Green Effects Fund FACTSHEET

FEBRUARY 2022

CANTOR Fitzgerald

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	€371.71
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 31/1/2022*

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€187.04m
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 2017 dividend income received. The fund does not distribute income to investors. All dividend income is reflected within the NAV price of the fund.

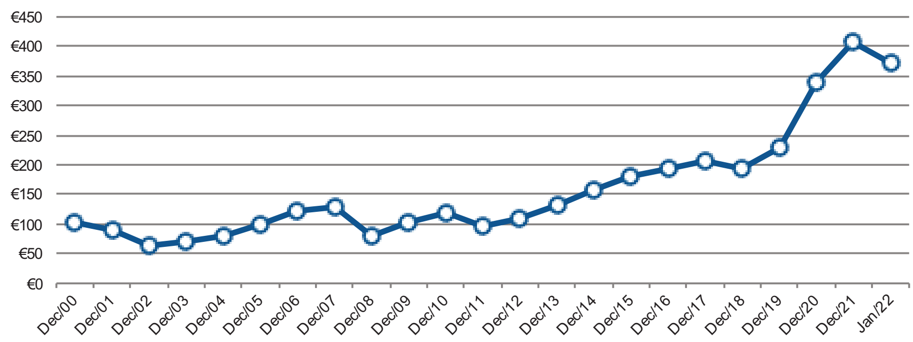
Total number of holdings

Number of holdings	30

Market Capitalisation Exposure

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

GREEN EFFECTS FUND NAV SINCE INCEPTION



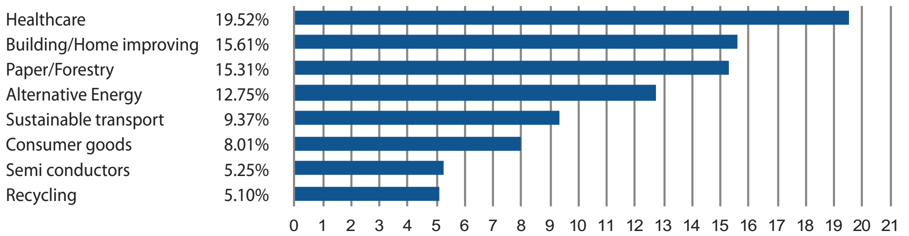
Source: Cantor Fitzgerald Ireland Ltd Research

ESMA RISK RATING

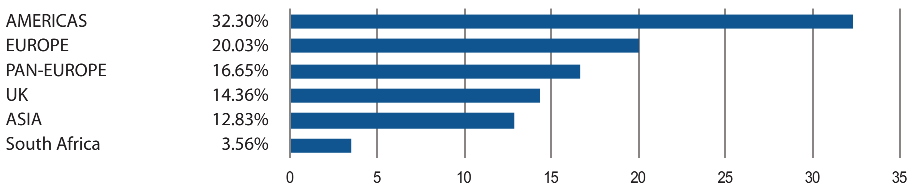
Lower Risk	1	2	3	4	5	**6**	7	Higher Risk

Typically Lower Rewards — Typically Higher Rewards

LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	-8.75%	-8.75%	5.84%	21.54%	13.90%	13.88%	6.16%
MSCI World €	-3.86%	-3.86%	26.59%	17.97%	12.96%	13.90%	5.51%
S&P 500 €	-3.76%	-3.76%	33.31%	21.50%	15.84%	17.18%	6.47%
Euro STOXX 50	-2.74%	-2.74%	22.96%	12.92%	8.60%	9.44%	2.67%

*As of 31/1/2022. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.*

email: **greeneffects@cantor.com**

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Top 15 Positions

MOLINA	7.48%
SMITH & NEPHEW	7.13%
VESTAS	6.62%
KINGFISHER	5.90%
ACCIONA	5.60%
MAYR MELNHOF	4.94%
SVENSKA CELLULOSA	4.54%
TOMRA SYSTEMS	4.41%
STEICO	4.11%
TESLA INC	3.80%
AIXTRON AG	3.78%
KURITA	3.49%
SHIMANO	3.38%
ASPEN PHARMACARE	3.33%
POTLATCH	3.16%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Information Technology	8.2%	23.7%
Financials	0.3%	13.2%
Health Care	19.5%	12.6%
Consumer Discretionary	13.1%	12.3%
Industrials	27.7%	10.2%
Communication Services	0.4%	8.3%
Consumer Staples	3.0%	6.9%
Materials	9.7%	4.2%
Energy	0.0%	3.1%
Utilities	8.1%	2.7%
Real Estate	3.2%	2.8%
Cash	6.8%	0.0%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Manager Comment

The Green Effects Fund NAV price ended January at €374.71 which was a return of -8.75% for the month. The largest detractors from the NAV move on the month were Tomra Systems (-1.75%), Vestas Wind Systems (-0.81%), BioNTech SE (-0.70%) and Shimano (-0.58%). The more "growth" orientated names underperformed as higher rates prompted a rotation out of these types of sectors. In what was their worst month since March 2020, global equities fell over January (by circa 4% on average). Having hit new all-time highs in the first few trading days of the year, equities fell and bond yields rose on hawkish guidance from the US Federal Reserve (Fed). In early January the Fed suggested a faster pace of policy tightening than was expected, both in terms of the likely number of interest rate rises during 2022 and the timing and pace of the reduction of the Fed's balance sheet. Rising political tensions over fears of a Russian invasion of Ukraine added to uncertainty while the stronger oil price added pressure to already strong inflation readings. On a more positive note, Q4 GDP releases in many regions showed the global economy was very strong and grew around 6% on an annualised basis in the fourth quarter.

Vestas shares were 15% lower on the month following a profit warning from peer Siemens Gamesa and general rotation out of growth names (on higher rates). Vestas itself issued weak guidance in December. Key issues facing the sector continue to be around logistics (supply) and input costs (copper, aluminium etc) and impact on margins. The company has a strong order book globally and has guided margins of between 3% to 4% for FY22 and our medium term view remains positive on the market leader in its field. We do expect the inflation and logistics issues to continue to be an issue for FY22 however at current levels we feel the valuation offers compelling value in a sector which is a structural growth story in the global quest for lower carbon emissions.

In early January **Tesla** reported strong Q4 delivery numbers roughly 15% ahead of consensus. On an annualised basis consensus forecasts are now for circa 1.25m unit deliveries in FY22 which assumes little or no contributions from new giga factories in Berlin and Austin Texas. Another notable improvement in its quarterly earnings update was the gross margin number for a Tesla car in 4Q21 of 31%. The group also posted an operating margin of 12.1% in 2021 vs. 6.3% in 2020. The shares were down 13% on the month and the fund used this weakness to add to exposure. As mentioned late last year the US Government passed the biggest US infrastructure package in decades. The bill includes $7.5 billion spending for building out a network of electric vehicle chargers.

The most imminent short-term risk to markets relates to the Russia/Ukraine crisis, where Russia's invasion of Ukraine could result in sharply higher commodity prices and weaker growth in the global economy, with Europe being most exposed. Despite the near-term risks and weaker start to the year for the fund we continue to believe a number of key structural themes within the fund offer investors with an ESG bias meaningful upside over the medium to long term. The oil price alone has risen by circa 20% during the month. We expect the ongoing push by governments and corporates towards "net zero" to benefit those alternative energy companies involved in the energy transition globally. Equally the cost of electricity and home heating continues to put massive pressure on local governments in terms of the impact on the day-to-day cost of living. In Ireland and the UK there have been significant initiatives announced around retrofitting residential housing stock in an effort to improve energy ratings and reduce overall energy costs. Companies like **Kingfisher** (UK) and **Steico** (Germany) would be key benefactors of these types of initiatives over the medium term.

On the month the fund added exposure to **Nvidia** (+1.0%), the mega cap semiconductor company, following its addition to the NAI Index in early December 2021. Holdings in **Kingfisher** (+0.50%), **Molina Healthcare** (+0.5%), **Tesla** (+1.0%) and **Li-Cycle** (+0.50%, a new addition to the fund also in December) were also increased.

The cash holding within the fund at month end was circa 7%.

Annual Returns

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
-11.25%	-30.00%	9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%	31.28%	13.47%	-19.61%
2012	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
16.02%	19.87%	18.42%	15.72%	6.62%	6.8%	-5.91%	23.34%	42.70%	19.78%	-8.75%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust

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