

# Green Effects Fund FACTSHEET

APRIL 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	€388.06
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 31/3/2022

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

## Fund & Share Class Information

Fund Size	€197.76m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

## Historic Yield

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

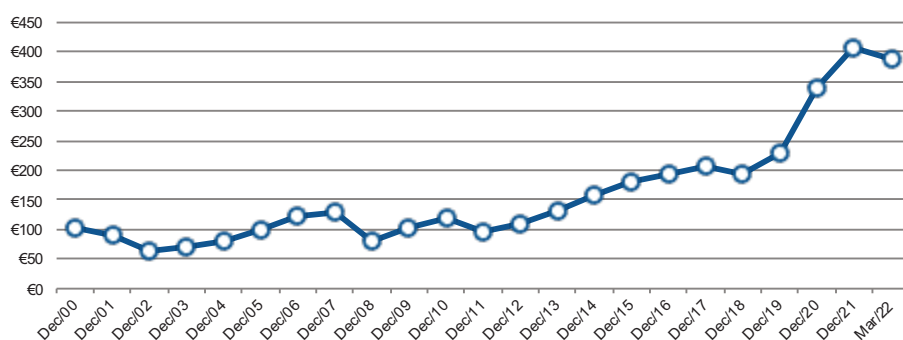
## Total number of holdings

Number of holdings	30
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## Market Capitalisation Exposure

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

## GREEN EFFECTS FUND NAV SINCE INCEPTION

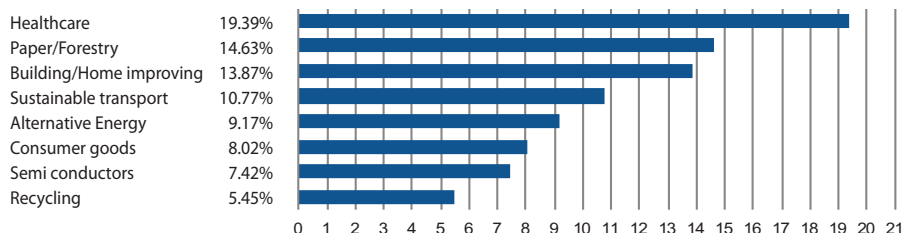


Source: Cantor Fitzgerald Ireland Ltd Research

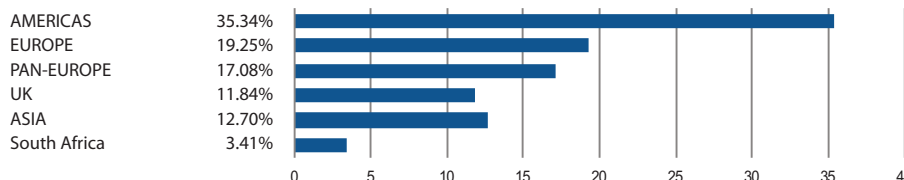
## ESMA RISK RATING



## LARGEST SECTOR EXPOSURE %



## GEOGRAPHIC EXPOSURE %



## Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	3.43%	-4.74%	4.14%	21.89%	14.38%	13.86%	6.33%
MSCI World €	3.94%	-2.43%	17.28%	16.04%	12.23%	13.60%	5.54%
S&P 500 €	4.86%	-1.99%	22.60%	19.38%	15.15%	16.75%	6.51%
Euro STOXX 50	-0.42%	-8.86%	2.10%	8.26%	5.41%	8.45%	2.34%

As of 31/3/2022. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

MOLINA	8.18%
SMITH & NEPHEW	6.49%
VESTAS	6.39%
ACCIONA	5.96%
SVENSKA CELLULOSA	4.94%
TESLA INC	4.77%
MAYR MELNHOF	4.38%
TOMRA SYSTEMS	4.37%
KINGFISHER	4.26%
AIXTRON AG	3.94%
SHIMANO	3.85%
STEICO	3.65%
NVIDIA	3.49%
ASPEN PHARMACARE	3.22%
KURITA	3.10%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Cash	5.38%	0.00%
Energy	0.00%	4.08%
Financials	0.30%	14.00%
Communication Services	0.46%	8.00%
Real Estate	2.96%	2.71%
Consumer Staples	3.66%	7.20%
Utilities	8.74%	2.83%
Information Technology	10.35%	22.41%
Materials	9.68%	4.39%
Consumer Discretionary	12.88%	11.64%
Health Care	19.39%	12.61%
Industrials	26.23%	10.13%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund NAV ended the month at €388.06 which was a return of +3.43% for the month of March. Despite the ongoing war in Ukraine and the energy price shock (oil), global equities rebounded on the month from the particularly oversold levels experienced during February. The US Federal Reserve delivered its first hike (0.25%) since 2018 during the month.

The initial market positivity (mid-month) was fuelled by more pro-business commentary from the Chinese authorities with regards to the regulatory framework towards their own technology sector and the policy framework for growth in general. This saw some of the largest rallies in history for Chinese equities, and in particular their large technology platform companies. These moves spread to the west and were broadly uninterrupted by neither a hawkish Federal Reserve statement, press conference nor subsequent speeches. In recent weeks the market has fully priced in the next rate move from the Fed being a 0.50% hike. Yields have continued to edge higher while equities continue to remain resilient. From its mid-month lows, the Nasdaq rallied by circa 17% to month end. Despite this type of move in the higher growth area of the market, sentiment remains quite negative, however, pockets of hope appeared within days of month end with news of a potential reduction in military operations by Russia in Ukraine.

From a macro perspective, Governments around the world, from Germany to California, appear to be organising further fiscal transfers to remove the burden of higher energy prices from the consumer, thereby alleviating some of the recession fears that are lingering globally. A general expectation of an increase in fiscal spending, in the EU in particular, as a result of the conflict is keeping GDP expectations higher than they otherwise would have been. The fight towards lower emissions is likely to see a significant investment over the next decade as the task appears only to be getting more important given what has unfolded during the Ukrainian conflict. The energy transition challenge and opportunity exacerbated by the Ukrainian conflict was perfectly summarised by Mainstream Renewable Power CEO (Mary Quaney) when she noted during the month "There has never been a more critical time in the history of our planet to accelerate the global transition to renewable energy." The business, founded by Dr Eddie O'Connor, raised a further €575m during the month, valuing the business at over €2.1bn.

In company specific news this month, **Pearson**, the educational Group, said it had rejected two takeover approaches from investment firm Apollo (APO.N), saying its latest \$8.5bn possible cash offer undervalued the business, which was confident in its own strategy. **Tesla** confirmed plans to ask shareholders to approve a stock split in the coming weeks. The shares were higher by circa 25% on the month as markets focused on the future growth prospects for the Group, supported by new Giga factories in Berlin and Texas. In other news, Hertz Global Holdings Inc added Tesla's electric mid-size SUV Model Y to its electric vehicle fleet. The development comes months after Hertz announced its order to purchase 100,000 electric cars from Tesla, primarily the EV maker's Model 3 vehicles. British home improvement retailer **Kingfisher**, which owns B&Q and Screwfix in the United Kingdom, reported record annual revenue and profit driven by the COVID-19 pandemic and said it had made an encouraging start to its new year, despite heightened macroeconomic and geopolitical uncertainty. The shares ended the month lower by circa 10% despite strong results and the ongoing share buyback programme. The valuation for the Group remains attractive (10x earnings) and while short term supply constraints and input cost inflation are likely to be an issue for the business, it remains a core holding for the fund. The retrofit agenda in the UK and France is only likely to gain momentum, driven by Government supports and increased grants across the region. Chip maker **Nvidia** held a capital markets day during the month which was well received by the market. The Group outlined its planned offerings to further extend the company's leadership position in accelerated computing. The stock was added to the NAI Index and the Green Effects Fund in early December 2021, and it is worth highlighting the simple but effective message recently from the Group CEO when he noted Nvidia's key goal to "Do the really hard things that no one has done – whose solutions will have a great impact on society."

During the month of March, the fund increased exposure to large cap growth stocks Nvidia (+2%) and Tesla (+1%). Exposure to Shamano, the Japanese bicycle parts manufacturer was increased by 0.50%. Lastly, during the month, the exposure to Vestas Wind Systems was reduced by circa 0.75% following the +30% rally during late February and early March. The cash weighting at month end within the fund was circa 5%.

## 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%	-4.70%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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