July 2018

Investment JOURNAL

FEATURED THIS MONTH:

Core Equity Portfolio: The investment case for our preferred names

Stockwatch: Our views on AIB and BOI

Core Funds Range: Latest updates on our range of investment funds, ETFs & trusts

Ethical Investing: Green Effects providing sustainable investment returns

Trading Calls: We see value in DCC, CRH, Shell and Coca Cola

Investor Interview: Mark Caslin, Alder Capital

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WELCOME...

William Heffernan,
Senior Investment Analyst

Markets continued to have a tough time in June with an initial rally in the early part of the month offset by trade and growth worries in the second half. Trade worries are likely to persist over the summer which we cover extensively later on. Below we focus on the month that was for global central banks and the upcoming earnings season.

Removing the Punch Bowl…Slowly

As Ben Bernanke stated shortly after his departure from the Fed, "the central bank needs to be able to make policy without short-term political concerns". That task was made a little more difficult this month with each central bank meeting taking place under the auspices of economies beset by trade and political worries. On 14th June the Fed, as expected delivered another 25bp rate hike, moving its Federal Fund rate range up 1.75-2%. Interestingly the dot plot, the Fed's own guide to the rate hiking path, moved up and is now marginally in favour of two more hikes this year, so four in total. It also anticipates a further three 25bps hike in 2019 and expects the Federal Fund rate to move up again in 2020. It also dropped its previous guidance that rates would remain below their long run levels "for some time". So in summary, a slightly hawkish tilt. The next day Mario Draghi proved the consummate communicator at the June ECB meeting. He confirmed that QE asset purchases would reduce from €30bn to €15bn in September and cease completely in December. This was undoubtedly a hawkish move which Mr Draghi then immediately offset by stating that there will not be rate hikes until at least after summer 2019, a decidedly dovish move. So in one fell swoop Mr Draghi managed to deliver a classic "dovish taper" and would have been very pleased with the lack of subsequent reaction in markets. Later in the month the BOE MPC also produced a hawkish tilt while keeping rates on hold for now. It is interesting to note alongside the relatively hawkish meetings of the Fed, BOE and ECB, a substantial amount of other central banks met in June, with the majority focused on hawkish actions or some form of monetary tightening. Despite this the US 10-year yield finished the month at 2.83%, down from 2.90% at the start of the month and its high of 2.96% during the month. Likewise the European 10-year finished out June at 0.30%, down from 0.39% at the start of the month and its month high of 0.49%. This may say more about the market's increased uncertainty regarding tariffs and longer term growth.

Earnings Season Ahoy!

As we roll into July, our thoughts are turning to earnings season. We had highlighted with Q1 earnings season how important management guidance and comments on analysts' calls post results would be, and this time it is no different. Q1 earnings season produced 24% growth but in general markets did not receive the kicker they normally would from such a strong set of results. The Dow Jones is down 1.93% since the end of Q1 earnings, while the S&P 500 is up just 0.52% over the equivalent timeframe. If clients have been reading our Daily and Weekly notes, they will be well aware of the reasons behind this. Yield movements, poor European economic data, trade tensions and European political volatility have all played a part. The upcoming quarterly earnings are again expected to be led by Tech, Industrials and Financials. Importantly, post the initial optimism after tax reform, it will be interesting to see if there have been any substantial changes in management outlook or guidance, especially in the light of increased uncertainty regarding trade. The major short-term risk stemming from tariffs is that management revise down forward looking estimates or postpone/cancel capex or investment spending due to uncertainty. We will be following trends through earnings season with a keen eye.

William Heffernan,
July 2018

WARNING: Past performance is not a reliable guide to future performance.

Asset **Allocation**

July 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.

A key theme for us at the start of 2018 was the return of market volatility following one of the least volatile years in 2017. This call for a return of market volatility was predicated primarily on the removal of monetary policy accommodation by global central banks with the Fed tightening monetary policy and the ECB looking to gradually normalise its monetary policy measures.

While both of these factors have been responsible for an element of volatility seen in financial markets during 2018, the latest period of heightened market uncertainty has been augmented by a significant increase in uncertainty over global trade as the White House targets China and indeed Europe in an attempt to implement President Trump's America First agenda.

Having previously targeted China, Canada, Mexico and Europe a number of months ago with tariffs on aluminium and steel, the situation appeared to have been defused following meetings with representatives from the respective targeted regions. As we commented last month the risk of a trade war had in the words of US Treasury Secretary Mnuchin "been put on hold".

Following a serious escalation however in rhetoric from the White House during June it would appear that this 'holding' period has well and truly expired, with trade tensions set to escalate for the foreseeable future.

Against this renewed uncertain backdrop, early month gains for global equity markets were erased by the end of June while bond yields declined from recent highs as investors sought safe havens from risk assets.

This weakness in risk assets comes despite a backdrop of stronger global economic data with the US unemployment rate falling to an 11 year low of 3.8%, as well as a rebound in economic data in the euro-zone which in normal circumstances would be supportive for equities.

While the uncertainties created by the trade tensions are of significant concern, we are heartened by the fact that for the time being at least global economic momentum remains positive and has not been derailed by tighter central bank policy. It is for that reason that we remain broadly positive on equity markets for the remainder of 2018, but we are of course mindful of the negative economic impact an escalation in trade conditions might have on global growth.

The key focus for markets in the month ahead apart from the ongoing trade issues, will be once again be on central banks and critically from an equity market perspective the second-quarter earnings season.

From a central bank perspective the main focus will be on the ECB which is scheduled to meet on 26th July. While the bank conveyed its plan to conclude its asset purchase programme by the end of the year, attention is sure to turn to the question of trade and the potential damage a full-blown trade war might have on the euro-zone economy.

Arguably the most critical point of focus for markets will be on the second-quarter reporting season which will commence in the second week of the month. Following on from a 24% rate of earnings growth in the first-quarter, expectations for S&P 500 year-on-year earnings growth for the second quarter stand at 19%. While the headline rate of earnings growth will be important, of more importance will be the outlook comments from CEO's in relation to future earnings expectations and how they may be impacted by the escalation in global trade hostilities.

Our Views

Equities

Just like some of the matches in the ongoing World Cup, June turned out to be like a game of two halves with initial strong gains for equity indices being erased by weakness into month-end.

The initial move higher in markets was driven by a reduction in the level of political uncertainty in Italy while more conciliatory comments from the US in relation to trade also boosted market confidence. Also supporting markets was ongoing M&A activity along with expectations for full-year earnings growth.

This positive tone however was undone by a ratcheting up of trade tensions as the US announced a fresh round of tariffs against China, who responded in kind by announcing their own tariffs on US goods.

Apart from the challenges posed by a potential global trade war, equity markets were faced with the reality that the end of non-standard monetary policy from global central banks has well and truly arrived as the US Federal Reserve increased interest rates for the seventh time since it concluded its QE programme in October 2014 and the ECB signalled the end of its QE programme by the end of 2018.

As we stated in last month's equity comment, the economic fundamentals remain supportive for risk assets. Economic data points in Europe in particular recovered in June from the softness witnessed in April and May, while US economic data also continue to be positive. Notwithstanding this positive dynamic the short-term uncertainty created by increased trade tensions will outweigh the positive economic backdrop as the difficulty for equity investors is that the extent to which these trade tensions will escalate is impossible to determine.

At the time of writing, year-on-year earnings growth forecasts for Q2 2018 stand at 19% and for the full-year earnings growth forecasts are also running at close to 19%. It is this latter figure which is under threat from any trade issues and in this regard the accompanying outlook statements with earnings releases will be of significant importance.

For the month ahead we see a continuation of the current market volatility but retain our current overweight equity exposure given our positive medium–term outlook. Once again we maintain a preference for European over the US on a relative valuation basis, and due to the fact that ECB policy remains broadly accommodative. We reiterate our preference for technology, industrials, materials, infrastructure, consumer discretionary and financials.

Bonds

Bond yields declined during the month in spite of more hawkish comments from the US Federal Reserve and comments from the ECB that it will terminate its bond buying programme by the end of 2018. This move lower in yields was triggered by a renewed focus on US trade policy, which a month ago had seemed to be softening but hardened again towards the end of June.

The announcement from President Trump of plans for in excess of €50bn of new tariffs on China, along with a focus on some European sectors, specifically autos, raised concerns about the outlook for global growth. This was reflected in the move lower in the yields on US and German 10-year sovereign bonds and raised questions about the ability for the Fed to implement an additional two interest rate increases in the second-half of 2018.

Highlighting these growth concerns was the narrowing of the spread between the US 2-Year and 10-Year bonds. The spread between the two bonds now stands at just 34 basis points down from 70 basis points in February and the lowest level since just before the financial crisis in 2008. Such a narrowing of the yield spread between the 2-Year and 10-Year bonds suggests increasing concerns by bond investors about the prospects for longer-term economic growth. While this narrowing of the spread is significant, in general, the US economy continues to be robust. While, the worst case scenario of an inverted yield curve (the 2-Year yield higher than 10-Year yield) is still a bit away, the swiftness of the narrowing of the spread in recent weeks warrants close attention.

ASSET ALLOCATION CONTINUED

In Europe, the German 10-Year Bund now yields 0.32% up from the recent lows of 0.19% at the peak of the recent Italian political crisis, but well below the 2018 high of 65 basis points. While the ECB recently indicated it plans to conclude its asset purchase programme by the end of 2018, it also stated that interest rates would remain at their current 0% level until at least the middle of 2019. This has resulted in the continued compression in core euro-zone bond yields, while global trade uncertainties, doubts about Angela Merkel's future as German Chancellor and continued unease about the Italian political situation have also been factors in supressing core euro-zone bond yields.

Given the continued lack of a meaningful return from sovereign bonds, we continue to maintain an underweight exposure to the asset class with our preference continuing to be corporate bonds which have the support of strong corporate balance sheets.

Currencies

The early part of June saw a continuation of the rally in US dollar which commenced in April with the US currency trading as low as 1.15 against the euro. This continued strength was the result of a more hawkish Federal Reserve which after increasing US interest rates for the second time this year suggested that two more hikes might be required in the second-half of the year.

This move in the dollar was capped at the 1.15 level against the euro as the return of trade tensions raised concerns over the outlook for global growth, but in particular US growth and by consequence raised doubts about how aggressive the Fed will actually be in relation to further interest rate increases. As a result we maintain our view that there will be a total of three increases by the Federal Reserve during 2018 and we therefore see the scope for a breach of the 1.15 level by the US dollar as limited and see the US dollar/euro pair trading in a range of 1.17 to 1.20 in the coming quarters.

Notwithstanding the fact that the Bank of England's chief economist stated during June that he favoured a UK interest rate increase sooner rather than later, sterling continues to be dominated by Brexit and domestic political risk. With little or no progress made in terms of Brexit and specifically the Irish border issue, and with Prime Minister May under increasing pressure from her own party colleagues, we continue to see further downside risks to sterling. As a consequence, we remain of the view that a move to the 0.92/0.93 region is possible during the second-half of 2018.

Commodities

Oil: The main focus for the energy sector during June was the meeting of OPEC in Vienna at which the cartel's members agreed to increase the daily production by 1 million barrels per day. This increased production figure was approximately 50% less than anticipated by the market as OPEC sought to replace supply issues which have occurred as a result of production issues in Venezuela and Mexico and the curb related issues impacting supply from Iran.

Despite this smaller than anticipated level of production increase from OPEC, crude oil prices finished the month approximately 2% lower with part of this weakness the result of continued US dollar strength.

While Brent crude is trading at $74.50 and above our year-end target range of $60 to $70, we see the upside for the commodity as being limited. This view is based on the fact that the unified nature of the supply agreement reached by OPEC suggests that a further increase in product is possible later in the year should market conditions warrant such a move. We therefore maintain of target range by year-end of between $60 and $70

Gold: Despite a modest pick-up in inflation indicators during June, gold declined by almost 3% on the month. While the most recent readings in inflationary trends should be positive for the precious metal, longer-term inflation expectations remain subdued. Equally, the recent relative strength of the US dollar will act a headwind for the commodity. We therefore maintain our neutral view for the commodity for the second-half of the year.

ASSET ALLOCATION

CORE PORTFOLIO 2018

David Beaton,
Chief Investment Officer

The resumption of market volatility was the main feature for equity markets during June as the return of tariff threats from the US and the possible impact on global growth and earnings unnerved investors. After a positive start to the month as political uncertainty in Europe abated and as signs that trade rhetoric might ease, markets declined in the latter part of the month as trade tensions re-emerged with a vengeance. Despite this volatile market action, the Cantor Core Portfolio was unchanged during the month which sees the positive year-to-date performance maintained at 6.6% compared to a gain of just 2.3% 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.

The unchanged performance on the month was due to the continued strong performances by the US technology holdings in the portfolio in particular Facebook and Amazon which both appreciated by 3.8%. Also making positive contributions during the month were insulation group Kingspan (+10.0%) and Spanish fashion retailer Inditex (+8.5%). These positive performances helped offset weakness in the bank holdings in the portfolio which were down on average 4% on the month as a result of lower bond yields.

Also registering a negative performance on the month was paper and packaging group Smurfit Kappa which declined by 4.4% after International Paper terminated its pursuit of the Irish company while airline group Ryanair was 2.2% lower as the oil price remained at the upper-end of its recent range despite the announcement of increased daily production by OPEC.

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 29th June 2018

Stocks	Closing Price 29/6/2018	Total Return Euro (%) Year to date	Fwd P/E FY1 (x)	Div Yield FY1
Glanbia	15.9	5.8%	18.5x	1.5%
AIB	4.65	-15.6%	12.4x	3.3%
Ryanair	15.805	4.1%	13.6x	0.6%
Inditex	29.26	0.7%	25.4x	2.7%
Lloyds	63.05	-8.5%	8.2x	5.5%
Bank of Ireland	6.685	-6.6%	11.1x	2.8%
Allianz	199.35	-9.2%	10.0x	5.0%
iShares European Bank ETF	18.47	-11.4%	11.8x	4.4%
Facebook	194.32	10.1%	22.5x	0.0%
PayPal	83.27	13.1%	35.6x	0.0%
Alphabet	1129.19	7.2%	21.7x	0.0%
Amazon	1699.8	45.3%	81.3x	0.0%
Smurfit Kappa	34.7	20.5%	13.8x	2.8%
Siemens	122.5	-3.8%	15.2x	3.4%
CRH	30.35	0.4%	15.1x	2.3%
Kingspan	42.88	16.7%	23.4x	1.0%
Royal Dutch Shell	2713.5	7.0%	12.6x	5.3%
DCC	6895	-8.2%	18.6x	2.0%
GlaxoSmithKline	1529.8	15.0%	14.3x	5.3%
Vinci	82.36	-3.3%	15.3x	3.2%

*Current Price as at 29/6/2018. Source: Bloomberg. *SIP = Since Inclusion in Portfolio*

Cantor Core Portfolio Return	6.60%
Benchmark Return	2.30%
Relative outperformance	4.30%

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

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 replaced Verizon with AIB which further 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 underperformed this year as data has improved but we believe the sector can move on further after years of underperformance. 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.

A WAR WITHOUT WINNERS

William Heffernan,
Senior Investment Analyst

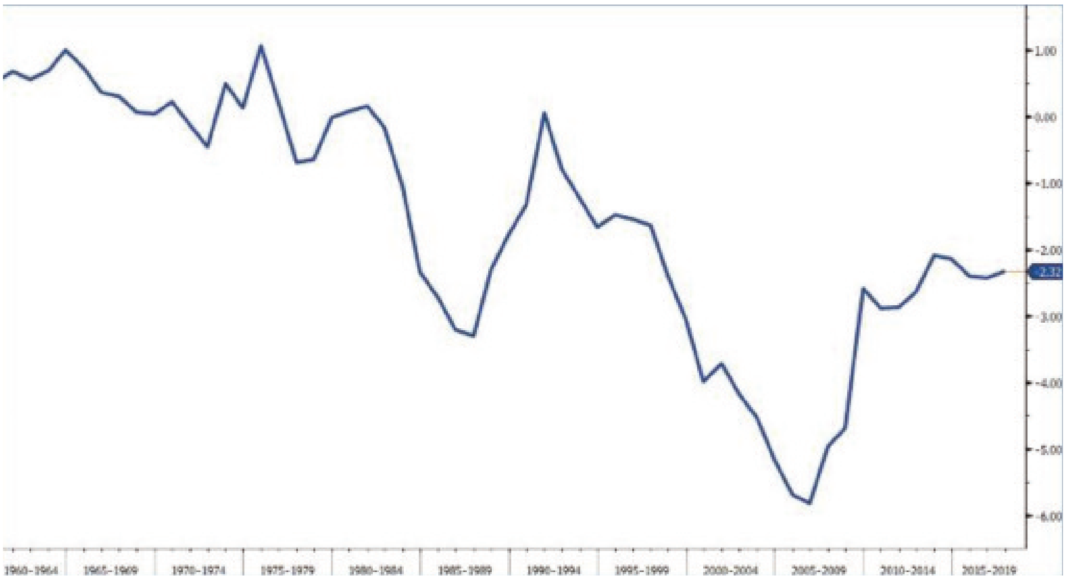
Markets have moved sideways since February despite solid earnings growth, strong economic growth and good underlying data. 2018 has seen a significant uptick in volatility relative to 2017 with one of the major factors being a changing trade policy dynamic. Despite being elected on a platform that espoused protectionist policies, Mr Trump paid little attention to trade issues in 2017. However this year has seen a significant ramping up in both actions and rhetoric and financial markets have been roiled as a direct result. So what has been done so far and where is this likely to end?

Mr Trump gave some indication in late January that trade had moved to the top of the agenda with his implementation of washing machine and solar panel tariffs. The market did not pay much attention at the time. However, tariff hawks were further emboldened by the resignation of Gary Cohn from his position as White House Chief Economic Advisor. Mr Cohn was firmly against any ramp up in tariffs and this had become a sore point. Both Mr Cohn's replacement Larry Kudlow and other senior administration officials, most notably Peter Navarro, Robert Lighthizer and Wilbur Ross, had already stated their support for raising import tariffs.

Two weeks after Mr Cohn's departure, Mr Trump announced tariffs on steel (25%) and aluminium (10%) imports. At the time Mr Trump was attempting to force a favourable renegotiation of NAFTA and these measures were assumed to be a tactic to incentivize Mexico and Canada to make a better deal. The Canadian response and indeed world leaders' response at a fractious G7 meeting was to counter with their own tariffs. Since then the US has also ratified imposing tariffs on $50bn worth of Chinese goods, $34bn of which will be implemented on 6th July and the remainder thereafter. The Chinese have responded in kind with the same amount. Mr Trump has now directed his officials to draw up a list of further $200bn of Chinese goods, which may be subject to import tariffs if China retaliates. He has also consistently mentioned tariffs on US auto imports and it is likely US officials will seek to implement restrictions on Chinese investment in US companies over the next few weeks.

One may indeed wonder as to what the US hopes to achieve through pursuing this dogma. Firstly it should be noted that some of the US complaints have a degree of legitimacy. The Chinese economy is structured so as to favour domestic Chinese companies. For example, the State-owned Assets Supervision and Administration Commission (SASAC) controls over half of the Chinese companies in the Fortune 500. It makes management decisions, allocate resources and deploys capital as it sees fit

US CURRENT ACCOUNT BALANCE % OF GDP



Source: Bloomberg as of 27/06/18

across multiple companies. Likewise in the financial sector, Chinese banks are often used by government to deploy capital in preferential ways to certain industry and sectors. There are innumerable barriers to foreign owned companies when it comes to intellectual property, licensing and operational expansion. Mr Trump believes that the policies being pursued will ultimately lead to a more competitive and fair economy in China. However, the types of practises outlined above are unlikely to be eradicated by tariffs and require far greater structural reform.

Despite the issues laid out above, when looking at the overall picture, Mr Trump's simple argument of the US economy losing out at the expense of others does not hold up. It is in fact far more complicated. WTO data has shown the EU's average trade weighted tariff is 3%. Canada's is 3% with the US at 2.4%. When it comes to the tariffs that US exporters have actually paid, it is 1.4% on non-agricultural goods sold in the EU & 2.1% on non-agricultural goods in Canada. EU exporters to the US paid an average weighted tariff of 1.6% while Canadians paid 1.3% on the equivalent goods. The EU has a 10% tariff on cars but only 15% of US autos shipped to the EU were subject to it as US autos that contained European parts were exempt. The US has only a 2.5% tariff on auto imports but a 25% tariff on imported light trucks (pickups) since 1964. Certain companies in China are heavily subsidized but any major US public procurement programs usually have the "Buy American" condition attached. Europe does have a substantial trade surplus with the US but when you look at just the service sector, it is the US that has the major surplus. One could surmise that is no coincidence that US hegemony has been declining for the last two decades while other nations' influence, most notably China's, has been increasing. The current administration may be attempting to stop what is a natural inevitability and may be seeking to blame outside influences for what ultimately stems from US demographic, productivity and debt trends.

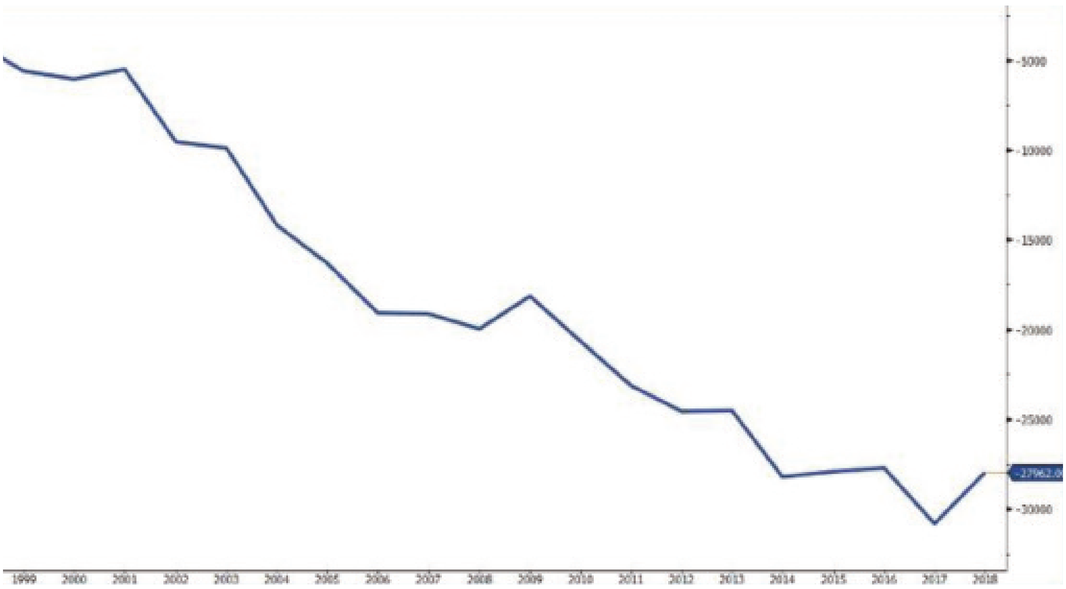
The most pertinent question of course is where it goes from here. To answer that question one must think about the incentives on each side. In the longer term tariffs tend to be a lose-lose game for both sides. Eventually, if it goes far enough, the biggest price paid is by the consumer and businesses in each respective country, at which point the incentives to continue down the tariff road are greatly diminished.

ASSET ALLOCATION

A WAR WITHOUT WINNERS

CONTINUED

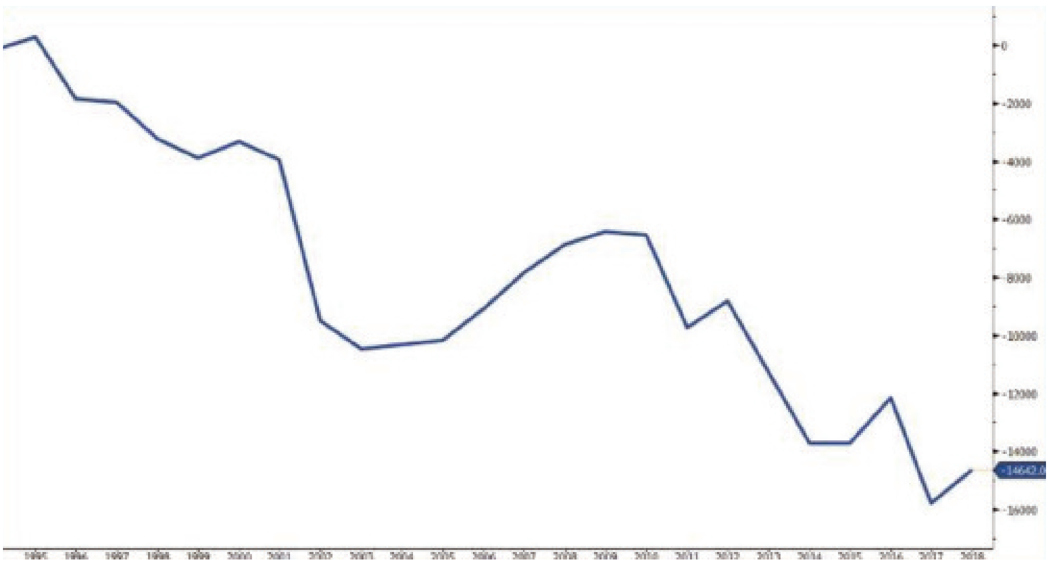
US TRADE BALANCE WITH CHINA ($MN)



Source: Bloomberg as of 27/06/18

But in the shorter term, which is what White House policy appears to be driven by at the minute, there can be benefits. In advance of the mid-term elections in November, a favourable NAFTA renegotiation or a hard stance on China may go down very well with the Republican electoral base. Likewise it is not necessarily a bad time to pursue this policy; US GDP is tracking above 3% and so far the measures outlined are minimal in magnitude (they should shave 0.1% of annual GDP growth over the next 3

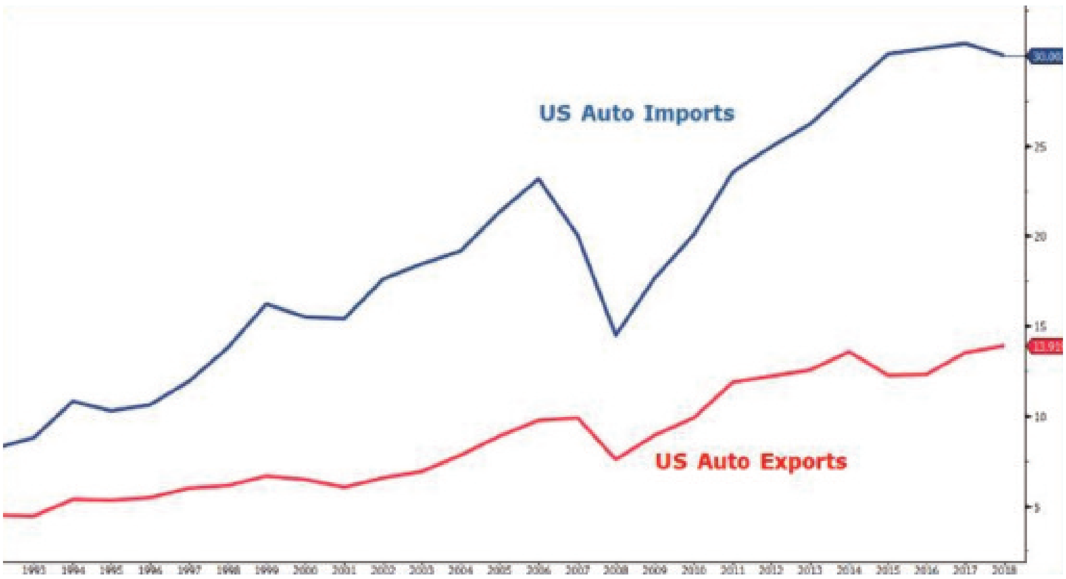
US TRADE BALANCE WITH EU ($MN)



Source: Bloomberg as of 27/06/18

years). In fact, if there is no further escalation investors could remain reasonably assured. But that if is a monumental if. Firstly, in order for the other side to believe that the other side is serious, tariffs will have to be implemented in some form. Secondly, it is in the interest of the current White House to keep this political issue alive as it will keep voters engaged on it. This means that we will continue to see headlines and commentary from US officials on a regular basis. Thirdly, the current administration now appears to be dominated by China hawks who sincerely believe that now is the time to curb China's growing influence on the world. All of this means that, despite relatively small tariffs so far, it is the uncertainty that will affect equity markets the most. If it continues to drag on, investor and business sentiment will become more bearish, capital spending and investment plans may be postponed/cancelled and consumers will become increasingly skittish.

US AUTO TRADE ($BN)



Source: Bloomberg as of 27/06/18

Where does one look to invest in a market such as that? One only needs to look at what has happened over the last few weeks. Small caps stocks, traditionally more focused on domestic markets, have outperformed the wider market. Defensive sectors such as Telecoms and Consumer Staples have enjoyed a substantial revival. Likewise US Treasuries and European core government bonds have proven a relatively safe haven to hide in. The same can be said of certain absolute return or market neutral strategies. While economic growth is as strong as it is and the tariffs implemented remain small in nature, one can expect those trades to continue to perform. However if for any reason both the rhetoric and the actual measures ramp up, either in magnitude or number, it is likely there will be few sectors or assets that escape unscathed.

CHART OF THE MONTH

William Heffernan,
Senior Investment Analyst

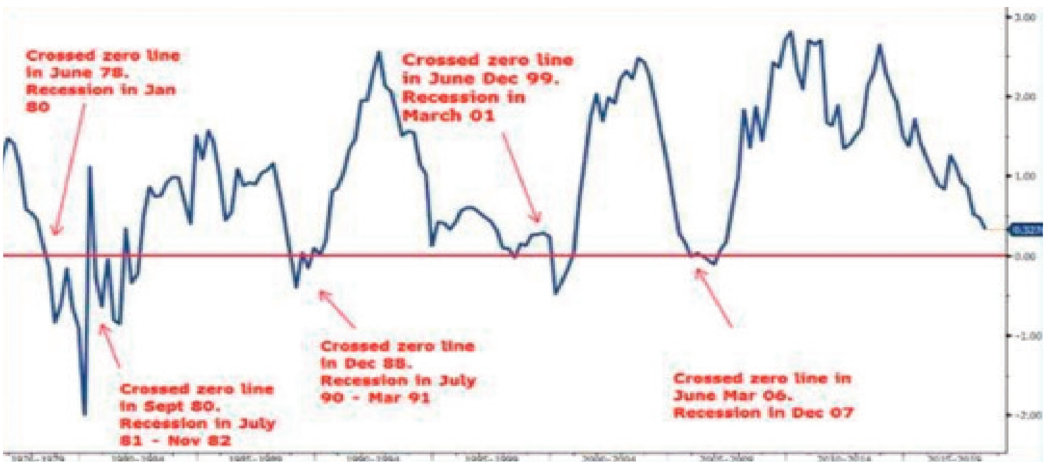
US 2–10 Year Yield Spread

Here at Cantor Fitzgerald we keep a watchful eye on numerous indicators that give us some indication of the health of the economy and prospect for equity returns. These indicators have varying predictive ability but when combined together usually work well. One of these indicators is the spread between the yield on US 2-year and 10-year debt. This indicator has gone below zero prior to 11 of the last 11 recessions. It is currently at 31 bps, the lowest level since August 2007.

The major question surrounding this yield curve flattening is whether or not this time it is different. There are several explanations for why this could be the case. Firstly from a relative perspective, US debt offers a significant yield premium to other developed market debt, which may incentivise longer term debt buyers to continue to buy the medium-long end of the US curve. This coupled with recent tax reform pushing up the short end (through increased expectations of inflation and growth) may go somewhat to explaining recent spread tightening. Likewise, the current central bank backdrop, with the Fed guiding for three more hikes in 2019, also favours a tick up in short term yields. Lastly a major factor in bond yields is the so called term premium, the excess yield that investors require to commit to a long term bond instead of a series of shorter term bonds. It is a gauge of market expectations about the course of short term rates, which are intrinsically linked to expectations of Fed hiking, future inflation and growth. The term premium, which had been positive for almost 50 years, remains in negative territory.

Whatever the cause may be, recent movements in this spread indicate that investors, while reasonably assured of growth & inflation in the short term, are becoming increasingly sceptical of global growth in the longer term. This does not mean the risk of recession is immediate. Very few of the other indicators we monitor are flashing red at the minute. Besides, when looking back through history, there is a lag time of between 4 to 28 months between this spread going below zero and recession occurring. Likewise, equity markets can continue to power on even with the spread below zero. But it bears highlighting, especially as it is a trend we expect to continue for the remainder of the year and into 2018.

US 2 YEAR & 10 YEAR YIELD SPREAD



Source: Bloomberg as at 29/06/2018

Investment **Opportunities**

July 2018

STOCKWATCH

Pierce Byrne, CFA,
Investment Analyst

AIB Group

Current Price: €4.65

Financials have had a pretty rough ride so far in 2018 on the back of disappointing monetary policy from the ECB as well as seemingly forever ongoing political turmoil in Europe. However, the investment case remains the same for AIB but investors need to be aware of the increased political risks.

AIB remains the strongest Irish bank from a return and profitability prospective and compares favourably amongst its European retail peers. AIB is delivering a return on assets in the range of 120 -130 bps, net interest margin (NIM) greater than 240bps, a cost/income ratio (CIR) close to 50% and we are forecasting return on tangible equity (ROTE) to increase year on year to FY20. Given the weight of regulation on the sector, businesses have struggled to deliver profitablity, but AIB's focus on its digital strategy has benefitted both in terms of more efficient processing of retail transactions as well as improving the customer experience.

Investors need to be particularly focused on some idiosyncratic risk associated with AIB. If management do not hit its non-performing exposure (NPE) targets it will delay its capital distribution which requires ECB sign off. Our forecast requires close to €4bn in resolutions in both FY18 and FY19 in order to reach a 5% NPE target. Management has expressed a preference for portfolio resolutions with its restructuring unit churning out approx. €400mln a quarter in restructurings. At this rate management will fall well short of targets and we expect portfolio sales to make up the short fall. The other big idiosyncratic risk relates to the government position, the state holds 71% of the bank and is not a long term holder of the position. Both the speculation on government strategy relating to the holding as well as the risk of political change could weigh on the stock over the holding period.

Financials have suffered heavily on the back of both the ECB and European political turmoil this year, and we expect the sector to remain highly sensitive to these issues. AIB's share price weakness can be attributed to sector issues rather than stock specific issues and as such we expect the European political situation to stabilise and AIB to trade back towards our 12 month price target of €5.28.

AIB PRICE

Source: Bloomberg. Prices as of 29/6/2018

Pierce Byrne, CFA,
Investment Analyst

Bank of Ireland Group

Current Price: €6.68

Bank of Ireland poses an interesting investment opportunity in that it is possibly the only early stage turnaround story in European banking (with the exception of maybe Deutsche Bank). Most European banks have already undergone a balance sheet and operational restructuring program.

Management hosted a Capital Markets Day (CMD) this month, setting out its strategy to address the issues in the business along with an investment plan to modernise the bank's operations. The core objectives of the plan include a new core banking platform, taking €200mn out of the cost base, refocusing the UK business and driving profitability through asset growth. The market has largely received the plan with scepticism, management having stated a target of growing customer loans by 20% by 2021. While this may be achievable in the Irish mortgage book, in our view both the UK and the corporate loan book at this rate is somewhat more challenging.

We hold the same concerns and view the loan growth target as overly ambitious, in addition management's targets for growth in the UK business look to focus new lending in the unsecured segment, which would be shorter duration and higher risk. Overall the UK market will remain a challenging environment relative to the Irish market but management have the advantage of being able to cherry pick the most profitable business lines.

The cost agenda is welcomed; taking €200mn out over 4 years should be achievable. Management are also flattening the operational structure which currently stands at 10 layers between Mrs McDonagh and front line staff. This is to be reduced to 7 with more of an emphasis being put on customer facing staff. The IT overhaul has the potential to offer a significant long term competitive advantage in giving management a clear understanding of its customers through superior data analytics.

Bank of Ireland has sold off due to the political uncertainty and as a result we see current levels as a good entry point with our price target of €7.73. Ultimately we believe that Bank of Ireland will be a better more profitable business by 2021, the question that remains is how successful will management be in implementing the new strategy and growing its balance sheet.

BOI PRICE

Source: Bloomberg. Prices as of 29/6/2018

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

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	27.00	3.72
European Equity						
B9MB3P9	Threadneedle European Select	★★★★	5	EUR	0.83	0.98
UK Equity						
B3K76Q9	J O Hambro UK Opportunities	★★★★	5	GBP	0.82	3.47
US Equity						
BYR8HR0	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	3.40
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	2.90
Diversified Bond						
B39R682	Templeton Global Total Return	★★★	4	EUR	1.40	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
BLP5S79	Old Mutual Global Equity Absolute Return	-	4	EUR	0.81	0.00
Multi - Asset Allocation						
BD6K5N2	M&G Dynamic Allocation	★★★★	4	EUR	0.93	0.65

Source: Bloomberg. Prices as of 30/6/2018.

Fund Performance

Equity Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Global Equity						
Veritas Global Equity Income	-0.24	7.45	0.48	-1.86	4.06	7.52
European Equity						
Threadneedle European Select	-0.25	3.52	0.96	4.42	4.54	10.08
UK Equity						
J O Hambro UK Opportunities	0.10	7.71	2.36	2.75	7.21	7.99
US Equity						
Old Mutual North American Equity	0.84	12.35	7.44	14.34	10.17	13.67

Bond Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
PIMCO GIS Global Investment Grade Credit	-0.52	-1.58	-2.91	-1.54	2.31	3.24
Government Bond						
BNY Mellon Global Bond	-0.16	2.46	1.85	-1.11	1.16	3.25
High Yield						
HSBC Euro High Yield Bond	-0.67	-1.44	-2.21	-0.28	3.54	4.68
Diversified Bond						
Templeton Global Total Return	-1.85	-5.05	-4.59	-6.20	-1.17	-0.20

Alternative Fund Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Absolute Return						
Invesco Global Targeted Return	0.11	-0.88	-1.14	-3.31	0.59	-
Old Mutual Global Equity Absolute Return	-2.27	-2.96	-0.13	5.38	3.97	4.25
Multi - Asset Allocation						
M&G Dynamic Allocation	-0.91	-0.65	-1.93	0.99	3.92	7.01

Source: Bloomberg. Prices as of 30/6/2018.

WARNING: Past performance is not a reliable guide to future performance.

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	3.53	Yes
European Equity						
SX5EEX	**iShares Euro STOXX 50 ETF**	7018910	EUR	0.10	2.85	Yes
UK Equity						
CTY	**City of London Investment Trust Plc**	0199049	GBp	0.44	3.98	No
US Equity						
SPY5	**SPDR S&P 500 UCITS ETF**	B6YX5T0	USD	0.09	1.59	Yes
Emerging Market Equity						
JMG	**JPMorgan Emerging Markets Investment Trust Plc**	0341895	GBP	1.17	1.16	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	1.37	Yes
Government Bond						
IEGA	**iShares Core Euro Government Bond ETF**	B4WXJJ6	EUR	0.20	0.65	Yes
High Yield						
IHYG	**iShares Euro High Yield Corporate Bond ETF**	B66F475	EUR	0.50	3.69	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 30/6/2018.

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	-0.97	4.11	-1.32	1.80	4.14	8.91
European Equity						
iShares EuroSTOXX 50 ETF	0.00	3.47	-0.62	1.82	3.06	9.17
UK Equity						
City of London Investment Trust Plc	-0.46	7.69	0.46	6.23	7.53	8.94
US Equity						
SPDR S&P 500 UCITS ETF	1.05	10.22	5.27	12.26	10.10	15.50
Emerging Market Equity						
JPMorgan Emerging Markets Investment Trust Plc	-1.75	-1.06	-4.48	6.97	14.19	9.46

Bond Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Corporate Bond						
iShares Euro Corporate Bond Ex-Financials ETF	0.06	-0.15	-0.45	1.11	2.30	3.09
Government Bond						
iShares Core Euro Government Bond ETF	0.60	-0.97	0.30	1.45	2.13	3.88
High Yield						
iShares Euro High Yield Corporate Bond ETF	-0.32	-0.95	-1.42	0.50	3.14	4.15

Commodity Performance

Name	1 Month %	3 Month %	YTD %	1 Year %	3 Year %	5 Year %
Precious Metals						
Source Physical Gold ETF	-3.95	-5.41	-3.63	0.37	1.93	0.31
Commodity						
ETFS 1 Month Brent ETF	2.03	16.43	23.75	71.17	-1.22	-11.35

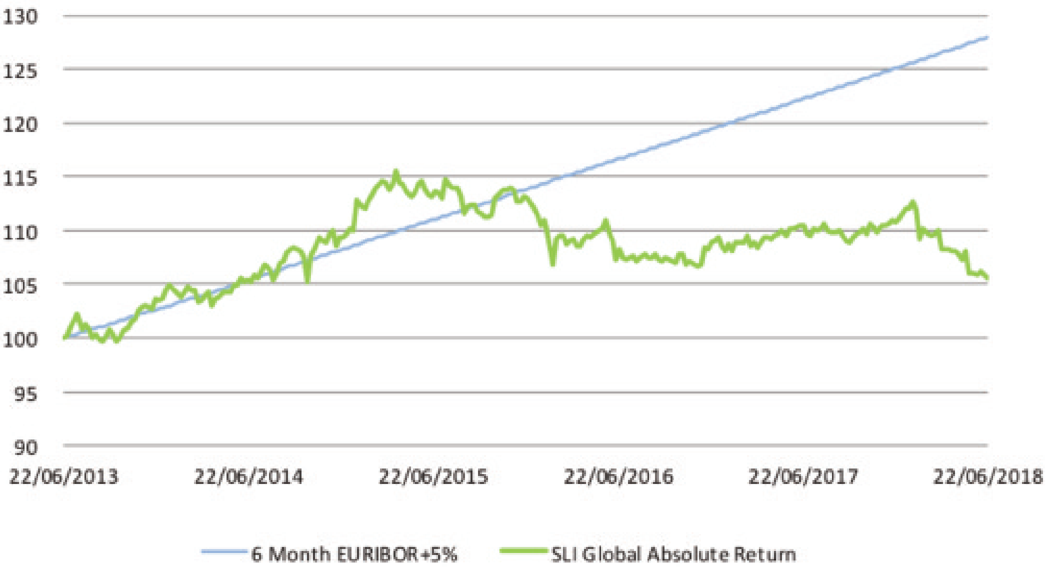
Source: Bloomberg. Prices as of 30/6/2018.

WARNING: Past performance is not a reliable guide to future performance.

STANDARD LIFE GLOBAL ABSOLUTE RETURN STRATEGY

Niall Sexton,
Portfolio Construction Analyst

The prospect of a fund that could provide positive investment returns in all market conditions over the medium to long term certainly seems like an attractive one. This is the objective of the Standard Life Global Absolute Return Strategy (GARS) fund. Unfortunately for the once darling of the absolute return asset class, GARS has failed to deliver on its target of returning cash plus five percent a year over rolling three-year periods gross of fees. The fund has returned -7.15% (-2.23% ann) over the past 3 years on the institutional share class and -9.8% on the retail class, a long way from its objective. Since hitting its peak in 2015 the fund has been in a long drawdown period, despite a mild recovery in 2017 of 1.9% when it looked to have potentially turned things around. However, during the equity melt up in Jan, GARS correlation to global equity markets increased resulting in the fund rising 1.68% over the month. The adverse effects of the rise in correlation to equity markets came to the fore when markets entered into correction territory through February resulting in a sharp reduction in the fund's performance. Since its January high the fund is down over 6%. GARS relative return approach has failed to deliver due to periods where many of its 40-50 strategies became too reliant on similar outcomes such as equity market strength, therefore reducing the very benefits of holding such a strategy. As a result of prolonged underperformance to its objective along with a lack of belief in its ability to provide protection in turbulent market conditions, driven by prolonged periods of heightened correlation to global equities market, we are moving our Buy rating for GARS to Sell.



Source: Cantor Fitzgerald Ireland Ltd Research

INVESTOR INTERVIEW

Alder Capital
Investment Management

Mark Caslin

Managing Director

Mark founded Alder Capital in 2000 and has sat at the helm ever since. As Chief Executive Officer and Chief Investment officer, Mark's responsibilities include the efficient running of the company and leading a highly talented research team with a target to provide robust solutions that match investors' needs. Mark has over 24 years' experience researching, developing and operating quantitative investment models. He honed his skills as General Manager and Head of Research at Beacon Systems Ltd, before taking over the systematic trading processes of sister company Gaiacorp. Mark brought this expertise to bear when he set out to spearhead his own new investment models. He is both an Entrance Exhibitioner and a Scholar of Trinity College Dublin from which he holds a B.A. Mod. in Mathematical Sciences.

1. **What are the benefits of investing in Alder AG20 Currency Program relative to other asset classes?**

   In investing there is a "free lunch" - it comes from good portfolio construction. We all want return and less risk. If you combine assets classes that have their good and bad periods at different times you will still get the average of the returns but you will have much reduced risk – always a good thing. Our Currency Program is quite unique because we tend to make our returns at different times to both equities and bonds, a rare gem in the investment world. So, we fit very well into a portfolio of assets and give the investor a more stable portfolio value through time. Investors may combine our currency program with other asset classes so that they complement each other and create a more stable portfolio value.

2. **Can you give a brief outline of the fund's investment process?**

   There is 5 trillion USD traded in the Foreign Exchange markets each day which is about 10 times the combined amount traded in equities. We trade all the crosses of the most liquid currencies namely, the Euro, USD, JPY, GBP, CAD, AUD and SEK. We use Foreign Exchange and Interest Rate market data and create a directional forecast and risk forecast. We have five distinct models which determine our positioning, which is continually updated throughout the day.

3. **Relative to global equities and other sectors how has the fund performed historically?**

   We launched in February 2001 and over this 17+ year period we have out-performed most world equity and bond indices, with an annualised return of 6.15% pa (Feb 2001 to May 2018). Importantly we made positive returns during the tech-bubble collapse and the global financial crisis. This was a great comfort to our investors who were holding an asset in their portfolio that was making positive returns at a difficult time for other markets. In 2017 we returned +8.6% for investors.

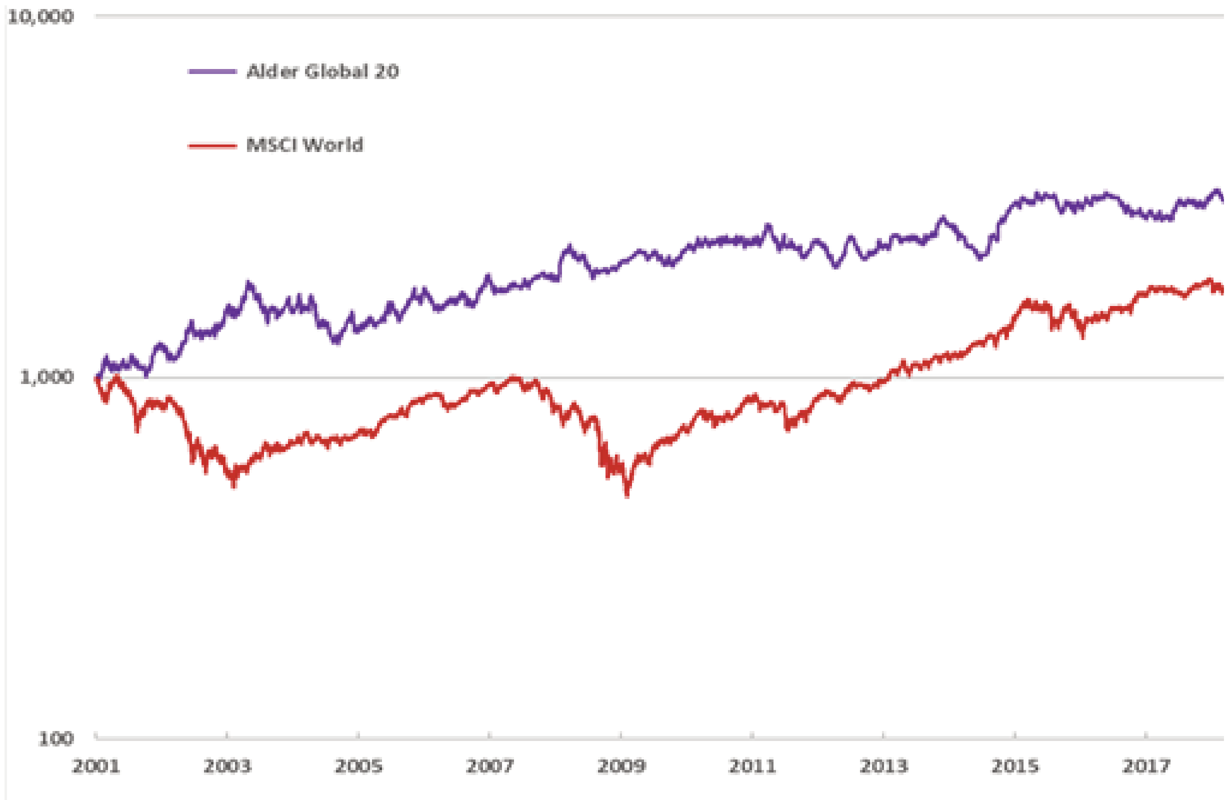
4. **Is there an environment that the AG20 fund performs best in?**

   Post the financial crisis, central bank policies have been kind to both equity and bond markets, but with quantitative easing coming to an end, can this last? By contrast this should create an enhanced opportunity set for us. In the past traditional market crises have created trends in currency markets which have suited our strategies and generated positive returns for our investors. Rising interest rates, and more volatility in markets, traditionally have been good markets for us. We are optimistic that the macro environment in the next 3 to 4 years will be a favourable market for currencies.

5. **In terms of risk, what profile of client is best suited to the Alder AG20 Currency Fund?**

   Our Currency Program has a risk rating of 5 on a scale of 1 to 7, so as a stand-alone investment it is considered a medium to high risk investment similar to an equity portfolio as we do have both winning and losing periods. When added to other assets that tend to have their ups and downs at different times, our program can help to reduce the overall risk in a portfolio, so it suits investors looking to construct a strong stable portfolio. This would typically be an investor who is familiar with investing, understands the "free lunch" in investing is portfolio diversification, understands there is no "all weather" asset class, each will have their own positive and negative periods, however together they can achieve a stronger more stable return which can beat cash and inflation over the long term.

Compound Gross Daily Returns
(Feb 2001 to May 2018)



Source: Alder Capital as of May 2018

Source: Alder Capital DAC. Past performance, correlation and risk reduction may not be a reliable guide to future performance, correlation and risk reduction.The returns shown were not achieved without risk of loss. The Alder Currency Programs use leverage; investments may be subject to sudden and large falls in value.Opinions, estimates and projections in this document constitute Alder Capital's judgement as of the date of this document and are subject to change without notice.This is a financial promotion and is not intended to constitute investment advice. Alder Capital DAC is regulated by the Central Bank of Ireland. Alder Capital is registered as a Commodity Trading Advisor with the Commodity Futures Trading Commission and is a member of the National Futures Association.

INVESTMENT OPPORTUNITIES

GREEN EFFECTS FUND FACTSHEET

JULY 2018

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 wide range of companies with a commitment to either supporting the environment or demonstrating a strong corporate responsibility ethos. Sectors such as wind energy, recycling, waste management, forestry and water-related businesses all feature prominently within the fund. The fund can only invest in the constituents of the Natural Stock Index (NAI) which was set up in 1994 and currently consists of 30 global equities.

Key Information

Morningstar Rating	★★★★★
Fund Inception	Oct 2000
NAV	€210.73
Minimum Investment	€5,000
Dealing Frequency	Daily from 11/6/2018
Investment Manager	Cantor Fitzgerald Ireland Ltd
Custodian	Northern Trust
Administrator	Northern Trust
Sales Commission	3%
TER %	1.24%
Investment Mgt Fee	0.75%

**Prices as of 30/6/2018*

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€62m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

Historic Yield

*Fund Yield	1.35%

Fund yield is historic based on full year 2017 dividend income received. The fund does not distribute income to investors. All dividend income is reflected within the NAV price of the fund.

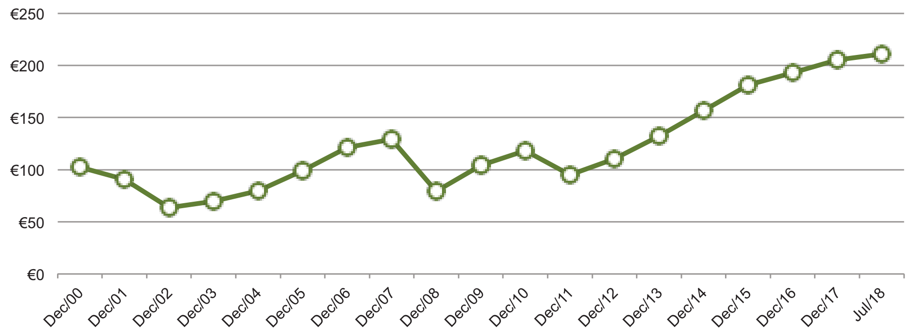
Total number of holdings

Number of holdings	30

Market Capitalisation Exposure

Large: > €3bn	60%
Medium: €500m - €3bn	37%
Small: < €500m	3%

GREEN EFFECTS FUND NAV SINCE INCEPTION



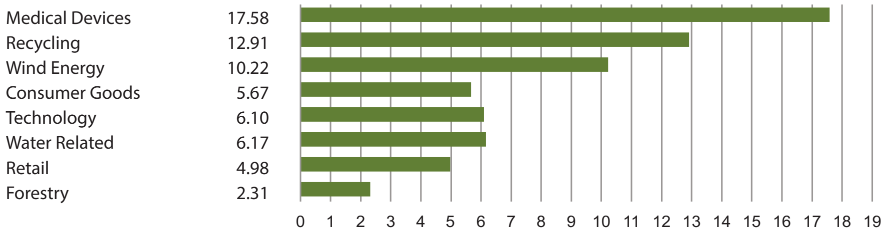
Source: Cantor Fitzgerald Ireland Ltd Research

ESMA RISK RATING

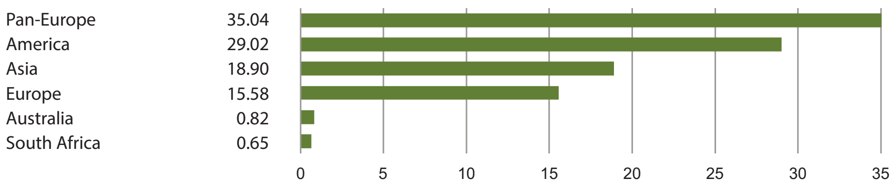
Lower Risk	1	2	3	4	**5**	6	7	Higher Risk

Typically Lower Rewards — Typically Higher Rewards

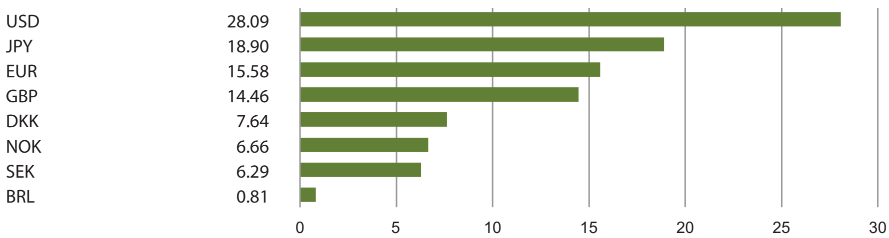
LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



CURRENCY EXPOSURE %



GREEN EFFECTS FUND FACTSHEET

Continued

Top 15 Positions

SMITH & NEPHEW	9.06%
VESTAS	7.64%
TOMRA SYSTEMS	6.98%
SHIMANO	6.66%
KINGFISHER	6.29%
SVENSKA CELLULOSA	5.39%
MOLINA	5.21%
EAST JAPAN RAILWAY CO.	4.45%
KURITA	4.16%
MAYR MELNHOF	3.54%
UNITED NAT FOODS	3.47%
ORMAT	3.43%
STEELCASE	3.33%
RICOH	3.29%
ACCIONA	3.10%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Consumer Discretionary	15%	13%
Consumer Staples	10%	10%
Energy	0%	6%
Financials	0%	17%
Health Care	16%	13%
Industrials	33%	11%
Information Technology	6%	16%
Telecomunications Services	0%	3%
Open Ended Fund	1%	0%
Utilities	7%	3%
Materials	4%	5%
Real Estate	2%	3%
Cash	5%	0%

Source: Cantor Fitzgerald Ireland Ltd Research

Sector Exposure Compared to a Traditional Global Equity Fund

The fund does not invest in banks, oils, mining, metals or large cap technology stocks. From a performance and relative returns perspective this is something that all investors should bear in mind when considering investing in the fund. The overriding investment theme from a sectoral perspective remains that of alternative energy, water, waste management and similar companies with a strong corporate social responsibility (CSR) focus in both their culture and work practices.

Performance As of 30/6/2018.

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-0.19	2.13	3.88	6.25	10.77
MSCI World €	-0.06	3.72	9.18	7.47	13.00
S&P 500 €	0.56	5.68	11.78	10.22	15.88
Euro STOXX 50	-0.16	-0.47	1.97	3.30	9.26
Friends First Stewardship Ethical	-1.27	5.30	10.63	6.61	12.71
New Ireland Ethical Managed	-3.10	0.00	5.30	5.60	9.70

Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust.

Annual Returns

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
2.40%	-11.25%	-30.00%	9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%	31.28%

2010	2011	2012	2013	2014	2015	2016	2017	2018
13.47%	-19.61%	16.02%	19.87%	18.42%	15.72%	6.62%	6.8%	-0.19

Manager's Commentary

The Green Effects fund price ended June at **€210.73** which represented a return of **-0.19%** on the month. Year to date the fund has returned **+2.13%**. It was quite a busy month on the economic front and a strong US economy gave the Federal Reserve (Fed) the confidence to raise interest rates again in June and signal two further hikes to come this year. Closer to home, after a string of disappointing data and still low core inflation, the European Central Bank (ECB) announced that interest rates will not be going up until at least the summer of next year, although they did confirm that eurozone quantitative easing would come to an end by the end of this year. Unfortunately, the recent weakness in the euro (vs $) has not benefited European equities. A sharp increase in Italian government bond yields, in reaction to the potential risk of fiscal changes from the new government, impacted sentiment towards the European market. From a regional equity market perspective the fund is currently 27% invested in the US and 36% in Europe. The exposure to Asian equities is currently 19%. Over the coming months we are monitoring markets with a view to reducing US equity market exposure and adding to European and Asian holdings within the Fund.

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

email: **greeneffects@cantor.com**

INVESTMENT OPPORTUNITIES

TRADING CALLS

Coca Cola

Management's recent Capital Markets Day was well received by analysts with management guiding for annual 7-9% EPS growth over the next five years. It also highlighted its increased focus on cash flow discipline and revenue growth. Coca Cola is pivoting towards no-calorie drinks with increased focus on flavoured water and EM markets..

Current Price:	$43.47
Entry Level:	$42.00
Exit Level:	$44.93

	1 month	3 month	YTD
Returns	1.85%	1.35%	-5.25%

P/E	Div Yield
20.8xx	3.53%

Bloomberg as of 29/6/18. Prices as of 29/6/2018.

CRH

CRH remains our standout pick in Materials, both in the US & Europe. Now that the Ash Grove deal has got DOJ approval (pending some divestments), management can set about achieving synergies already laid out. The buyback program currently underway should ensure strong support for the stock at the €30 mark.

Current Price:	€30.33
Entry Level:	Current levels
Target Exit Level:	€32.50

	1 month	3 month	YTD
Returns	-1.76%	11.33%	0.72%

P/E	Div Yield
15.16x	2.31%

Bloomberg as of 29/6/18. Prices as of 29/6/2018.

DCC

DCC retain significant growth potential in the US and Asia Pacific LPG markets. In the short term with an AGM and trading update, which we expect to be positive, on 13th of July, it is likely to re-rate higher in the near term. The stock has failed to re-rate due to the lack of news but we would expect management to engage in M&A in H2/18.

Current Price:	£69.10
Entry Price:	Current levels
Exit Point:	£72.89

	1 month	3 month	YTD
Returns	-3.74%	2.78%	-8.51%

P/E	Div Yield
8.71x	1.97%

Bloomberg as of 29/6/18. Prices as of 29/6/2018.

Shell

Fundamentally Shell remains our preferred stock within the Energy sector. Cash flow generation is strong and should continue to grow with volume increases and the BG acquisition. The stock will re-rate higher on the commencement of the share buyback which we anticipate will begin in H2/18. In the short term the stock price will be correlated with the price of oil. We believe oil will remain range bound in the near term

Current Price:	£27.32
Entry Level:	£26.18
Target Exit Level:	£28.40

	1 month	3 month	YTD
Returns	3.86%	18.27%	8.77%

P/E	Div Yield
12.82x	5.26%

Bloomberg as of 29/6/18. Prices as of 29/6/2018.

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

All estimates, views and opinions included in this report constitute Cantor's judgment as of the date of the report but may be subject to change without notice. Changes to assumptions may have a material impact on any recommendations made herein.

STRUCTURED NOTES

Eric Culliton,
Head of Business Development

New Product Launch for Q3 2018

We are pleased to launch our new range of structured products for Quarter 3. We continue to cover a range of asset classes and payoff structures to allow investors create a diverse portfolio with differing protection features and levels of capital protection.

90% Capital Protected Best Select Bond II Key Features

CANTOR FITZGERALD IRELAND
PROTECTED BEST SELECT BOND II

- Bond returns linked to Best Select Fund EUR Index* which is composed of 8 leading investment funds.
- The Index is rebalanced every quarter into the 5 best performing funds. The best performers get the highest weightings and the 3 worst performers are excluded.
- The Index has a risk control mechanism which provides up to 150% exposure to the basket of funds.
- Bond provides 200% participation in the Index final averaged returns.
- 90% Capital protection at Final Maturity Date is provided by guarantor Societe Generale (Moody's A1 / S&P's A / Fitch A+).
- Returns are added to the 90% capital protected amount at maturity (10% of capital at risk).
- Aims to generate stable returns in a wide range of market conditions.
- 5 Year investment with daily secondary market liquidity.

Limited Issue - Closing Date 7th August 2018.

* Excess return index is calculated net of the Euribor 3-month rate.
This brochure is directed at retail clients, as categorised within the meaning of EU Markets In Financial Instruments Directive 2014/65/EU (MiFID II) who have received investment advice.

Cantor Fitzgerald Ireland Ltd. is regulated by the Central Bank of Ireland.
Cantor Fitzgerald Ireland Ltd. is a Member Firm of The Irish Stock Exchange and The London Stock Exchange.

- Returns are linked to the Best Select Fund EUR Index composed of 8 leading investment funds
- Index is rebalanced every quarter into the 5 best performing funds. The best performers get the highest weightings and the 3 worst performers are excluded
- 200% participation in index returns
- Aims to generate stable returns in a wide range of market conditions
- 5-year investment with 90% capital protection at final maturity date

Closing date: 7th August 2018

This is a capital at risk investment product
Minimum investment: €10,000

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

Not all products are necessarily suitable for all investors and specific advice is required before entering into this product.

9% p.a. Brand Leaders Kick Out Bond Key Features


CANTOR FITZGERALD IRELAND
BRAND LEADERS KICK OUT BOND

- Potential returns of 9% p.a. even if the underlying stocks have fallen by up to 10%.
- 100% of Capital returned if Ryanair Holdings PLC, Samsung Electronics Co Ltd., BASF SE and TOTAL SA are each equal to or above 50% of their Initial Price Level on the Final Valuation Date.
- Additional "Star" protection feature: if any of the 4 Stocks are above their Initial Price Level on the Final Valuation Date 100% of capital is returned.
- 5 Year investment with 9 potential opportunities to redeem every 6 months from year 1 onward.
- This is a capital at risk investment product.
- Guarantor: BNP Paribas (S&P's A / Moody's Aa3 / Fitch A+)*.
- Issuer: BNP Paribas Issuance B.V. (S&P's A)*.

Limited Issue - Closing Date 14th August 2018

This brochure is directed at retail clients, as categorized within the meaning of EU Markets In Financial Instruments Directive 2014/62/EU (MiFID II), who have received investment advice.
*Source Bloomberg as at 5th June 2018.

Cantor Fitzgerald Ireland Ltd. is regulated by the Central Bank of Ireland.
Cantor Fitzgerald Ireland Ltd. is a Member Firm of The Irish Stock Exchange and The London Stock Exchange.

- Returns are linked to 4 Stocks with leading brands:
  Ryanair, Samsung Electronics, BASF SE and Total SA
- Potential returns of 9% p.a. even if the underlying stocks have fallen by up to 10%
- 100% of capital returned if the 4 stocks are each equal to or above 50% of their Initial Price Level on the Final Valuation Date
- Additional "Star" protection feature: if any of the 4 stocks are above their Initial Price Level on the Final Valuation Date 100% of capital is returned
- 5-year investment with 9 potential opportunities to redeem every 6 months from year 1 onward

Closing date: 14th August 2018

This is a capital at risk investment product
Minimum investment: €10,000

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

WARNING: If you invest in this product your capital is at risk, you may lose some or all of the money you invest.

Not all products are necessarily suitable for all investors and specific advice is required before entering into this product.

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

CANTOR FITZGERALD IRELAND APPROVED RETIREMENT FUND (ARF)

At Cantor Fitzgerald Ireland, we provide personalised tax approved pension structures that offer you flexibility, control and transparency.

KEY FEATURES

- **INVESTMENT CHOICE**
  Providing a comprehensive range of services and asset classes.
- **DRAWDOWN FLEXIBILITY**
  Offering you the flexibility to vary your income drawdowns.
- **TRANSPARENCY**
  A competitive and transparent fee structure.
- **SERVICE**
  Excellent administration, online access, reporting and client services.
- **ACCESSIBILITY**
  An integrated investment and pension provider.

Clients will have access to a full range of asset classes and investment options:

Equities | Unit Trusts | Loan Notes | Investment Trusts | Corporate/Sovereign Bonds
Private Equity (subject to limits) | ETFs | Structured Products | Investment Funds

WARNING: The value of your investment may go down as well as up.

WARNING: If you invest in this product you may lose some or all of the money you invest.

For further information or to arrange a meeting contact:

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www.cantorfitzgerald.ie

Latest **News**

July 2018

MARKET ROUND-UP JUNE 2018

Ed Murray,
Senior Portfolio Manager

Some insights on who will benefit from the Soccer World Cup 2018

The FIFA World Cup is the world's most watched sporting event with 3.5bn viewers expected over the 6 weeks. The tournament offers companies the opportunity to build brand equity and boost revenues. Taking place in Russia, it features football teams from 32 nations, and offers investors different ways to profit from the tournament.

Football (soccer) is a key beer drinking occasion and falls into the laps of global brewers. The main global sponsor within the brewing sector is Budweiser or its parent **ABInBev**. A South American final could boost top-line growth during their seasonally quieter months in terms of revenues. Alternatively, England reaching the final would naturally boost beer sales in particular for the wet pubs like **JD Wetherspoons**, and food & beverage sales for some of the larger chains like **Mitchells & Butlers**.

Adidas are best positioned within sportswear. For this year's World Cup, Adidas is sponsoring 12 national teams (out of a total 32), exceeding the totals of its main rivals **Nike** (10) and **Puma** (4). Adidas expects a boost to organic sales and to its brand on the global stage. The best scenario for **Adidas** would be a repeat of the 1986 and 2014 finals between Argentina and Germany.

Within media, **ITV's** combination of the World Cup and Love Island looks set to deliver a sizzling summer for the stock. **Twitter** should also benefit as the service is much improved from four years ago, adding strong gains as the World Cup spurs engagement, and continued strength in ad sales gives the social media company a revenue boost.

Sports betting operators should benefit from the month-long tournament given the growth in online betting across the globe. Major football tournaments provide a significant opportunity given the multiple offerings to customers, in terms of fixed odds betting and more so, betting in game. **Paddy Power Betfair** should be a big beneficiary, particularly if England were to reach the final. Further out to the year 2026 when the US, Canada and Mexico host the tournament, the gaming companies should have a significant opportunity to grow revenues after the lifting of betting restrictions in several US states. Out of the 88 games, 66 will be played in the US which should offer the likes of **Paddy Power Betfair** and others a magnificent opportunity to tap a multi-billion dollar market.

Sit back, relax, enjoy the soccer over a cold beer, while having a flutter followed by a bite to eat!

Oil remains flat despite increase production

OPEC agreed to increase production of oil by 1m barrels per day (bpd) following the meeting of OPEC and non-OPEC partners. Despite the increase, which is intended to stop the gap between global supply and demand from becoming too wide, analysts said global oil markets would likely remain relatively tight for the remainder of the year. Prices have held as the increase is not as great as some had feared. Brent Crude is up over 60% in the year after OPEC and non-OPEC partners including Russia cut output by 1.8 million bpd to tighten the market and prop up prices.

Draghi dovish tones weaken the €

ECB president Mario Draghi said that "incoming information since our meeting in early March points towards some moderation, while remaining consistent with a solid and broad-based expansion of the euro area economy….This moderation may in part reflect a pull-back from the high pace of growth observed at the end of last year, while temporary factors may also be at work. Overall, however, growth is expected to remain solid and broad-based." The European Central Bank also reiterated that its bond purchasing scheme would remain at its current monthly pace of €30bn until at least the end of September 2018 or until the council had seen a sustained change in inflation towards its target of nearly 2%. This is all seems prudent given benign inflation and relatively weak wage growth, the Euro traded lower versus the dollar and the pound.

NEWS IN BRIEF...

US meets North Korea

It is only a few months since Donald Trump and Kim Jong-un were trading insults and threatening to launch World War Three, yet this month they laid aside the rhetoric and met for the first time in Singapore. In a major breakthrough, Mr Trump and Kim signed what the US president said was a "very important" and "pretty comprehensive" joint statement.

UK's largest estate agent issues profit warning

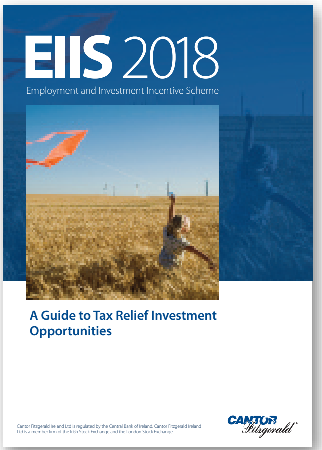
Countrywide the UK's largest estate agent plans to tap investors for funds in order to cut its debt burden as revenues decline in a lacklustre property market. The stock fell more than 25% following a profit warning from the company this month and their intention to raise funds. Countrywide is off more than 50% year to date, trading on a forward PE multiple of 8.7x

Turkey votes Erdogan back in

Recep Tayyip Erdogan has won 53% in Turkey's presidential election, meaning he can avoid a second-round run-off poll to continue as the country's longest-serving ruler of the modern era.

EMPLOYMENT AND INVESTMENT INCENTIVE SCHEME 2018 (EIIS)

One of the Few Remaining Sources of Tax Relief



Coming into the second half of the year is usually when individuals start looking at their tax affairs, and the tax relief schemes available to them. The Employment and Investment Incentive Scheme (EIIS) ticks this box and should be considered as part of your overall investment portfolio.

The scheme allows an individual to deduct a portion of the cost of their investment in a qualifying company against their income tax liability and is one of the few remaining sources of income tax relief. If you are liable for income tax in the year an EIIS investment is made, you can obtain relief in respect of PAYE earnings, rental income and ARF distribution income.

EIIS investment is suitable for individuals that are Irish tax resident, have an annual income tax liability and who do not need access to their investment for a minimum period of 4 years. One question that frequently arises is whether or not an EIIS investment is capital guaranteed? The answer here is no. An investor is acquiring ordinary share equity in an investee company and the value of the company may rise or fall, subject to the performance of the business over the term of the investment. However the benefit of the EIIS structure is that an investor can offset up to 40% of the cost of their investment by being able to claim this back in tax relief.

Below is an illustrative example of the potential return to an EIIS investor on an investment of €100,000 and assuming the value of the business grows by 20% over the term of the investment.

Investor Cost	
Investment Amount	€100,000
Plus once-off commission at 3%	€3,000
Total Cost to Investor	**€103,000**
First Tranche Income Tax Relief @30%	-€30,000
Second Tranche Income Tax Relief @ 10%	-€10,000
Net Cost of Investment (note 1)*	**€63,000**
Potential Return on Investment	
Net Sale Proceeds (note 2)	€120,000
Less Net Cost of Investment (note 1)	€63,000
Gross Gain (including tax relief)	**€57,000**
Capital Gains Tax (note 3)	-€5,191
Net Return to Investor*	**€51,809**
Potential Times Money	**1.55x**
Potential IRR	**14.6%**

Notes:

1. Net cost of investment calculated as €100,000 plus 3% commission and less income tax reliefs.
2. Net sale proceeds calculated as amount invested plus assumed growth of 20%.
3. Capital gains tax based on 33% of net proceeds less total cost of investment and allowing for annual capital gains threshold of €1,270.

WARNING: These figures are estimates only. They are not a reliable guide to future performance.

Cantor Fitzgerald Ireland has raised in excess of €48 million in EIIS funding since its introduction in 2011 across a range of sectors, including renewable energy, food and beverage, healthcare, retail and technology. We work with EIIS companies on a "stand alone" basis and the process for selecting investee companies is underpinned by satisfying investment criteria which includes:

- Experienced management team
- Company/promoters with a strong track record
- Recognised market for the product
- Growth potential and clearly defined market strategy
- Strategy to provide an investor exit

2018

In 2018 we will be coming to market with a number of EIIS projects across the food manufacturing, technology and whiskey distillation sectors. We will be working with Lough Gill Distillery again, for whom we raised €5m in capital in 2017. The company is currently in the process of fitting out the distillery on Hazelwood estate in Sligo and expects to start commencing the distillation of new fill whiskey by Q4 of this year. The company is seeking to raise additional funding in 2018 to finance the distillation of new fill whiskey onsite and then laying down for maturity over the next four years.

We believe EIIS is an attractive alternative investment class and should form part of an individual's asset class allocation. It offers an opportunity to invest in high growth potential Irish businesses, as part of a larger overall portfolio, with the benefit of providing an element of tax relief that can be offset against your investment.

WARNING: These are capital at risk investment products.

www.cantorfitzgerald.ie/EIIS

Performance
DATA
July 2018

PERFORMANCE DATA

INVESTMENT RETURNS

Equities

Index	31/05/18	29/06/18	% Change	% ytd Change	52 Week High	Date
ISEQ	7140.86	6982.83	-2.2%	-0.8%	7,257	23/01/2018
DAX	12604.89	12306	-2.4%	-4.7%	13,597	23/01/2018
Eurostoxx50	3406.65	3395.6	-0.3%	-3.1%	3,709	01/11/2017
Stoxx600 (Europe)	383.06	379.93	-0.8%	-2.4%	404	23/01/2018
Nasdaq (100)	6967.729	7040.802	1.0%	10.1%	7,310	20/06/2018
Dow Jones	24415.84	24271.41	-0.6%	-1.8%	26,617	26/01/2018
S&P500	2705.27	2718.37	0.5%	1.7%	2,873	26/01/2018
Nikkei	22201.82	22304.51	0.5%	-2.0%	24,129	23/01/2018
Hang Seng	30468.56	28955.11	-5.0%	-3.2%	33,484	29/01/2018
China (Shanghai Composite)	3095.474	2847.418	-8.0%	-13.9%	3,587	29/01/2018
India	35322.38	35423.48	0.3%	4.0%	36,444	29/01/2018
MSCI World Index	2092.92	2089.3	-0.2%	-0.7%	2,250	29/01/2018
MSCI BRIC Index	333.28	316.79	-4.9%	-5.6%	381	29/01/2018

Currencies

Currency Pair	31/05/18	29/06/18	% Change	% ytd Change	52 Week High	Date
EuroUSD	1.1693	1.1684	-0.1%	-2.7%	1.2555	16/02/2018
EuroGBP	0.87939	0.88473	0.6%	-0.4%	0.9307	29/08/2017
GBP/USD	1.3298	1.3207	-0.7%	-2.3%	1.4377	17/04/2018
Euro/AUD	1.54498	1.57865	2.2%	2.7%	1.6192	28/03/2018
Euro/CAD	1.51504	1.53467	1.3%	1.7%	1.6153	20/03/2018
Euro/JPY	127.23	129.36	1.7%	-4.4%	137.5000	02/02/2018
Euro/CHF	1.1528	1.15704	0.4%	-1.1%	1.2006	20/04/2018
Euro/HKD	9.171	9.1714	0.0%	-2.2%	9.8201	16/02/2018
Euro/CNY	7.4733	7.7252	3.4%	-1.0%	7.9936	03/08/2017
Euro/INR (India)	78.8267	79.779	1.2%	4.2%	81.6551	25/04/2018
Euro/IDR (Indonesia)	16287.97	16676.06	2.4%	2.8%	17,124.6400	20/04/2018
AUD/USD	0.7568	0.7405	-2.2%	-5.2%	0.8136	26/01/2018
USD/JPY	108.82	110.76	1.8%	-1.7%	114.7300	06/11/2017
US Dollar Index	93.979	94.47	0.5%	2.5%	96.5120	05/07/2017

Commodities

Commodity	31/05/18	29/06/18	% Change	% ytd Change	52 Week High	Date
Oil (Crude)	67.04	74.15	10.6%	24.8%	74.46	29/06/2018
Oil (Brent)	77.59	79.44	2.4%	18.8%	80.50	17/05/2018
Gold	1298.52	1253.16	-3.5%	-3.8%	1,366.18	25/01/2018
Silver	16.42	16.115	-1.9%	-4.9%	18.22	08/09/2017
Copper	306.5	296.6	-3.2%	-11.2%	335.30	28/12/2017
CRB Commodity Index	446.27	439.11	-1.6%	1.6%	542.10	12/06/2018
DJUBS Grains Index	35.4945	31.279	-11.9%	-4.2%	40.76	11/07/2017
Gas	2.952	2.924	-0.9%	-1.0%	3.66	29/01/2018
Wheat	526.25	501.25	-4.8%	7.6%	612.00	11/07/2017
Corn	394	371.25	-5.8%	-3.3%	429.50	24/05/2018

Bonds

Issuer	31/05/18	29/06/18	Yield Change	% ytd Change	52 Week High	Date
Irish 5yr	0.256	0.108	-0.15	28.6%	0.48	22/02/2018
Irish 10yr	0.955	0.814	-0.14	21.5%	1.20	15/02/2018
German 2yr	-0.656	-0.665	-0.01	6.1%	-0.47	20/02/2018
German 5yr	-0.27	-0.301	-0.03	49.0%	0.15	08/02/2018
German 10yr	0.341	0.302	-0.04	-29.3%	0.81	08/02/2018
UK 2yr	0.61	0.724	0.11	65.3%	0.96	21/03/2018
UK 5yr	0.949	1.026	0.08	41.9%	1.29	21/03/2018
UK 10yr	1.23	1.278	0.05	7.4%	1.69	15/02/2018
US 2yr	2.4274	2.5282	0.10	34.3%	2.60	13/06/2018
US 5yr	2.6962	2.7378	0.04	24.1%	2.95	17/05/2018
US 10yr	2.8586	2.8601	0.00	18.9%	3.13	18/05/2018

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%	-0.67%
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%	-7.60%
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%	-13.90%
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%	-2.02%
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%	4.76%
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%	1.67%
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%	-3.09%
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%	-4.73%
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%	-0.79%

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%	-4.19%
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%	18.80%
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%	22.72%
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%	-10.59%
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%	-6.07%
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%	1.57%

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%	-2.73%
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%	-0.43%
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%	-2.19%
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%	2.42%

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

PERFORMANCE DATA

INDICATIVE PERFORMANCE FIGURES & MATURITY DATES JUNE 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	3377.59	13.09%	200%	**26.17%**	**N/a**
PROTECTED ABSOLUTE RETURN STRATEGIES*	SLGLARA	12.05	11.45	-4.97%	-	-	-
	CARMPAT	615.33	642.74	4.45%	-	-	-
	ETAKTVE	128.74	133.04	3.34%	-	-	-
			Weighted Basket	0.94%	120%	**1.13%**	**N/a**
GLOBAL REAL RETURN NOTE*	BNGRRAE	1.27	1.24	-2.91%	150%	**0.00%**	**N/a**
PROTECTED BEST SELECT BOND*	SGMDBSFE	155.51	153.54	-1.27%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND*	BNPIAFST	130.53	135.44	3.76%	180%	**6.77%**	**N/a**
PROTECTED STAR PERFOMERS BOND II*	BNPIAFST	130.91	135.44	3.46%	170%	**5.88%**	**N/a**
PROTECTED STAR PERFOMERS BOND III*	BNPIAFST	133.58	135.44	1.39%	170%	**2.37%**	**N/a**
PROTECTED STAR PERFOMERS BOND IV*	BNPIA2MT	166.28	165.93	-0.21%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND V*	BNPIA2MT	165.75	165.93	0.11%	200%	**0.22%**	**N/a**
PROTECTED STAR PERFOMERS BOND VI*	BNPIA2MT	166.02	165.93	-0.05%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND 7*	BNPIA2MT	168.56	165.93	-1.56%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND 8*	BNPIA2MT	168.78	165.93	-1.69%	200%	**0.00%**	**N/a**
PROTECTED STAR PERFOMERS BOND 9*	BNPIA2MT	168.28	165.93	-1.40%	200%	**0.00%**	**N/a**
CAPITAL SECURE MIN RETURN 1*	SX5E	2579.76	3377.59	30.93%	-	**13.00%**	**18.50%**
CAPITAL SECURE MIN RETURN 2*	SX5E	2589.25	3377.59	30.45%	-	**11.80%**	**23.25%**

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
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 Best Select Bond	15/06/18	22/06/23
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
Protected Star Performers Bond 9	09/03/18	16/03/23

Source for all tables above: Bloomberg.

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	81.71	-1.40%		42.5%	-
	RDSB	1711.00	2732.50	59.70%			-
	BP	350.10	581.80	66.18%			-
	FP	41.88	52.52	25.42%			**0%**
REAL ESTATE KICKOUT NOTE*	SPG	190.52	170.92	-10.29%	**Next Potential Coupon**	60%	-
	URW	233.60	186.35	-20.23%			-
	DLR	74.80	109.64	46.58%			-
	WELL	65.25	59.91	-8.18%			**0%**
EURO BLUE CHIP KICKOUT BOND III*	ITX	31.50	29.63	-5.94%	**Next Potential Coupon**	15%	
	BN	62.79	62.97	0.29%			
	ADS	183.05	186.60	1.94%			
	CRH	32.82	30.57	-6.86%			**0%**
EURO BLUE CHIP KICKOUT BOND IV*	BMW	86.69	77.96	-10.07%	**Next Potential Coupon**	13.5%	
	FP	48.70	52.52	7.84%			
	ADS	177.25	186.60	5.28%			
	CRH	33.56	30.57	-8.91%			**0%**
EURO BLUE CHIP KICKOUT BOND V*	ADS	199.95	186.60	-6.68%	**Next Potential Coupon**	9%	
	ABI	102.15	84.68	-17.10%			
	BAYN	107.00	94.29	-11.88%			
	FP	43.92	52.52	19.58%			**0%**
EURO BLUE CHIP KICKOUT BOND 6*	AIR	97.70	99.06	1.39%	**Next Potential Coupon**	11%	
	ABI	85.74	84.68	-1.24%			
	BN	65.29	62.97	-3.55%			
	FP	46.88	52.52	12.04%			**0%**
EURO BLUE CHIP KICKOUT BOND 7*	AIR	94.17	99.06	5.19%	**Next Potential Coupon**	12%	
	ABI	85.49	84.68	-0.95%			
	BN	66.38	62.97	-5.14%			
	FP	50.64	52.52	3.71%			**0%**
EURO FINANCIALS KICKOUT BOND*	BNP	68.40	52.80	-22.81%	**Next Potential Coupon**	10%	
	GLE	48.91	36.09	-26.22%			
	INGA	15.72	12.33	-21.58%			
	SAN	5.77	4.58	-20.64%			**0%**
EURO FINANCIALS KICKOUT BOND II*	BNP	62.85	52.80	-15.99%	**Next Potential Coupon**	10%	
	GLE	41.96	36.09	-14.00%			
	INGA	15.00	12.33	-17.79%			
	SAN	5.503	4.58	-16.73%			**0%**
EURO FINANCIALS KICKOUT BOND III*	BNP	65.10	52.80	-18.89%	**Next Potential Coupon**	10%	
	GLE	46.68	36.09	-22.70%			
	INGA	14.72	12.33	-16.25%			
	SAN	5.66	4.58	-19.09%			**0%**
EURO FINANCIALS KICKOUT BOND IV*	BNP	63.21	52.80	-16.47%	**Next Potential Coupon**	10%	
	GLE	45.60	36.09	-20.86%			
	INGA	14.26	12.33	-13.52%			
	SAN	5.51	4.58	-16.80%			**0%**
80% PROTECTED KICK OUT 2*	AAPL	94.72	187.55	98.00%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1532.80	1513.60	-1.25%			-
	BMW	93.97	77.96	-17.04%			-
	VOD	195.65	194.88	-0.39%			**-17.04%**
80% PROTECTED KICK OUT 3*	RDSA	2346.50	2641.00	12.55%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1412.05	1525.20	8.01%			-
	BMW	85.64	77.96	-8.97%			-
	ALV	128.20	172.96	34.91%			**-8.97%**
80% PROTECTED KICK OUT 4*	RDSA	2132.50	2641.00	23.85%	**Next Potential Coupon**	60% In Year 4	-
	GSK	1463.80	1525.20	4.19%			-
	RYA	8.27	15.69	89.59%			-
	ALV	138.45	172.96	24.93%			**60.00%**

PERFORMANCE DATA

INDICATIVE PERFORMANCE FIGURES & MATURITY DATES JUNE 2018 Continued

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	18/12/18	05/01/21
Oil & Gas Kick Out Note 3	16/03/16	17/09/18	30/03/21
Euro Bluechip Kickout Bond III	16/03/17	17/09/18	30/03/22
Euro Bluechip Kickout Bond IV	16/05/17	16/11/18	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
Euro Bluechip Kickout Bond 7	20/04/18	23/04/19	27/04/23
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
Euro Financials Kickout Bond IV	20/04/18	23/04/19	27/04/23

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 28th June 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.

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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.

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.

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.

NOTES

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