

# Green Effects Fund FACTSHEET

## NOVEMBER 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	€286.79
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 31/10/2020

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%
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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.

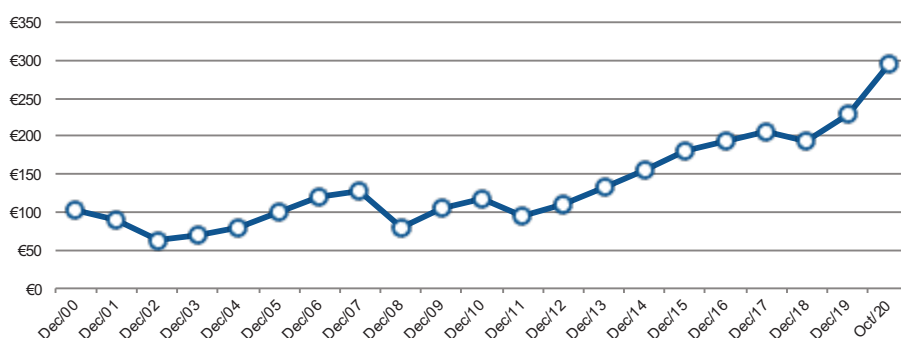
### Total number of holdings

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

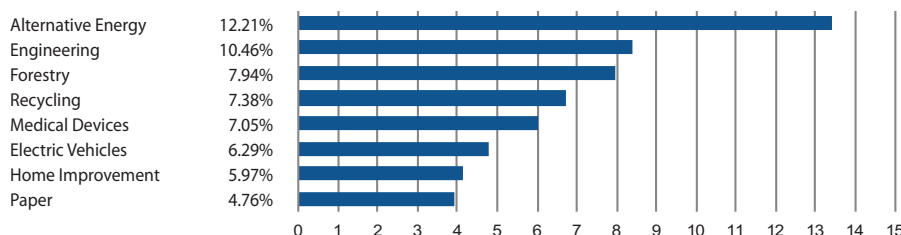


Source: Cantor Fitzgerald Ireland Ltd Research

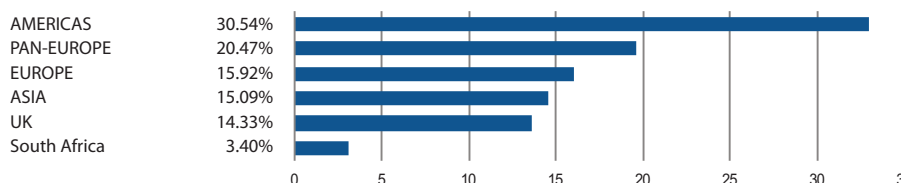
### ESMA RISK RATING



### LARGEST SECTOR EXPOSURE %



### GEOGRAPHIC EXPOSURE %



### Performance As of 31/10/2020

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-2.3	20.4	30.3	10.9	9.9
MSCI World €	-2.4	-4.5	0.4	6.6	7.6
S&P 500 €	-2.0	-0.9	5.0	10.4	10.5
Euro STOXX 50	-7.3	-19.0	-15.7	-3.9	0.5

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

## Top 15 Positions

VESTAS	9.69%
SMITH & NEPHEW	6.75%
KINGFISHER	5.86%
TESLA INC	5.29%
MAYR MELNHOF	5.01%
ACCIONA	5.00%
SVENSKA CELLULOSA	4.57%
SHIMANO	4.13%
KURITA	4.04%
TOMRA SYSTEMS	3.92%
ORMAT	3.73%
POTLATCH	3.59%
STERICYCLE	3.55%
MOLINA	3.41%
ASPEN PHARMACARE	2.85%

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 the month at **€293.53** which was a return of **-2.30%** for October. Despite a relatively positive start to the month (earnings and economic data) the second half of the month saw global equities trade lower. In Europe, Covid-19 cases surged, hospitalisation rates increased and significant restrictions were introduced. Global equities were down circa 2% on the month on average.

Within the fund a number of the holdings reported earnings. In terms of contribution to the NAV return on the month the positives to highlight were Shimano (+0.68% to nav), Vestas (+0.67% to nav) and Ormat Technologies (+0.63%). The main detractors on the month were Smith & Nephew (-0.87%), Tesla (-0.66%) and East Japan Railways (-0.52%).

Shimano reported that its net profit in the first nine months of the year rose 10% compared to the same period a year earlier, helped by surging interest for cycling gear amid the Covid-19 pandemic. The group also raised its full-year revenue and net-profit forecasts, citing growing popularity of cycling and fishing.

During the month the fund added exposure to two European names, **Acciona** (Spanish listed Infrastructure company) and **Mayr Melnhof** (Austrian listed paper company). Both names have a solid earnings outlook and are likely to be benefactors of the European Union stimulus package focused on sustainable construction projects and various initiatives around climate change and separately the reduction in plastic usage in the region. Exposure to US stocks within the fund was increased by a net 2.5%. Separately, the exposure to **Tesla** was further reduced following its quarterly vehicle deliveries update. Over the last two quarters the free cash flow generation has continued to improve. Short term we continue to feel the shares are somewhat overvalued and expect a better opportunity over the coming months to revisit the holding within the fund (currently circa 5.3% of the Fund from >10% in August).

Lastly, **Vestas Wind Systems** moved to over 10% of the fund on hopes of a win for Joe Biden in the US presidential race. As noted previously in this update, Mr. Biden's presidential manifesto has earmarked over \$2trillion for climate change focused spending. The US market represents circa 34% of group revenues for Vestas. Many of America's wind farms are onshore. Growth will probably come from offshore projects. In capacity terms these will expand by well over six times to 20 gigawatts in the next decade, according to the US Department of Energy. These marine power plants do not depend on the tax credit scheme. Vestas, which has nearly 14% of the offshore turbine market, stands to gain over the medium to long term and remains a key holding for the Green Effects Fund.

## 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%	20.40%	

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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