

Global Equity Income Fund

FACTSHEET



August 2019

Monthly Portfolio Commentary

Global equities fell back sharply in August as the global trade war escalated, but recovered towards month end and global equities ended the month down 1%. Despite a defensive stance, the GEI portfolio fell 1.9%, and ended the eight months up 16.2% YTD (net of fees). A number of holdings disappointed, driven by weaker than expected earnings/outlooks – Prudential (-18%), Cisco (-14%) Shell (-11%) and BlackRock (-9%), which held back overall performance.

On the positive side, Nestle, French infrastructure giant Vinci and auto parts company Faurecia all rose 6%, while US supermarket giant Walmart rose 5%, all on good earnings. Over the month we reduced our weightings in US banks as their earnings may be constrained by lower US interest rates, and re-entered luxury giant LVMH and Faurecia on share price weakness. We also topped up Prudential, BlackRock, Walmart and Cisco on share price weakness.

Why choose the Global Equity Income Fund?

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.

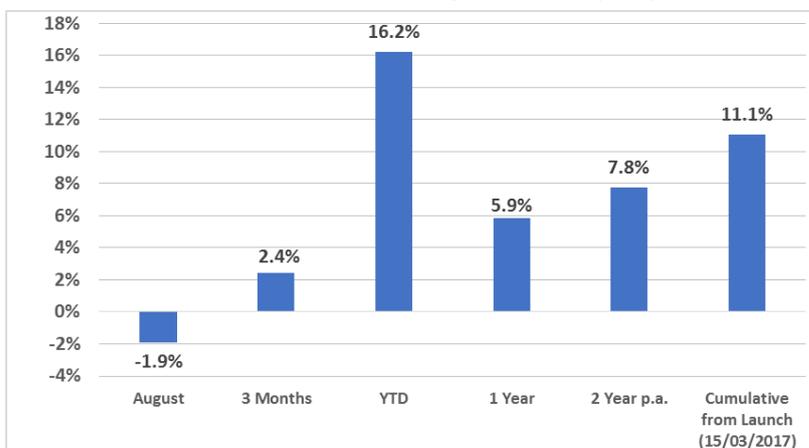
Conservatism

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 Total Expense Ratio (TER)*



*Source: Northern Trust as of 31/08/2019

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.

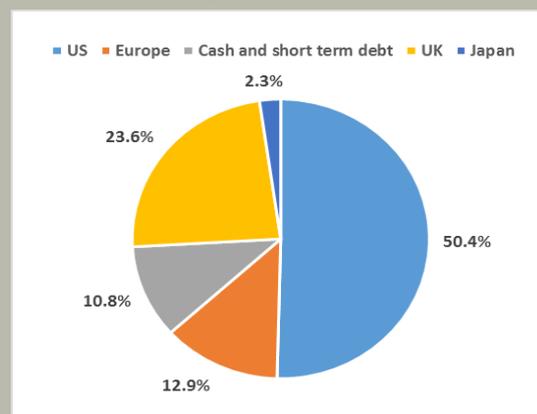
Portfolio Management Team

Pramit Ghose, Bernard Murphy & Gareth Walsh

Fund Metrics*	
Dividend Yield	3.1%
No. of Equity holdings	29

ISIN : IE00BYX7S230
 AMC : 0.4% (TER 0.6% p.a.)
 Launch Date : 15/03/2017

Geographical Exposure*



Calendar Year Returns — Net of TER*

2018
-5.9%

*Source: Northern Trust as at 31/08/19

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

Cantor Fitzgerald Ireland Ltd. Is regulated by the Central Bank of Ireland and is a member firm of the Irish Stock Exchange and the London Stock Exchange.

Top 10 Equity Holdings (36.3% of assets)*:

Company	Sector
Johnson & Johnson	Health Care
Pfizer	Healthcare
Cisco Systems	Technology
Walmart	Consumer Staples
3M	Materials
Prudential	Financial
Nestle	Consumer Staples
Vinci	Industrials
Accenture	Technology
Blackrock	Financial

Sector Weights*:

Sector	Global Equity Income
Financials	14%
Cash and short term debt	11%
Consumer Staples	18%
Industrials	10%
Technology	16%
Consumer Discretionary	11%
Energy	7%
Health Care	7%
Materials	4%
ETF	2%
Utilities	0%
Communication Services	0%
Real Estate	0%

*Source: Northern Trust as at 31/08/19

Holding Update**



Walmart is the worlds largest retailer with revenues of \$500bn+ annually and the largest employer with 2.2 million associates. Walmart operates retail stores under formats of Walmart Stores, Supercentres, Neighbourhood-Markets and Sam's Club locations in the United States as well as a growing e-commerce business. Internationally Wal-Mart also operates locations in several countries, including Canada, China, Mexico and the United Kingdom.

Market Cap : \$326 BLN

Dividend Yield : 2.0%

Walmart's strategy is centered on technology, both external to improve and enhance the shopping experience for customers and internal to create more efficient operations. It has selected Microsoft as its partner in its digital transformation. The company continues to reinvent itself as a digital retailer and is singularly focused on creating a seamless shopping experience between its physical stores and digital channels. It is also looking to big data analytics to improve business operations. Its recent acquisitions have mostly been in support of its online and digital strategy, starting with the 2016 purchase of e-commerce site Jet.com for \$3.3bn. The acquisition has helped Walmart compete with Amazon in the grocery delivery market. In 2018 the company paid \$16bn for a 77% stake in Indian e-commerce leader Flipkart. The deal, which is the world's largest e-commerce acquisition, gives them a local partner in a key growth market and sets the groundwork for Flipkart to become a publicly listed, majority owned subsidiary. It also helps them in their ongoing battle with Amazon.

Walmart is investing to compete for the long run at the expense of near-term earnings growth. Strong store performance, along with the strategic prioritisation of opportunities and a diligent approach to cost cuts, will keep the company focused and should bring market share gains vs store-based and online competitors. Its grocery capabilities and rapidly growing click-and-collect business will make it extremely difficult for Amazon.com to capture meaningful U.S. grocery market share quickly.

**Source: Bloomberg & Cantor Fitzgerald Ireland Research Ltd

WARNING: This is not a stock recommendation

DISCLAIMER

This document has been prepared and distributed by Cantor Fitzgerald Ireland Ltd (CFIL) for information purposes only. It is not intended to and does not constitute personal recommendations or investment advice nor does it provide the sole basis for any evaluation of the securities that may be the subject matter of the report. CFIL recommends that specific advice should always be sought prior to investment, based on the particular circumstances of the individual investor. CFIL takes all responsibility to ensure that reasonable efforts are made to present accurate information but CFIL gives no warranty or guarantee as to, and does not accept responsibility for, the correctness, completeness, timeliness or accuracy of the information provided or its transmission. This is entirely at the risk of the recipient of the report. Nor shall CFIL, its subsidiaries, affiliates or parent company or any of their employees, directors or agents, be liable to for any losses, damages, costs, claims, demands or expenses of any kind whatsoever, whether direct or indirect, suffered or incurred in consequence of any use of, or reliance upon, the information. Any person acting on the information contained in this report does so entirely at his or her own risk. All estimates, views and opinions included in this report constitute CFIL's judgment as of the date of the report but may be subject to change without notice.

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



Dublin: 75 St. Stephen's Green, Dublin 2. Tel: +353 1 633 3633.

email : ireland@cantor.com web : www.cantorfitzgerald.ie



Twitter : @cantorireland



LinkedIn : Cantor Fitzgerald Ireland