

Global Equity Income Strategy **CANTOR** Factsheet *Fitzgerald*

February 2019

Monthly Portfolio Commentary

Financial markets continued their strong start to 2019, with global equities rising 3.8% in February, following the 7.4% rise in January as fears regarding trade wars and rising US interest rates continued to ease. The Global Equity Income portfolio, despite its relatively defensive positioning, rose by 4.6%. Seven stocks rose by 9% or more, including Irish industrial CRH (+11% on good earnings), US stocks Cisco Systems and ExxonMobil (both up 10% on strong earnings), while French companies Vinci (infrastructure), and Cap Gemini (technology) both rose 9% again on good earnings. Only our Japan ETF fell (slightly) over the month. Over the month we took advantage of this exceptionally strong start to the year by top-slicing a number of holdings, including US snack company Mondelez, CRH, M&T Bank, Carnival and Vinci, all following strong performances, and building cash reserves up to 20%.

Why choose the Global Equity Income Strategy?

Much analysis has shown that in the long term the majority of equity market returns are made up of dividends and dividend growth. Hence we believe a portfolio combining high quality companies where management are focused on growing their dividend is very much aligned with our own investment beliefs.

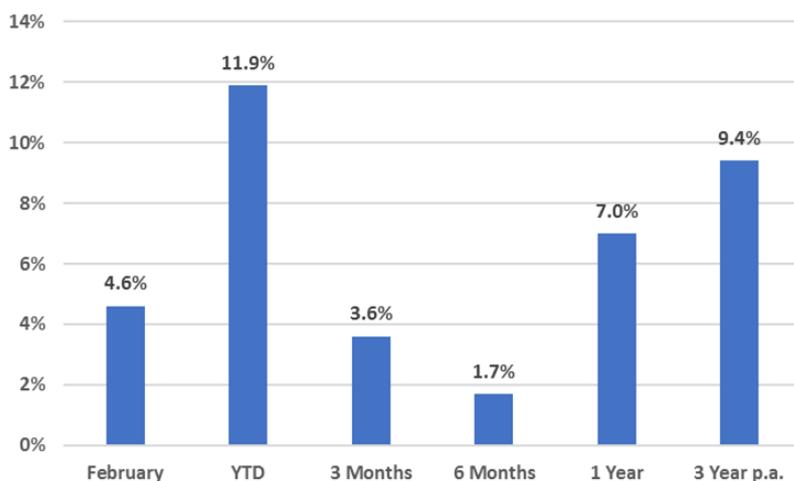
Conservatism

Conservatism features strongly in our investment process when allocating our clients capital. We are unashamed of this and protecting our clients from losses is at the forefront of our risk management process.

Experience of the team

The team was one of the first investment managers to focus on dividend paying companies as a strategy. Over the last 30 years we have experienced the peaks and troughs of the markets and have successfully navigated these events by sticking rigidly to our investment philosophy and process.

Investment Returns Net of AMC*



*Source: Cantor Fitzgerald Ireland Ltd. Research

Investment Objective

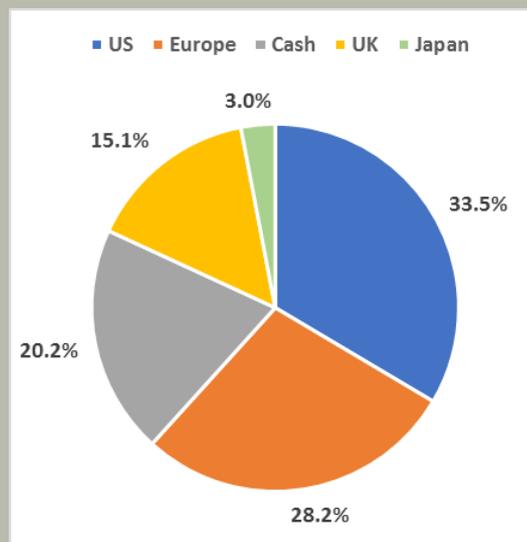
The investment objective of the Global Equity Income Fund is to invest in a diversified global portfolio of financially-strong, well-managed companies that have a proven record in paying an attractive dividend and have management commitment to consistently increase it.

We aim to improve long-term risk-adjusted total equity returns while maintaining a balanced exposure to dividend yield, quality and dividend growth. We will aim to generate a c. 5-6% return annually over the medium term.

Portfolio Management Team

Pramit Ghose, Bernard Murphy & Gareth Walsh

Geographical Exposure*



Calendar Year Returns*

2018	2017	2016
-7.1%	6.8%	10.7%

*Source: Cantor Fitzgerald Ireland Ltd. Research

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

WARNING: This fund may be affected by changes in currency exchange rates

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Top 10 Equity Holdings (36.7% of assets)*:

Company	Sector
Novo Nordisk	Health Care
Carnival	Consumer Discretionary
US Bancorp	Financial
Unilever	Consumer Staples
Prudential	Financial
LVMH	Consumer Discretionary
Honeywell Intl	Industrial
Royal Dutch Shell	Energy
Accenture	Technology
Novo Nordisk	Health Care

Sector Weights*:

Sector	Global Equity Income
Cash	20%
Financials	14%
Consumer Staples	14%
Technology	12%
Industrials	11%
Consumer Discretionary	9%
Energy	8%
Health Care	7%
ETF	3%
Materials	2%
Utilities	0%
Energy	0%
Real Estate	0%

Holding Update**



Nestlé is the worlds biggest packaged food and drinks company with a typically dominant position in all its main categories such as Beverages (incl. coffee) 24% of sales in 2018, Nutrition & Health Science 18%, Milk products and ice cream 14%, PetCare 14%, Prepared dishes & cooking aids 13%, Confectionery 9% and Water 8%. Nestlé is the leading (number one or two) in 8 out of the 10 fastest growing categories in Food & Beverages. 43% of sales are in the fast-developing global emerging markets versus 32% ten years earlier.

Market Cap : 279M CHF Dividend Yield : 2.9%

In 2017 Nestlé appointed Mark Schneider CEO. He was the first outsider to run Nestlé in 100 years and has brought a renewed sense of urgency to the company. Since his appointment Nestlé Total Shareholder return has outperformed the STOXX Global 1800 Food & Beverage Gross Return Index over a 24-month period (January 2017 to December 2018; in EUR).

Under his leadership Nestlé is pursuing a Nutrition, Health and Wellness strategy. Food and beverages are core; Nestlé Health Science and nutritional health products as an additional growth platform; Creating Shared Value to generate value for shareholders and society.

Nestlé's aim is to reach mid – single digit organic growth by 2020, operating profit margin of 17.5% to 18.5%, allocate capital prudently including returning cash to shareholders. Dividends have increased in each of the past 24 years.

Nestlé actively manages its portfolio through focused and prudent M&A. In 2017 it made a few changes to reposition its portfolio within its Nutrition, Health and Wellness strategy. These included taking a majority stake in Blue Bottle Coffee, as well as Sweet Earth vegetarian frozen foods in the food category. In 2018 it acquired the global perpetual license of Starbucks consumer packaged goods and foodservice products. It also reached an agreement for the sale of Gerber Life Insurance Co. and has started to explore strategic options for Nestlé Skin Health. Nestlé is a recognised leader in corporate governance and sustainability.

**Source: Bloomberg & Cantor Fitzgerald Ireland Ltd. Research

WARNING: This is not a stock recommendation

*Source: Bloomberg & Cantor Fitzgerald Ireland Ltd. Research

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