# INVESTMENT Journal

WINTER 2022

**Asset Allocation 2022**

**Focus Feature:** Global Economic Outlook

**Wealth Management:** Making Your Pension A Priority

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# New Dublin Head Office

As our business continues to grow and expand, Cantor Fitzgerald Ireland's Dublin office has now moved and is located on St Stephen's Green north, between Dawson Street and Kildare Street.

Cantor Fitzgerald House,
23 St Stephen's Green, Dublin 2
D02 AR55

## We are part of leading global financial services firm Cantor Fitzgerald

### FOUNDED IN 1945

Cantor Fitzgerald is a firm with significant real estate, capital markets, research and investment expertise.

### 25 COUNTRIES

Cantor and its affiliates employ 12,000 people in 25 countries.

## Cantor Fitzgerald Ireland

With a proud history of stockbroking and servicing our private clients and financial advisors in Ireland since 1995, we provide a full suite of investment services, primarily in personalised share dealing, pensions and wealth management, fund management, debt capital markets and corporate finance. Our clients include private individuals and corporate entities, financial institutions, investment funds, credit unions and charities.

Cantor Fitzgerald Ireland is one of the largest wealth management and stockbroking firms in the country, formed through the acquisition of Dolmen Stockbrokers in 2012, L&P Group in 2017 and Merrion Capital Group in 2018.

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# WELCOME...

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

Welcome to the winter edition of our Investment Journal, which will now be published quarterly. Firstly, I would like to thank all of our clients for your continued support and trust throughout 2021. I would also like to thank the team here at Cantor Fitzgerald for their outstanding commitment to clients and to the firm.

In a year that started with strict lockdowns and finished with the emergence of the Omicron variant, 2021 was a year of resilience. Markets made significant highs, the domestic economy outperformed expectations, and society continued to function despite the continued spectre of Covid-19 and its variants. We also had to contend with European natural gas rallying 250%, a forecast of three interest rate hikes by the Fed expected in 2022, Chinese ADR's dropping by 50% as Beijing crack down on big tech and US inflation print of 6.8% - what a year!

As detailed in the following pages, despite the challenges above, our asset management teams achieved outstanding results for our clients in 2021. Our MIM multi-asset range of funds, Global Equity Income Fund and Green Effects Fund all experienced banner years.

Our Corporate Finance team was also extremely active in 2021 and completed 10 transactions, raised over €50 million in new funding and successfully exited 6 private equity investments generating excellent investment returns.

From a sectoral perspective we completed transactions across a range of sectors including renewable energy, food manufacturing, real estate, technology, engineering, bio stimulants and the social housing sector. Whilst a very broad range of sectors, a common theme throughout was the sustainable impact of each of these companies in the context of their core business.

Our structured product team further enhanced our sustainable investment suite with the launch of our ESG 85% Progressive Protection Bond, to augment our market-leading original. I recommend you contact your Cantor Fitzgerald representative to learn more about the products mentioned above.

As we embrace 2022, we believe our core values of clients first, work ethic, and integrity will serve our clients and our other stakeholders well. We look forward to the opportunities and challenges the year will bring, and as ever, stand ready to help.

# Asset **Allocation**

Winter 2022

# ASSET ALLOCATION 2022

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

## December

Global equities finished the year with a +3.3% gain on the month to stand 27.3% higher for the year.

The year finished with a flurry of increased volatility as the Federal Reserve pivoted its policy towards faster tapering of asset purchases and sooner-rather-than-later interest rate increases, the ECB took its first steps towards the exit of its extraordinary pandemic response and the Bank of England raised interest rates. This tightening of monetary policy in the west came amid the Omicron wave of Covid which raised fears of fresh lockdowns and curtailment of economic activity. An additional blow for economic growth expectations came as President Biden's signature Build Back Better programme hit a significant snag in as Senator Joe Manchin appeared to oppose it.

The Federal Reserve has made it very clear that bond purchases are to end in the Spring and rate hikes will begin very soon after. This was a difficult message to deliver, and at first glance they appear to have managed to convey it without delivering a 2013-style taper tantrum – there was little discernible impact on equity index levels in general (they've gone violently sideways), and the long end of the bond market initially rallied (i.e. interest rates fell). However, the two-month build up to this policy pivot did cause untold damage to the equity mix below the surface. The equity market has essentially tried to front run the bond market's expected reaction to this policy pivot by selling in a Pavlovian manner the perceived losers from rising rates and buying the historical winners. By some measures there has been a record disposal of technology exposure, with a capitulation akin to Spring 2020. The only issue is that long dated bond yields initially moved lower, and although they have risen since mid-December, they remain well below the levels from earlier in the year.

That long dated bond yields have barely moved from their very low levels when the Federal Reserve (and other western central banks) are moving towards tighter monetary policy might seem strange and somewhat worrisome, indicating that the bond market, at least, fears a policy mistake. However, with vast amounts of liquidity in the financial system and bond yields (and interest rates) globally close to zero, demand for bonds remains very strong. Adding to that demand, very strong equity returns have lifted many pension schemes into surplus for the first time in many years, enabling them to "de-risk" into bonds.

Another factor is inflation – long term inflation expectations have stabilised, disruptions in global supply chains are generally expected to resolve quickly enough to prevent inflation expectations becoming embedded, and earlier action by central banks at least reduces the risk that they will need to take more aggressive action later.

## Positioning

Having reduced exposure from late October, we continued to do so over the early part of November as risk-reward became less favourable, trimming positions that have performed very strongly and therefore reducing growth asset exposure towards the lower end of the range. Following the aggressive sell off in risk assets and growth equities in particular in mid-December (post-Fed and post quarterly option expiry), we began to add to equity exposure again, bringing the funds towards the upper end of the range for growth assets.

With global economic and earnings momentum peaking we are focusing on stocks and sectors that can provide their own top line and earnings momentum. That these are the sectors that have been most hard hit by an expectation of yields rising when they initially fell presented an opportunity. We have also added outright commodity longs in the Multi-Asset Funds, focusing where the long-term bottom-up supply/demand imbalance dwarfs any shorter-term global growth issues.

## Merrion Investment Managers Core Funds

| Name | Risk Rating (1 - 7) | Sedol | Currency | TER % |
|---|---|---|---|---|
| **Merrion Multi-Asset 30 Fund** | 4 | BVFMDG4 | 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** | 0.0 | 3.9 | 10.6 | 10.6 | 11.2 | 6.2 |
| **Merrion Multi Asset 50** | 0.3 | 5.3 | 16.0 | 16.0 | 16.0 | 8.4 |
| **Merrion Managed Fund/Multi Asset 70** | 0.7 | 6.8 | 21.3 | 21.3 | 21.1 | 11.3 |

**Annualised Gross Returns. Source: MIM 31/12/21.*

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.

# Focus
# **Feature**
Winter 2022

FOCUS FEATURE

# GLOBAL ECONOMIC OUTLOOK
# A YEAR OF CONSOLIDATION AHEAD

***Alan McQuaid,***
*Economist*

*Alan McQuaid is a leading economist and media commentator. He has previously worked with the Department of Finance and several Irish firms including both Merrion Stockbrokers and Cantor Fitzgerald Ireland.*

The year ahead is likely to be one of solid economic growth, but down on 2021 as stimulus on both the fiscal and monetary fronts are pulled back.

Clearly at this juncture there is uncertainty about the impact on economic activity of the new Omicron variant or indeed any other new variants that come to light in 2022, but with countries unlikely to go back into full lockdown mode due to the relatively successful vaccine rollout programme, the overall hit to global growth is not expected to be any more than half a percentage point. As things currently stand, world economic growth is forecast to fall to 4.5% in 2022 from an estimated 5.6% in 2021 before declining further to 3.2% in 2023, according to the latest projections from the Organisation for Economic Cooperation and Development. Apart from the virus, the main risk to an otherwise relatively upbeat global economic outlook is that the inflation spike we are seeing at the moment proves longer and rises further than expected. With the world economy rebounding strongly, companies are struggling to meet a post-pandemic snap-back in customer demand, causing inflation to shoot up worldwide as bottlenecks have emerged in global supply chains. The key question is whether this spike proves to be temporary as some central banks believe, and fades away as demand and production return to normal, or it turns into a more serious threat. A key worry for financial markets is that inflation continues to surprise on the upside, forcing the major central banks to tighten monetary policy earlier and to a greater extent than projected.

**OECD WORLD GROWTH FORECASTS**

| | 2021 | 2022 | 2023 |
|---|---|---|---|
| **World** | 5.6 | 4.5 | 3.2 |
| **Australia** | 3.8 | 4.1 | 3.0 |
| **Canada** | 4.8 | 3.9 | 2.8 |
| **Euro area** | 5.2 | 4.3 | 2.5 |
| **Germany** | 2.9 | 4.1 | 2.4 |
| **France** | 6.8 | 4.2 | 2.1 |
| **Italy** | 6.3 | 4.6 | 2.6 |
| **Spain** | 4.5 | 5.5 | 3.8 |
| **Japan** | 1.8 | 3.4 | 1.1 |
| **Korea** | 4.0 | 3.0 | 2.7 |
| **United Kingdom** | 6.9 | 4.7 | 2.1 |
| **United States** | 5.6 | 3.7 | 2.4 |

*Source: OECD*

## China has an outsized role to play

As regards individual countries, China is the big question mark looming over the global growth outlook in 2022. Growth of just over 5.5% is expected for this year, down from around 8.5% in 2021, but this may be on the optimistic side. Indeed, signs already indicate that the pace of growth could slow even more rapidly in 2023. Falling retail sales of consumer goods suggest hard times to come and the ongoing difficulties with Evergrande, the huge property developer point to more trouble ahead for the world's second-largest economy. China represented roughly 20% of the global economy in 2021 but more than 30% of total world economic growth - in other words, it picked up the slack from Europe and other slow-recovery regions. If the Chinese economy does slow down sharply then the world economy will slow significantly too unless other key regions massively outperform forecasts. Therefore, all eyes will be on this major powerhouse in 2022.

## Could inflation turn to stagflation?

The biggest surprise of 2021 was the goods-led inflation surge. A key concern is whether inflation is a temporary effect of the Covid-19 rebound or something longer-lasting? It is potentially both. Essentially, it depends on the sector. Some sectors will see temporary price increases caused by supply chain challenges and other bottlenecks. When operations return to normal, prices will normalise too. However, factors such as the cost of energy and the availability of truck drivers will have a longer-term effect on some sectors such as the energy-intensive steel industry and the logistics-dependent retail sector. Sustained high costs will in our view be inevitably passed onto consumers. The energy transition could also drive up prices in the long-term. Carbon taxes and the cost of complying with new regulations will push up the cost of supply, and, again, it is consumers who will pay. If central banks are slow to respond and ultimately have to tighten monetary policy more than they should have then there is a risk we enter into a period of stagflation, and there's no quick fix for a stagflation-like scenario.

## Federal Reserve to hike rates in 2022 but ECB to stand pat

With US headline inflation having hit close to a 40-year high in December, the pressure is on the Federal Reserve to start raising interest rates. The Fed is expected to hike rates two or three times (25bps on each occasion) in 2022. By the time Fed hikes get underway, some advanced economies (including the UK and Canada) should already be into the interest rate normalisation process, and a number of economies in Latin America and Eastern Europe may already be approaching its end. Indeed, the Bank of England in December became the first major central bank to tighten rates since the pandemic, increasing its key lending rate by 15bps to 0.25%. By contrast, the ECB and Reserve Bank of Australia are still some way from increasing rates, but that may prove to be a big mistake on their parts. The ECB's Governing Council clearly believes that the rise in Eurozone inflation is only temporary and it can rightly argue that once the German VAT hike and last year's HICP weight changes drop out of the calculations then inflation should fall back in 2022 and beyond. But the ECB has a history of getting it wrong, raising rates in the Trichet era when other countries were easing policy in response to the financial crisis. This time the European Central Bank might be too slow to normalise policy. The dilemma central banks have is not hiking rates too aggressively as to push economies back into recession. Indeed, it seems most central banks will prefer to run their economies a bit too hot than not hot enough, but only time will tell if that strategy is the correct one.

**EURO-AREA PRICE WATCH**


## A number of risks to the overall outlook

Life is never plain sailing and there are a number of possible events/scenarios that could derail global growth and inflation in 2022 as well as ratchet up political concerns. The obvious ones are increased tensions between the US and China; a property market crash in China; new Covid-19 variants; widespread social unrest due to the negative impact on incomes and quality of life as a result of the pandemic; and a rise in cyber-attacks. Three other things to keep an eye on in 2022.

1. **French Presidential election:** French far-right candidate Eric Zemmour is building up public support as he tries to unseat centrist Emmanuel Macron in the April vote. Polls suggest that voters currently believe Marine Le Pen, the veteran leader of the far-right National Rally party, would make a more competent President than Zemmour. The latest surveys suggest he would be eliminated in the first round if the election were held now, with Macron tipped to beat Le Pen in the second round, but political analysts warn that the outcome remains highly uncertain. A win for either far-right candidate would have serious consequences for the future of Europe.
2. **German/Russian relationship:** New German Foreign Minister Green Party co-leader Annalena Baerbock has promised to take a much harder line with Russia than the more pragmatic approach seen in the Merkel era. However, with Germany heavily dependent on natural gas supply from Russia (Nord Stream 2) this is a dangerous strategy. International concerns over a potential Russia/Ukraine war could test Baerbock's resolve. If the Nord Stream 2 pipeline was shut off then that would have a huge negative impact on the German economy and in turn the rest of Europe.
3. **Turkey's unorthodox economic policy:** The Turkish lira is in freefall, hitting a record low versus the dollar in 2021 due to the strange attempt by the Turkish President, Recep Tayyip Erdogan, to subvert the laws of economics. Erdogan says there will be no turning back from his policy of cutting interest rates despite very high inflation (36% currently). Official rates have fallen by 500bps in the past few months to 14% at present from 19% at the beginning of September. Quite simply this could turn nasty for the rest of the world if Erdogan were to hold his nerve for long enough and for the lira to fall far enough to endanger Turkey's banks. This could then sour risk appetite enough to prompt currency falls in other emerging markets and provoke central banks, in turn, to further tighten monetary conditions. Although it's not that bad yet, it's not hard to see how things might worsen.

## Ireland - Another year of strong economic growth on the cards

Looking at Ireland, the most recent Quarterly National Accounts from the Central Statistics Office showed average real GDP growth of 14.5% in the first three quarters of 2021, putting the country firmly on course to once more top the EU growth league table where it has been consistently since 2014. A lot of the growth can be put down to the strong showing of the multi-national sector, especially the pharmaceuticals and information technology companies. Modified domestic demand (essentially consumer spending and construction activity), which is seen as a better true indicator of what's going on in the Irish economy, by stripping out globalisation effects, was up almost 5.0% in the January-September period than the same time in 2020 but down 1.2% on the first three quarters of 2019 (pre-pandemic), which suggests the country hasn't fully recovered yet from the impact of lockdowns. Furthermore, some sectors have been hit more than others, with the hospitality and arts/entertainment industries in particular bearing the brunt of the virus closure measures on the economy.

Economic growth as measured by GDP is expected to fall back to around 7% or 8% in 2022 from a likely outturn of 14-15% in 2021, but still a very impressive performance all things considered. Modified domestic demand is forecast to be up by between 6% and 7%. The biggest drag on growth in the short-term will be labour shortages. The labour market is currently at its tightest level since the early 2000s with 2.471 million people at work - the highest amount in the history of the State. With the annual inflation rate now at a 20-year high, soaring living costs in the country will limit Ireland's attractiveness to migrant workers and therefore it is unlikely that we will see the same level of immigration going forward that we saw during the boom years. Furthermore, if the unbalanced situation around crucial areas like housing and the cost of childcare is not seriously addressed by politicians, then the economy will in all probability slow on a sustained basis going forward and lose its competitiveness.

| **Key Indicators** | **Q3 2021 v Q2 2021** (constant price, seasonally adjusted) | **YTD 2021 v 2020** (year on year) | **YTD 2021 v 2019** (year on year ) |
|---|---|---|---|
| **Gross Domestic Product** (GDP) | +0.9% | +14.5% | +21.7% |
| **Modified Domestic** Demand (MDD) | +1.4% | +4.9% | - 1.2% |
| **Spending on Personal Consumption** (PCE) | +0.5% | +4.3% | -7.1% |

WARNING: Past performance is not indicative of future performance.

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

# Wealth **Management**

Winter 2022

# MAKING YOUR PENSION A PRIORITY

***Laura Reidy,***
*Head of Pensions*

**Here at Cantor Fitzgerald we say ditch the diet/detox in January and put your pension at the top of your new year's resolutions. Clearly the financial choices you make (or defer as the case may be) will have a huge impact on your future.**

While financial security in the short-to-medium-term can be provided by a good salary and benefits package, in the longer term the best way to achieve it is through a pension. The problem for most of us is when we think of the future or specifically retirement, it can be easy to put it on the long finger! Having said all that, one thing for sure is that we are all getting older and every year brings us closer to retirement, so whether your retirement is near or far away the below are some useful tips.

## Start a Pension

This may sound like an obvious one but if you haven't started a pension already take the plunge and start it today. Tax relief is by far the greatest advantage of saving into a pension. Income tax relief is still available on contributions made personally to a personal pension plan, PRSA or employee /Additional Voluntary Contributions (AVCs) to a company pension scheme. Income tax relief is available on up to 40% of the contribution for a top rate taxpayer, or 20% for a standard rate taxpayer.

According to 2020 CSO figures, 6 in every 10 workers had supplementary private pension coverage (outside of the State pension). While there is no obligation on an employer to provide and contribute to a pension scheme for employees, there is an obligation on all employers to give each employee access to a PRSA. A PRSA is a Personal Retirement Savings Account that is a personally owned pension that lets you save for retirement even if there is no occupational pension scheme in place through your employment. An employer, must at a minimum, facilitate a PRSA through payroll so that employees can avail of this type of pension. Additionally, if you are self-employed and want to start saving for your retirement a Personal Pension or a PRSA will be the most suitable contracts for you. It's a good idea to seek advice from a financial advisor who will guide you through the process and help you select the right plan for your circumstances.

## Review your contributions

Assuming you have already joined a scheme/established a pension contract, you should review your contribution levels and if you have the scope to and can afford it, increase your contributions or consider making an Additional Voluntary Contribution (AVC).

Providing for retirement is one thing, providing enough for retirement is another. If your pension contributions won't deliver the lifestyle you want in retirement, upping your contributions is the way to address this. I'm often asked what is a good pension pot?

There are a few ways to look at answering this question, a good starting point for most clients is to aim for two thirds of pre-retirement income. However this may not be enough for everyone and will be dependent on the lifestyle that an individual will want in retirement. Seeking the advice of a financial advisor puts you in the best position to establish your goal and set out the necessary steps required to meet your long-term objectives.

## Review your contracts

A job is no longer for life which means that most individuals have multiple pension contracts that will accumulate from their previous employments and these contracts are often scattered across various pension providers. Changing your job doesn't mean losing control of your accumulated pension pot related to that employment. In my experience, when sitting down with prospective clients, most will generally not have a full handle on how their retained pension benefits/contracts are managed and quite often their retained benefits do not form part of their active investment strategies. Essentially the contracts are being left idle and without proper management.

Another common question I am asked is: "should I consolidate my pension contracts?" On the face of it, it seems obvious that you should combine your various pension arrangements in one place as it is tidier and there is only one company or provider to deal with. However, a recommendation to consolidate is often more complicated and should factor in your specific personal and financial circumstances. Increasingly we see that having two to three pension contracts can provide clients with additional flexibility when it comes to retirement and consolidating contracts can sometimes mean losing that flexibility. Having multiple pension contracts shouldn't mean that your investment strategy isn't a coordinated one. Your pension contracts should talk to each other and essentially work in unison in order to best achieve your retirement goals.

## So What Are the Big Pension themes for 2022?

You are likely to see plenty of column inches this year on the issue of pension auto-enrolment. What exactly is auto-enrolment? Employees will be automatically enrolled into a new pension scheme unless they are a member of their employers' scheme. Employers would then be obliged to contribute a percentage of an employee's salary to help fund their retirement.

The aim of auto-enrolment is to close Ireland's pension gap. The pension gap is the difference between what people are currently saving for retirement compared with the level of income they will need to receive when they reach retirement age. According to the 2020 CSO figures, 37% of those who didn't have supplementary pension coverage cited that they never got around to organising it. Auto-enrolment will take the procrastination out of it for employees and employers alike. A system that provides universal coverage will undoubtedly improve our nation's provision for retirement. It is essential that policy initiatives are developed to help individuals to start earlier, save more and strategically invest their capital in order to meet the financial challenge of longevity. While the State has an obligation to provide a framework for private sector workers to save for their retirement in a simple and cost-effective way, now more than ever, retirement planning is increasingly becoming a personal responsibility. A revised launch date for auto-enrolment has yet to be targeted by government but given the complexity of the system a timeline of 2024 looks to be likely.

WARNING: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

CANTOR FITZGERALD IRELAND

MORNINGSTAR ★★★★★ TM

# 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™ ★★★★★[1]

1. As of 31/12/21

**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 - December 2021)

| Medium Term Investment Horizon | MMA30 (4yr)* | MMA50 (5yr)* | Managed/MMA70 (6yr) |
|---|---|---|---|
| Annualised Rolling Return: Average | **5.58% p.a.*** | **6.16% p.a.*** | **8.45% p.a.** |

* Include both actual returns from 21 July 2015 to 31 December 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 | **10.6%** | 6.9% | **16.0%** | 13.8% | **21.3%** | 19.9% | 27.3% |
| 3 Yrs p.a. | **11.2%** | 6.1% | **16.0%** | 10.4% | **21.1%** | 14.3% | 20.6% |

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).



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

CANTOR Fitzgerald

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# Investment **Opportunities**

Winter 2022

INVESTMENT OPPORTUNITIES

# ANALYST CONVICTION LIST

***James Buckley,***
*Senior Equity Research Analyst*

This list aims to highlight the very best current stock ideas, identified by our analysts. The Analyst Conviction List is dynamic and actively managed by the Equity Research team on an ongoing basis. Any changes made will be communicated in our Daily Note. The full list will be published in the Weekly Trader and Investment Journal publication.

Our analysts have the freedom to choose from the global stock universe and identify companies who are global leaders in their field. Examples of stocks which fit this description where coverage has recently been initiated include, ASML; Barclays; LVMH; AstraZeneca; Royal Dutch Shell and Apple. The list highlights the buy-rated stocks that we feel have the greatest potential for share price upside at the current time and where new money purchases could be made. The list contains a range of companies by sector and geography, focusing primarily on the US and Europe. The initial list has been launched with 14 names, detailed below, although in keeping with the need to only include our best ideas, there is no hard target for this. We look forward to continuing to develop our Analyst Conviction List and sharing it with you.

This quarter, we feature a snapshot on Fedex and LVMH. We also highligh a third stock on which we have recently initiated coverage, Supermarket Income REIT, which illustrates how we continue to expand our research universe to identify potential future candidates for our Analyst Conviction List.

| Company | FX | Industry | Price when in ACL | Price (31st Dec) | Price target | Div yield | Fwd P/ E (x) | 3m move | ESG Score (0-100) |
|---|---|---|---|---|---|---|---|---|---|
| Flutter Entertainment PLC | EUR | Entertainment | 147.30 | 139.0 | 195.00 | 0.00% | 34.52 | -18.8% | 43 |
| LVMH Moet Hennessy Louis Vuitt | EUR | Apparel | 708.90 | 727.0 | 775.00 | 0.94% | 31.80 | 17.8% | 89 |
| TotalEnergies SE | EUR | Oil&Gas | 43.41 | 44.63 | 48.00 | 5.75% | 7.61 | 8.0% | 90 |
| Royal Dutch Shell PLC | GBp | Oil&Gas | 1683.00 | 16.21 | 2050.00 | 4.18% | 6.80 | 1.2% | 82 |
| Barclays PLC | GBp | Banks | 192.00 | 1.87 | 255.00 | 1.51% | 7.62 | 0.8% | 92 |
| FedEx Corp | USD | Transportation | 242.77 | 258.64 | 355.00 | 1.13% | 11.50 | 20.2% | 69 |
| Ryanair Holdings PLC | EUR | Airlines | 18.12 | 15.25 | 18.50 | 0.00% | 14.59 | -6.6% | 27 |
| Caterpillar Inc | USD | Machinery-Constr&Mining | 205.88 | 206.74 | 230.00 | 2.04% | 17.62 | 10.0% | 94 |
| Microsoft Corp | USD | Software | 336.06 | 336.32 | 380.00 | 0.75% | 31.34 | 21.5% | 98 |
| Apple Inc | USD | Computers | 151.28 | 177.57 | 186.00 | 0.49% | 29.15 | 27.7% | 34 |
| ASML Holding NV | EUR | Semiconductors | 737.10 | 706.70 | 900.00 | 0.53% | 40.56 | 9.7% | 93 |
| Smurfit Kappa Group PLC | EUR | Forest Products&Paper | 45.07 | 48.44 | 55.00 | 2.35% | 15.50 | 6.7% | 66 |
| CRH PLC | EUR | Building Materials | 42.93 | 46.52 | 53.00 | 2.03% | 16.17 | 14.7% | 94 |
| Hibernia REIT PLC | EUR | REITS | 1.31 | 1.30 | 1.50 | 4.17% | 24.42 | 11.3% | 61 |

*Source: Bloomberg*

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

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

INVESTMENT OPPORTUNITIES

# ANALYST SNAPSHOT: FEDEX

***Ian Hunter,***
*Senior Research Analyst*

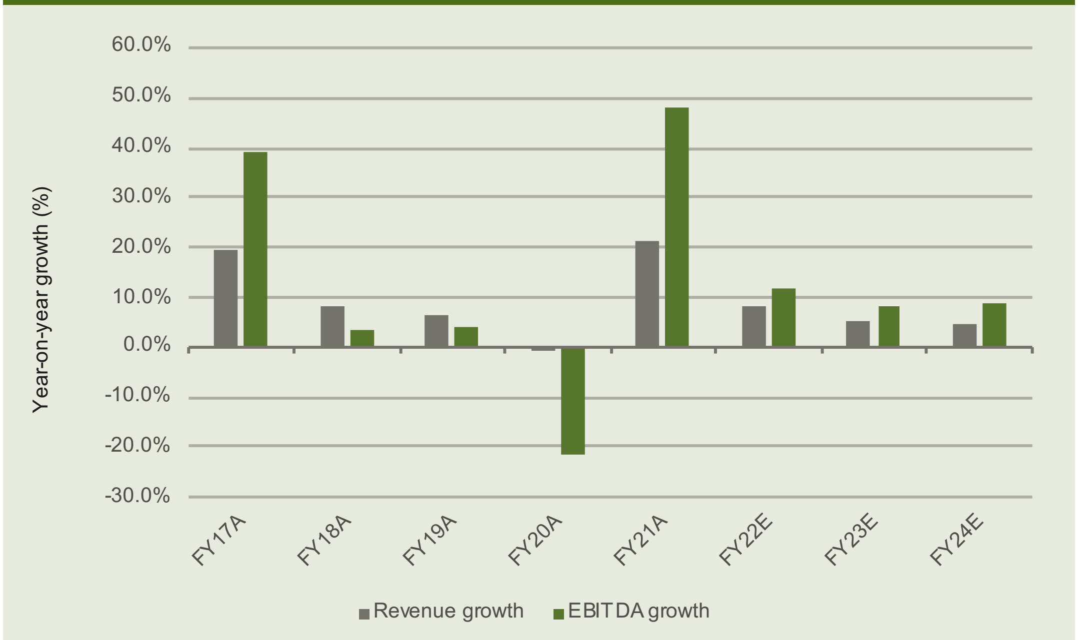
**Those holding FedEx over the year will have been disappointed in its second half performance where concerns over post-pandemic growth in business and increasing cost headwinds weighed on the stock.**

That said, we placed the stock in our initial Analysts Conviction List because we believed the concerns over-baked and the stock over sold. Coming into its Q222 numbers (year-end may) the stock appeared to find support at c.$220 in early October and ticked up 9% into the results issued after the market closed on the 16th of December. Those results strongly beat market expectations, both on top line resilience and the ability of management protect margin.

To recap, FedEx reported adjusted EPS 13% ahead of market expectations from a 13% beat on consensus at the operating profit line and revenue 5% ahead of forecasts. Management also raised guidance which at the mid-point of the range would suggest a 3% upgrade to their guidance and a 7% upgrade to consensus. Concurrently, the company also announced a $5bn buyback programme, equivalent to c.7.5% of outstanding shares, including a $1.5bn accelerated share repurchase programme. This is in addition to the programme announced in 2016 authorising the repurchase of up to 25m shares, of which 2.3m shares remain.

After a strong start to the year which saw the shares up 24% by the end of May, the stock dipped dramatically on weaker than expected results and guidance in mid-year in a market where there were concerns of less post-pandemic volumes to drive top line growth coupled with increasing cost pressures, primarily labour and fuel. Up 17% since its nadir of c$220 in early October, the stock still closed flat on the year and at 11.4x FY22 P/E and 8.2x EV/EBITDA trades at an over 40% discount to peers. We placed FedEx on our Conviction List believing it to be oversold. The subsequent set of

**WITH A MAY YEAR-END, THE EVIDENT RECOVERY IN FY21 IS SET TO CONTINUE THROUGH FY22**




*Source: Company presentations, CFI estimates*

WARNING: Past performance is not a reliable guide to future performance

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

# ANALYST SNAPSHOT: LVMH

***James Buckley,***
*Senior Equity Research Analyst*

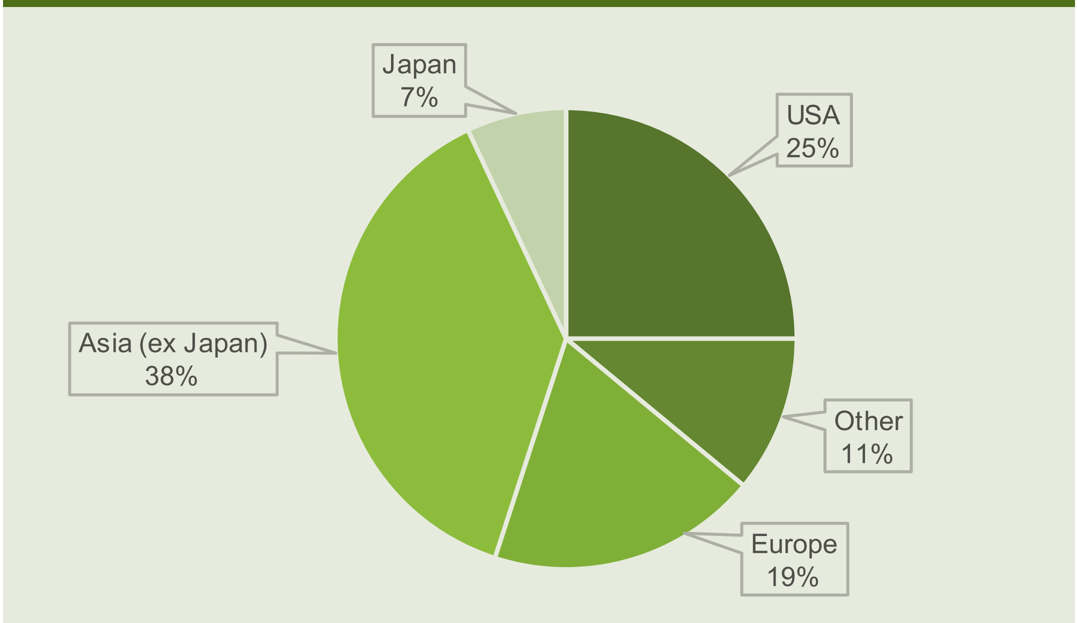
**LVMH is the world's leading luxury goods group. It is the only luxury goods group with presence in all the 5 major segments of fashion & leather; wine & spirits; watches and jewellery; perfumes and selective retailing.**

LVMH's history dates back over 150 years, with 2022 being the 200th anniversary of designer, Louis Vuitton. Within the group's stable are some 75 individual brands, known as "Maisons". Goldman Sachs predicts global luxury goods market will reach $300bn in 2022 (+9%), as it benefits from the wealth creation effect of rising asset prices, as well as a growing middle class in countries like China and India. In 2019 LVMH acquired US jewellery brand, Tiffany, for $16bn.

LVMH reported strong Q3 results in October, with group organic sales growth up 11% compared to pre-pandemic levels in Q3 2019. At the divisional level, the largest division, fashion & leather, reported organic growth of 24% year-on-year and 38% versus Q3 2019. Wine & spirits benefitted from strong champagne sales, with organic growth of 10% and 7% over the 2020 and 2019 comparable. Watches & Jewellery had organic growth of 18% and 1% respectively and also benefitted from a strong first nine-month contribution from Tiffany. The much smaller divisions of perfume and, more particularly, selective retailing (duty free) continue to be impacted by travel restrictions.

LVMH is now one of Europe's largest companies by market capitalisation, reflecting very strong multi-year share price performance, as the group has consistently delivered growth in revenues, profits and dividends well above the market average. It also generates high operating margins and return on capital, operating as it does at the hard end of the luxury market, where pricing power has consistently proven to be robust. LVMH shares trade at a significant premium to the broader European market, however we feel this is justified by the group's global leadership in the attractive luxury goods space. Our price target of 775 euros offers over 10% upside from current levels.

**REVENUE SHARE PER REGION**




*Source: Bloomberg/CFI estimates*

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INVESTMENT OPPORTUNITIES

# ANALYST SNAPSHOT: SUPERMARKET INCOME REIT

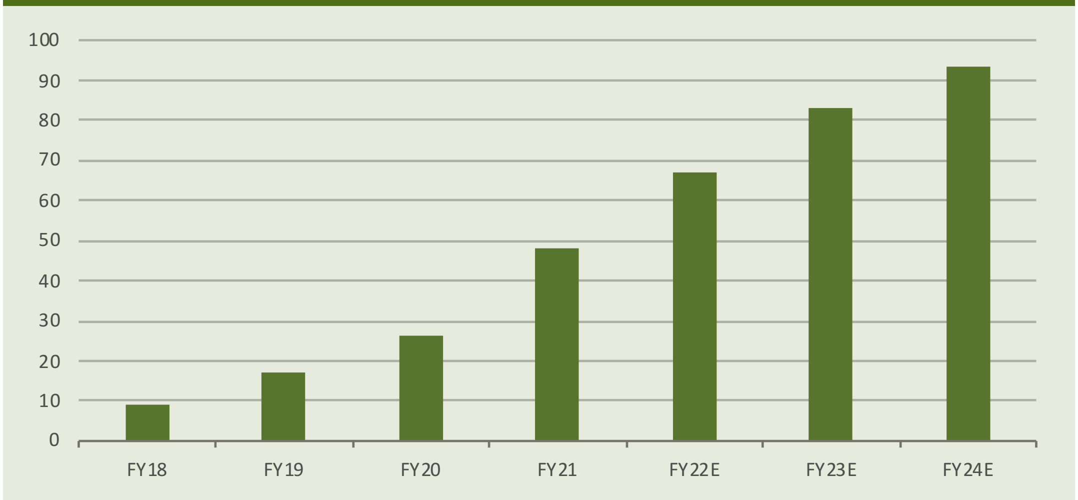
**_Brian Considine,_**
_Junior Research Analyst_

**As we head into 2022, we maintain our positive outlook on the recently initiated-on Supermarket Income REIT (SUPR), which specialises in the acquisition and management of high-quality supermarket assets across the UK, providing investors with the opportunity to gain secure, inflation-linked GBP income exposure, along with capital appreciation over the long-term.**

SUPR's investment strategy centres around the investment in omnichannel stores, which incorporate traditional in-store shopping, but that also operate as last-mile grocery fulfilment centres for both home delivery and click-and-collect. By focusing on omnichannel stores, SUPR has benefitted, and will continue to benefit, from the increased focus on online grocery sales, the shift towards which has been greatly accelerated by the Covid-19 pandemic.

The investment case for SUPR is extremely strong heading into the New Year. The company is led by a highly experienced management team, which gives SUPR a significant competitive advantage in a highly niche pocket of the UK real estate market. One of management's strategic priorities is to target total shareholder return (TSR) between 7% and 10% p.a. over the medium-term, which it has consistently over-delivered on. In FY21, SUPR generated 10.9% TSR, with 39% TSR generated in the four years since IPO. Another compelling investment point for SUPR is the yield arbitrage the REIT offers relative to UK supermarket bonds. For example, investors can earn 4.9% through the REIT's dividend versus the 2.3% yield on a 2033 expiry Tesco bond. Furthermore, we see material capital appreciation from additional yield compression, with average UK supermarket property yields tightening from 5.3% in 2016 to 4.5% in 2021, illustrating the impact on property values from increased investment demand, with lower yields seen across the market in recent months. We also forecast a positive NAV impact from upward rent reviews, with management anticipating "much higher rental uplifts over the coming quarters", due to the lag impact of current levels of inflation passing through to rents. In this inflationary environment, the inflation-linked income offered through the REIT's dividend offers investors a secure, GBP income stream, which can be seen as a key component of a balanced portfolio for 2022. Our price target of 136p implies 11% upside from current levels, supported by a dividend yielding 4.9%.

**NET RENTAL INCOME (GBPM)**




_Source: Company presentations, CFI estimates_

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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 |
|---|---|---|---|
| **Allianz** | Allianz Income and Growth | 5 | Mixed Allocation |
| **BNY Mellon** | BNY Mellon Global Bond | 4 | Fixed Income |
| **Threadneedle** | Threadneedle European Select | 6 | Equity |
| **PIMCO** | PIMCO GIS Global Investment Grade Credit | 4 | Fixed Income |
| **PIMCO** | PIMCO GIS Income | 4 | Fixed Income |
| **Invesco** | Invesco Global Targeted Return | 3 | Alternative |
| **M&G** | M&G Optimal Income | 4 | Fixed Income |
| **Jupiter** | North American Equity | 6 | Equity |
| **Lazard** | Lazard Global Listed Infrastructure Equity | 5 | Equity |
| **Fundsmith** | Fundsmith Equity Feeder | 5 | Equity |
| **Muzinich** | Enhancedyield | 3 | Fixed Income |
| **Merrion** | Global Equity Income | 5 | Equity |
| **JP Morgan** | Global Macro Opportunities | 4 | Mixed Allocation |
| **Cantor Fitzgerald Ireland** | Green Effects | 6 | Equity |

WARNING: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

INVESTMENT OPPORTUNITIES

# THE FUND EDIT

At Cantor Fitzgerald we are proud to offer a wide range of investment options for our clients from collective funds, ETFs, Investment Trusts, REITS and direct equities. The investable universe available is vast. For this reason we have produced a list a manageable number of our preferred funds across a range of assets classes, geographical regions and sectors. This pared down list is produced by our in house research team.

Inclusion in the list does not necessarily mean that we recommend buying the fund at any given time and we strongly recommend that clients do their own research and/or seek independent investment advice, or talk to one of our advisors.

## Alternative Funds

A range of funds with exposure to a range of different asset classes including commodities, private equity, bonds, property, as well as equity.

| Investments | Comment | Region | ESMA Risk rating | Yield | OCF |
|---|---|---|---|---|---|
| **Global 85% Progressive Protection Bond*** | Low risk investment with upwardly revising capital protection starting at 85%. | Global | 2* | 0.00% | 1.49% |
| **JPMorgan Global Macro Opportunities Fund** | Multi-asset strategy that seeks to deliver attractive risk-adjusted returns and in varying market environments through a macro, focused and flexible approach. | Global | 5 | 0.00% | 0.78% |

## Multi-Asset Class Funds

| Investments | Comment | Region | ESMA Risk rating | Yield | OCF |
|---|---|---|---|---|---|
| **MIM Multi-Asset 30** | Award winning multi asset fund with 20-40% invested in growth assets. | Global | 4 | 0.00% | 0.75% |
| **MIM Multi-Asset 50** | Award winning multi asset fund with 40-60% invested in growth assets. | Global | 4 | 0.00% | 0.75% |
| **MIM Multi-Asset 70/Managed Fund** | Award winning multi asset fund with 60-80% invested in growth assets. | Global | 5 | 0.00% | 0.75% |

## Equity Funds

A range of actively manged funds as well as targeted passive funds

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Fundsmith Global Equity Fund** | A global equity fund with a focus on growth stocks. The manager, Terry Smith, aims to buy and hold, ideally forever, high-quality businesses that will continually compound in value. | Global | 5 | 0.00% | 1.11% |
| **Merrion Global Equity Income Fund** | This fund captures the capital growth potential inherent in equity markets over the long term through a diversified portfolio of global equities. | Global | 4 | 0.00% | 1.94% |
| **Threadneedle European Select Fund** | The fund invests at least two-thirds of its assets in shares of companies with growth prospects in Continental Europe. The Fund's investment approach means it will typically hold a smaller number of investments compared with other funds. | Europe | 6 | 0.00% | 0.83% |
| **SPDR S&P 500 ETF** | The objective of this ETF is to track the US equity market performance of the S&P 500 index. | US | 6 | 1.00% | 0.09% |
| **abrdn UK Smaller Companies Growth Trust Plc** | Focusing on small and medium UK companies, the portfolio will normally comprise around 50 individual holdings representing the highest conviction of Harry Nimmo, the fund manager since 2003. | UK | 5 | 1.03% | 0.88% |
| **Aberdeen Standard European Smaller Companies Fund Plc** | The fund aims to provide long term growth by investing predominantly in the shares of smaller companies listed on European stock markets, including the UK. | Europe | 6 | 0.00% | 0.97% |

## **Equity Funds** continued

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Scottish Mortgage Investment Trust Plc** | This investment trust offers a unique mandate for investors with an idiosyncratic and esoteric portfolio of approx. 100 companies. The strategy focuses on identifying high growth companies and holding them for the long term, this includes up to 30% in private equity. The nature of the portfolio means that it is likely to be volatile. | Global | 5 | 0.29% | 0.79% |
| **Pacific Horizon Investment Trust Plc** | This investment trust invests in the Asian Pacific region (excluding Japan) and the Indian sub-continent aiming to achieve capital growth. The fund manager focuses the fund towards companies that will benefit from the technological change on economics and existing businesses. | Asia ex Japan | 5 | 0.00% | 0.92% |
| **JPMorgan Emerging Markets Trust Plc** | This investment trust aims to maximise total returns from Emerging Markets and provides investors with a diversified portfolio of shares in companies which the manager believes offer the most attractive opportunities for growth. It draws on JP Morgan's global network of 40 emerging market specialists across Asia, Latin America, Eastern Europe and Africa. | Emerging markets | 5 | 1.08% | 1.00% |
| **Smithson Investment Trust Plc** | Run by the same team behind the Fundsmith Equity fund bohemoth, this smaller sized fund allows the fund manager to focus on small & mid sized companies in developed countries that fit their investment profile. | Global | 4 | 0.00% | 1.00% |
| **SPDR® Russell 2000 U.S. Small Cap UCITS ETF** | This ETF tracks the performance of the Russell 2000 Index, a US smallers companies index that covers approx 8% of the total US equity market | US | 6 | 0.00% | 0.30% |

## Bond Funds

Funds that invest in the debt issuances of governments and/or corporates.

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Corporate Bonds** | | | | | |
| **PIMCO Global Investment Grade Credit Fund** | The fund invests at least two-thirds of its assets in a diversified portfolio of investment grade corporate fixed Income Instruments. As a global fund the managers have some exposure to Emerging Markets and Asia Pacific, although the majority of the fund is in North America and Europe. | Global | 4 | 2.87% | 0.49% |
| **Vanguard Global Credit Bond Fund** | An actively managed fund that seeks to provide a moderate and sustainable level of current income by investing in a diversified portfolio of global credit bonds. The Fund may take active fixed income sector views with the focus on bond specific selection. | Global | 4 | 0.00% | 0.30% |
| **iShares Euro Corporate Bond UCITS ETF** | This ETF offers diversified exposure to investment grade corporate bonds issued in Euro across a wide range of sectors. | Europe | 3 | 0.67% | 0.20% |
| **Carmignac Portfolio Sécurité Fund** | This bond fund invests mainly in government and corporate debt securities denominated in EUR. It adopts a low duration stance and flexible approach in its quest to deliver steady returns. Portfolio construction is a result of manager views and market analysis with no bias to any benchmark. | Global | 2 | 0.00% | 0.55% |
| **Muzinich Enhancedyield Short Term Fund** | This bond fund targets a diverse portfolio, primarily in corporate bonds with short maturities. The Fund is a well-diversified, short duration portfolio consisting of predominantly European and US investment grade and high yield bonds that have attractive risk-reward characteristics. | European | 3 | 0.00% | 0.54% |

## **Bond Funds** continued

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Government Bonds** | | | | | |
| **BNY Mellon Global Bond Fund** | This long running bond fund invests in a wide mix of international, sovereign, government, agency, corporate, bank and asset backed debt and debt related securities. | Global | 4 | 0.00% | 0.63% |
| **iShares Core Euro Government Bond UCITS ETF** | The fund seeks to track the performance of an index composed of Eurozone investment grade government bonds. | European | 3 | 0.20% | 0.09% |
| **High Yield** | | | | | |
| **Allianz Income and Growth Fund** | Allianz Income and Growth adopts a "three-sleeves" approach, with the core holdings invested primarily in a portfolio consisting of 1/3 US high-yield bonds, 1/3 US convertible bonds and 1/3 US equities/equity securities. It aims to capture multiple sources of potential income and includes participation in the upside potential of equities at a potentially lower level of volatility than pure-equity investment. | Global | 4 | 1.51% | 0.89% |
| **UBAM Global High Yield Fund** | Invests in high yield bonds through CDS (Credit Default Swap). A CDS is an instrument that gives investors exposure to high yield company debt. CDS are more liquid than high yield bonds and bear no interest rate risk. Thefund is split between US High Yield (70% and Euro High Yield (30%) | Global | 4 | 3.83% | 0.56% |
| **iShares Euro High Yield Corporate Bond UCITS ETF** | This ETF offers diversified exposure to sub investment grade corporate bonds issued in Euro across a wide range of sectors. | Europe | 4 | 3.08% | 0.50% |

## Specialist funds

Funds targeting specific sectors, regions or asset class.

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Lazard Global Listed Infrastructure Equity Fund** | The fund is an actively managed portfolio that typically invests in the equity of infrastructure companies that meet certain preferred criteria, such as revenue certainty, profitability and longevity. | Global | 5 | 2.42% | 0.97% |
| **Polar Capital Technology Trust Plc** | The investment trust aims to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world. | Global | 5 | 0.00% | 0.93% |
| **Worldwide Healthcare Trust Plc** | This specialist trust focuses on the healthcare sector from small cap bio tech firms to global blue chip pharm companies. The managers blend relatively defensive subsectors, such as medical devices, with significant growth potential from small caps such as bio tech and emerging markets. | Global | 5 | 0.66% | 0.88% |
| **First Trust Cloud Computing UCITS ETF** | The ETF tracks the performance of companies engaged in a business activity in the cloud computing industry. The ETF gives investors exposure to the three main business categories: Infrastructure as-a-Service (IaaS), Platform-as-a Service (PaaS) & Software as-a-Service (SaaS) | Global | 6 | 0.00% | 0.60% |
| **Lyxor Disruptive Technology UCITS ETF** | This ETF tracks the performance of companies expected to derive significant revenue from disruptive tech, eg 3D printing, 'The internet of things', fintech, robotics and more. | Global | 6 | 0.00% | 0.15% |
| **Invesco Physical Gold ETC** | This fund tracks the performance of Gold in USD. It is backed by gold bullion held in the JP Morgan Chase Bank's London vaults. Gold offers a traditional alternative to equities and can be viewed as a hedge against inflation. | Global | 4 | 0.00% | 0.16% |

## Specialist funds continued

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Abrdn European Logistics Income Plc** | This investment trust invests in mid sized warehouses across Europe. This sector of the property market has seen increased interest due to e-commerce as online sales require 3 times as much space as high street stores. They have also benefited from companies looking to increase inventory and shorten their supply chain. The investment offers some protection against inflation as leases are linked to CPI and benefits from an income. | Europe | 5 | 4.29% | 3.53% |
| **Supermarket Income REIT Plc** | This is a Real Estate Investment Trust investing in UK supermarket property. The portfolio is a mix of retailers including Sainburys, Tesco, Waitrose and Morrisons. This holding provides investors with long dated, secure inflation linked income and potential capital appreciation over the longer term. | UK | 5 | 4.82% | 1.83% |
| **Vaneck Vectors Semiconductor UCITS ETF** | An ETF that tracks the performance of the largest and most liquid companies in the semiconductor industry. | Global | 7 | 0.00% | 0.35% |
| **L&G Cyber Security UCITS ETF** | This ETF tracks the performance of companies that are actively engaged in providing cyber security technology and services. The ETF has 50+ constituents. | Global | 6 | 0.00% | 0.75% |

## Ethical Funds

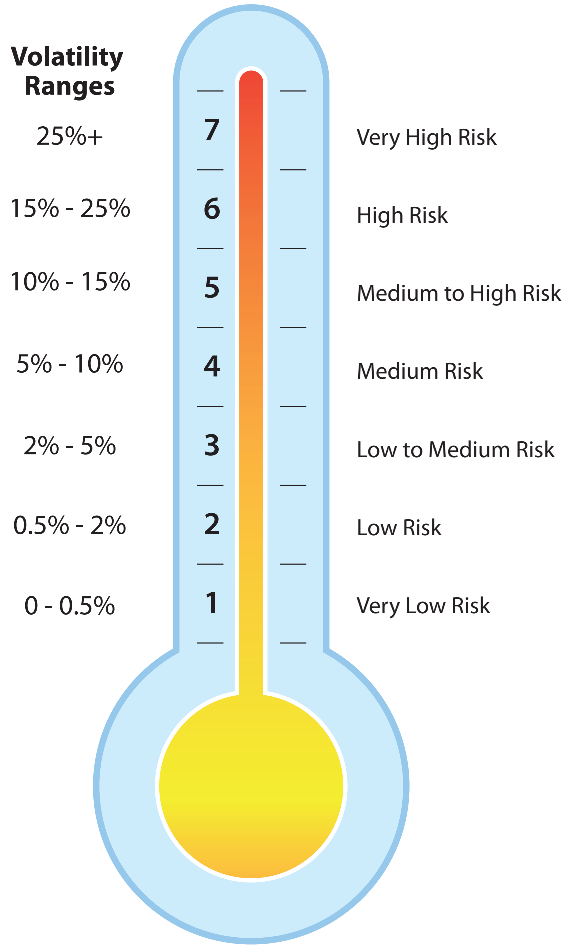
A range of funds that focus on ethical investing such as ESG or clean energy.

| Investments | Comment | Region | ESMA Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Green Effects Fund** | This long running fund invests in a range of companies with a commitment to either supporting the environment or demonstrating a strong corporate responsibility ethos. | Global | 6 | 0.0% | 1.30% |
| **iShares Global Clean Energy UCITS ETF** | This ETF provides investors with a focused investment alternative which seeks to track the performance of an index composed of the largest global companies involved in the clean energy sector. It gives broad based exposure to a basket of 30 global Clean Energy stocks. | Global | 6 | 0.81% | 0.65% |
| **Aquila European Renewables Income Fund Plc** | This fund invests in a diversified portfolio of onshore wind, solar and hydro renewable energy assets across continental Europe and Ireland. | Europe | 4 | 4.85% | 1.10% |
| **Greencoat Renewables Plc** | A wind energy company with a portfolio of more than 520MW of generation capacity. It is Ireland's largest wind energy company and has begun to expand into continental Europe. | Ireland | 3 | 5.34% | n/a |
| **ESG Global 85% Protection Bond*** | Low risk ESG investment with upwardly revising capital protection starting at 85% | Global | 2* | 0.00% | 1.43% |

*OCF figure source: Morningstar and KID documents*
*Yield: Factset as at 7/1/22s*
*Risk Rating: Morningstar and KID documents*

*The Summary Risk Indicator (SRI) is used as the risk rating guide for these investments.

## Portfolio Risk Indicator




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

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

WARNING: Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income.

WARNING: The income you get from your investment may go down as well as up.

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

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

INVESTMENT OPPORTUNITIES

# 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% |

*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.*

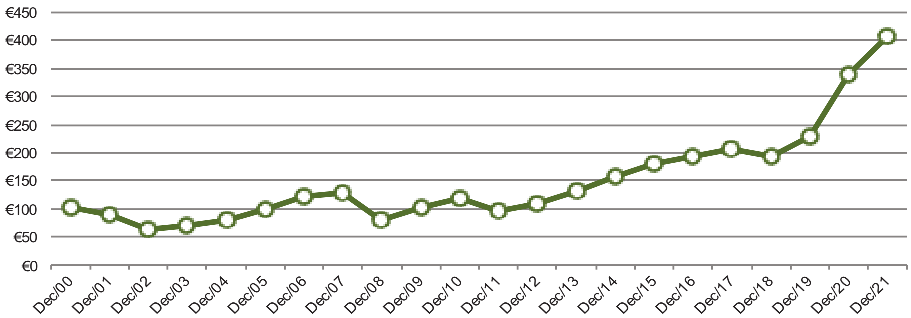
### Total number of holdings

| | |
|---|---|
| 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*

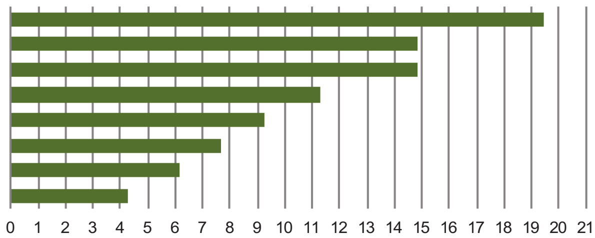
### ESMA RISK RATING

| Lower Risk | 1 | 2 | 3 | 4 | 5 | **6** | 7 | Higher Risk |
|---|---|---|---|---|---|---|---|---|

Typically Lower Rewards — Typically Higher Rewards

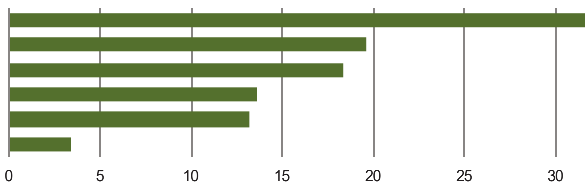
### LARGEST SECTOR EXPOSURE %

| | |
|---|---|
| Healthcare | 19.43% |
| Paper/Forestry | 14.87% |
| Building/Home improving | 14.83% |
| Alternative Energy | 11.28% |
| Sustainable transport | 9.30% |
| Consumer goods | 7.70% |
| Recycling | 6.17% |
| Semi conductors | 4.30% |




### GEOGRAPHIC EXPOSURE %

| | |
|---|---|
| AMERICAS | 31.56% |
| EUROPE | 19.63% |
| PAN-EUROPE | 18.34% |
| ASIA | 13.57% |
| UK | 13.18% |
| South Africa | 3.45% |




| 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.*

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

### 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

## 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% | 19.78% |

*Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust*

email: **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.

CANTOR FITZGERALD IRELAND

# STRUCTURED PRODUCT RANGE

## 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, ensures a minimum repayment of 85% of the highest Net Asset Value (NAV) ever achieved.
- Open-ended ESG liquid investment.
- Low risk investment (SRI level 2 out of 7).

## GLOBAL 85% PROGRESSIVE PROTECTION BOND

### KEY FEATURES

- **This bond has returned 9.40%p.a. (9.40% CAR) since inception for investors*.**
  *as at 1/1/22 (source - Société Générale)
- 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.
- Open ended liquid investment.
- Low risk investment (SRI level 2 out of 7).

The minimum investment for these products is €25,000

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

Warning: Not all products are nesessarly 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:

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# Latest **News**

Winter 2022

LATEST NEWS

# MARKET ROUND-UP DECEMBER 2021

***Killian Clarke**,*
*Portfolio Manager*

## S&P 500 New High


After a turbulent December we saw a positive end to the month with the S&P 500 reaching a new record intraday high. The positive market news was being propelled to new highs by Apple which became the first ever company to reach a $3 trillion market cap. The recent strength has mainly been driven by impressive sales from new product launches including the iPhone 13 and MacBook Pro as well expectations it may enter the rapidly growing EV market. The share price briefly breached the $182.86 level before closing at $182.01. The meteoric rise of Apple since it became the world's first company to reach the $1 trillion market cap mark in 2018, has now seen it reach another milestone by becoming the first company to reach $3 trillion – a journey which has only taken 16 months and 15 days since reaching the $2 trillion mark. It would be an impossible question to answer if you were trying to work out how much of the valuation is innovation, manipulation and speculation but regardless it is an impressive milestone for the tech mammoth.

## Hawkish FOMC Minutes


As outlined by our analysts the focal point for markets this quarter will be the Omicron variant and and its potential effect on the economy, given that the first worldwide Covid-19 lockdown had such a severe effect on markets. Early indicators would suggest that the new variant isn't as hard or intense as first thought so markets have performed well on the back of this data. The other focal point for markets was the Federal Reverse policy meeting which took place on 15th December, to assess its options over the pace of tapering its asset purchase programme. Inflation and jobs data will play a significant role in the decision-making process. The latest FOMC minutes suggested that the US central bank may need to increase interest rates earlier than previously expected and will need to start selling off its treasury holdings to raise the federal funds rate in order to control the ever-growing US inflation rate. The minutes were more hawkish than the message communicated in early December by Fed Chair Powell which led to some weakness in the market in the first couple of days in January.

**IN BRIEF...**

### Blackmore Sportsperson of The Year

Rachael Blackmore was crowned 2021 RTE Sportsperson of the year. Blackmore fought off stiff competition from the likes of Olympic gold medallist Kellie Harrington, Paralympic gold medallist Ellen Keane, unified world lightweight boxing champion and 2020 award winner Katie Taylor, Solheim Cup winner Leona Maguire, Paralympic gold medallist Jason Smyth and GAA stars Vikki Wall (Meath) and Cian Lynch (Limerick). Rachael Blackmore found herself in the winner's circle 6 times at Cheltenham and became the first woman to be crowned leading jockey which included wins with the likes of Honeysuckle. She also became the first female jockey to win the Grand National on Minella Times. Blackmore was unfortunately injured from a fall in July which saw her confined to a wheelchair and side-lined for a total of 3 months, but the jockey finished off the remainder of the year in style with 11 wins from 35 rides

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

# 2021 YEAR IN REVIEW

***Conor McKeon***
*Head of Corporate Finance*

**We started 2021 with a positive outlook and a view that things would revert to a new normal in the first half of the year, despite the shock of extended lockdowns during most of 2020. We certainly didn't envisage that come December 2021 we would be facing into a fourth wave of restricted activity and the onset of a new Covid variant.**

With the completion of 10 transactions within Corporate Finance in 2021, it was a positive year with over €70 million raised in new funding and 6 private equity investments successfully exited, generating positive investment returns. From a sectoral perspective we completed transactions across the renewable energy, food manufacturing, real estate, technology, bio stimulants and social housing sectors. Whilst a broad range of sectors, a common theme throughout was the sustainable impact of each of these companies in the context of their core business. We continue our track record in working with businesses that demonstrate the principles of ESG and sustainable investment which are now a prerequisite to every financial investment and are integral to our own strategy.

**RENEWABLES**

We commenced 2021 by completing a €12 million fundraise of a senior loan note with Amarenco Solar Group ("Amarenco"). The loan note was used to finance the roll out of the company business plan into a fully integrated solar photovoltaic business and grow its portfolio from 50MW to over 150 MW. This latest fundraise represents the 5th successful transaction we have completed with Amarenco which included the successful exit from three earlier investments. Looking into 2022 we expect to complete a further exit and work with Amarenco again on another funding round. In the five years we have been working with Amarenco the business has grown its turnover from €5 million to circa €58m with an EBITDA of circa €5 million in 2020 - a great achievement in such a short time frame. We are delighted to be involved with such a high growth business and one that has strong credentials in contributing to the transition from fossil fuels to renewable energy. We expect to see the likes of Amarenco grow further over the next 5 years with a forecast doubling of energy generated from renewable providers.

**IRISH WHISKEY**

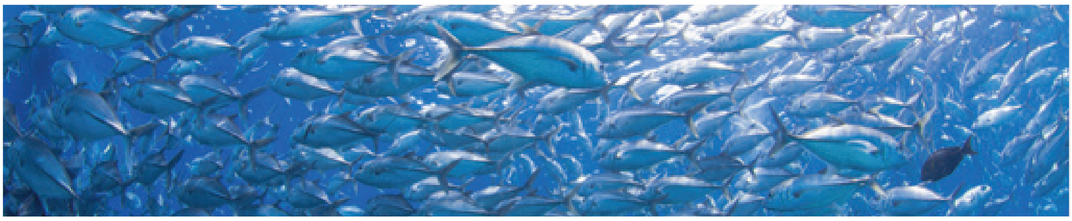
In the Irish whiskey sector we were involved in a number of transactions including an exit from both Great Northern Distillery and West Cork Distillery, while also investing in a €5m senior loan note issued by Powerscourt Distillery Limited. The exits from both Great Northern Distillery and West Cork Distillers represented a successful return on early stage EIIS investments from 2016 – demonstrating how the Employment and Investment Incentive Scheme (EIIS) remains a key source of funding for early stage, high growth businesses. Investors in both these schemes received their capital plus upside back and obtained the tax relief provided under the EIIS. We expect three further exits in 2022 with Great Northern Distillery, West Cork Distillers and Lough Gill Distillery. At the end of quarter 1 we completed a new senior loan note with Powerscourt Distillery. The loan note proceeds were used to finance the company's growth plans as they continue to lay down "new fill" whiskey stock while at the same time continuing

# 2021 YEAR IN REVIEW CONTINUED

to grow the Fercullen brand as a premium Irish whiskey. We expect to see continued growth in the market underpinned by strong global demand for Irish whiskey. According to the Irish Whiskey Association, global sales of Irish whiskey rebounded in 2021 and are likely to exceed 13 million cases for the first time ever. This is from a level of just under 5 million cases in 2010.

### REAL ESTATE

In the commercial real estate sector the full impact of Covid-19 has still to roll through in the new environment of remote working – something we thought could not work pre Covid-19, however has proved to be a remarkably robust working model in the professional services industry. Despite the uncertainty around the commercial office market, we are beginning to see tenant demand picking up again. Demand for Dublin office space dropped significantly when Covid hit from 5.4 million sqft in February 2020 to 3.5 million sqft in December 2020. Demand has now rebounded to nearly 5 million sqft. Feedback from businesses is that they expect staff to return to the office towards the end of Q1 2022, although hybrid working models look as if they are here to stay. The Park Carrickmines office investment made on behalf of private clients in 2017 has continued to perform strongly through the pandemic. The 130k sqft of space is near full occupancy with an annual rent roll in excess of €3 million. Through active asset management, average rent psqft has increased 30% since acquisition with the average lease term being extended from 2.5 years to 6 years.



### MARINE & BIO

2021 was the year for "Marine" and "Bio" as we completed transactions with Bio Atlantis Limited, Farra Marine and Bio-Marine Ingredients Limited. A €5 million private equity raise was completed for Bio Atlantis Limited, a specialist producer of crop bio-stimulants, in the early part of 2021. While in the latter part of the year, a €5 millionm private equity raise was completed with Farra Marine, an early stage start-up business in the Crew Transfer Vessel market – a high growth sector required for the roll out of the offshore wind energy market. Our final fundraise of 2021 was a €6 million senior loan note for BioMarine Ingredients, a producer of specialist marine proteins from blue whiting caught off the Irish coast. The investment in BioMarine Ingredients represents our continued support for the company which is forecast to become EBITDA positive in 2022 and commence works on the development of a new large scale production facility located in Killybegs. Investment in these three businesses reflects our commitment to identifying high growth companies in sustainable sectors such as renewable energy, bio-stimulants, and alternative proteins.

### TECHNOLOGY & HEALTCHARE

In the technology and healthcare sector, 2021 saw two successful exits from early stage EIIS investments. In Q1, Boxever, a global technology company, was sold to Sitecorp, a transaction that saw investors receive an IRR return in excess of 30%. This really did represent an excellent outcome for a business that with the onset of Covid-19 faced a challenging future having originally focused heavily on the aviation sector. However, further to raising the growth capital in 2017, the business sought to pivot from the aviation market into vertical markets such as gaming, banking and insurance. While in December, HealthBeacon successfully listed on the Euronext Growth Dublin Market showing a circa 2 times uplift in value on admission. The company successfully raised €25 million in new capital to fund the business growth plan and roll out into international markets with its smart sharps device. Both are excellent examples of businesses growing successfully from early stage EIIS investment and providing an attractive return to investors.

### SOCIAL HOUSING

2021 was also the year in which we were proud to launch the New Haven Social Housing Fund. The New Haven fund is focused on providing finance for the purchase of and development of social housing across the country. The fund raised initial seed capital of €20 million and by year end had invested in funding the development of 95 new residential units in Carrigtwohill in Cork and had completed the purchase of a newly built scheme of 24 apartments in Meath. The fund expects to complete a number of further transactions in the first half of 2022. We see the need for continued support from the private sector to meet the requirements of what continues to be a shortage of housing in both the private and social housing sectors. In order to resolve the social housing shortage both the public and private sector need to work together in providing an overall and long term solution to the continued shortage of housing stock in the Irish market. The New Haven fund is an Irish entity, funded by Irish investors to help deliver a long term solution to the shortage of social housing in the Irish market.

**In conclusion**, 2021 started off as a year with great potential and despite the prolonged Covid-19 restrictions, we are happy to say that that potential was realised, with a number of successful exits and continued investment opportunities in businesses that deliver a sustainable imprint in what they do, while also embracing the principles of ESG. Looking forward to 2022, we continue to see further opportunities in the renewable energy, food manufacturing and technology sectors, coupled with building out the New Haven Social Housing fund. The big change we take away from 2021 is that sustainable investment and the requirement to continue to fund renewable energy is now a cornerstone of both private and institutional investors – on the back of COP 26 the requirement to support businesses that demonstrate these long term sustainable goals is now a requirement for all investment classes. Lastly, as we progress into 2022, let's hope that the end of 2022 brings a means of managing Covid-19 in a manner which works with our everyday lives. What the past 2 years have shown is that people do adapt to changing circumstances and businesses also pivot to the changing needs of their markets.

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# Performance **DATA**

Winter 2022

PERFORMANCE DATA

# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES JANUARY 2022

## Cantor Fitzgerald Capital Protected Products

| Cantor Fitzgerald Capital Protected Products | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Index Performance[1] | 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 | 115.68 | 15.68% | 100% | | 15.68% | N/a | 30/04/2020 | Open Ended |
| ESG 85% PROGRESSIVE PROTECTION BOND | SGMDPP85 | 100 | 99.69 | -0.31% | 100% | | -0.31% | N/a | 30/07/2021 | Open Ended |
| PROTECTED STAR PERFOMERS BOND* | BNPIAFST | 130.53 | 147.87 | 13.29% | 180% | | 23.92% | N/a | 27/09/2016 | 30/09/2022 |
| PROTECTED STAR PERFOMERS BOND II* | BNPIAFST | 130.91 | 147.87 | 12.96% | 170% | | 22.03% | N/a | 16/12/2016 | 21/12/2022 |
| PROTECTED STAR PERFOMERS BOND III* | BNPIAFST | 133.58 | 147.87 | 10.70% | 170% | | 18.19% | N/a | 16/03/2017 | 22/03/2022 |
| PROTECTED STAR PERFOMERS BOND IV* | BNPIA2MT | 166.28 | 183.34 | 10.26% | 200% | | 20.52% | N/a | 24/05/2017 | 30/05/2022 |
| PROTECTED STAR PERFOMERS BOND V* | BNPIA2MT | 165.75 | 183.34 | 10.62% | 200% | | 21.23% | N/a | 26/07/2017 | 02/08/2022 |
| PROTECTED STAR PERFOMERS BOND VI* | BNPIA2MT | 166.02 | 183.34 | 10.44% | 200% | | 20.87% | N/a | 20/09/2017 | 27/09/2022 |
| PROTECTED STAR PERFOMERS BOND 7* | BNPIA2MT | 168.56 | 183.34 | 8.77% | 200% | | 17.54% | N/a | 24/11/2017 | 01/12/2022 |
| PROTECTED STAR PERFOMERS BOND 8* | BNPIA2MT | 168.78 | 183.34 | 8.63% | 200% | | 17.26% | N/a | 21/12/2017 | 28/12/2022 |
| PROTECTED STAR PERFOMERS BOND 9* | BNPIA2MT | 168.28 | 183.34 | 8.95% | 200% | | 17.90% | N/a | 09/03/2018 | 16/03/2023 |
| PROTECTED MOMENTUM BOND* | MSQTDFAA | 1.4629 | 1.4426 | -1.39% | 200% | | 0.00% | N/a | 27/09/2019 | 27/09/2024 |
| PROTECTED MOMENTUM BOND II | MSQTDFAA | 1.4640 | 1.4426 | -1.46% | 200% | | 0.00% | N/a | 22/11/2019 | 06/12/2024 |
| PROTECTED MOMENTUM BOND III* | MSQTDFAA | 1.5160 | 1.4426 | -4.84% | 200% | | 0.00% | N/a | 24/01/2020 | 31/01/2025 |
| PROTECTED MOMENTUM BOND IV* | MSQTDFAA | 1.3378 | 1.4426 | 7.83% | 200% | | 15.67% | N/a | 24/04/2020 | 31/03/2025 |
| PROTECTED MOMENTUM BOND V* | MSQTDFAA | 1.3780 | 1.4426 | 4.69% | 250% | | 11.72% | N/a | 22/05/2020 | 29/05/2025 |
| PROTECTED MOMENTUM BOND VI* | MSQTDFAA | 1.3924 | 1.4426 | 3.61% | 250% | | 9.01% | N/a | 24/07/2020 | 31/07/2025 |
| PROTECTED MOMENTUM BOND VII* | MSQTDFAA | 1.4073 | 1.4426 | 2.51% | 200% | | 5.02% | N/a | 23/11/2020 | 01/12/2025 |
| PROTECTED BEST SELECT BOND* | SGMDBSFE | 155.51 | 161.29 | 3.72% | 200% | | 7.43% | N/a | 15/06/2018 | 22/06/2023 |
| PROTECTED BEST SELECT BOND II* | SGMDBSFE | 152.86 | 161.29 | 5.52% | 200% | | 11.04% | N/a | 14/08/2018 | 21/08/2023 |
| PROTECTED BEST SELECT BOND III* | SGMDBSFE | 151.87 | 161.29 | 6.20% | 200% | | 12.41% | N/a | 26/09/2018 | 03/10/2023 |
| PROTECTED BEST SELECT BOND IV* | SGMDBSFE | 148.10 | 161.29 | 8.91% | 200% | | 17.81% | N/a | 02/11/2018 | 09/11/2023 |
| PROTECTED BEST SELECT BOND V* | SGMDBSFE | 143.95 | 161.29 | 12.05% | 200% | | 24.10% | N/a | 21/12/2018 | 02/01/2024 |
| PROTECTED BEST SELECT BOND 6* | SGMDBSFE | 148.01 | 161.29 | 8.98% | 200% | | 17.95% | N/a | 27/02/2019 | 05/03/2024 |
| PROTECTED BEST SELECT BOND 7* | SGMDBSFE | 149.98 | 161.29 | 7.54% | 200% | | 15.08% | N/a | 23/04/2019 | 30/04/2024 |
| PROTECTED BEST SELECT BOND 8* | SGMDBSFE | 147.95 | 161.29 | 9.02% | 200% | | 18.04% | N/a | 14/06/2019 | 21/06/2024 |
| PROTECTED BEST SELECT BOND 9* | SGMDBSFE | 150.42 | 161.29 | 7.23% | 180% | | 13.01% | N/a | 16/08/2019 | 23/08/2024 |
| US $ Dividend Aristocrats Bond III | SPXD8UE | 2255.84 | 2623.96 | 16.32% | 100% | 220% | 16.32% | 35.90% | 26/03/2019 | 06/03/2023 |
| US $ Dividend Aristocrats Bond IV | SPXD8UE | 2206.04 | 2623.96 | 18.94% | 80% | 200% | 15.16% | 37.89% | 31/05/2019 | 08/05/2023 |
| US $ Dividend Aristocrats Bond V | SPXD8UE | 2336.40 | 2623.96 | 12.31% | 50% | 170% | 6.15% | 20.92% | 26/07/2019 | 03/05/2023 |
| US $ Dividend Aristocrats Bond VI | SPXD8UE | 2357.33 | 2623.96 | 11.31% | 50% | 140% | 5.66% | 15.83% | 22/11/2019 | 29/10/2024 |
| US $ Dividend Aristocrats Bond VII | SPXD8UE | 2394.64 | 2623.96 | 9.58% | 50% | 140% | 4.79% | 13.41% | 21/02/2020 | 28/01/2025 |
| PROTECTED STOXX GLOBAL ESG LEADERS BOND | SGESGDSP | 193.65 | 224.09 | 15.72% | 100% | | 15.72% | N/a | 16/02/2021 | 26/02/2027 |
| PROTECTED STOXX GLOBAL ESG LEADERS BOND II | SGESGDSP | 205.7 | 224.09 | 8.94% | 100% | | 8.94% | N/a | 23/04/2021 | 30/04/2026 |
| PROTECTED ROBOTICS & AUTOMATION BOND | SOLIROBE | 359.16 | 481.54 | 34.07% | 100% | | 34.07% | N/a | 14/05/2021 | 21/04/2027 |
| PROTECTEDINNOVATIVE TECHNOLOGY BOND | NYGITXE5 | 1297.13 | 1345.33 | 3.72% | 100% | | 3.72% | N/a | 22/10/2021 | 06/10/2027 |

Source: Bloomberg.

1. All figures are indicative of underlying index performance only, using the latest data available on 5th January 2022, 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 |
|---|---|---|---|---|---|---|---|---|---|---|
| **90% PROTECTED ECOMMERCE BOND** | AMZN | 3201.65 | 3350.44 | 4.65% | Next Potential Coupon | 5% | | | | |
| | SKG | 38.72 | 49.25 | 27.20% | | | | | | |
| | FDX | 275.57 | 264.91 | -3.87% | | | | | | |
| | PYPL | 236.45 | 191.14 | -19.16% | | | **-10.0%** | 18/12/2020 | 18/05/2022 | 01/01/2027 |
| **BRAND LEADERS KICKOUT BOND** | BAS | 79.09 | 66.91 | -15.40% | Next Potential Coupon | 27.0% | | | | |
| | RYA | 13.49 | 16.61 | 23.17% | | | | | | |
| | SAMSUNG | 44800 | 77400 | 72.77% | | | | | | |
| | FP | 53.21 | 45.37 | -14.73% | | | **0%** | 21/08/2018 | 21/02/2022 | 21/08/2023 |
| **EURO BLUE CHIP KICKOUT BOND V** | ADS | 199.95 | 258.50 | 29.28% | Next Potential Coupon | 31.5% | | | | |
| | ABI | 102.15 | 56.37 | -44.82% | | | | | | |
| | BAYN | 107.00 | 48.52 | -54.65% | Star Feature >Initial = 100% | | | | | |
| | FP | 43.92 | 45.37 | 3.30% | | | **0%** | 04/08/2017 | 04/02/2022 | 18/08/2022 |
| **EURO BLUE CHIP KICKOUT BOND 8** | RYA | 15.79 | 16.61 | 5.19% | Next Potential Coupon | 10.0% | | | | |
| | ENGI | 11.46 | 13.28 | 15.84% | | | | | | |
| | CRH | 41.45 | 47.84 | 15.42% | Star Feature >Initial = 100% | | | | | |
| | SAN | 88.07 | 88.07 | 0.00% | | | **10%** | 23/07/2021 | 25/07/2022 | 30/07/2026 |
| **OIL & GAS KICK OUT IV** | RDSA | 26.98 | 20.59 | -23.68% | Next Potential Coupon | 20% | | | | |
| | FP | 50.33 | 45.37 | -9.85% | | | | | | |
| | BP/ | 5.34 | 3.51 | -34.31% | | | | | | |
| | XOM | 79.01 | 65.93 | -16.55% | | | **0%** | 08/03/2019 | 08/03/2022 | 15/03/2024 |
| **OIL & GAS KICK OUT V** | RDSA | 28.98 | 20.59 | -28.95% | Next Potential Coupon | 28.5% | | | | |
| | FP | 49.12 | 45.37 | -7.62% | | | | | | |
| | BP/ | 5.56 | 3.51 | -36.89% | | | | | | |
| | XOM | 77.69 | 65.93 | -15.14% | | | **0%** | 21/06/2019 | 21/06/2022 | 26/06/2024 |
| **OIL & GAS KICK OUT VI** | RDSA | 24.89 | 20.59 | -17.28% | Next Potential Coupon | 19.0% | | | | |
| | FP | 43.24 | 45.37 | 4.94% | | | | | | |
| | BP/ | 4.90 | 3.51 | -28.40% | | | | | | |
| | XOM | 68.30 | 65.93 | -3.47% | | | **0%** | 22/02/2019 | 22/02/2022 | 29/022024 |
| **EURO FINANCIALS KICKOUT BOND** | BNP | 68.40 | 63.88 | -6.61% | Next Potential Coupon | 40% | | | | |
| | GLE | 48.91 | 31.93 | -34.72% | | | | | | |
| | INGA | 15.72 | 12.70 | -19.21% | | | | | | |
| | SAN | 5.77 | 3.04 | -47.35% | | | **0.0%** | 06/10/2017 | 06/04/2022 | 20/10/2022 |
| **EURO FINANCIALS KICKOUT BOND II** | BNP | 62.85 | 63.88 | 1.64% | Next Potential Coupon | 35% | | | | |
| | GLE | 41.96 | 31.93 | -23.90% | | | | | | |
| | INGA | 15.00 | 12.70 | -15.31% | | | | | | |
| | SAN | 5.503 | 3.04 | -44.76% | | | **0.0%** | 01/12/2017 | 02/05/2022 | 15/12/2022 |
| **EURO FINANCIALS KICKOUT BOND III** | BNP | 65.10 | 63.88 | -1.87% | Next Potential Coupon | 35% | | | | |
| | GLE | 46.68 | 31.93 | -31.60% | | | | | | |
| | INGA | 14.72 | 12.70 | -13.72% | | | | | | |
| | SAN | 5.66 | 3.04 | -46.33% | | | **0.0%** | 22/02/2018 | 22/02/2022 | 08/03/2023 |
| **EURO FINANCIALS KICKOUT BOND IV** | BNP | 63.21 | 63.88 | 1.06% | Next Potential Coupon | 37.5% | | | | |
| | GLE | 45.60 | 31.93 | -29.97% | | | | | | |
| | INGA | 14.26 | 12.70 | -10.91% | | | | | | |
| | SAN | 5.51 | 3.04 | -44.81% | | | **0.0%** | 20/04/2018 | 20/10/2021 | 27/04/2023 |
| **4.5% Fixed Income Bond** | SKG | 25.53 | 49.25 | 92.91% | Next Potential Coupon | 4.5% | | | | |
| | RIO | 45.19 | 49.58 | 9.73% | | | **9.0%** | 07/06/2019 | 07/06/2022 | 14/06/2023 |

Source: Bloomberg.

# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES JANUARY 2022 continued

## Cantor Fitzgerald Kick Out Notes continued

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

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