

# Green Effects Fund FACTSHEET



JANUARY 2022

## 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	€407.36
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 31/12/2021

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

## Fund & Share Class Information

Fund Size	€202.10m
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.

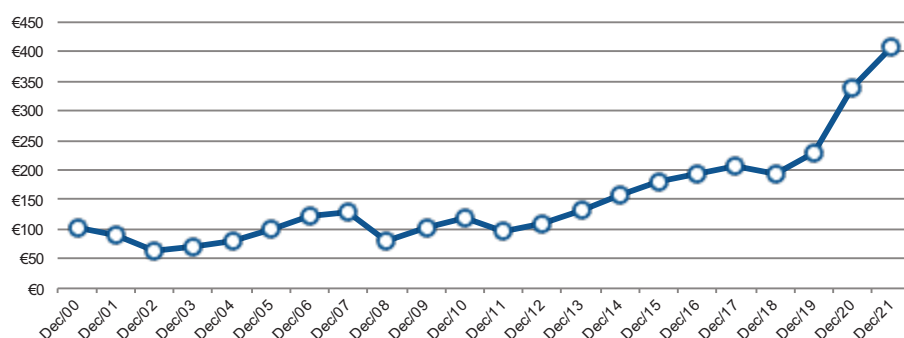
## Total number of holdings

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

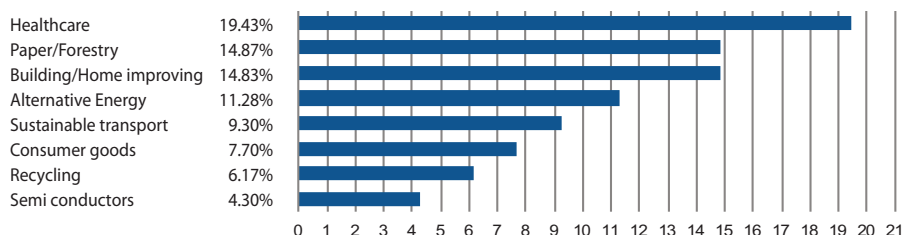


Source: Cantor Fitzgerald Ireland Ltd Research

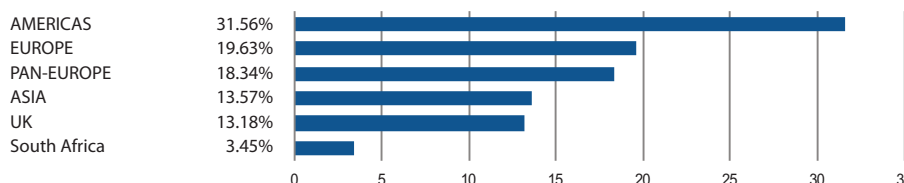
## ESMA RISK RATING



## LARGEST SECTOR EXPOSURE %



## GEOGRAPHIC EXPOSURE %



## Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	1.5%	19.8%	19.8%	28.2%	16.1%	15.6%	6.7%
MSCI World €	3.6%	31.4%	31.4%	22.6%	13.9%	14.8%	5.7%
S&P 500 €	3.8%	38.2%	38.2%	26.3%	16.7%	18.0%	6.7%
Euro STOXX 50	5.8%	24.1%	24.1%	16.1%	8.8%	10.2%	2.8%

As of 31/12/2021. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

MOLINA	7.33%
VESTAS	6.96%
SMITH & NEPHEW	6.80%
TOMRA SYSTEMS	5.83%
ACCIONA	5.42%
KINGFISHER	5.10%
MAYR MELNHOF	4.71%
STEICO	4.37%
SVENSKA CELLULOSA	4.28%
KURITA	3.77%
SHIMANO	3.71%
TESLA INC	3.46%
AIXTRON AG	3.46%
POTLATCH	3.25%
ASPEN PHARMACARE	3.21%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Information Technology	7.3%	24.1%
Financials	0.3%	13.2%
Health Care	19.5%	12.3%
Consumer Discretionary	12.3%	12.6%
Industrials	29.3%	10.1%
Communication Services	0.4%	8.5%
Consumer Staples	3.7%	6.7%
Materials	9.2%	4.1%
Energy	0.0%	3.1%
Utilities	7.8%	2.7%
Real Estate	3.2%	2.7%
Cash	6.9%	0.0%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund ended December at €407.36 which was a return of +1.50% for the month which bought the return for the year to 19.8%. December was a particularly busy period with a number of changes made to the NAI Index which provides the investible universe for the fund. Stericycle, Sunopta and Boiron were removed from the Index while three new holdings were added namely Nvidia, Scatec ASA and Li-Cycle Holdings.

US-semiconductor company **NVIDIA Corp.** is a major developer of graphics processing units (GPUs), the company's largest business segment. NVIDIA's products are used for artificial intelligence (AI) applications and cloud computing. The company's activities with GPU-accelerated deep learning systems, which serve to optimise processes through AI, are used in numerous industries: self-driving cars, traffic control systems, energy-saving technologies, optimisation of resource use in industrial production, and many more. Through these applications, NVIDIA is also making a significant contribution to environmental and social sustainability. There is also enormous potential for savings in the global energy consumption of cloud computers and stationary computers in the development of more energy-efficient chips and processors.

Canadian-based **Li-Cycle Holdings** is a sustainability-focused recycling company with proprietary technology for recovering raw materials from end-of-life lithium-ion batteries. Li-Cycle processes end-of-life lithium-ion batteries and accumulators in a closed-loop process, recovering 80-100% of all materials contained. Lithium-ion batteries are increasingly used as energy storage devices in the automotive industry and other industrial and private applications. Batteries for electric vehicles already account for 30% of annual lithium demand. Li-Cycle disassembles lithium-ion batteries and extracts lithium, nickel and cobalt, returning the raw materials to the supply chain. Li-Cycle already has a leading position in the North American battery recycling sector.

Norway-based **Scatec ASA** is an integrated renewable energy company active in the development, construction and operation of solar and hydroelectric projects. The company originally focused exclusively on solar energy projects. In January 2021, it acquired SN Power, adding hydropower plants in the Philippines, Laos and Uganda to its portfolio. The company's business activities make an important contribution to mitigating climate change and supporting the transition to more sustainable energy systems. Scatec's core business is the sale of electricity from power plants developed, financed and built by Scatec under long-term power purchase agreements.

These changes increase the fund's exposure to Technology (semiconductors), Recycling Solutions and Alternative Energy. All three sectors in our view should be supported by the structural tailwinds within each industry. The average market capitalisation of the stocks held within the fund will also move higher as will the overall exposure to the US equity market over the coming months.

In other news, **Vestas Wind Systems** held a capital markets day however the reaction of the shares on the month was negative (-9%) as concerns over supply chain issues and higher input costs continue to weigh on sentiment near term. The stock in our view offers long term meaningful upside from current levels given its market leading position in offshore wind globally and its particularly strong services business. We suspect that the ongoing inflation impact on its raw materials may have further to play out however the long term investment case remains firmly intact as evidenced by its record order book for FY2021 and ongoing global commitment to reducing emissions. **Smith & Nephew** also provided an update on its medium term "strategy for growth" and announced a share buyback programme (\$250-\$300m). The medical devices company has been particularly impacted by the pandemic given its exposure to elective surgeries. It is however another name that should rebound well as the current impact of the Omicron variant subsides given the attractive valuation and solid earnings outlook.

At the time of writing the fund had just under 7% in cash.

## 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%	19.78%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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