

Green Effects Fund FACTSHEET

AUGUST 2020



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	€269.06
Minimum Investment	€5,000
Dealing Frequency	Daily
Investment Manager	Cantor Fitzgerald Ireland Ltd
Custodian	Northern Trust
Administrator	Northern Trust
Sales Commission	3%
TER %	1.39%
Investment Mgt Fee	0.75%

*Prices as of 31/07/2020

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€89.4m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

Historic Yield

*Fund Yield	1.35%
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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.

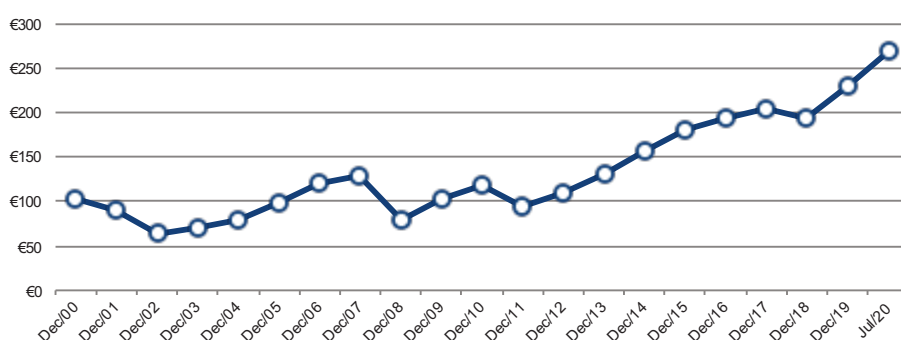
Total number of holdings

Number of holdings	30
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Market Capitalisation Exposure

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

GREEN EFFECTS FUND NAV SINCE INCEPTION

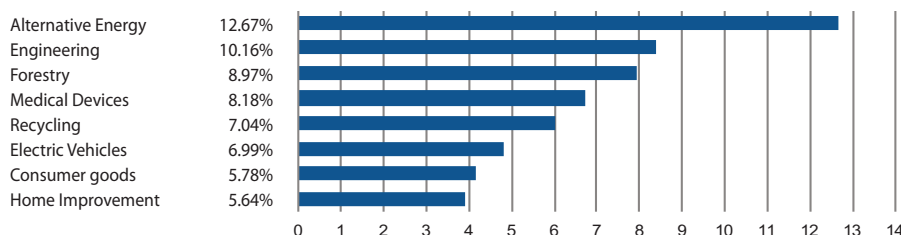


Source: Cantor Fitzgerald Ireland Ltd Research

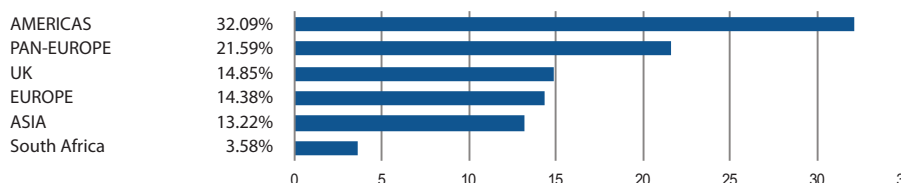
ESMA RISK RATING



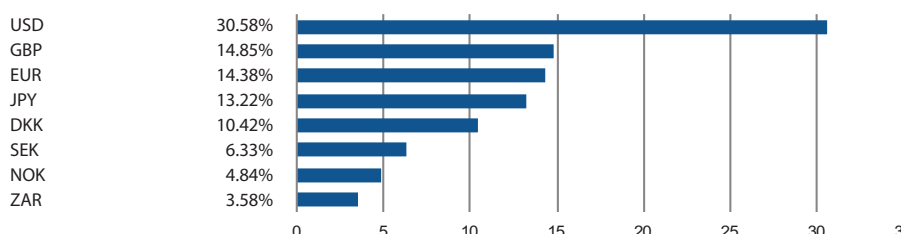
LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



CURRENCY EXPOSURE %



Top 15 Positions

VESTAS	9.70%
SMITH & NEPHEW	8.18%
TESLA INC	6.99%
SVENSKA CELLULOSA	5.90%
KINGFISHER	5.64%
TOMRA SYSTEMS	4.50%
SHIMANO	4.44%
MAYR MELNHOF	4.36%
ACCIONA	4.07%
MOLINA	3.80%
KURITA	3.62%
ASPEN PHARMACARE	3.33%
POTLATCH	3.08%
ORMAT	2.96%
KADANT	2.75%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Communication Services	0.5%	8.9%
Consumer Discretionary	17.1%	11.4%
Consumer Staples	3.5%	8.2%
Energy	0.0%	3.0%
Financials	0.3%	12.2%
Health Care	16.1%	13.7%
Industrials	30.6%	10.0%
Information Technology	4.3%	21.8%
Materials	10.5%	4.5%
Real Estate	3.1%	2.9%
Utilities	7.0%	3.3%
Cash	6.9%	0.0%

Source: Cantor Fitzgerald Ireland Ltd Research

Sector Exposure Compared to a Traditional Global Equity Fund

The fund does not invest in banks, oils, mining or metals. 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.

Fund Manager Comment

The Green Effects Fund NAV price ended July at **€269.06** which was a return of **+3.49%** for the month. Notably the fund price hit a new all-time high of €283.20 on 22 July.

The largest contributors to this return in July were Vestas Wind Systems (+1.77% to nav), Tesla (+2.86% to nav) and Kingfisher (+0.60% to nav). UK home improvement group **Kingfisher** (5% of the fund) reported better than expected results and noted that their key businesses in the UK (B&Q) and France (Castorama) had rebounded well. The group, which unlike many other retailers was able to start reopening its stores in Britain and France from mid-April, said same-store sales for the quarter to July 18 were 21.6% higher than the same period last year. Its online sales for June were +200% year on year. **Vestas Wind Systems** reported a number of large orders for its wind turbines during the month (US, Japan, Poland) and is seen as a key beneficiary of Europe's green deal infrastructure plans. **Tesla** reported its fourth consecutive quarterly net profit, a milestone for the electric car pioneer whose market valuation now far exceeds any other carmaker. Total revenue was \$6.04bn, about \$1bn higher than forecasts and 5% less than a year ago and despite the factory shut downs in the US for periods of Q2. The fourth straight quarterly profit means Tesla can be considered for inclusion in the S&P 500. Tesla also announced it would be building its second car factory in the US (its fourth globally) in Austin, Texas. Earlier in July, Tesla also reported that it delivered 90,650 vehicles in Q2, well ahead of market expectations of 74,130 units.

The focus on ESG investing and aggressive spending plans from global governments (particularly in Europe and the US) continued to remain a key topic during July. The EU is intending to use its post-pandemic recovery plan to reinforce its fight against climate change. About 30% of the "Next Generation EU" 750 billion euro fiscal plan to aid the post-Covid-19 recovery would target climate-friendly projects, according to European Council President Charles Michel's latest proposal. This translates to a potential of 225 billion euros of additional green financial instruments, reinforcing the EU Green Deal's pledges. In the US, presidential hopeful, Joe Biden has said that he will make \$2 trillion available in the first 4 years of his presidency to be invested in (1) the power sector to set the US on a path to net neutrality by 2035 (5 years ahead of the EU), (2) innovation in battery storage, building materials, renewable hydrogen (3) infrastructure incl. electricity grids, roads (4) the auto-industry including EVs and EV charging infrastructure.

In terms of portfolio activity the fund reduced its exposure to Vestas Wind Systems following its +15% share price gain on the month which pushed it over 10% of the fund assets. The exposure to Austrian paper company, Mayr Melnhof, was marginally increased (+0.50%) during the month. The stock has a strong balance sheet and is leveraged to the ongoing growth in eCommerce but also the requirement in traditional business for sustainable packaging. Lastly, the fund reduced its exposure to Tesla Motors to circa 7% of the fund (from 11%) during the month. The shares touched \$1794 on 13 July (+70% from end of June) and we used the exceptional price strength to lock in some strong gains for the fund. The cash weighting within the fund currently is 7%.

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

Performance

As of 31/7/2020

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	3.5	12.9	26.1	10.5	8.2
MSCI World €	-0.1	-5.6	1.8	8.2	6.7
S&P 500 €	0.7	-2.5	5.7	12.1	9.9
Euro STOXX 50	-1.5	13.3	-5.9	0.5	0.9

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

Annual Returns

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.40%	-11.25%	-30.00%	9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%	31.28%	13.47%
2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
-19.61%	16.02%	19.87%	18.42%	15.72%	6.62%	6.8%	-5.91%	23.34%	12.93%	

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust