

Global Equity Income Strategy



FACTSHEET

October 2021

Monthly Portfolio Commentary

Global equity markets rose some 6% in October, supported by encouraging Q3 earnings and an easing of fears around China's property sector. The Global Equity Income portfolio was up 4%. Strong performers included US healthcare stocks Merck and United Health (both +18%), Danish pharmaceutical Novo Nordisk (+13%), Bank of America (+13%) and IT consulting firms Accenture (+13%) and Cap Gemini (+12%). On the negative side, weak performers included US media giant Comcast on disappointing new subscriber growth (-7%) and mining giant Rio Tinto (-5%) on weaker steel prices. Over the month we top-sliced the Bank of America and Analog Devices holdings on share price strength, and initiated a new position in Irish packaging company SmurfitKappa after its shares had dropped some 10%+.

Why choose the Global Equity Income Strategy?

Much analysis has shown that in the long term the majority of equity market returns are made up of dividends and dividend growth. Hence we believe a portfolio combining high quality companies where management are focused on growing their dividend is very much aligned with our own investment beliefs.

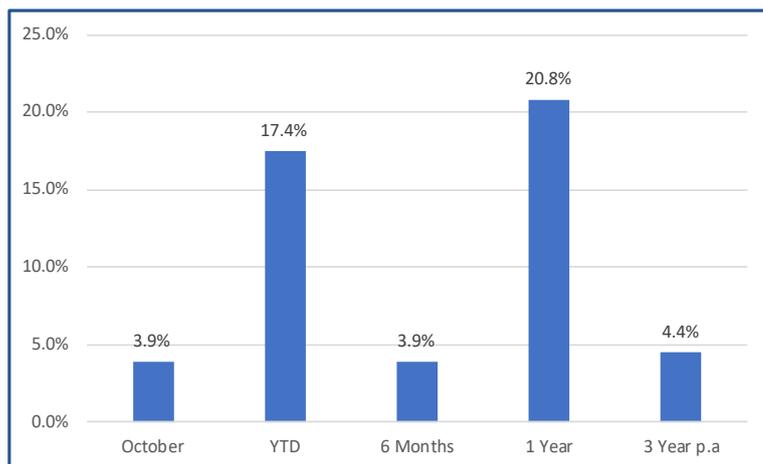
Conservatism

Conservatism features strongly in our investment process when allocating our clients capital. We are unashamed of this and protecting our clients from losses is at the forefront of our risk management process.

Experience of the team

The team was one of the first investment managers to focus on dividend paying companies as a strategy. Over the last 30 years we have experienced the peaks and troughs of the markets and have successfully navigated these events by sticking rigidly to our investment philosophy and process.

Investment Returns Net of AMC*



*Source: Cantor Fitzgerald Ireland Ltd. Research as of 31/10/2021

Investment Objective

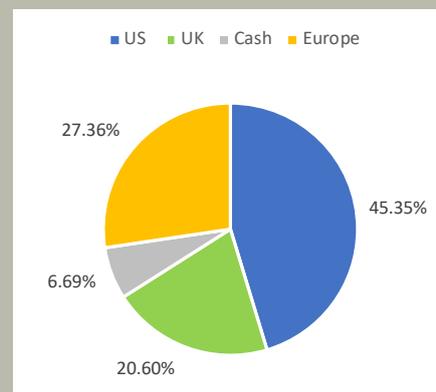
The investment objective of the Global Equity Income Fund is to invest in a diversified global portfolio of financially-strong, well-managed companies that have a proven record in paying an attractive dividend and have management commitment to consistently increase it.

We aim to improve long-term risk-adjusted total equity returns while maintaining a balanced exposure to dividend yield, quality and dividend growth. We will aim to generate a c. 5-6% return annually over the medium term.

Portfolio Management Team

Pramit Ghose, Bernard Murphy & Gareth Walsh

Geographical Exposure*



Calendar Year Returns*

2020	2019	2018	2017	2016
-7.7%	20.8%	-7.1%	6.8%	10.7%

*Source: Cantor Fitzgerald Ireland Ltd. Research as at 31/10/2021

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

WARNING: This fund may be affected by changes in currency exchange rates

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Top 10 Equity Holdings (39.88% of assets)*:

Company	Sector
Walmart Inc	Consumer Staples
LVMH	Consumer Discretionary
Mondelez International	Consumer Staples
Vinci Sa	Industrials
Comcast Corp	Communication Services
Corning Inc	Information Technology
Novo Nordisk A/S	Health Care
Legal & General Group	Financials
DCC Plc	Industrials
Rio Tinto Plc	Materials

Sector Weights*:

Sector	Global Equity Income
Information Technology	20.4%
Consumer Staples	19.1%
Health Care	17.0%
Financials	11.0%
Industrials	11.0%
Materials	6.9%
Communication Services	4.4%
Consumer Discretionary	4.4%
Cash	3.4%
Energy	2.5%
Real Estate	0.0%
Utilities	0.0%

*Source: Bloomberg & Cantor Fitzgerald Ireland Ltd. Research as at 31/10/21

Holding Update**



Mondelez is a global snacking powerhouse and a global leader in Biscuits (48% of 2020 revenue), Chocolate(31%), Gum and Candy (10%), Cheese and Grocery (7%) and Beverages (4%). Sales are split: Europe 38%, North America 31%, AMEA(Africa, Middle East, Asia)22%, and LATAM 9%. Mondelez acquired Cadbury in 2010. Billion dollar brands in Biscuits include Oreo, LU and Ritz. Chocolate brands include Cadbury Dairy Milk, Milka Chocolate, Cote D'or. Trident is their gum brand.

The company recently reported 3Q21EPS of \$0.71 as organic sales growth of 5.5% came in well ahead of consensus forecasts. EM, LATAM and AMEA were particularly strong. Developed markets were more mixed, with Europe thanks to having some EM exposure from Russia and other Eastern European countries surprising to the upside with 5% growth, while North America fell short with roughly flat organic sales. Strikes at two of its US plants were a negative. EBIT margin of 17.2% exceeded consensus despite a double digit increase in Advertising spend.

Looking forward management is forecasting full year organic sales growth of 4.5%, and high-single-digit constant FX adjusted EPS growth for 2021. Like the industry at large, cost pressure is weighing on the company's margin, and that headwind is expected to persist in the foreseeable future. However a positive for Mondelez lies in its more impulse oriented snack food categories, combined with a strong market position and momentum, resulting in an ability to push through price increases. The stock yields 2.1% and is valued at 21.0x earnings, and we like the shares for their consistent and reliable growth.

**Source: Bloomberg & Cantor Fitzgerald Ireland Ltd. Research

WARNING: This is not a stock recommendation

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