

September 2021

# Investment JOURNAL

## FEATURED THIS MONTH:

### Asset Allocation 2021

**Core Equity Portfolio:** The investment case for our preferred names

**Core Funds Range:** Latest updates on our range of investment funds, ETFs and Trusts

**Ethical Investing:** Green Effects providing sustainable investment returns



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# WELCOME...



**Gerard Casey,**  
*Director of Sales,  
Cantor Fitzgerald  
Ireland*

## Welcome to the September edition of our Investment Journal.

The Global Equity market finished August 3% higher, with many developed market indices reaching all-time highs. This was not without some drama, as the delta variant and inflation concerns caused a dip in markets and a spike in volatility mid-month. However, there is a growing sense that global growth expectations appear to be bottoming out. Record earnings, record margins, buoyant corporate commentary, and low inventory levels all help to frame a more positive investment backdrop since global growth expectations peaked in Q1 of this year. This should result in continued support for Global Equities into year-end.

Domestically, the focus remains on a full re-opening of the economy and the national housing crisis. As details of the roadmap to re-opening and the "housing for all" strategy are shared, it is clear both are moving in a positive direction. This augments the continuing positive performance of the domestic economy, as evidenced by the AIB Irish Manufacturing PMI for August, which indicated another month of strong performance for the sector. The headline index reading of 62.8 was lower than the 63.3 level recorded in July, although it was still the fourth highest on record, and the fifth month in a row that the index was above the 60 level. New orders continued to rise rapidly from the record peak in July despite reports that capacity constraints continued to be experienced in the sector as

backlogs rose once again. Widespread raw material shortages and rising transport charges drove manufacturers' costs up, which contributed to ongoing upward pressure on both input and output prices.

Inside Cantor Fitzgerald, our Corporate Finance team is set to present our clients with equity and debt market opportunities this month, with a particular focus on food technology and property sectors. We were delighted to raise €5 million of EIS eligible investment for Bio-Atlantis in August and we are confident the management team in Co. Kerry will continue their journey of growth and success.

Our Structured Product team continue to achieve great success from our 85% NAV protected suite of products, where we offer investors both a traditional and ESG version – with the same upward only capital protection structure. We look forward to welcoming you to our autumn schedule of events, starting with our "Tackling the Low-Interest Environment" webinar which is taking place on the 16th September, where Head of Equity Investments at Merrion Investment Managers, Philip Byrne, and Head of Product, Killian Nolan, give their insights and solutions to coping with negative rates.

As you will read in the following pages, we see excellent opportunities over the coming months and as ever stand ready to help.

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

# Asset Allocation

September 2021



Asset Allocation 2021

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# ASSET ALLOCATION 2021



**Pearse MacManus,**  
Chief Investment Officer,  
Merrion Investment  
Managers

## August

The global equity market finished the month 3% higher, to stand +20% year-to-date, driven again by growth (+3.1%) over value (+1.5%). Global bond yields moved higher over the month.

It wasn't all smooth sailing, however. Growth concerns stemming from the spread of the Delta variant, particularly in Asia, a fresh round of Chinese regulations setting out tougher rules for how companies handle user data, cuts in Chinese steel production and perceived hawkishness from the Fed regarding tapering combined with summer illiquidity to push markets lower mid-month, with the worst affected areas being commodities, emerging markets, and emerging market exposed sectors.

The spread of the Delta variant has led to an extension of the lockdowns in Sydney and a new lockdown in New Zealand, a poor vaccine rollout with only circa 20% of adult population vaccinated leaves these countries very exposed. Rising case numbers in Israel, the world's most vaccinated country, raised the prospect of booster shots being required, and indeed the US is planning to start booster shots to all vaccinated adults next month.

This month we saw some signs that the transitory nature of the recent inflation surge may be a little more prolonged, with supply chain disruptions continuing to have an impact globally. TSMC is raising its prices, this comes on the back of Microsoft raising prices last week. German IFO Economists noted that almost 75% of businesses complain about supply chain bottlenecks, and 67% of companies in both manufacturing and retail sought higher prices to cover rising costs. The supply shortage of semiconductors is expected to continue for most of next year.

Whilst this may raise very short-term inflation concerns, we also saw two examples of the ongoing drive to invest for the future, which reinforces the disinflationary trends. Samsung will invest approximately \$200 billion over the next 3 years to expand its footprint in biopharmaceuticals, AI, semiconductors and robotics, whilst Japan is expanding subsidies for the purchases of electric vehicles, plug-in hybrids and fuel-cell vehicles.

## Positioning and outlook

Overall, there is a growing sense that a bottoming in global growth expectations has occurred. Record earnings, record beats, record margins, lower multiples, buoyant corporate commentary, China policy tightening on the regulatory side, but easing on the credit side, extraordinarily low inventory levels all help to frame a more positive investment backdrop than there has been since global growth expectations peaked in Q1 of this year and should mean continued support for equities. Delta concerns may lead to delays in reopening, but should not stall it, policy tweaks from the Fed (standing repo) mean tapering and communication around same should not cause a 2013-like tantrum for a very well-heralded event, but despite that positive medium term back drop, sentiment and positioning has been relatively sanguine with a lot of our indicators neutral at best with no signs of the traditional euphoric activity that can sometimes mark the end of strong performances in equity markets.

With the above in mind, we have reversed some of the successful defensive measures we took in late spring when we reduced growth asset exposure and rotated into more defensive and high-quality holdings. Numerous concerns we had then have either played out, didn't materialise, or have become tailwinds, and in the last month we have been adding to growth asset exposure, bringing us back towards the upper end of the range. This was initially through equities exposed to commodities followed by quality industrials exposed to long-term structural growth themes we like such as decarbonisation and precision agriculture that should benefit too from the impending pick-up in economic data that we should see in early 2022. We also rotated some equity holdings out of defensive names and into those industrial cyclicals. In addition, we have further reduced our long-dated bond holdings to leave the funds significantly underweight duration relative to our peers/benchmark.

## Merrion Investment Managers Core Funds

| Name                                | Risk Rating (1 - 7) | Sedol   | Currency | TER % |
|-------------------------------------|---------------------|---------|----------|-------|
| Merrion Multi-Asset 30 Fund         | 4                   | BVFMDD4 | EUR      | 0.68% |
| Merrion Multi-Asset 50 Fund         | 4                   | BVFMDD1 | EUR      | 0.68% |
| Merrion Managed/Multi-Asset 70 Fund | 5                   | BVFMDB9 | EUR      | 0.68% |

## Merrion Investment Managers Multi-Asset Fund Performance

| Name                                | 1 Month % | 3 Month % | YTD % | 1 Year % | *3 Year % | *5 Year % |
|-------------------------------------|-----------|-----------|-------|----------|-----------|-----------|
| Merrion Multi Asset 30              | 0.6       | 4.7       | 7.9   | 13.9     | 8.4       | 6.0       |
| Merrion Multi Asset 50              | 1.2       | 6.1       | 12.3  | 20.6     | 11.6      | 8.6       |
| Merrion Managed Fund/Multi Asset 70 | 1.7       | 7.7       | 16.5  | 27.1     | 15.1      | 11.4      |

\*Annualised Gross Returns. Source: MIM 31/8/21.

WARNING: Performance is gross of management fees. On a typical investment of €50,000 into the Managed/Multi-Asset 70 fund (share class B), an annual management fee of 0.50% would be applicable.

WARNING: Past performance is not a reliable indicator of future performance.

WARNING: The value of your investment may go down as well as up.



# MULTI-ASSET FUND RANGE

The Merrion Investment Managers Multi-Asset Range of funds is designed to suit investors with different risk appetites.

## KEY FEATURES

- Actively managed investment process
- Diversification across a range of assets
- Ability to deliver strong returns with reduced volatility in times of market stress
- Long term fundamental holdings with short term tactical opportunities
- Morningstar Rating™ ★★★★★<sup>1</sup>

1. As of 31/8/21

### MULTI-ASSET

# 30

20%-40% in  
Growth assets

80%-60% in  
Defensive Assets

### MULTI-ASSET

# 50

40%-60% in  
Growth assets

60%-40% in  
Defensive Assets

### MANAGED/ MULTI-ASSET

# 70

60%-80% in  
Growth assets

40%-20% in  
Defensive Assets

## PERFORMANCE

The table shows what these funds have typically returned over 4, 5 and 6 years (increasing the time period as the risk of the fund increases). These returns have been delivered despite the many crises that financial markets have faced over the last 20+ years.

| SUMMARY STATISTICAL RETURNS (since inception - August 2021) |                    |                    |                     |
|---|--------------------|--------------------|---------------------|
| Medium Term Investment Horizon                              | MMA30 (4yr)*       | MMA50 (5yr)*       | Managed/MMA70 (6yr) |
| Annualised Rolling Return: Average                          | <b>5.56% p.a.*</b> | <b>6.11% p.a.*</b> | <b>8.45% p.a.</b>   |

\* Include both actual returns from 21 July 2015 to 31 August 2021, and simulated returns prior to 21 July 2015.

## PERFORMANCE COMPARED WITH SIMILAR FUNDS & THE GLOBAL EQUITY MARKET

|            | MMA30        | Average* | MMA50        | Average* | Managed/MMA70 | Average* | MSCI ACWI |
|------------|--------------|----------|--------------|----------|---------------|----------|-----------|
| 1 Yr       | <b>13.9%</b> | 8.9%     | <b>20.6%</b> | 16.2%    | <b>27.1%</b>  | 22.9%    | 30.1%     |
| 3 Yrs p.a. | <b>8.4%</b>  | 4.5%     | <b>11.6%</b> | 7.2%     | <b>15.1%</b>  | 9.5%     | 13.7%     |

Merrion Fund returns gross of annual management charge (0.50%).

\*Average of selection of equivalent funds available on the Irish market from other providers (Irish Life, Aviva, LGIM, Friends First, New Ireland, Zurich).

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Warning: These figures are not a reliable guide to future performance. The value of your investment may go down as well as up.



# Investment Opportunities

September 2021



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# CORE PORTFOLIO 2021

SEPTEMBER 2021



**David Beaton,**  
Chief Investment  
Officer

Global equity markets registered an impressive performance during August with average gains in euro-terms of 2.5%. This strong performance was achieved despite two brief periods of weakness which threatened to stall the move higher in risk assets.

Among the factors behind these periods of weakness were concerns over the outlook for global growth in the face of the increase in Delta variant cases as well as uncertainty about the timing and pace of any move by the US Federal Reserve to taper its current asset purchase programme.

Regarding the increase in Delta variant cases, the main focus of concern was on Asian and emerging markets which started to see a spike in cases to record levels. This increase in daily case numbers reflected the fact that the level of vaccinations in the majority of Asian and emerging markets stands at circa 20% leaving all these countries extremely vulnerable to the new variant.

The other episode of weakness during the month, which again was short-lived, was as a result of comments from a number of Federal Reserve committee members who suggest that the Central Bank could potentially commence the tapering of its current asset purchase programme sooner than the market currently anticipates.

For the month the Core Portfolio registered a gain of 1.73% compared to the benchmark with gained 2.74%. Year -to-date the Core Portfolio has appreciated by 12.2% compared to a gain for the benchmark of 22.8%.

During the month there were positive performances from a number of the portfolio holdings including renewable energy group **Siemens Gamesa Renewable Energy** (+6.8%) which recouped over half of its decline from the prior month, French utility group **Engie** (+7.8%), US technology group **Microsoft** (+6.5%) following a number of broker upgrades, **CRH** (+6.6%) and the **JPMorgan Emerging Markets Investment Trust** (+5.7%).

These gains were partially offset by weakness in mining group **Rio Tinto** (-5.2%) following weakness in the broader commodity complex during the month as well as in **Ryanair** (-4.3%) on the back of Delta variant concerns. We do however remain positive on the stock given its extremely attractive dividend and Free Cash Flow yields.

There was also weakness in German insurer **Allianz** (-5.4%) after the SEC in the US launched a probe into one of its US funds. While the scale of any possible fine is unquantified currently, we believe it will be manageable given the strength of the company's balance sheet.

Following our more cautious outlook comment in last month's report, we have been encouraged by the resilience of markets during August in the face of the issues highlighted above.

Also supporting our constructive view on equities is the recent agreement of a \$3.5 trillion budget in the US which paves the way for the next planned stimulus package.

This, coupled with monetary policy easing in China, ongoing monetary policy accommodation from the ECB, an improving trend in vaccinations, increasing corporate buybacks and expectations of further strong earnings growth for the remainder of 2021 will help reduce any ongoing concerns about Fed tapering.

## Core Portfolio at the 31st August 2021

| Stocks                          | Price<br>31/08/2021 | Total Return<br>Year to Date | Fwd P/E<br>FY1 (x) | Div Yield<br>FY1 | Weightings |
|---------------------------------|---------------------|------------------------------|--------------------|------------------|------------|
| Verizon Communications Inc      | 55                  | 0.2%                         | 10.4x              | 4.6%             | 6.7%       |
| Amazon.Com Inc                  | 3470.79             | 10.3%                        | 48.9x              | 0.0%             | 6.7%       |
| JPMorgan Emerging Markets Trust | 135.40              | 8.2%                         | 27.0x              | 1.1%             | 6.7%       |
| Allianz Se                      | 198.98              | 3.6%                         | 9.9x               | 5.2%             | 6.7%       |
| CRH Plc                         | 45.04               | 35.0%                        | 17.9x              | 2.4%             | 6.7%       |
| Sanofi                          | 87.62               | 15.5%                        | 13.8x              | 3.7%             | 6.7%       |
| Vinci Sa                        | 90.89               | 14.3%                        | 21.1x              | 2.5%             | 6.7%       |
| Siemens Gamesa Renewable Energy | 25.11               | -24.1%                       | 70.3x              | 0.0%             | 6.7%       |
| Fedex Corp                      | 265.69              | 6.5%                         | 12.6x              | 1.1%             | 6.7%       |
| Ryanair Holdings Plc            | 15.855              | -2.5%                        | 49.3x              | 0.0%             | 6.7%       |
| Paypal Holdings Inc             | 288.66              | 27.6%                        | 61.2x              | 0.0%             | 6.7%       |
| Microsoft Corp                  | 301.88              | 41.4%                        | 34.4x              | 0.8%             | 6.7%       |
| Rio Tinto Plc                   | 5382                | 15.4%                        | 4.7x               | 16.4%            | 6.7%       |
| Smurfit Kappa Group Plc         | 48.58               | 30.5%                        | 18.3x              | 2.5%             | 6.7%       |
| Engie                           | 12.13               | 1.0%                         | 11.9x              | 5.9%             | 6.7%       |

Current Price as at 31/08/2021. Source: Bloomberg. \*SIP = Since Inclusion in Portfolio

|                              |         |
|------------------------------|---------|
| Cantor Core Portfolio Return | 12.20%  |
| Benchmark Return             | 22.84%  |
| Relative outperformance      | -10.64% |

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

# CANTOR FITZGERALD Client Portal



Your portfolio  
at your fingertips

Access all of your account information through a **single login**

View information updates in the **Notifications Centre**

Easy to use, **intuitive user interface**

For more information contact your broker or our Client Services team

[www.cantorfitzgerald.ie/cantorportal/](http://www.cantorfitzgerald.ie/cantorportal/)

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# AVIVA SDIO APPROVED FUNDS

Aviva's Self Directed Investment Option (SDIO) provides brokers and policy holders with access to a diverse range of assets for pre and post-retirement pension investors. Aviva's Approved Investment Funds available through Cantor Fitzgerald are listed below.

| Fund Manager                     | Name                                       | ESMA Risk Rating (1 - 7) | Fund Sector      |
|----------------------------------|--|--------------------------|------------------|
| <b>Allianz</b>                   | Allianz Income and Growth                  | 5                        | Mixed Allocation |
| <b>BNY Mellon</b>                | BNY Mellon Global Bond                     | 4                        | Fixed Income     |
| <b>Threadneedle</b>              | Threadneedle European Select               | 6                        | Equity           |
| <b>PIMCO</b>                     | PIMCO GIS Global Investment Grade Credit   | 4                        | Fixed Income     |
| <b>PIMCO</b>                     | PIMCO GIS Income                           | 4                        | Fixed Income     |
| <b>Invesco</b>                   | Invesco Global Targeted Return             | 3                        | Alternative      |
| <b>M&amp;G</b>                   | M&G Optimal Income                         | 4                        | Fixed Income     |
| <b>Jupiter</b>                   | North American Equity                      | 6                        | Equity           |
| <b>Lazard</b>                    | Lazard Global Listed Infrastructure Equity | 5                        | Equity           |
| <b>Fundsmith</b>                 | Fundsmith Equity Feeder                    | 5                        | Equity           |
| <b>Muzinich</b>                  | Enhancedyield                              | 3                        | Fixed Income     |
| <b>Merrion</b>                   | Global Equity Income                       | 5                        | Equity           |
| <b>JP Morgan</b>                 | Global Macro Opportunities                 | 4                        | Mixed Allocation |
| <b>Cantor Fitzgerald Ireland</b> | Green Effects                              | 6                        | Equity           |

# INVESTMENT FUNDS



**Niall Sexton,**  
Portfolio  
Construction  
Analyst

Our Core Funds range is a selection of funds that our investment committee feels could compliment portfolios and enhance diversification. The Core Funds range offers investment options across multiple asset classes and markets. Funds selected have undergone a comprehensive screening process by our investment committee and are reviewed regularly.

## Core Investment Funds

| Equity Funds                             |                     |                     |          |       |         |
|--|---------------------|---------------------|----------|-------|---------|
| Name                                     | Morningstar Rating™ | Risk Rating (1 - 7) | Currency | TER % | Yield % |
| Global Equity Income                     |                     |                     |          |       |         |
| Veritas Global Equity Income             | ★★★                 | 5                   | EUR      | 1.06  | 3.10    |
| Global Equity Income                     |                     |                     |          |       |         |
| Merrion Global Equity Income             | ★★★                 | 5                   | EUR      | 0.60  | 0.00    |
| Global Equity Growth                     |                     |                     |          |       |         |
| Fundsmith Global Equity Feeder           | ★★★★                | 5                   | EUR      | 0.97  | 0.00    |
| Global Equity - Ethical Investing        |                     |                     |          |       |         |
| Green Effects                            | ★★★★★               | 6                   | EUR      | 1.30  | 0.00    |
| European Equity                          |                     |                     |          |       |         |
| Threadneedle European Select             | ★★★★                | 6                   | EUR      | 0.83  | 0.00    |
| Bond Funds                               |                     |                     |          |       |         |
| Name                                     |                     | Risk Rating (1 - 7) | Currency | TER % | Yield % |
| Corporate Bond                           |                     |                     |          |       |         |
| PIMCO GIS Global Investment Grade Credit | ★★★                 | 4                   | EUR      | 0.49  | 2.90    |
| Government Bond                          |                     |                     |          |       |         |
| BNY Mellon Global Bond                   | ★★★                 | 4                   | EUR      | 0.65  | 0.00    |
| High Yield                               |                     |                     |          |       |         |
| HSBC Euro High Yield Bond                | ★★★★                | 4                   | EUR      | 1.35  | 2.47    |
| Alternative Funds                        |                     |                     |          |       |         |
| Name                                     |                     | Risk Rating (1 - 7) | Currency | TER % | Yield % |
| Multi - Asset Allocation                 |                     |                     |          |       |         |
| Merrion Multi Asset 30                   | ★★★★★               | 4                   | EUR      | 0.70  | 0.00    |
| Merrion Multi Asset 50                   | ★★★★★               | 4                   | EUR      | 0.77  | 0.00    |
| Merrion Managed Fund                     | ★★★★★               | 5                   | EUR      | 0.90  | 0.00    |
| Absolute Return                          |                     |                     |          |       |         |
| Invesco Global Targeted Return           | -                   | 3                   | EUR      | 0.86  | 0.00    |

Source: Bloomberg. Prices as of 31/8/2021

# Fund Performance

## Equity Fund Performance

| Name | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|------|-----------|-----------|-------|----------|----------|----------|
|------|-----------|-----------|-------|----------|----------|----------|

### Global Equity

|                              |      |      |       |       |      |      |
|------------------------------|------|------|-------|-------|------|------|
| Veritas Global Equity Income | 1.48 | 3.27 | 17.82 | 15.85 | 6.75 | 6.96 |
|------------------------------|------|------|-------|-------|------|------|

### Global Equity

|                              |      |      |       |       |      |   |
|------------------------------|------|------|-------|-------|------|---|
| Merrion Global Equity Income | 0.33 | 1.22 | 17.77 | 18.21 | 7.60 | - |
|------------------------------|------|------|-------|-------|------|---|

### Global Equity Growth

|                                |      |       |       |       |       |       |
|--------------------------------|------|-------|-------|-------|-------|-------|
| Fundsmith Global Equity Feeder | 0.94 | 10.64 | 22.43 | 40.56 | 17.60 | 16.82 |
|--------------------------------|------|-------|-------|-------|-------|-------|

### Global Equity - Ethical Investing

|               |      |      |       |       |       |       |
|---------------|------|------|-------|-------|-------|-------|
| Green Effects | 2.63 | 7.88 | 19.29 | 92.69 | 23.39 | 16.71 |
|---------------|------|------|-------|-------|-------|-------|

### European Equity

|                              |      |       |       |       |       |       |
|------------------------------|------|-------|-------|-------|-------|-------|
| Threadneedle European Select | 2.69 | 10.52 | 23.02 | 46.15 | 15.35 | 13.25 |
|------------------------------|------|-------|-------|-------|-------|-------|

## Bond Fund Performance

| Name | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|------|-----------|-----------|-------|----------|----------|----------|
|------|-----------|-----------|-------|----------|----------|----------|

### Corporate Bond

|  |       |      |      |      |      |      |
|--|-------|------|------|------|------|------|
| PIMCO GIS Global Investment Grade Credit | -0.08 | 1.94 | 0.00 | 3.92 | 3.94 | 2.29 |
|--|-------|------|------|------|------|------|

### Government Bond

|                        |      |      |       |       |      |      |
|------------------------|------|------|-------|-------|------|------|
| BNY Mellon Global Bond | 0.15 | 3.25 | -0.65 | -3.13 | 3.78 | 0.71 |
|------------------------|------|------|-------|-------|------|------|

### High Yield

|                           |      |      |      |      |      |      |
|---------------------------|------|------|------|------|------|------|
| HSBC Euro High Yield Bond | 0.07 | 0.99 | 1.49 | 4.58 | 3.49 | 2.86 |
|---------------------------|------|------|------|------|------|------|

## Alternative Fund Performance

| Name | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|------|-----------|-----------|-------|----------|----------|----------|
|------|-----------|-----------|-------|----------|----------|----------|

### Multi - Asset Allocation

|                        |      |      |      |       |      |      |
|------------------------|------|------|------|-------|------|------|
| Merrion Multi Asset 30 | 0.60 | 4.70 | 7.90 | 13.90 | 8.40 | 6.00 |
|------------------------|------|------|------|-------|------|------|

|                        |      |      |       |       |       |      |
|------------------------|------|------|-------|-------|-------|------|
| Merrion Multi Asset 50 | 1.20 | 6.10 | 12.30 | 20.60 | 11.60 | 8.60 |
|------------------------|------|------|-------|-------|-------|------|

|                      |      |      |       |       |       |       |
|----------------------|------|------|-------|-------|-------|-------|
| Merrion Managed Fund | 1.70 | 7.70 | 16.50 | 27.10 | 15.10 | 11.40 |
|----------------------|------|------|-------|-------|-------|-------|

### Absolute Return

|                                |      |      |       |       |       |       |
|--------------------------------|------|------|-------|-------|-------|-------|
| Invesco Global Targeted Return | 1.14 | 2.67 | -0.64 | -1.55 | -1.03 | -1.00 |
|--------------------------------|------|------|-------|-------|-------|-------|

Source: Bloomberg. Prices as of 31/8/2021

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# ETFs & TRUSTs



**Niall Sexton,**  
Portfolio  
Construction  
Analyst

Our Core ETF and Investment Trust range is a selection of active and passive collective funds which are listed on primary exchanges. This range offers a selection of the listed investment options available across multiple asset classes and markets.

## Core ETFs & Trusts

| Equity ETFs & Trusts                           |         |          |       |         |       |
|--|---------|----------|-------|---------|-------|
| Name   | SEDOL   | Currency | TER % | Yield % | UCITS |
| Global Equity                                  |         |          |       |         |       |
| iShares MSCI World UCITS ETF                   | B297PF5 | EUR      | 0.50  | 1.01    | Yes   |
| iShares MSCI World Quality Dividend UCITS ETF  | BYV3KL6 | EUR      | 0.38  | 2.76    | Yes   |
| European Equity                                |         |          |       |         |       |
| iShares Euro STOXX 50 ETF                      | 7018910 | EUR      | 0.10  | 2.19    | Yes   |
| SPDR® S&P Euro Dividend Aristocrats UCITS      | B7KHKP4 | EUR      | 0.30  | 3.52    | Yes   |
| UK Equity                                      |         |          |       |         |       |
| City of London Investment Trust Plc            | 0199049 | GBP      | 0.44  | 4.78    | No    |
| US Equity                                      |         |          |       |         |       |
| SPDR S&P 500 UCITS ETF                         | B6YX5T0 | USD      | 0.09  | 1.06    | Yes   |
| SPDR® S&P U.S. Dividend Aristocrats UCITS ETF  | B6YX5V2 | USD      | 0.35  | 2.61    | Yes   |
| Emerging Market Equity                         |         |          |       |         |       |
| JPMorgan Emerging Markets Investment Trust Plc | BMXWN18 | GBP      | 0.95  | 1.10    | No    |
| Bond ETFs & Trusts                             |         |          |       |         |       |
| Name   | SEDOL   | Currency | TER % | Yield % | UCITS |
| Corporate Bond                                 |         |          |       |         |       |
| iShares Euro Corporate Bond Ex-Financials ETF  | BSKRK39 | EUR      | 0.20  | 0.74    | Yes   |
| Government Bond                                |         |          |       |         |       |
| iShares Core Euro Government Bond ETF          | BVG75S4 | EUR      | 0.09  | 0.24    | Yes   |
| High Yield                                     |         |          |       |         |       |
| iShares Euro High Yield Corporate Bond ETF     | B66F475 | EUR      | 0.50  | 3.22    | Yes   |
| Commodity ETFs & Trusts                        |         |          |       |         |       |
| Name   | SEDOL   | Currency | TER % | Yield % | UCITS |
| Precious Metals                                |         |          |       |         |       |
| Invesco Physical Gold ETC                      | B599TV6 | USD      | 0.16  | 0.00    | No    |
| Commodity                                      |         |          |       |         |       |
| WisdomTree Brent Crude Oil                     | B78CGV9 | USD      | 0.49  | 0.00    | No    |

Source: Bloomberg. Prices as of 31/8/2021



# Fund Performance

## Equity Performance

| Name  | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|---|-----------|-----------|-------|----------|----------|----------|
| Global Equity                                 |           |           |       |          |          |          |
| iShares MSCI World UCITS ETF                  | 3.00      | 9.88      | 22.65 | 40.85    | 14.17    | 13.36    |
| iShares MSCI World Quality Dividend UCITS ETF | 1.31      | 4.85      | 17.73 | 16.68    | 8.16     | 8.61     |

## European Equity

|   |      |      |       |       |       |      |
|---|------|------|-------|-------|-------|------|
| iShares Euro STOXX 50 ETF                 | 2.53 | 3.96 | 19.60 | 28.00 | 10.15 | 9.84 |
| SPDR® S&P Euro Dividend Aristocrats UCITS | 2.16 | 4.64 | 15.36 | 12.18 | 4.42  | 5.88 |

## UK Equity

|                                     |      |      |       |      |      |      |
|-------------------------------------|------|------|-------|------|------|------|
| City of London Investment Trust Plc | 1.46 | 2.50 | 11.12 | 7.53 | 3.05 | 4.24 |
|-------------------------------------|------|------|-------|------|------|------|

## US Equity

|   |      |       |       |       |       |       |
|---|------|-------|-------|-------|-------|-------|
| SPDR S&P 500 UCITS ETF                        | 3.74 | 12.20 | 27.07 | 48.45 | 17.11 | 16.32 |
| SPDR® S&P U.S. Dividend Aristocrats UCITS ETF | 1.74 | 4.02  | 24.99 | 23.23 | 10.32 | 9.77  |

## Emerging Market Equity

|  |      |      |      |       |       |       |
|--|------|------|------|-------|-------|-------|
| JPMorgan Emerging Markets Investment Trust Plc | 6.45 | 1.65 | 3.76 | 40.24 | 18.09 | 16.04 |
|--|------|------|------|-------|-------|-------|

## Bond Performance

| Name  | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|---|-----------|-----------|-------|----------|----------|----------|
| Corporate Bond                                |           |           |       |          |          |          |
| iShares Euro Corporate Bond Ex-Financials ETF | -0.56     | 1.14      | -0.09 | 1.39     | 2.66     | 1.50     |

## Government Bond

|                                       |       |      |       |       |      |      |
|---------------------------------------|-------|------|-------|-------|------|------|
| iShares Core Euro Government Bond ETF | -0.60 | 1.64 | -1.84 | -0.53 | 3.57 | 1.47 |
|---------------------------------------|-------|------|-------|-------|------|------|

## High Yield

|  |      |      |      |      |      |      |
|--|------|------|------|------|------|------|
| iShares Euro High Yield Corporate Bond ETF | 0.21 | 0.92 | 2.73 | 5.71 | 3.31 | 3.10 |
|--|------|------|------|------|------|------|

## Commodity Performance

| Name                      | 1 Month % | 3 Month % | YTD % | 1 Year % | 3 Year % | 5 Year % |
|---------------------------|-----------|-----------|-------|----------|----------|----------|
| Precious Metals           |           |           |       |          |          |          |
| Invesco Physical Gold ETC | -0.80     | -4.57     | -4.60 | 17.88    | 14.36    | 6.45     |

## Commodity

|                            |       |      |       |       |       |      |
|----------------------------|-------|------|-------|-------|-------|------|
| WisdomTree Brent Crude Oil | -3.23 | 6.29 | 47.84 | 16.87 | -2.69 | 7.24 |
|----------------------------|-------|------|-------|-------|-------|------|

Source: Bloomberg. Prices as of 31/8/2021

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

# GREEN EFFECTS FUND FACTSHEET

SEPTEMBER 2021

## 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                      |
| MSCI ESG Rating    | AA                            |
| NAV                | €405.72                       |
| Minimum Investment | €5,000                        |
| Dealing Frequency  | Daily                         |
| Investment Manager | Cantor Fitzgerald Ireland Ltd |
| Custodian          | Northern Trust                |
| Administrator      | Northern Trust                |
| Sales Commission   | 3%                            |
| Investment Mgt Fee | 0.75%                         |

\*Prices as of 31/8/2021

Source: Bloomberg &amp; Cantor Fitzgerald Ireland Ltd Research

## Fund & Share Class Information

|            |              |
|------------|--------------|
| Fund Size  | €188.12m     |
| Fund ISIN  | IE0005895655 |
| Fund Sedol | 0589565      |
| Bloomberg  | GEFINV.L ID  |
| Domicile   | Ireland      |
| Structure  | UCITS Fund   |

## Historic Yield

|             |       |
|-------------|-------|
| *Fund Yield | 1.35% |
|-------------|-------|

Fund yield is historic based on full year 2020 dividend income received. The fund does not distribute income to investors. All dividend income is reflected within the NAV price of the fund.

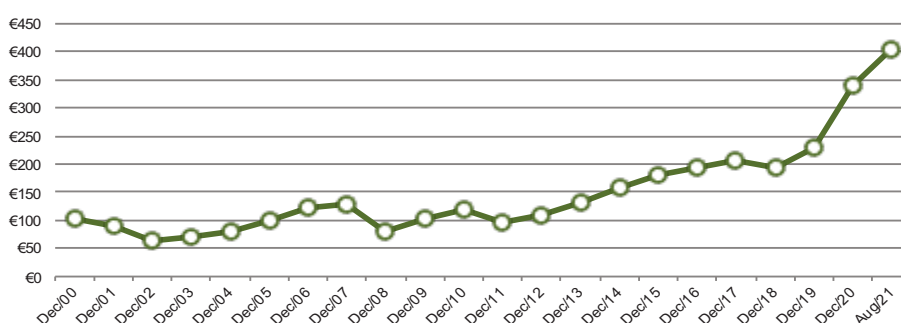
## Total number of holdings

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

## Market Capitalisation Exposure

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

## GREEN EFFECTS FUND NAV SINCE INCEPTION

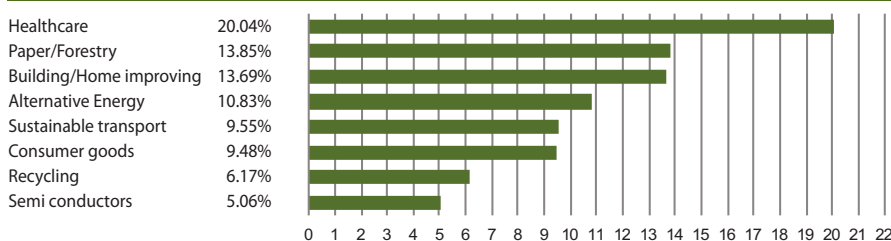


Source: Cantor Fitzgerald Ireland Ltd Research

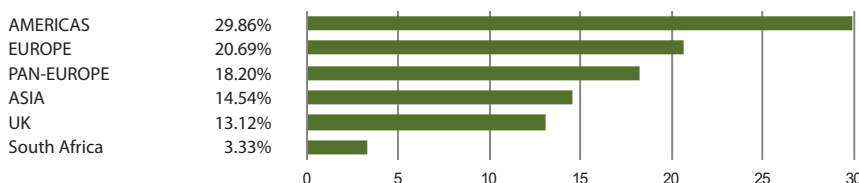
## ESMA RISK RATING



## LARGEST SECTOR EXPOSURE %



## GEOGRAPHIC EXPOSURE %



## Performance

|               | 1 Month | YTD   | 1 Year | 3 Year* | 5 Year* | 10 Year* | Inception* |
|---------------|---------|-------|--------|---------|---------|----------|------------|
| Green Effects | 2.60    | 19.29 | 36.40  | 23.40   | 16.70   | 15.70    | 6.70       |
| MSCI World €  | 3.00    | 22.50 | 31.90  | 14.90   | 14.20   | 15.10    | 5.50       |
| S&P 500 €     | 3.50    | 25.90 | 32.70  | 17.30   | 16.70   | 18.70    | 6.30       |
| Euro STOXX 50 | 2.60    | 20.60 | 31.30  | 10.50   | 10.20   | 10.10    | 2.70       |

As of 31/8/2021. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

|                   |       |
|-------------------|-------|
| VESTAS            | 8.82% |
| SMITH & NEPHEW    | 7.62% |
| MOLINA            | 6.12% |
| AIXTRON AG        | 5.06% |
| ACCIONA           | 4.75% |
| MAYR MELNHOF      | 4.71% |
| TOMRA SYSTEMS     | 4.60% |
| STEICO            | 4.49% |
| KINGFISHER        | 4.45% |
| SHIMANO           | 4.22% |
| SVENSKA CELLULOSA | 3.98% |
| KURITA            | 3.85% |
| RICOH             | 3.38% |
| ASPEN PHARMACARE  | 3.19% |
| NATURA HOLDINGS   | 2.90% |

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

| Sectors                | GE     | MSCI   |
|------------------------|--------|--------|
| Information Technology | 8.40%  | 22.50% |
| Financials             | 0.30%  | 13.30% |
| Health Care            | 20.00% | 12.80% |
| Consumer Discretionary | 11.50% | 11.90% |
| Industrials            | 31.30% | 10.60% |
| Communication Services | 0.50%  | 9.10%  |
| Consumer Staples       | 5.30%  | 7.00%  |
| Materials              | 8.90%  | 4.50%  |
| Energy                 | 0.00%  | 2.90%  |
| Utilities              | 6.70%  | 2.80%  |
| Real Estate            | 2.60%  | 2.80%  |
| Cash                   | 4.30%  | 0.00%  |

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 as €405.72 which was a gain of **+2.63%** for the month bringing the year-to-date return to **+19.29%**. The main contributors to the NAV move during the month were Aixtron (+0.80%), Vestas (+0.78%), Shimano (+0.56%) and Acciona (0.28%). Aixtron, the German listed semiconductor manufacturer, reported results at the end of July but benefitted from further positive momentum in the technology/chip sector.

The biggest news during the month with respect to ESG investing and climate change was the publication of the **"Climate Change 2021"** report from the IPCC (intergovernmental panel on climate change). Within this marquee publication the team of scientists warned that "human activity is changing the Earth's climate in ways unprecedented in thousands or hundreds of thousands of years, with some of the changes now inevitable and irreversible". Within the next two decades, temperatures are likely to rise by more than 1.5°C above pre-industrial levels, breaching the ambition of the 2015 Paris Climate Agreement, and bringing widespread devastation and extreme weather. The report, which was 8 years in the making, represents the world's full knowledge to-date of the physical basis of climate change, and found that human activity was "unequivocally" the cause of rapid changes to the climate, including rising sea levels, melting polar ice and glaciers, heatwaves, floods, and droughts. António Guterres, the UN secretary general, warned "this report is a code red for humanity. The alarm bells are deafening, and the evidence is irrefutable: greenhouse gas emissions from fossil fuel burning and deforestation are choking our planet and putting billions of people at immediate risk."

As discussed previously within this commentary, circa 40% of the Green Effects Fund holdings are actively involved in providing solutions to help tackle climate change. The focus of international governments, corporates and investors has led to a seismic shift in investment flows and infrastructure spending in an attempt to drive real long-term change. Anecdotally year-to-date the inflows into our Green Effects Fund have been the strongest on record and this trend is something being mirrored across the European market.

In portfolio activity during the month the fund increased its exposure to some of the midcap names within the portfolio like Steelcase, Tomra Systems and Svenska Cellulosa. **Steelcase** is a United States-based furniture company founded in 1912 in Grand Rapids, Michigan. The company produces office furniture, architectural and technology products for office environments and the education, healthcare, and retail industries. It is the largest office furniture manufacturer in the world. **Tomra Systems** provides technology-led solutions that enable the circular economy with advanced collection and sorting systems that optimize resource recovery and minimize waste in the food, drinks, and recycling industries. Its TOMRA recycling division is a global leader in its field and has pioneered the automation of waste sorting. **Svenska Cellulosa** (SCA) is Europe's largest private forest owner (2.6m hectares). The group offers packaging paper, pulp, wood products, renewable energy, services for forest owners and efficient transport solutions. SCA generates climate benefits through growing forests that binds CO2, renewable products that replace fossil-based products and lowering emissions from its own value chain. The cash level within the portfolio at month end was circa 5%.

## 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   | 2021   |
| -19.61% | 16.02%  | 19.87%  | 18.42% | 15.72% | 6.62%  | 6.80%  | -5.91% | 23.34%  | 42.7%  | 19.29% |

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust

email: [greeneffects@cantor.com](mailto:greeneffects@cantor.com)

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

# STRUCTURED PRODUCT RANGE

## PROTECTED INNOVATIVE TECHNOLOGIES BOND



### KEY FEATURES

- Unlimited return potential linked to 100 leading tech stocks in the Nasdaq Yewno Global Innovative Technologies Ex Disputable Activities EUR ER 5% Index.
- Final returns are added to 100% of capital invested at maturity.
- This is a low to medium risk investment (SRI risk level 3 out of 7).
- 5 Year 11 Month investment term.

**Closing Date: 15th October 2021**

## ESG 85% PROGRESSIVE PROTECTION BOND



### KEY FEATURES

- Investment strategy linked to the Robeco Sustainable Global Stars Equities Fund and the Allianz Euro Credit SRI Fund.
- Continuous upward only capital protection feature.
- Low risk investment (SRI level 2 out of 7).
- Open-ended ESG investment with daily liquidity & pricing.
- No fixed investment term.

## GLOBAL 85% PROGRESSIVE PROTECTION BOND



### KEY FEATURES

- **The bond has returned +11.71% p.a. (11.71% CAR) since inception for investors\*.**  
\*as at 31/08/2021 (source - Société Générale)
- Open ended liquid investment.
- Investment strategy linked to leading global investment funds: Fundsmith Global Equity and PIMCO Global Investment Grade Credit Bond Funds.
- Continuous upward only capital protection feature, ensures a minimum repayment of 85% of the highest Net Asset Value (NAV) ever achieved.
- Low risk investment (SRI Risk Level 2)

The minimum investment for these products is €10,000

For more details visit <https://cantorfitzgerald.ie/private-clients/structured-investments/>

Warning: Not all products are necessarily suitable for all investors and specific advice is required prior to investment.

Warning: This investment is a complex investment and may be difficult to understand. Investors should not invest in this investment without having sufficient knowledge, experience and professional advice from their financial broker to make a meaningful evaluation of the merits and risks of investing in an investment of this type, and the information contained in this Information Memorandum.

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

For further information or to arrange a meeting contact:

**DUBLIN 01 633 3800 | CORK 021 422 2122 | LIMERICK 061 436 500**

**[www.cantorfitzgerald.ie](http://www.cantorfitzgerald.ie)**



# Latest **News**

September 2021



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# MARKET ROUND-UP

AUGUST 2021



**Killian Clarke,**  
Portfolio Manager

## IN BRIEF...

### Maguire Heading to The Solheim Cup



The Cavan native becomes the first Irish golfer to compete in the Solheim Cup after being handed a wild card by Catriona Matthew. After a season of fine form, the 26 year-old has been given the opportunity to play in the match between USA and Europe next month at Inverness Country Club in Toledo, Ohio next month. Maguire has competed in the Junior Solheim Cup several times prior to earning the ranking of world No.1 in the amateur circuit. Since her move to the professional stage, she has gone from strength to strength.

## And Then There Were Two...



The 2021 All Ireland Final will be contested by Tyrone and Mayo after two emphatic semi-finals which saw Mayo dethrone the mighty Dublin, and Tyrone triumphing over the much-fancied Kerry team. Both semi-finals demanded extra time to finalise a victor with both games very evenly contested. After Kerry strolled through the Munster championship, many people thought that Dublin would be the toughest challenger following an unbeaten league, but Tyrone were not going to go down without some bite. The attacking flair observed earlier in the championship from Kerry seemed otherwise subdued compared to the excellent defensive display by the men from up north. In the other semi-final, Dublin showed some uncharacteristic blunders which allowed Mayo to outscore them 0-9 points to 0-3 in the second half. The game finished with Mayo triumphing, ending Dublin's 45 championship game unbeaten run.

## Strong Numbers from Kingspan

Kingspan continue its strong 2020 momentum with the share price up 67% YTD and data suggesting the stock is trading at extended multiples. The stock is currently trading at a c.40% premium to both its peers and the 10-year average. In mitigation of EV/EBITDA pre-Covid 19, the company traditionally traded at a c. 50% premium to peers, which has not changed at current levels. From a divisional perspective, insulated panels reported an 81% increase in trading profit from a 44% increase in revenue, while insulation boards grew profits by 44% from a 36% increase in revenue. Light & Air experienced a price increase for raw materials, posting a 14% dip in profit despite a 39% increase in revenue. Water & Energy grew profits by 72% on a 36% increase in revenue while Date & Flooring saw trading profit up 23% on a 22% increase in revenue. Gene Murtagh, Chief Executive of Kingspan, outlined that growth in the first half of the year has been "remarkably strong" with revenue and trading profits at record levels driven by high levels of demand and the global recovery in the construction sector. Inflation of Kingspan's input cost was one point of concern for Murtagh but "with effective price management this has helped increase trading margins, with a standout performance in our largest division- insulated panels". Cantor Fitzgerald has changed from a Buy recommendation to Hold as there is only a 2% upside to current DCF modelling and while there are a number of growth catalysts in play, we believe they are all but in the price.



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

# VOLATILITY 'CREEP' IN FUNDS



**Pramit Ghose,**  
Global Strategist








## 'Risk doesn't matter...until it does'

This is one of my own quotes. What I mean is that as long as an investment/fund is performing well, investors generally don't look at the risks/volatility being taken. It's only when performance turns down that investors then focus on what risks/volatility were being taken and by then it is too late if higher than expected risks were being taken.

Anyone who has an investment portfolio, Pension, ARF, Trust, a medium to long term savings plan or lump sum investment, is likely to have undergone a risk profiling exercise which will identify your tolerance for risk for that portfolio. This will have matched your tolerance for risk and your time horizon to your requirement for growth and income, and given you a score, typically from 1 to 7.

Your funds should then have been invested accordingly.

The majority of risk-rated funds/portfolios are built around the ESMA scale, which was developed by EU regulators (European Securities and Markets Authority) for UCITS funds. This scale (from 1 to 7) is based on the volatility of a fund's returns over the past five years. Greater volatility implies a higher risk level (loss potential), but also better return potential. Here's a chart of the ESMA scale:

| Scale            | 1  | 2   | 3   | 4   | 5  | 6  | 7   |
|------------------|--|---|---|---|--|--|---|
| Volatility bands | 0-0.5%   | 0.5-2%  | 2-5%  | 5-10%   | 10-15%   | 15-25%   | 25% +   |
| Risk rating      | <br>Very low risk | <br>Low risk | <br>Low to medium risk | <br>Medium risk | <br>Medium to high risk | <br>High risk | <br>Very high risk |
| Return aim       | In line with deposits  | In line with or slightly better than deposits   | Excess of deposits and possibly beats inflation   | Average returns and higher than deposit rates or inflation  | Above average returns and higher than deposits or inflation  | Significantly higher than deposits and inflation with high return potential over the long term     | The highest return potential over the long term   |

So, for example, a fund with a '4' rating (medium risk) could expect to experience a fall of between 5% to 10% in a down market.

Now a fund's risk rating should not be the only indicator whether a fund/portfolio is suitable for you or not. Your risk appetite should also take into account what you are saving/investing for, your time horizon for the investment, your liquidity needs, etc. Most people know that if you are investing for retirement over a few decades that you should be prepared to take a high level of risk to improve the longer-term returns. But if you are saving for your children's education fees 4 or 5 years from now you should probably only take a medium amount of risk.

Many experts would say that the ESMA risk rating system is flawed. ESMA 1, 2 and 3 span expected movements in value between 0% and 5% (refer to ESMA chart above). So, three bands (out of a total of 7) cover only 5% expected movements. The next band, ESMA 4, covers a 5% range in just one rating level, it spans 5% – 10%. ESMA 5 is again a 5% band ranging from 10% – 15%, but ESMA 6 then doubles its range!

And the volatility range is 'expected'; actual range can be different (worse) in sudden market falls. Clients who were prepared to take a medium amount of risk and were invested in medium risk funds in 2020 lost c.15% of their money in the late February to late March Coronavirus-driven market fall, although they recovered a significant part of those losses over the next few months if they had held on. Allied to

this point, if volatility has risen sharply, probably as a result of sharp market falls, the fund manager may have to sell some assets that have fallen to keep the fund's volatility rating within the ESMA band. This could result in some losses being 'locked-in' if markets recover relatively quickly, resulting in the fund's recovery taking longer. But hindsight is a tough taskmaster – it would be difficult for the fund manager if the risk rating is an important marketing feature and s/he had not acted while markets kept falling.

Nevertheless, ESMA is a reasonable, practical and easily understood method to reflect an investor's risk/reward profile. At Cantor Fitzgerald, we take a lot of time to understand a client's risk profile and to ensure our portfolios reflect it. In fact, as many of you know, we update clients' risk profiles regularly and make sure the portfolios remain correctly aligned.

So, you may find it surprising that a number of risk-rated funds on the Irish market state that their risk ratings can change over time. It is understandable that the rating could change in a sudden market move but you might have thought the fund managers would be required to re-orientate the portfolio to bring it back to its ESMA rating over a reasonable time period.

In fact, I have come across a fund that was initially sold as a Risk 4 fund (it actually still has '4' in its name) but is currently assessed as a Risk 5 Fund. Its risk rating may well have changed during the Coronavirus market fall in March 2020 but the fund manager has not, or has not been obliged, to bring it back to a '4' rating. The Fund has, with hindsight, done quite well as it has a relatively high weighting to risk assets, and so I guess that investors in the fund are quite happy.

But, if they had invested in it a few years ago when the Risk rating was 4, and chosen it because of its '4' rating, are they aware they now have a '5' rated fund? And do buyers of the Fund today know it is a '5' rated fund given there is a '4' in its name. This means the Fund has a higher risk rating than implied and that is likely to fall more than 'expected' in a market correction. The fund's current description on its website actually states that it targets 'a volatility range of 5% to 10% over a rolling 5-year period' which is an ESMA 4 rating, but then further down the webpage states that it has a risk rating of 5.

Perhaps not surprisingly the fund manager's multi asset funds in this range that have a '2' and a '3' in their fund names are currently risk-rated as a '3' and a '4' respectively.

Who is responsible to inform the investor? The fund manager? The financial adviser? Or is it up to the investor to keep herself informed?

And if it is an ARF investment, upon which the quality of retirement living of the investor could well be heavily dependent, the investor could unknowingly be exposed to a higher risk profile than they should have, at a time in life when the timeline for recovery in asset values is much shorter. Again, whose responsibility is this?

Bottom line: monitor your investments regularly, and if a fund/portfolio you hold has done significantly better than you would have expected, of course be happy about it but do check the risks taken and currently being taken.

As I wrote at the start of this article, 'risk doesn't matter...until it does.'

Warning: Past performance is not a reliable guide to future performance.

The value of your investment may go down as well as up.



# Performance **DATA**

September 2021



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| Investment Returns           | 26 |
| Long Term Investment Returns | 27 |
| Bond Returns                 | 28 |

# INVESTMENT RETURNS

## Equities

| Index                      | 31/07/2021 | 31/08/2021 | % Change | % YTD Change | 52 Week High | Date       |
|----------------------------|------------|------------|----------|--------------|--------------|------------|
| ISEQ                       | 8,325      | 8,787      | 5.6%     | 19.1%        | 8,893        | 30/08/2021 |
| MSCI United Kingdom Index  | 1,980      | 1,997      | 0.9%     | 10.3%        | 2,030        | 11/08/2021 |
| DAX                        | 15,544     | 15,835     | 1.9%     | 15.4%        | 16,030       | 13/08/2021 |
| Eurostoxx50                | 4,089      | 4,196      | 2.6%     | 18.1%        | 4,251        | 01/09/2021 |
| Stoxx600 (Europe)          | 462        | 471        | 2.0%     | 18.0%        | 476          | 13/08/2021 |
| Nasdaq (100)               | 14,960     | 15,583     | 4.2%     | 20.9%        | 15,621       | 30/08/2021 |
| Dow Jones                  | 34,935     | 35,361     | 1.2%     | 15.5%        | 35,631       | 16/08/2021 |
| S&P500                     | 4,395      | 4,523      | 2.9%     | 20.4%        | 4,537        | 30/08/2021 |
| Nikkei                     | 27,284     | 28,090     | 3.0%     | 2.4%         | 30,715       | 16/02/2021 |
| Hang Seng                  | 25,961     | 25,879     | -0.3%    | -5.0%        | 31,183       | 18/02/2021 |
| China (Shanghai Composite) | 3,397      | 3,544      | 4.3%     | 2.0%         | 3,732        | 18/02/2021 |
| India                      | 52,587     | 57,552     | 9.4%     | 20.5%        | 57,919       | 01/09/2021 |
| MSCI World Index           | 3,069      | 3,141      | 2.3%     | 16.8%        | 3,151        | 31/08/2021 |
| MSCI BRIC Index            | 368        | 376        | 2.0%     | -4.2%        | 453          | 18/02/2021 |

## Currencies

| Currency Pair        |          |          | % Change | % ytd Change | 52 Week High | Date       |
|----------------------|----------|----------|----------|--------------|--------------|------------|
| EuroUSD              | 1.187    | 1.1809   | -0.5%    | -3.3%        | 1.2349       | 06/01/2021 |
| EuroGBP              | 0.85372  | 0.85852  | 0.6%     | -3.9%        | 0.9292       | 11/09/2020 |
| GBP/USD              | 1.3904   | 1.3755   | -1.1%    | 0.6%         | 1.4248       | 01/06/2021 |
| Euro/AUD             | 1.61604  | 1.6142   | -0.1%    | 1.7%         | 1.6828       | 20/10/2020 |
| Euro/CAD             | 1.48087  | 1.48992  | 0.6%     | -4.2%        | 1.5786       | 22/12/2020 |
| Euro/JPY             | 130.23   | 129.92   | -0.2%    | 3.0%         | 134.1300     | 01/06/2021 |
| Euro/CHF             | 1.07474  | 1.08075  | 0.6%     | 0.0%         | 1.1152       | 04/03/2021 |
| Euro/HKD             | 9.225    | 9.1844   | -0.4%    | -3.0%        | 9.5744       | 06/01/2021 |
| Euro/CNY             | 7.6624   | 7.6259   | -0.5%    | -4.7%        | 8.1411       | 10/09/2020 |
| Euro/INR (India)     | 88.5404  | 86.3256  | -2.5%    | -3.8%        | 90.9431      | 21/04/2021 |
| Euro/IDR (Indonesia) | 17216.68 | 16864.06 | -2.0%    | -2.4%        | 17,702.0600  | 14/09/2020 |
| AUD/USD              | 0.7344   | 0.7316   | -0.4%    | -4.9%        | 0.8007       | 25/02/2021 |
| USD/JPY              | 109.72   | 110.02   | 0.3%     | 6.6%         | 111.6600     | 02/07/2021 |
| US Dollar Index      | 92.174   | 92.626   | 0.5%     | 3.0%         | 94.7420      | 25/09/2020 |

## Commodities

| Commodity           |         |         | % Change | % ytd Change | 52 Week High | Date       |
|---------------------|---------|---------|----------|--------------|--------------|------------|
| Oil (Crude)         | 73.95   | 68.5    | -7.4%    | 42.7%        | 74.77        | 06/07/2021 |
| Oil (Brent)         | 76.33   | 72.99   | -4.4%    | 40.9%        | 77.84        | 06/07/2021 |
| Gold                | 1814.19 | 1813.62 | 0.0%     | -4.5%        | 1,992.51     | 01/09/2020 |
| Silver              | 25.4912 | 23.8943 | -6.3%    | -9.5%        | 30.10        | 01/02/2021 |
| Copper              | 448.25  | 437.5   | -2.4%    | 24.1%        | 487.05       | 10/05/2021 |
| CRB Commodity Index | 562.2   | 559.64  | -0.5%    | 26.1%        | 565.99       | 17/08/2021 |
| DJUBS Grains Index  | 40.3432 | 39.5593 | -1.9%    | 13.7%        | 46.54        | 12/05/2021 |
| Gas                 | 3.914   | 4.377   | 11.8%    | 72.4%        | 4.53         | 30/08/2021 |
| Wheat               | 703.75  | 722.25  | 2.6%     | 13.4%        | 786.50       | 13/08/2021 |
| Corn                | 545.25  | 534.25  | -2.0%    | 22.9%        | 638.00       | 07/05/2021 |

## Bonds

| Issuer      |        |        | Yield Change | % ytd Change | 52 Week High | Date       |
|-------------|--------|--------|--------------|--------------|--------------|------------|
| Irish 5yr   | -0.596 | -0.525 | 0.07         | 9.9%         | -0.26        | 19/05/2021 |
| Irish 10yr  | -0.063 | 0.005  | 0.07         | 28.8%        | 0.36         | 19/05/2021 |
| German 2yr  | -0.762 | -0.713 | 0.05         | -1.3%        | -0.64        | 19/05/2021 |
| German 5yr  | -0.742 | -0.678 | 0.06         | 6.0%         | -0.48        | 19/05/2021 |
| German 10yr | -0.461 | -0.383 | 0.08         | 18.6%        | -0.07        | 19/05/2021 |
| UK 2yr      | 0.06   | 0.219  | 0.16         | 37.9%        | 0.23         | 01/09/2021 |
| UK 5yr      | 0.266  | 0.383  | 0.12         | 46.8%        | 0.44         | 18/03/2021 |
| UK 10yr     | 0.565  | 0.714  | 0.15         | 51.7%        | 0.92         | 13/05/2021 |
| US 2yr      | 0.1839 | 0.2093 | 0.03         | 8.8%         | 0.28         | 18/06/2021 |
| US 5yr      | 0.6904 | 0.7771 | 0.09         | 41.6%        | 0.99         | 05/04/2021 |
| US 10yr     | 1.2223 | 1.3088 | 0.09         | 39.6%        | 1.77         | 30/03/2021 |

Source for all tables above: Bloomberg and Cantor Fitzgerald Ireland Ltd Research.

# LONG TERM INVESTMENT RETURNS

## Asset Class Performances (returns in Local Currency)

### Equities

|                            | 2008   | 2009  | 2010   | 2011   | 2012  | 2013  | 2014  | 2015   | 2016   | 2017  | 2018   | 2019  | 2020  | 2021  |
|----------------------------|--------|-------|--------|--------|-------|-------|-------|--------|--------|-------|--------|-------|-------|-------|
| MSCI World Index           | -40.2% | 30.9% | 12.5%  | -4.9%  | 16.7% | 27.5% | 2.9%  | -1.9%  | 5.3%   | 20.1% | -10.4% | 25.2% | 14.1% | 16.8% |
| MSCI Emerging Market Index | -53.1% | 78.7% | 19.4%  | -18.2% | 18.7% | -2.3% | -4.6% | -17.2% | 8.6%   | 34.3% | -16.6% | 15.4% | 15.8% | 1.3%  |
| China                      | -64.9% | 82.6% | -12.8% | -20.2% | 5.8%  | -3.9% | 52.9% | 10.5%  | -12.3% | 6.6%  | -24.6% | 22.3% | 13.9% | 2.0%  |
| Japan                      | -41.1% | 21.1% | -1.3%  | -15.6% | 25.6% | 59.4% | 7.1%  | 9.1%   | 0.4%   | 19.1% | -12.1% | 18.2% | 16.0% | 2.4%  |
| India                      | -51.8% | 78.5% | 19.1%  | -23.6% | 28.0% | 9.8%  | 30.1% | -5.6%  | 1.8%   | 27.9% | 6.7%   | 13.8% | 15.6% | 20.2% |
| S&P500                     | -37.0% | 26.4% | 15.1%  | 2.1%   | 16.0% | 32.4% | 11.4% | 0.2%   | 9.5%   | 19.4% | -6.2%  | 28.9% | 16.3% | 20.4% |
| Eurostoxx50                | -41.8% | 27.0% | -1.8%  | -13.1% | 19.6% | 22.7% | 1.2%  | 4.5%   | 0.7%   | 6.5%  | -14.3% | 24.8% | -5.1% | 18.1% |
| DAX                        | -40.4% | 23.8% | 16.1%  | -14.7% | 29.1% | 25.5% | 2.7%  | 9.6%   | 6.9%   | 12.5% | -18.3% | 25.5% | 3.5%  | 15.4% |
| ISEQ                       | -65.1% | 29.8% | -0.1%  | 2.6%   | 20.4% | 35.7% | 15.1% | 31.2%  | -4.0%  | 8.0%  | -22.1% | 31.1% | 2.7%  | 19.1% |

### Commodities

|                     | 2008   | 2009   | 2010  | 2011   | 2012  | 2013   | 2014   | 2015   | 2016  | 2017  | 2018   | 2019  | 2020   | 2021  |
|---------------------|--------|--------|-------|--------|-------|--------|--------|--------|-------|-------|--------|-------|--------|-------|
| Gold                | 5.5%   | 24.0%  | 29.7% | 10.2%  | 7.0%  | -28.3% | -1.5%  | -10.5% | 8.6%  | 13.7% | -2.1%  | 18.9% | 24.4%  | -4.2% |
| Brent Oil           | -51.4% | 70.9%  | 21.6% | 13.3%  | 3.5%  | -0.3%  | -48.3% | -36.4% | 52.4% | 17.7% | -19.5% | 22.7% | -21.5% | 40.9% |
| Crude Oil           | -53.5% | 77.9%  | 15.1% | 8.2%   | -7.1% | 7.2%   | -45.9% | -31.3% | 45.0% | 12.5% | -24.8% | 34.5% | -20.5% | 41.2% |
| Copper              | -53.6% | 137.3% | 32.9% | -22.7% | 6.3%  | -7.0%  | -16.8% | -24.0% | 17.4% | 31.7% | -20.3% | 6.3%  | 25.8%  | 23.9% |
| Silver              | -23.8% | 49.3%  | 83.7% | -9.8%  | 8.2%  | -35.9% | -19.5% | -11.3% | 15.8% | 7.2%  | -9.4%  | 15.3% | 47.4%  | -9.3% |
| CRB Commodity Index | -23.8% | 33.7%  | 23.6% | -7.4%  | 0.4%  | -5.7%  | -4.1%  | -14.6% | 12.9% | 2.2%  | -5.4%  | -1.9% | 10.5%  | 26.1% |

### Currencies

|                 | 2008   | 2009  | 2010  | 2011  | 2012  | 2013 | 2014   | 2015  | 2016   | 2017  | 2018  | 2019  | 2020  | 2021  |
|-----------------|--------|-------|-------|-------|-------|------|--------|-------|--------|-------|-------|-------|-------|-------|
| Euro/USD        | -4.3%  | 2.0%  | -6.6% | -3.2% | 1.8%  | 4.1% | -12.1% | -9.7% | -3.1%  | 14.1% | -4.5% | -2.2% | 9.0%  | -3.3% |
| Euro/GBP        | 30.0%  | -7.2% | -3.3% | -2.8% | -2.6% | 2.2% | -6.5%  | -5.0% | 15.7%  | 4.1%  | 1.2%  | -5.9% | 5.6%  | -3.9% |
| GBP/USD         | -26.5% | 10.2% | -3.3% | -0.4% | 4.6%  | 1.9% | -6.0%  | -4.9% | -16.3% | 9.5%  | -5.5% | 4.1%  | 3.1%  | 0.6%  |
| US Dollar Index | 6.1%   | -4.2% | 1.5%  | 1.5%  | -0.5% | 0.4% | 12.7%  | 8.9%  | 3.6%   | -9.9% | 4.3%  | 0.3%  | -6.7% | 3.0%  |

Source for all tables above: Bloomberg and Cantor Fitzgerald Ireland Ltd Research

Warning: Past performance is not a reliable guide to future performance.

# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES

SEPTEMBER 2021

## Cantor Fitzgerald Capital Protected Products

| Cantor Fitzgerald Capital Protected Products | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Index Performance <sup>1</sup> | Option A Participation Rate | Option B Participation Rate | Option A Indicative Performance** | Option B Indicative Performance** | Strike Date | Maturity Date |
|--|---------------------------|---------------------------|--------------------------|--|-----------------------------|-----------------------------|-----------------------------------|-----------------------------------|-------------|---------------|
| GLOBAL 85% PROGRESSIVE PROTECTION BOND       | SGMDGPPB                  | 100                       | 116.09                   | 16.09%   | 100%                        |                             | 16.09%                            | N/a                               | 30/04/2020  | Open Ended    |
| ESG 85% PROGRESSIVE PROTECTION BOND          | SGMDPP85                  | 100                       | 101.28                   | 1.28%  | 100%                        |                             | 1.28%                             | N/a                               | 30/07/2021  | Open Ended    |
| PROTECTED STAR PERFORMERS BOND*              | BNPIAFST                  | 130.53                    | 148.60                   | 13.84%   | 180%                        |                             | 24.92%                            | N/a                               | 27/09/2016  | 30/09/2022    |
| PROTECTED STAR PERFORMERS BOND II*           | BNPIAFST                  | 130.91                    | 148.60                   | 13.51%   | 170%                        |                             | 22.97%                            | N/a                               | 16/12/2016  | 21/12/2022    |
| PROTECTED STAR PERFORMERS BOND III*          | BNPIAFST                  | 133.58                    | 148.60                   | 11.24%   | 170%                        |                             | 19.12%                            | N/a                               | 16/03/2017  | 22/03/2022    |
| PROTECTED STAR PERFORMERS BOND IV*           | BNPIA2MT                  | 166.28                    | 184.92                   | 11.21%   | 200%                        |                             | 22.42%                            | N/a                               | 24/05/2017  | 30/05/2022    |
| PROTECTED STAR PERFORMERS BOND V*            | BNPIA2MT                  | 165.75                    | 184.92                   | 11.57%   | 200%                        |                             | 23.14%                            | N/a                               | 26/07/2017  | 02/08/2022    |
| PROTECTED STAR PERFORMERS BOND VI*           | BNPIA2MT                  | 166.02                    | 184.92                   | 11.39%   | 200%                        |                             | 22.77%                            | N/a                               | 20/09/2017  | 27/09/2022    |
| PROTECTED STAR PERFORMERS BOND 7*            | BNPIA2MT                  | 168.56                    | 184.92                   | 9.71%  | 200%                        |                             | 19.41%                            | N/a                               | 24/11/2017  | 01/12/2022    |
| PROTECTED STAR PERFORMERS BOND 8*            | BNPIA2MT                  | 168.78                    | 184.92                   | 9.56%  | 200%                        |                             | 19.13%                            | N/a                               | 21/12/2017  | 28/12/2022    |
| PROTECTED STAR PERFORMERS BOND 9*            | BNPIA2MT                  | 168.28                    | 184.92                   | 9.89%  | 200%                        |                             | 19.77%                            | N/a                               | 09/03/2018  | 16/03/2023    |
| PROTECTED MOMENTUM BOND*                     | MSQTDFAA                  | 1.46                      | 1.50                     | 2.32%  | 200%                        |                             | 4.63%                             | N/a                               | 27/09/2019  | 27/09/2024    |
| PROTECTED MOMENTUM BOND II                   | MSQTDFAA                  | 1.46                      | 1.50                     | 2.24%  | 200%                        |                             | 4.48%                             | N/a                               | 22/11/2019  | 06/12/2024    |
| PROTECTED MOMENTUM BOND III*                 | MSQTDFAA                  | 1.52                      | 1.50                     | -1.27%   | 200%                        |                             | 0.00%                             | N/a                               | 24/01/2020  | 31/01/2025    |
| PROTECTED MOMENTUM BOND IV*                  | MSQTDFAA                  | 1.34                      | 1.50                     | 11.89%   | 200%                        |                             | 23.77%                            | N/a                               | 24/04/2020  | 31/03/2025    |
| PROTECTED MOMENTUM BOND V*                   | MSQTDFAA                  | 1.38                      | 1.50                     | 8.62%  | 250%                        |                             | 21.55%                            | N/a                               | 22/05/2020  | 29/05/2025    |
| PROTECTED MOMENTUM BOND VI*                  | MSQTDFAA                  | 1.39                      | 1.50                     | 7.50%  | 250%                        |                             | 18.74%                            | N/a                               | 24/07/2020  | 31/07/2025    |
| PROTECTED MOMENTUM BOND VII*                 | MSQTDFAA                  | 1.41                      | 1.50                     | 6.36%  | 200%                        |                             | 12.72%                            | N/a                               | 23/11/2020  | 01/12/2025    |
| PROTECTED BEST SELECT BOND*                  | SGMDBSFE                  | 155.51                    | 159.51                   | 2.57%  | 200%                        |                             | 5.14%                             | N/a                               | 15/06/2018  | 22/06/2023    |
| PROTECTED BEST SELECT BOND II*               | SGMDBSFE                  | 152.86                    | 159.51                   | 4.35%  | 200%                        |                             | 8.70%                             | N/a                               | 14/08/2018  | 21/08/2023    |
| PROTECTED BEST SELECT BOND III*              | SGMDBSFE                  | 151.87                    | 159.51                   | 5.03%  | 200%                        |                             | 10.06%                            | N/a                               | 26/09/2018  | 03/10/2023    |
| PROTECTED BEST SELECT BOND IV*               | SGMDBSFE                  | 148.10                    | 159.51                   | 7.70%  | 200%                        |                             | 15.40%                            | N/a                               | 02/11/2018  | 09/11/2023    |
| PROTECTED BEST SELECT BOND V*                | SGMDBSFE                  | 143.95                    | 159.51                   | 10.81%   | 200%                        |                             | 21.62%                            | N/a                               | 21/12/2018  | 02/01/2024    |
| PROTECTED BEST SELECT BOND 6*                | SGMDBSFE                  | 148.01                    | 159.51                   | 7.77%  | 200%                        |                             | 15.54%                            | N/a                               | 27/02/2019  | 05/03/2024    |
| PROTECTED BEST SELECT BOND 7*                | SGMDBSFE                  | 149.98                    | 159.51                   | 6.35%  | 200%                        |                             | 12.70%                            | N/a                               | 23/04/2019  | 30/04/2024    |
| PROTECTED BEST SELECT BOND 8*                | SGMDBSFE                  | 147.95                    | 159.51                   | 7.81%  | 200%                        |                             | 15.62%                            | N/a                               | 14/06/2019  | 21/06/2024    |
| PROTECTED BEST SELECT BOND 9*                | SGMDBSFE                  | 150.42                    | 158.01                   | 5.05%  | 180%                        |                             | 9.08%                             | N/a                               | 16/08/2019  | 23/08/2024    |
| US \$ Dividend Aristocrats Bond III          | SPXD8UE                   | 2255.84                   | 2576.61                  | 14.22%   | 100%                        | 220%                        | 14.22%                            | 31.28%                            | 26/03/2019  | 06/03/2023    |
| US \$ Dividend Aristocrats Bond IV           | SPXD8UE                   | 2206.04                   | 2576.61                  | 16.80%   | 80%                         | 200%                        | 13.44%                            | 33.60%                            | 31/05/2019  | 08/05/2023    |
| US \$ Dividend Aristocrats Bond V            | SPXD8UE                   | 2336.40                   | 2576.61                  | 10.28%   | 50%                         | 170%                        | 5.14%                             | 17.48%                            | 26/07/2019  | 03/05/2023    |
| US \$ Dividend Aristocrats Bond VI           | SPXD8UE                   | 2357.33                   | 2576.61                  | 9.30%  | 50%                         | 140%                        | 4.65%                             | 13.02%                            | 22/11/2019  | 29/10/2024    |
| US \$ Dividend Aristocrats Bond VII          | SPXD8UE                   | 2394.64                   | 2576.61                  | 7.60%  | 50%                         | 140%                        | 3.80%                             | 10.64%                            | 21/02/2020  | 28/01/2025    |
| PROTECTED STOXX GLOBAL ESG LEADERS BOND      | SGESGDSP                  | 193.65                    | 216.57                   | 11.84%   | 100%                        |                             | 11.84%                            | N/a                               | 16/02/2021  | 26/02/2027    |
| PROTECTED STOXX GLOBAL ESG LEADERS BOND II   | SGESGDSP                  | 205.7                     | 216.57                   | 5.28%  | 100%                        |                             | 5.28%                             | N/a                               | 23/04/2021  | 30/04/2026    |
| PROTECTED ROBOTICS & AUTOMATION BOND         | SOLIROBE                  | 359.16                    | 417.92                   | 16.36%   | 100%                        |                             | 16.36%                            | N/a                               | 14/05/2021  | 21/04/2027    |

Source: Bloomberg.

1. All figures are indicative of underlying index performance only, using the latest data available on 3rd September 2021, and do not include the impact of participation or averaging if any.

## Cantor Fitzgerald Kick Out Notes

| Cantor Fitzgerald Kick Out Notes   | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Asset Performance |                       |        | Indicative Performance | Strike Date | Next Call/ Kick Out Observation Date | Maturity Date |
|------------------------------------|---------------------------|---------------------------|--------------------------|---|-----------------------|--------|------------------------|-------------|--------------------------------------|---------------|
| S&P 500 INDEX 5% USD KICK OUT BOND | SPX                       | 3577.59                   | 4524.09                  | 26.46%                                  | Next Potential Coupon | 5%     | 5%                     | 23/11/2020  | 23/11/2021                           | 30/11/2027    |
| ECOMMERCE KICK OUT BOND III        | AMZN                      | 3149.84                   | 3479.00                  | 10.45%                                  | Next Potential Coupon | 10%    |                        |             |                                      |               |
|                                    | FDX                       | 221.05                    | 265.18                   | 19.96%                                  |                       |        |                        |             |                                      |               |
|                                    | PYPL                      | 185.95                    | 286.75                   | 54.21%                                  |                       |        |                        |             |                                      |               |
| 90% PROTECTED ECOMMERCE BOND       | AMZN                      | 3201.65                   | 3479.00                  | 8.66%                                   | Next Potential Coupon | 5%     |                        |             |                                      |               |
|                                    | SKG                       | 38.72                     | 48.92                    | 26.34%                                  |                       |        |                        |             |                                      |               |
|                                    | FDX                       | 275.57                    | 265.18                   | -3.77%                                  |                       |        |                        |             |                                      |               |
|                                    | PYPL                      | 236.45                    | 286.75                   | 21.27%                                  |                       |        |                        |             |                                      |               |
| BRAND LEADERS KICKOUT BOND         | BAS                       | 79.09                     | 64.60                    | -18.32%                                 | Next Potential Coupon | 22.5%  |                        |             |                                      |               |
|                                    | RYA                       | 13.49                     | 16.08                    | 19.24%                                  |                       |        |                        |             |                                      |               |
|                                    | SAMSUNG                   | 44800                     | 76000                    | 69.64%                                  |                       |        |                        |             |                                      |               |
|                                    | FP                        | 53.21                     | 37.38                    | -29.75%                                 |                       |        |                        |             |                                      |               |
| EURO BLUE CHIP KICKOUT BOND IV     | BMW                       | 86.69                     | 79.47                    | -8.33%                                  | Next Potential Coupon | 36.0%  |                        |             |                                      |               |
|                                    | FP                        | 48.70                     | 37.38                    | -23.24%                                 |                       |        |                        |             |                                      |               |
|                                    | ADS                       | 177.25                    | 301.20                   | 69.93%                                  |                       |        |                        |             |                                      |               |
|                                    | CRH                       | 33.56                     | 44.69                    | 33.16%                                  |                       |        |                        |             |                                      |               |
| EURO BLUE CHIP KICKOUT BOND V      | ADS                       | 199.95                    | 301.20                   | 50.64%                                  | Next Potential Coupon | 31.5%  |                        |             |                                      |               |
|                                    | ABI                       | 102.15                    | 61.25                    | -40.04%                                 |                       |        |                        |             |                                      |               |
|                                    | BAYN                      | 107.00                    | 47.28                    | -55.81%                                 |                       |        |                        |             |                                      |               |
|                                    | FP                        | 43.92                     | 37.38                    | -14.89%                                 |                       |        |                        |             |                                      |               |
| OIL & GAS KICK OUT IV              | RDSA                      | 26.98                     | 16.83                    | -37.62%                                 | Next Potential Coupon | 20%    |                        |             |                                      |               |
|                                    | FP                        | 50.33                     | 37.38                    | -25.73%                                 |                       |        |                        |             |                                      |               |
|                                    | BP/                       | 5.34                      | 2.94                     | -44.97%                                 |                       |        |                        |             |                                      |               |
|                                    | XOM                       | 79.01                     | 53.77                    | -31.95%                                 |                       |        |                        |             |                                      |               |
| OIL & GAS KICK OUT V               | RDSA                      | 28.98                     | 16.83                    | -41.93%                                 | Next Potential Coupon | 28.5%  |                        |             |                                      |               |
|                                    | FP                        | 49.12                     | 37.38                    | -23.89%                                 |                       |        |                        |             |                                      |               |
|                                    | BP/                       | 5.56                      | 2.94                     | -47.14%                                 |                       |        |                        |             |                                      |               |
|                                    | XOM                       | 77.69                     | 53.77                    | -30.79%                                 |                       |        |                        |             |                                      |               |
| OIL & GAS KICK OUT VI              | RDSA                      | 24.89                     | 16.83                    | -32.38%                                 | Next Potential Coupon | 19.0%  |                        |             |                                      |               |
|                                    | FP                        | 43.24                     | 37.38                    | -13.54%                                 |                       |        |                        |             |                                      |               |
|                                    | BP/                       | 4.90                      | 2.94                     | -40.02%                                 |                       |        |                        |             |                                      |               |
|                                    | XOM                       | 68.30                     | 53.77                    | -21.27%                                 |                       |        |                        |             |                                      |               |
| IRISH KICK OUT 1                   | CRH                       | 27.17                     | 44.69                    | 64.48%                                  | Next Potential Coupon | 26.25% |                        |             |                                      |               |
|                                    | SKG                       | 25.10                     | 48.92                    | 94.90%                                  |                       |        |                        |             |                                      |               |
|                                    | BIRG                      | 5.32                      | 5.28                     | -0.66%                                  |                       |        |                        |             |                                      |               |
|                                    | RYA                       | 11.41                     | 16.08                    | 40.99%                                  |                       |        |                        |             |                                      |               |
| EURO FINANCIALS KICKOUT BOND       | BNP                       | 68.40                     | 54.80                    | -19.88%                                 | Next Potential Coupon | 40%    |                        |             |                                      |               |
|                                    | GLE                       | 48.91                     | 27.02                    | -44.76%                                 |                       |        |                        |             |                                      |               |
|                                    | INGA                      | 15.72                     | 11.85                    | -24.62%                                 |                       |        |                        |             |                                      |               |
|                                    | SAN                       | 5.77                      | 3.18                     | -44.93%                                 |                       |        |                        |             |                                      |               |
| EURO FINANCIALS KICKOUT BOND II    | BNP                       | 62.85                     | 54.80                    | -12.81%                                 | Next Potential Coupon | 35%    |                        |             |                                      |               |
|                                    | GLE                       | 41.96                     | 27.02                    | -35.61%                                 |                       |        |                        |             |                                      |               |
|                                    | INGA                      | 15.00                     | 11.85                    | -20.97%                                 |                       |        |                        |             |                                      |               |
|                                    | SAN                       | 5.503                     | 3.18                     | -42.21%                                 |                       |        |                        |             |                                      |               |
| EURO FINANCIALS KICKOUT BOND III   | BNP                       | 65.10                     | 54.80                    | -15.82%                                 | Next Potential Coupon | 35%    |                        |             |                                      |               |
|                                    | GLE                       | 46.68                     | 27.02                    | -42.12%                                 |                       |        |                        |             |                                      |               |
|                                    | INGA                      | 14.72                     | 11.85                    | -19.50%                                 |                       |        |                        |             |                                      |               |
|                                    | SAN                       | 5.66                      | 3.18                     | -43.86%                                 |                       |        |                        |             |                                      |               |
| EURO FINANCIALS KICKOUT BOND IV    | BNP                       | 63.21                     | 54.80                    | -13.30%                                 | Next Potential Coupon | 37.5%  |                        |             |                                      |               |
|                                    | GLE                       | 45.60                     | 27.02                    | -40.74%                                 |                       |        |                        |             |                                      |               |
|                                    | INGA                      | 14.26                     | 11.85                    | -16.88%                                 |                       |        |                        |             |                                      |               |
|                                    | SAN                       | 5.51                      | 3.18                     | -42.27%                                 |                       |        |                        |             |                                      |               |

Source: Bloomberg.



# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES

SEPTEMBER 2021 continued

## Cantor Fitzgerald Kick Out Notes continued

| Cantor Fitzgerald Kick Out Notes | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Asset Performance |                       | Indicative Performance | Strike Date | Next Kick Out Observation Date | Maturity Date |
|----------------------------------|---------------------------|---------------------------|--------------------------|---|-----------------------|------------------------|-------------|--------------------------------|---------------|
| 4.5% Fixed Income Bond           | SKG                       | 25.53                     | 48.92                    | 91.62%                                  | Next Potential Coupon | 4.5%                   |             |                                |               |
|                                  | RIO                       | 45.19                     | 53.32                    | 18.00%                                  |                       | 9.0%                   | 07/06/2019  | 07/06/2022                     | 14/06/2023    |

Source: Bloomberg.

**\*\*All figures are indicative of underlying performance after participation only and represent the potential indicative return of the underlying strategy only, had the investments matured using the latest available on 1st September 2021. Indicative performance figures may need to be added to the relevant capital protected amount, if any, which may be less than 100% of the funds originally invested. All performance figures are indicative only and do not include the impact of averaging over the final averaging period if any. This is a general guide to indicative performance only, for specific encashment values please contact Cantor Fitzgerald Ireland Ltd.**

**\*WARNING: \*Indicative performance figures may also include a performance related bonus (if applicable). However final payment of this bonus will depend on the underlying performance at next annual observation date or maturity. Please consult the Terms and Conditions in the relevant product brochure for further information.**

**WARNING: Investments may fall as well as rise in value. Past performance is not a reliable guide to future performance.**

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### Company Description

**Allianz:** Allianz through its subsidiaries, provides insurance and financial services

**Amazon:** Amazon is an online retailer that offers a wide range of products

**Engie:** Engie is a global energy and services utility company

**FedEx:** FedEx delivers packages and freight to multiple countries and territories through an integrated global network

**JPMorgan & Chase:** JPMorgan & Chase is an American multinational investment bank that provides global financial services and retail banking, serving business enterprises, institutions and individuals

**JPMorgan Emerging Markets Investment Trust plc** seeks to uncover quality stocks from across emerging markets that are also attractively valued, benefiting from an extensive network of country and sector specialists from one of the longest established emerging market teams in the industry

**Microsoft:** Microsoft Corporation develops, manufactures, licenses, sells, and supports software products

**PayPal:** PayPal operates a technology platform that enables digital and mobile payments on behalf of customers and merchants

**Rio Tinto:** Rio Tinto is an international mining company, primarily with interests in iron ore, bauxite/aluminium, copper and diamonds. It has strong revenue exposure to China

**Ryanair:** As a pioneer of discount travel, Ryanair has become Europe's largest airline, providing services to over 190 destinations in 30 countries throughout Europe. Its fleet of c.300 Boeing 737's operate out of over 70 bases

**Sanofi:** Sanofi operates as a pharmaceutical company. The Company manufactures prescription pharmaceuticals and vaccines. Sanofi also develops cardiovascular, thrombosis, metabolic disorder, central nervous system, and oncology medicines and drugs

**Siemens Gamesa:** Market leader in offshore wind turbine manufacturing and installation

**Smurfit Kappa:** Smurfit Kappa manufactures paper packaging products

**Verizon:** Verizon Communications Inc. is an integrated telecommunications company that provides wire line voice and data services, wireless services, internet services, and published directory information

**VINCI SA:** VINCI is a global player in concessions and construction with expertise in building, civil, hydraulic, and electrical engineering

## Recommendation

**Allianz Se** is a member of our core portfolio and we have an Outperform rating on the stock since 24/04/2014

**Amazon.Com Inc** is a member of our core portfolio and we have an Outperform rating on the stock since 26/07/2013

**Engie:** Initiated with an Outperform on 20/06/2019

**FedEx:** We initiated with an Outperform on 15/07/2019

**JP Morgan Chase** is a member of our Core Portfolio. We initiated on the stock with buy recommendation on 22 September 2020

**JPM EM Trust** is a member of our Core Portfolio since January 1st 2020 and we have an outperform rate since that date

**Microsoft Corp** is a member of our core portfolio and we have an Outperform rating on the stock since 12/01/2018

**Paypal Holdings Inc** is a member of our core portfolio and we have an Outperform rating on the stock since 20/07/2015

**Rio Tinto** is a member of our Core Portfolio. We initiated on the stock with a buy recommendation on 22 September 2020

**Ryanair** is a member of our Core Portfolio. We upgraded to buy from sell on 03 August 2020

**Sanofi:** We initiated with an Outperform on 20/05/2019

**Siemens Gamesa** is a member of our Core Portfolio since January 1st 2020 and we have an outperform rate since 4/12/19

**Smurfit Kappa Group Plc** is a member of our core portfolio and we have an Outperform rating on the stock since 01/01/2016

**Verizon Communications Inc** is a member of our core portfolio and we have an Outperform rating on the stock since 26/02/2014

**Vinci Sa** is a member of our core portfolio and we have an Outperform rating on the stock since 25/08/2017

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