

# Green Effects Fund FACTSHEET

OCTOBER 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	€400.35
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 30/9/2021

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

## Fund & Share Class Information

Fund Size	€189.66m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

## Historic Yield

*Fund Yield	1.35%
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Fund yield is historic based on full year 2017 dividend income received. The fund does not distribute income to investors. All dividend income is reflected within the NAV price of the fund.

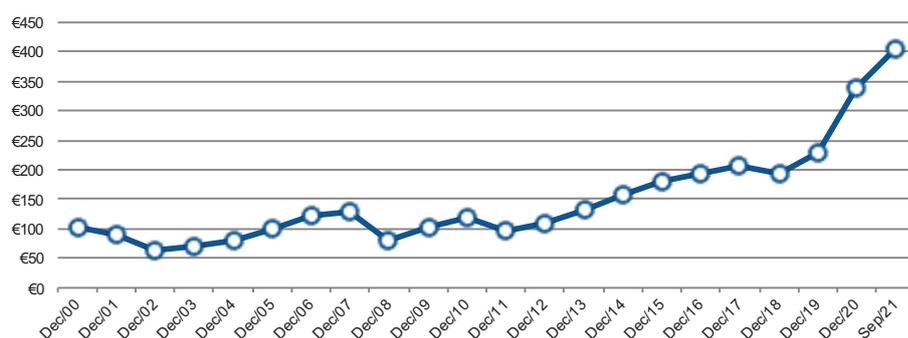
## Total number of holdings

Number of holdings	30
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## Market Capitalisation Exposure

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

## GREEN EFFECTS FUND NAV SINCE INCEPTION

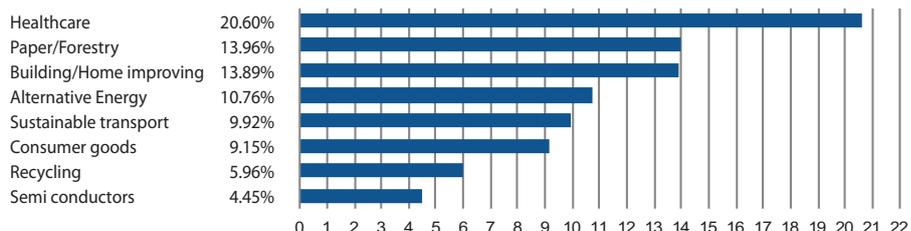


Source: Cantor Fitzgerald Ireland Ltd Research

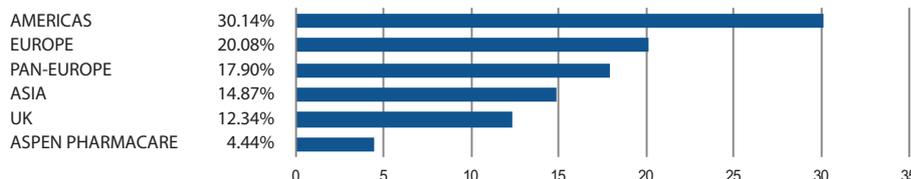
## ESMA RISK RATING



## LARGEST SECTOR EXPOSURE %



## GEOGRAPHIC EXPOSURE %



## Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	-1.3	17.7	36.4	22.8	16.6	16.3	6.6
MSCI World €	-2.2	19.9	31.1	19.9	13.7	15.0	5.3
S&P 500 €	-2.7	22.5	31.7	16.1	16.2	18.4	6.2
Euro STOXX 50	-3.4	16.5	29.8	9.2	9.5	10.3	2.5

As of 30/9/2021. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

VESTAS WIND SYSTEMS	8.86%
SMITH & NEPHEW PLC	6.96%
MOLINA HEALTHCARE INC	6.50%
ACCIONA SA	4.90%
MAYR-MELNHOF KARTON	4.67%
STEICO SE	4.52%
KINGFISHER PLC	4.47%
AIXTRON SE	4.45%
TOMRA SYSTEMS ASA	4.45%
ASPEN PHARMACARE HOLDINGS	4.28%
SHIMANO INC	4.27%
KURITA WATER INDUSTRIES LTD	4.00%
SVENSKA CELLULOSA AB	3.92%
RICOH CO LTD	3.45%
TESLA INC	3.06%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Information Technology	7.90%	22.80%
Financials	0.30%	13.40%
Health Care	20.60%	12.80%
Consumer Discretionary	11.80%	11.70%
Industrials	31.50%	10.50%
Communication Services	0.40%	9.30%
Consumer Staples	5.20%	6.90%
Materials	8.80%	4.30%
Energy	0.00%	2.80%
Utilities	6.80%	2.80%
Real Estate	2.90%	2.70%
Cash	3.80%	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 September at €400.35 which was a return of -1.32% on the month. Global equities were broadly lower (~3% weaker) and September was a risk-off month in most other asset classes, as bonds and industrial commodities declined. Chinese real estate was a key concern during the month, with the largest developer (Evergrande) on the brink of collapse/default on payments.

The subsequent impact on Chinese and global GDP, as inflation continues to rise, had many investors concerned that stagflation is upon us. Another key factor in the wall of worry is central bank policy globally. The Federal Reserve in the US has grown increasingly hawkish (higher rates), while the ECB remains ultra-dovish (lower for longer rates). That said we remain comfortable with the outlook for the Green Effects Fund into year end and over the medium term. The trends that continue to see most inflows of private & government capital are largely focused around the major ESG themes of lower emissions, sustainable transport, and the circular economy. All of these themes feature prominently within the fund.

The notable performers during the month (in euro terms) were Aspen Pharmacare (+36%), United Natural Foods (+34%), Tesla (+7%) and East Japan Railways (+7%). Names that underperformed in September were Aixtron (-13%), Tomra Systems (-13%) and BioNTech SE (-15%).

In company specific news, **United Natural Foods**, the Rhode Island (US) based speciality organic food company reported net sales of US\$6.70 billion in Q4, 2021 which was marginally behind forecasts. The group reported adjusted quarterly earnings of \$1.18 per share. Full year earnings guidance was also increased by circa 20%. UNFI is Whole Foods Market's main supplier of produce within over 500 stores in the US. Whole Foods Market is a well-known premium organic retailer in the US. South African drug manufacturer **Aspen Pharmacare** posted a 21% increase in annual profit on Wednesday, helped by a revival in demand for medicines which had taken a hit as people postponed visiting hospitals and clinics during the pandemic. The group also confirmed during the month that it was in talks to make Johnson & Johnson's coronavirus shot under licence in South Africa, at what would be the continent's first major independent distribution base for a global vaccine against Covid-19. Finally, during early September, the group stated it is evaluating two unsolicited offers received for its active pharmaceutical ingredient business.

**Tomra Systems** is a Norwegian multinational company manufacturing collection and sorting products, such as reverse vending machines for plastic and cans as well as food sorting machines. The group is primarily focused on recycling of plastics and cans as well as high end equipment and technology for food sorting and grading. Some interesting statistics were presented by Tomra management team on a recent investor presentation and the highlights were:

- By 2025 solid waste generation will increase by 70% compared to 2010 levels.
- 32% of all plastic packaging made ends up in nature every year.
- 20% of plastic packaging could be profitably re-used and 50% could be profitably recycled if designed for after use systems.

Closer to home, this concept has most recently arrived in Ireland with Lidl becoming the first retailer to launch a deposit return scheme in store. The machines will enable customers to deposit used plastic beverage bottles and aluminium cans in return for money-back vouchers redeemable in-store, the retailer explained. A first in the Irish retail industry, Lidl's reverse vending machines will aim to redirect 1,500 tonnes of plastic annually that will then be manufactured into new products. This concept is growing in popularity across Europe and is already very prevalent in Scandinavia. Tomra is an industry leader in this space and one of the larger holdings within the fund.

On the month the fund increased exposure to Kingfisher (UK home improvement), Mayr Melnhof (paper) and Tomra Systems (recycling). The cash weighting within the fund at month end was just under 4%.

## 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%	6.8%	-5.91%	23.34%	42.70%	17.72%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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