

Green Effects Fund FACTSHEET

SEPTEMBER 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 | €297.47 |
| 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 31/08/2020

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

| | |
|------------|--------------|
| Fund Size | €102.1m |
| 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.

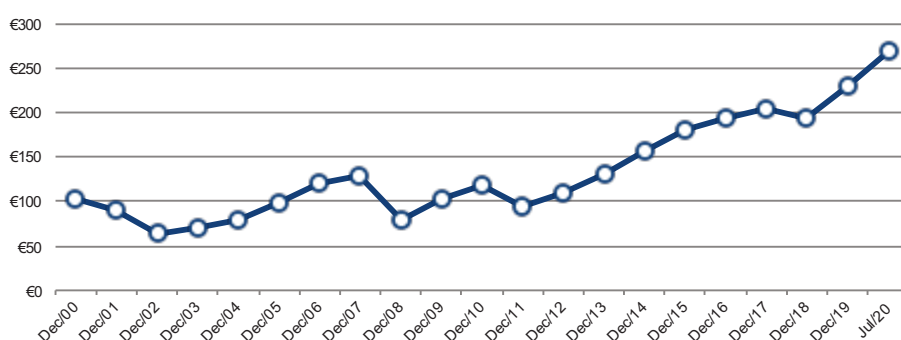
Total number of holdings

| | |
|--------------------|----|
| Number of holdings | 30 |
|--------------------|----|

Market Capitalisation Exposure

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

GREEN EFFECTS FUND NAV SINCE INCEPTION

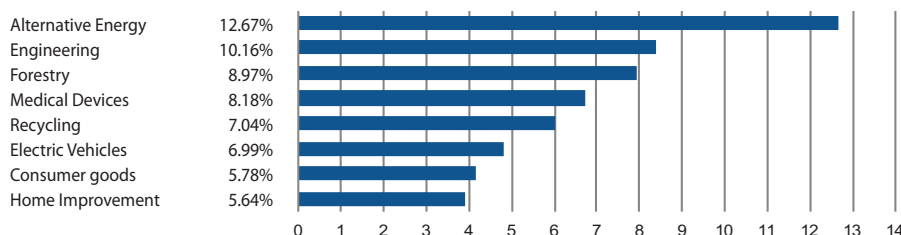


Source: Cantor Fitzgerald Ireland Ltd Research

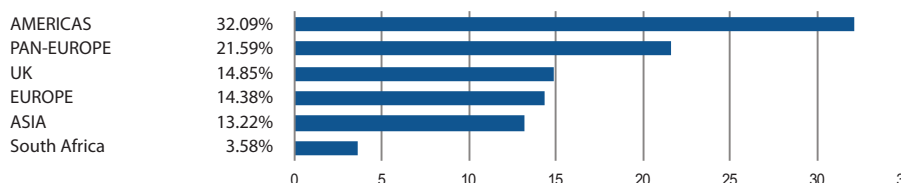
ESMA RISK RATING



LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance As of 31/08/2020

| | 1 Month | YTD | 1 Year | 3 Year* | 5 Year* |
|---------------|---------|-------|--------|---------|---------|
| Green Effects | 10.6 | 24.9 | 41.3 | 14.8 | 11.6 |
| MSCI World € | 5.4 | -0.6 | 8.0 | 10.2 | 9.7 |
| S&P 500 € | 5.8 | 3.2 | 12.2 | 14.3 | 13.0 |
| Euro STOXX 50 | 3.2 | -10.5 | -1.8 | 1.8 | 3.5 |

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

Top 15 Positions

| | |
|-------------------|-------|
| TESLA INC | 9.92% |
| VESTAS | 8.95% |
| SMITH & NEPHEW | 7.25% |
| KINGFISHER | 5.57% |
| ACCIONA | 5.02% |
| MAYR MELNHOF | 4.65% |
| TOMRA SYSTEMS | 4.63% |
| SVENSKA CELLULOSA | 4.50% |
| KURITA | 4.15% |
| SHIMANO | 3.74% |
| ASPEN PHARMACARE | 3.43% |
| POTLATCH | 3.34% |
| MOLINA | 3.29% |
| RICOH | 3.05% |
| ORMAT | 2.62% |

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 August at a price of €297.47 which was a return of **+10.60%** for the month.

Notably on the last day of trading in August, **Tesla** announced a \$5bn issuance of new share capital. That followed on from the stock split news that was confirmed earlier in the month (5 shares for every 1 held). Stock splits are cosmetic in nature and have no impact on the balance sheet or earnings of a company. Quite often companies embark on a stock split to reduce the overall price per share of the stock to make the price cheaper in absolute terms. Apple announced a similar move earlier in August with a four for one split. Tesla shares were up 60% on the month pushing the holding to a little over 9.90% of the fund.

The alternative energy space remained firmly in vogue during the month with Goldman Sachs commenting that as they examine the longer-term prospects for renewables they see potential for a 3x onshore wind installation increase and a 5x increase in offshore wind by 2050. **Vestas Wind Systems** (2nd largest holding in the Fund) is the largest wind turbine manufacturer in the world and its likely to remain a medium term structural winner of this investment theme. Within the infrastructure sector the fund increased its exposure to Spanish infrastructure group **Acciona**. The groups operations are split between construction, infrastructure, and renewable energy. The company employs 30,000 people in more than 30 countries and circa 30% of its construction activities are directly involved in renewables.

The fund increased its exposure to a number of the Japanese equities within the fund (**Kurita Water, Ricoh, East Japan Railways**) by a combined total of 1.50% during the month. Each of these names recently issued earnings and despite the obvious impact of the COVID19 shut down their respective management teams were cautiously optimistic about the medium term outlook for earnings. These Japanese equities are relatively cheap from a valuation perspective and pay a reasonable dividend yield (average of 2%). The other Japanese holding within the fund, Shimano, has performed strongly this year (+25%). **Shimano** is the world's biggest producer of bike components with an estimated 65 per cent global share of quality gears and brakes.

The "Green" agenda in Europe gained further momentum this month when Germany issued its first sovereign "Green Bond". The €6bn 10-year offering will provide a much-needed benchmark for both green issuers and the growing group of investors willing to finance action against climate change away from the traditional "equity" space. According to Moodys, issuance of these types of bonds in the second quarter jumped by 24% (to \$47.8bn). We have previously noted in this column how the European Union has targeted circa 30% of the €750bn stimulus package for "renewables" and the Green Effects Fund remains well placed to benefit from these initiatives over the medium to long term.

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% | 24.9% | |

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust