ZG2	EUR	0.20	1.42	Yes
Government Bond						
IEGA	iShares Core Euro Government Bond ETF	B4WXJJ6	EUR	0.20	0.70	Yes
High Yield						
IHYG	iShares Euro High Yield Corporate Bond ETF	B66F475	EUR	0.50	3.78	Yes

Commodity ETFs & Trusts

Ticker	Name	SEDOL	Currency	TER %	Yield %	UCITS
Precious Metals						
SGLD	Source Physical Gold ETF	B599TV6	USD	0.29	0.00	No
Commodity						
OILB	ETFS 1 Month Brent ETF	B0CTWC0	USD	0.49	0.00	No

Source: Bloomberg. Prices as of 28/2/2018.

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	-2.66	0.07	-1.98	0.86	3.39	9.31
European Equity						
iShares EuroSTOXX 50 ETF	-4.84	-2.97	-1.14	10.57	4.35	8.66
UK Equity						
City of London Investment Trust Plc	-4.72	-1.53	-4.87	9.07	5.85	8.71
US Equity						
First Trust Morningstar Dividend Leaders ETF	-5.22	2.17	-1.93	8.94	11.14	12.38
Emerging Market Equity						
JPMorgan Emerging Markets Investment Trust Plc	-2.37	5.58	2.89	31.15	15.33	9.17

Bond Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
iShares Euro Corporate Bond Ex-Financials ETF	-0.16	-0.63	-0.29	2.14	1.30	3.32
Government Bond						
iShares Core Euro Government Bond ETF	-0.09	-1.01	-0.37	1.82	0.64	3.80
High Yield						
iShares Euro High Yield Corporate Bond ETF	-1.00	-0.85	-0.64	3.66	3.33	4.49

Commodity Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Precious Metals						
Source Physical Gold ETF	-1.59	3.38	2.70	9.53	1.19	-4.56
Commodity						
ETFS 1 Month Brent ETF	-3.32	8.18	3.00	17.97	-1.72	-15.97

Source: Bloomberg. Prices as of 28/2/2018.

STRUCTURED PRODUCT

Eric Culliton,
Head of Business Development

WINNER: Best Distributor, Ireland

Structured Products & Derivatives Awards 2018*

Our series of 2017 product maturities achieved significant returns:

• Global Dividend Bond	+55.2%	over 3 years 11 months
• Capital Secure Dividend Aristocrats Bond	+53%	over 3 years 11 months
• Dividend Aristocrats Bond II	+55.27%	over 3 years 11 months
• Oil & Gas Kick Out Bond	+34%	over 2 years
• Euro Blue Chip Kick Out Note	+20%	over 1 year

Current Product Portfolio

Euro Blue Chip Kick Out Bond 7

- Returns are linked to 4 blue chip stocks.
- Potential returns of 12% p.a.

Euro Financials Kick Out Bond IV

- Returns are linked to 4 leading financial stocks.
- Potential returns of 10% p.a.

- 5-year investment with 9 potential opportunities to redeem early.
- 90% step down kick out barrier | 50% capital protection barrier | additional star protection feature.
- These are capital at risk investment products.
- Products are available to personal, pension, ARF/AMRF, Friends First SDIO, corporate & charity investors.
- Minimum investment: **€10,000** | Closing date: **12th April 2018**

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

Each of our Autocall products includes 3 innovative protection features.

For further information visit: www.cantorfitzgerald.ie/structured-investments

Latest **News**

March 2018

MARKET ROUND-UP FEBRUARY 2018

***Ed Murray**,*
Senior Portfolio Manager

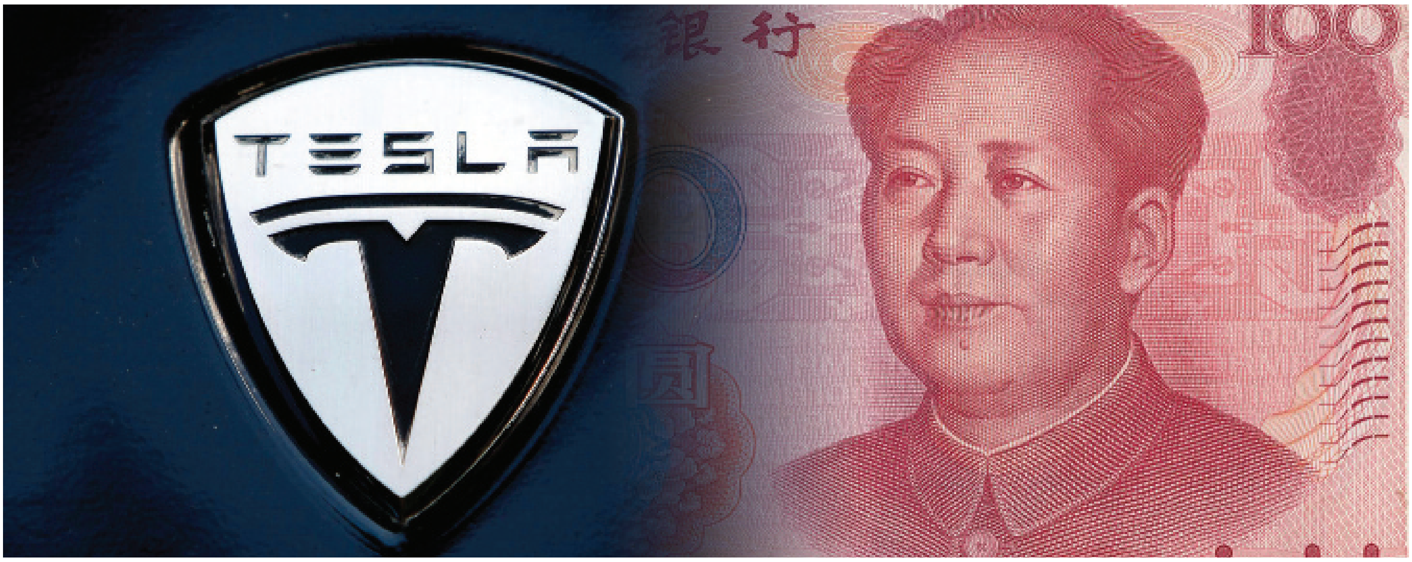
The Oracle of Omaha issues his annual letter

Warren Buffett the 87-year-old billionaire issued his annual letter to Berkshire Hathaway shareholders outlining his thoughts for the year ahead. Most noteworthy was the $116 billion dollar war chest they have to spend on acquisitions, of which they did very little in 2017 due to high valuations in the market according to Mr. Buffett. Another point of note was the $29bn tax saving following President Trump's new tax code for the company. Mind boggling some of the numbers, investors will be closely watching his next move in the market.

Is Brexit beginning to bite?

Retail sales in the U.K. barely grew in January, with the 0.1% monthly increase, far below analyst expectations. The Office for National Statistics said that the sector is in the grip of a longer-term slowdown. There are signs that Brexit uncertainty is starting to bite elsewhere, with job losses starting to hit auto workers, amid fears of factory closures. The commercial end of the building sector has also been impacted as projects are being postponed according Kingspan Plc. in their recent results.

Tesla's Chinese dream under threat



Elon Musk's expansion into the Chinese market is under threat as the company has failed to reach agreement with Chinese authorities in Shanghai on the ownership structure for the company. Tesla are exploring assembling some of their cars in China but local authorities are insisting that the new company should be a joint venture between Tesla and local partners. The longer the delay, the greater the risk Tesla has to capturing share in a market where Chinese authorities are incentivising consumers away from the gas guzzlers.

Speaking of inflation

The most widely watched U.S. CPI print in recent memory didn't disappoint. Consumer prices rose by more than projected in January as apparel costs jumped the most in nearly three decades. The CPI gained 0.5% from the previous month, above the median estimate of economists for a 0.3% increase. US treasuries reacted accordingly breaking up through 2.9%.

The Big Short Part II?

Ray Dalio of Bridgewater, one of the world's largest hedge funds, has placed short trades of c$21.5bn against some of Europe's biggest companies. Based on his philosophy, in a strong economy the best time to sell stocks is when we are close to full employment and interest rates are on the rise. The majority of his bet is supposedly against the Italian banks though he has targeted some of the European powerhouses like Siemens, BNP Paribas, ING Groep, French oil company Total and drug maker Sanofi to name a few.

LATEST NEWS -CORPORATE FINANCE

O'HARA'S OPEN NEW BREWPUB "URBAN BREWING" IN THE CHQ BUILDING, IFSC

In 2015, Cantor Fitzgerald clients invested €2.5m in Carlow Craft Brewery Limited trading as O'Hara's Craft Beer through the EIIS scheme. In late 2017, O'Hara's were delighted to open Urban Brewing, a brewery, bar and restaurant in the CHQ Building, at the IFSC in Dublin 1.

The venue is laid out over in excess of 10,000 sq. ft. The ground floor bar area (Taps & Tapas) has a large heated and covered terrace (The Hop Garden) opening onto Georges Dock waterfront. It is a vibrant space to enjoy a large selection of craft beers, wines, cocktails and spirits, along with an array of tapas style dishes ideal for sharing. The Brewhouse, located on a mezzanine level overlooking the bar, brews an exciting range of unique and exclusive beers, using O'Hara's pioneering craft brewing expertise. Urban Brewing continues downstairs where the 250-seater restaurant, the Vault Bar and The Brewmasters Tasting Table are located, within the 19th century bonded warehouse. The unique vista of the vaulted alcoves is the perfect setting for a memorable experience, be it over a casual lunch, a more substantial dinner over wine or an event tailored to any occasion.

Since it opened trading has been very strong, exceeding all expectations, with many more experiences being planned for 2018, be it beer and food matching nights, barrel aging release or The Urban Beer Club. Stay tuned for more details!

For more details visit www.cantorfitzgerald.ie/corporate-finance

LATEST NEWS - CORPORATE FINANCE

GREAT NORTHERN DISTILLERY BUYS BACK 2014 EIIS SHARES

In 2014, Cantor Fitzgerald clients invested €2.5m in Great Northern Distillery Limited ("GND" or the "company") via the EIIS scheme. The funds were used by John Teeling and his team to convert the former Harp Brewery in Dundalk – which was acquired from Diageo in 2014 – into a large scale malt and grain distillery.

Following the successful completion and fit out of the distillery, GND commenced distillation in July 2015. The first of its two distilleries to be commissioned was the 30-million-bottle-a-year capacity, three-column still grain whiskey distillery. This was followed by the three pot-still malt distillery, capable of distilling 12 million bottles of single malt and pot still whiskey per year, which began distillation in August 2015.

The company has enjoyed tremendous success and growth, delivering profitability each year since the distillery was commissioned and is now one of the largest producers of grain whiskey in the country. Following on from this success the company bought back the 2014 EIIS shares in February this year. The share buyback was as per the terms of the 2014 EIIS investment and resulted in a 12% uplift for Cantor Fitzgerald clients, in addition to the tax relief obtained over the 3 year period.

LATEST NEWS - LOAN NOTE OPPORTUNITY

KILTERNAN CEMETERY PARK

We are pleased to announce our intention to bring to market our first loan note investment for 2018.

Kilternan Cemetery Park was developed as a joint venture between Tim Crowley and Park Developments Group and is a premium development in scenic parkland. A multi-denominational cemetery, it is situated on a panoramic site of approximately 9 acres between the Enniskerry Road and the Rathmichael Road. With a shortage of cemetery plots in the south county Dublin area and with an aging demographic, there is significant potential for business.

Key Features

- **Fundraise Amount:** €5m
- **Security:** First legal charge on cemetery park
- **Expected Term:** Up to 5 years but may be redeemed after 3 years subject to 90 days' notice
- **Coupon:** 7% per annum
- **Minimum investment:** €50,000
- **Investor fee:** 2%
- **Timing:** March 2018

Performance **DATA**

March 2018

INVESTMENT RETURNS

Equities

Index	31/01/18	28/02/18	% Change	% ytd Change	52 Week High	Date
ISEQ	6961.64	6683.39	-4.0%	-5.0%	7,257	23/01/2018
DAX	13189.48	12435.85	-5.7%	-3.7%	13,597	23/01/2018
Eurostoxx50	3609.29	3438.96	-4.7%	-1.9%	3,709	01/11/2017
Stoxx600 (Europe)	395.46	379.63	-4.0%	-2.5%	404	23/01/2018
Nasdaq (100)	6949.987	6854.417	-1.4%	7.2%	7,023	26/01/2018
Dow Jones	26149.39	25029.2	-4.3%	1.3%	26,617	26/01/2018
S&P500	2823.81	2713.83	-3.9%	1.5%	2,873	26/01/2018
Nikkei	23098.29	22068.24	-4.5%	-3.1%	24,129	23/01/2018
Hang Seng	32887.27	30844.72	-6.2%	3.1%	33,484	29/01/2018
China (Shaghai Composite)	3480.833	3259.408	-6.4%	-1.4%	3,587	29/01/2018
India	35965.02	34184.04	-5.0%	0.4%	36,444	29/01/2018
MSCI World Index	2213.24	2117.99	-4.3%	0.7%	2,250	29/01/2018
MSCI BRIC Index	373.98	353.64	-5.4%	5.4%	381	29/01/2018

Currencies

Currency Pair	31/01/18	28/02/18	% Change	% ytd Change	52 Week High	Date
EuroUSD	1.2414	1.2194	-1.8%	1.6%	1.2555	16/02/2018
EuroGBP	0.87475	0.88617	1.3%	-0.2%	0.9307	29/08/2017
GBP/USD	1.4191	1.376	-3.0%	1.8%	1.4345	25/01/2018
Euro/AUD	1.54103	1.57093	1.9%	2.2%	1.5937	05/03/2018
Euro/CAD	1.52864	1.56463	2.4%	3.7%	1.6007	05/03/2018
Euro/JPY	135.54	130.08	-4.0%	-3.8%	137.5000	02/02/2018
Euro/CHF	1.15606	1.15179	-0.4%	-1.6%	1.1833	15/01/2018
Euro/HKD	9.7111	9.5428	-1.7%	1.7%	9.8201	16/02/2018
Euro/CNY	7.8384	7.7223	-1.5%	-1.0%	7.9936	03/08/2017
Euro/INR (India)	79.188	79.66	0.6%	4.1%	80.3885	16/02/2018
Euro/IDR (Indonesia)	16646.35	16787.3	0.8%	3.5%	16,990.1700	16/02/2018
AUD/USD	0.8055	0.7762	-3.6%	-0.6%	0.8136	26/01/2018
USD/JPY	109.19	106.68	-2.3%	-5.3%	115.5100	10/03/2017
US Dollar Index	89.133	90.613	1.7%	-1.6%	102.2500	09/03/2017

Commodities

Commodity	31/01/18	28/02/18	% Change	% ytd Change	52 Week High	Date
Oil (Crude)	64.56	61.64	-4.5%	2.1%	66.39	25/01/2018
Oil (Brent)	69.05	65.78	-4.7%	-1.6%	71.28	25/01/2018
Gold	1345.15	1318.38	-2.0%	1.2%	1,366.18	25/01/2018
Silver	17.3415	16.418	-5.3%	-3.1%	18.66	17/04/2017
Copper	321.5	313.25	-2.6%	-5.5%	333.35	28/12/2017
CRB Commodity Index	443.44	443.89	0.1%	2.7%	542.10	03/07/2017
DJUBS Grains Index	34.0112	35.7148	5.0%	9.4%	40.76	11/07/2017
Gas	2.995	2.667	-11.0%	-9.7%	3.66	29/01/2018
Wheat	465.5	495	6.3%	12.4%	609.75	05/07/2017
Corn	369.5	382	3.4%	6.4%	430.00	11/07/2017

Bonds

Issuer	31/01/18	28/02/18	Yield Change	% ytd Change	52 Week High	Date
Irish 5yr	0.439	0.399	-0.04	375.0%	0.48	22/02/2018
Irish 10yr	1.142	1.082	-0.06	61.5%	1.21	14/03/2017
German 2yr	-0.526	-0.54	-0.01	-13.9%	-0.47	20/02/2018
German 5yr	0.104	0.024	-0.08	-111.9%	0.15	08/02/2018
German 10yr	0.697	0.656	-0.04	53.6%	0.81	08/02/2018
UK 2yr	0.664	0.778	0.11	77.6%	0.84	27/02/2018
UK 5yr	1.018	1.155	0.14	59.8%	1.22	27/02/2018
UK 10yr	1.51	1.501	-0.01	26.1%	1.69	15/02/2018
US 2yr	2.1406	2.25	0.11	19.5%	2.28	28/02/2018
US 5yr	2.5139	2.6401	0.13	19.7%	2.69	21/02/2018
US 10yr	2.705	2.8606	0.16	18.9%	2.95	21/02/2018

Source for all tables above: Bloomberg and Cantor Fitzgerald Ireland Ltd Research.

LONG TERM INVESTMENT RETURNS

Asset Class Performances (returns in Local Currency)*

Equities

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
MSCI World Index	10.2%	20.9%	9.8%	-40.2%	30.9%	12.5%	-4.9%	16.7%	27.5%	2.9%	-1.9%	5.3%	20.11%	0.69%
MSCI Emerging Market Index	34.4%	32.6%	39.7%	-53.1%	78.7%	19.4%	-18.2%	18.7%	-2.3%	-4.6%	-17.2%	8.6%	34.35%	3.25%
China	-5.8%	135.1%	98.0%	-64.9%	82.6%	-12.8%	-20.2%	5.8%	-3.9%	52.9%	10.5%	-12.3%	6.56%	-1.44%
Japan	41.8%	8.1%	-10.0%	-41.1%	21.1%	-1.3%	-15.6%	25.6%	59.4%	7.1%	9.1%	0.4%	19.10%	-3.06%
India	44.6%	48.8%	48.8%	-51.8%	78.5%	19.1%	-23.6%	28.0%	9.8%	30.1%	-5.6%	1.8%	27.91%	1.10%
S&P500	4.9%	15.8%	5.6%	-37.0%	26.4%	15.1%	2.1%	16.0%	32.4%	11.4%	0.2%	9.5%	19.42%	1.50%
Eurostoxx50	25.4%	19.2%	10.4%	-41.8%	27.0%	-1.8%	-13.1%	19.6%	22.7%	1.2%	4.5%	0.7%	6.49%	-1.86%
DAX	27.1%	22.0%	22.3%	-40.4%	23.8%	16.1%	-14.7%	29.1%	25.5%	2.7%	9.6%	6.9%	12.51%	-3.73%
ISEQ	21.6%	30.6%	-24.7%	-65.1%	29.8%	-0.1%	2.6%	20.4%	35.7%	15.1%	31.2%	-4.0%	7.99%	-5.04%

Commodities

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Gold	18.4%	23.0%	31.3%	5.5%	24.0%	29.7%	10.2%	7.0%	-28.3%	-1.5%	-10.5%	8.6%	13.68%	2.27%
Brent Oil	45.8%	3.2%	54.2%	-51.4%	70.9%	21.6%	13.3%	3.5%	-0.3%	-48.3%	-36.4%	52.4%	17.69%	3.26%
Crude Oil	40.5%	0.0%	57.2%	-53.5%	77.9%	15.1%	8.2%	-7.1%	7.2%	-45.9%	-31.3%	45.0%	12.47%	7.13%
Copper	40.6%	40.6%	5.9%	-53.6%	137.3%	32.9%	-22.7%	6.3%	-7.0%	-16.8%	-24.0%	17.4%	31.73%	-3.18%
Silver	29.6%	45.3%	15.4%	-23.8%	49.3%	83.7%	-9.8%	8.2%	-35.9%	-19.5%	-11.3%	15.8%	7.23%	0.56%
CRB Commodity Index	3.4%	19.6%	14.1%	-23.8%	33.7%	23.6%	-7.4%	0.4%	-5.7%	-4.1%	-14.6%	12.9%	2.19%	2.57%

Currencies

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Euro/USD	-12.6%	11.4%	10.5%	-4.3%	2.0%	-6.6%	-3.2%	1.8%	4.1%	-12.1%	-9.7%	-3.1%	14.15%	3.35%
Euro/GBP	-2.7%	-2.0%	9.1%	30.0%	-7.2%	-3.3%	-2.8%	-2.6%	2.2%	-6.5%	-5.0%	15.7%	4.05%	-1.55%
GBP/USD	-10.2%	13.7%	1.3%	-26.5%	10.2%	-3.3%	-0.4%	4.6%	1.9%	-6.0%	-4.9%	-16.3%	9.51%	5.10%
US Dollar Index	12.8%	-8.2%	-8.3%	6.1%	-4.2%	1.5%	1.5%	-0.5%	0.4%	12.7%	8.9%	3.6%	-9.87%	-3.37%

Source for all tables above: Bloomberg and Cantor Fitzgerald Ireland Ltd Research

PERFORMANCE DATA

INDICATIVE PERFORMANCE FIGURES & MATURITY DATES FEBRUARY 2018

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	3458.03	15.78%	200%	**30.00%**	**N/a**
PROTECTED ABSOLUTE RETURN STRATEGIES*	SLGLARA	12.05	12.02	-0.28%	-	-	-
	CARMPAT	615.33	655.38	6.51%	-	-	-
	ETAKTVE	128.74	137.86	7.08%	-	-	-
			Weighted Basket	4.44%	120%	**5.32%**	**N/a**
GLOBAL REAL RETURN NOTE*	BNGRRAE	1.27	1.22	-4.14%	150%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND*	BNPIAFST	130.53	138.36	5.99%	180%	**10.79%**	**N/a**
PROTECTED STAR PERFOMERS BOND II*	BNPIAFST	130.91	138.36	5.69%	170%	**9.67%**	**N/a**
PROTECTED STAR PERFOMERS BOND III*	BNPIAFST	133.58	138.36	3.57%	170%	**6.08%**	**N/a**
PROTECTED STAR PERFOMERS BOND IV*	BNPIA2MT	166.28	168.01	1.04%	200%	**2.08%**	**N/a**
PROTECTED STAR PERFOMERS BOND V*	BNPIA2MT	165.75	168.01	1.37%	200%	**2.73%**	**N/a**
PROTECTED STAR PERFOMERS BOND VI*	BNPIA2MT	166.02	168.01	1.20%	200%	**2.40%**	**N/a**
PROTECTED STAR PERFOMERS BOND 7*	BNPIA2MT	168.56	168.01	-0.33%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND 8*	BNPIA2MT	168.78	168.01	-0.46%	200%	**0.00%**	**N/a**
CAPITAL SECURE MIN RETURN 1*	SX5E	2579.76	3458.03	34.04%	-	**13.00%**	**18.50%**
CAPITAL SECURE MIN RETURN 2*	SX5E	2589.25	3458.03	33.55%	-	**11.80%**	**23.25%**
CAPITAL SECURE MIN RETURN 5*	SX5E	2799.2	3458.03	23.54%	-	**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
Protected Star Performers BondVI	20/07/17	27/09/22
Protected Star Performers Bond 7	24/11/17	01/12/22
Protected Star Performers Bond 8	21/12/17	28/12/22

Source for all tables above: Bloomberg.

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 27th February 2018. 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 3*	XOM	82.87	78.95	-4.73%	**Next Potential Coupon**	34%	-
	RDSB	1711.00	2316.50	35.39%			-
	BP	350.10	478.20	36.59%			-
	FP	41.88	47.30	12.96%			**0%**
REAL ESTATE KICKOUT NOTE*	SPG	190.52	155.80	-18.22%	**Next Potential Coupon**	60%	-
	UL	233.60	190.25	-18.56%			-
	DLR	74.80	100.40	34.22%			-
	HCN	65.25	53.19	-18.48%			**0%**
EURO BLUE CHIP KICKOUT BOND III*	ITX	31.50	25.25	-19.85%	**Next Potential Coupon**	10%	
	BN	62.79	66.60	6.07%			
	ADS	183.05	182.00	-0.57%			
	CRH	32.82	27.73	-15.51%			**0%**
EURO BLUE CHIP KICKOUT BOND IV*	BMW	86.69	87.70	1.17%	**Next Potential Coupon**	9%	
	FP	48.70	47.30	-2.87%			
	ADS	177.25	182.00	2.68%			
	CRH	33.56	27.73	-17.37%			**0%**
EURO BLUE CHIP KICKOUT BOND V*	ADS	199.95	182.00	-8.98%	**Next Potential Coupon**	9%	
	ABI	102.15	87.09	-14.74%			
	BAYN	107.00	98.10	-8.32%			
	FP	43.92	47.30	7.70%			**0%**
EURO BLUE CHIP KICKOUT BOND 6*	AIR	97.70	98.71	1.03%	**Next Potential Coupon**	11%	
	ABI	85.74	87.09	1.57%			
	BN	65.29	66.60	2.01%			
	FP	46.88	47.30	0.91%			**9.00%**
EURO FINANCIALS KICKOUT BOND*	BNP	68.40	65.52	-4.21%	**Next Potential Coupon**	10%	
	GLE	48.91	46.88	-4.16%			
	INGA	15.72	14.69	-6.56%			
	SAN	5.77	5.73	-0.76%			**0%**
EURO FINANCIALS KICKOUT BOND II*	BNP	62.85	65.52	4.25%	**Next Potential Coupon**	10%	
	GLE	41.96	46.88	11.71%			
	INGA	15.00	14.69	-2.05%			
	SAN	5.503	5.73	4.13%			**0%**
EURO FINANCIALS KICKOUT BOND III*	BNP	65.10	65.52	0.65%	**Next Potential Coupon**	10%	
	GLE	46.68	46.88	0.42%			
	INGA	14.72	14.69	-0.22%			
	SAN	5.66	5.73	1.17%			**0%**
80% PROTECTED KICK OUT 1*	AAPL	86.37	179.42	107.73%	**Next Potential Coupon**	60% In Year 4	-
	PRU	1395.00	1841.00	31.97%			-
	BMW	88.18	87.70	-0.54%			-
	VOD	217.15	204.80	-5.69%			**-5.69%**
80% PROTECTED KICK OUT 2*	AAPL	94.72	179.42	89.42%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1532.80	1303.80	-14.94%			-
	BMW	93.97	87.70	-6.67%			-
	VOD	195.65	204.80	4.68%			**-14.94%**
80% PROTECTED KICK OUT 3*	RDSA	2346.50	2302.50	-1.88%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1412.05	1303.80	-7.67%			-
	BMW	85.64	87.70	2.41%			-
	ALV	128.20	192.86	50.44%			**-7.67%**
80% PROTECTED KICK OUT 4*	RDSA	2132.50	2302.50	7.97%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1463.80	1303.80	-10.93%			-
	RYA	8.27	16.17	95.39%			-
	ALV	138.45	192.86	39.30%			**-10.93%**

Strike and Maturity Dates for Cantor Fitzgerald Kick Out Notes:

Bond	Strike Date	Next Kick Out Observation Date	Maturity Date
Real Estate Kick Out Note	18/12/15	18/06/18	05/01/21
Oil & Gas Kick Out Note 3	16/03/16	16/03/18	30/03/21
Euro Bluechip Kickout Bond III	16/03/17	16/03/18	16/03/22
Euro Bluechip Kickout Bond IV	16/05/17	16/05/18	16/05/22
Euro Bluechip Kickout Bond V	04/08/17	06/08/18	18/08/22
Euro Bluechip Kickout Bond 6	22/02/18	22/02/19	28/02/23
80% Protected Kick Out 1	19/05/14	21/05/18	28/05/18
80% Protected Kick Out 2	22/07/14	23/07/18	30/07/18
80% Protected Kick Out 3	26/09/14	26/09/18	03/10/18
80% Protected Kick Out 4	28/11/14	28/11/18	05/12/18
Euro Financials Kickout Bond	06/10/17	22/10/18	20/10/22
Euro Financials Kickout Bond II	01/12/17	03/12/18	15/12/22
Euro Financials Kickout Bond III	22/02/18	22/02/19	08/03/23

Source for all tables above: Bloomberg.

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AIB: Allied Irish Banks plc (AIB) attracts deposits and offers commercial banking services. The Bank offers mortgage, automobile, business, plant and equipment purchase, and lease financing loans, investment banking, securities brokerage, asset management and treasury services, and discounts invoices. AIB operates in Ireland, the United Kingdom, and the United States

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.

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.

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

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

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.

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.

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.

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.

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

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

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

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

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.

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.

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

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

Siemens AG: 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.

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

VINCI SA: VINCI is a global player in concessions and construction with expertise in building, civil, hydraulic, and electrical engineering.

Historical Record of recommendation

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.

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.

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

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

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

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

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.

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

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.

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

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

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

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

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.

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

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

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.

VINCI SA: We initiated coverage of Vinci SA with an Outperform rating, on 25/08/2017.

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