Green Effects Fund FACTSHEET
AUGUST 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	★★★★★
SFDR Designation	Article 9
Fund Inception	Oct 2000
MSCI ESG Rating	AA
NAV	€379.68
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 31/7/2022*
Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€195.71m
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.

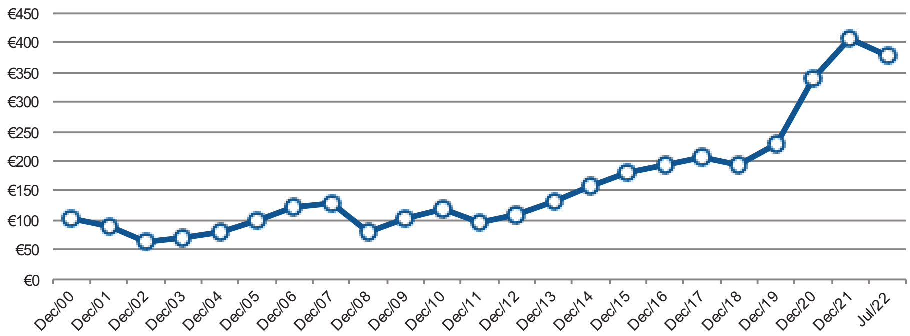
Total number of holdings

Number of holdings	30

Market Capitalisation Exposure

Large: > €3bn	60.08%
Medium: €500m - €3bn	37.11%
Small: < €500m	2.81%

GREEN EFFECTS FUND NAV SINCE INCEPTION



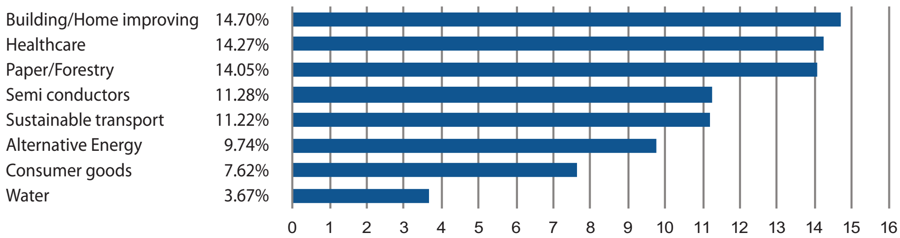
Source: Cantor Fitzgerald Ireland Ltd Research

ESMA RISK RATING

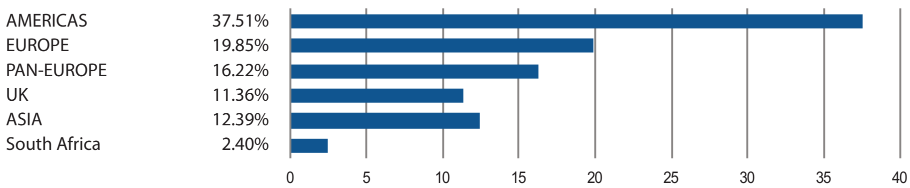
Lower Risk	1	2	3	4	5	**6**	7	Higher Risk

Typically Lower Rewards — Typically Higher Rewards

LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	11.7	-6.8	-4.0	21.2	13.7
MSCI World €	11.0	-3.9	6.2	13.4	12.7
S&P 500 €	12.3	-2.4	10.9	16.7	16.2
Euro STOXX 50	7.5	-11.2	-6.2	5.2	4.7

*As of 31/07/2022. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.*

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Green Effects Fund FACTSHEET AUGUST 2022

Top 15 Positions

NVIDIA	7.13%
ACCIONA	6.96%
VESTAS	6.64%
TESLA INC	6.07%
SMITH & NEPHEW	5.76%
MOLINA	4.63%
KINGFISHER	4.54%
TOMRA SYSTEMS	4.34%
MAYR MELNHOF	4.27%
AIXTRON AG	4.14%
SVENSKA CELLULOSA	4.01%
KURITA	3.67%
STEICO	3.19%
SHIMANO	3.05%
POTLATCH	3.03%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Cash	5.10%	0.00%
Energy	0.00%	4.97%
Financials	0.27%	14.61%
Communication Services	0.48%	7.41%
Real Estate	3.03%	2.98%
Consumer Staples	3.31%	7.76%
Utilities	10.06%	3.07%
Information Technology	14.22%	20.52%
Materials	8.54%	3.94%
Consumer Discretionary	13.66%	10.95%
Health Care	14.27%	13.62%
Industrials	27.05%	10.17%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Manager Comment

The Green Effects Fund NAV price ended July at EUR379.68 which was a return of +11.7% for the month.

The largest positive contributors to the NAV move on the month were Vestas Wind Systems (+1.24%), Nvidia (+1.22%) and Tesla (+1.18%).

The Federal Reserve in the US hiked rates by another 0.75% as expected but interestingly their tone appeared to "pivot" somewhat with respect to future rate hikes being on a "meeting by meeting" basis. Commodity prices have fallen over the month (including food & oil) and while the headline CPI was higher than forecasts we may have reached peak inflation at or around current levels. It is worth pointing out the one month return for a selection of commodities at the time of writing (29/7/22) with Gasoline (-17%), Oil (-7%), Corn (-9%) and Copper (-12%). Interestingly the US interest rate futures markets are now pricing in circa 0.75% of rate cuts towards the end of 2023. The rebound in the growth orientated names within the Fund (and the Nasdaq/Tech sector in general) was very much driven by lower bond yields on the month and a tempering of rate expectations into 2023.

Specifically related to this point on lower commodity prices, **Vestas** rebounded strongly during the month (+20%). Though the run-up in steel costs is squeezing 2022 profit margins at Vestas, we expect there is room for improvement in 2023 if the current trend of lower industrial commodity prices continue. It is worth noting the price of steel has declined about 50% since hitting a peak in March. Steel is a key material used to produce wind turbines, representing about 80% of the product's total weight. Analysts expect profit margins for Vestas to return to circa 10% (from 4% this year) in 2023. The stock remains a key long-term position for the Fund given its crucial roll in lower carbon emissions and the journey to net zero. The energy crisis is fundamentally positive for the renewables industry as it has continually been proven that renewables are the cheapest and cleanest way to further increase energy independence

Climate Change remained front and centre during the month as an endless list of broken temperature records across Europe (in particular France) and the UK. However, whilst the Western press competes for hot-weather front page puns and "crazy" pictures, the UN Secretary General made a sobering point during the month at the Petersberg Climate Dialogue event in Berlin – "People in Africa, South Asia and Central and South America are 15 times more likely to die from extreme weather events," Guterres said.

Most notably, in an unexpected move, on Thursday 28th July Maverick Democratic Senator Joe Manchin agreed to support a new bill with $369bn for carbon reduction and energy investment, unexpectedly breathing new life into President Joe Biden's faltering US climate agenda. This is a massive move from the US administration and paves the way for hundreds of billions of dollars to be pumped into programs designed to speed the country's transition away from an economy based largely on fossil fuels and toward cleaner energy sources. The deal would provide billions of dollars in tax credits over 10 years for companies that build new sources of emissions-free electricity, such as wind turbines, solar panels, battery storage, geothermal plants or advanced nuclear reactors. A Green Bank is to be set up with $27bn of seed funding to invest in zero-emission technology and there is a provision to speed up environmental permitting. Finally within the bill there was were credits of up to $7,500 for the purchase of zero-emissions electric vehicles. Transportation generates around a quarter of U.S. greenhouse gas emissions.

It was a busy month in terms of earnings for several fund constituents providing updates with the main highlights being:

- **Tesla** Q2 EPS came in 25% ahead at $2.27 vs $1.81 on revenues +3% better. While the Automotive Gross margin was impacted by temporary decline in Shanghai production (due to lock downs) the overall results were particularly strong. The group reiterated its target of 50% growth in unit deliveries for FY22. At its current run rate the company may well hit a total unit delivery of 2m for FY23.
- **Smith & Nephew** posted results broadly in line with expectations however shares were weaker following negative comments around the combined impact of supply chain disruptions and the COVID-19 lockdowns in China. The company now expects trading profit margin of 17.5% for FY22 versus previous guidance of 18.5%.
- **Aixtron** reported quarterly earnings that were circa 7% ahead of analyst forecasts and noted its highest quarterly order intake ever. The shares were circa 10% higher on the month and have rallied by nearly 50% this year.
- **Kingfisher**, the UK home improvement group, confirmed it had completed its first share buyback tranche of £75m. The shares underperformed on the month however following poor results from its UK peer, Wicks plc. This company sited softening demand in its UK DIY business in recent weeks.

During the month the Fund increased its exposure to Nvidia and Tesla while reducing its exposure to US healthcare group Molina. At the time of writing the Fund held circa 3.6% in cash.

Lastly the Fund has been awarded an "Article 9" designation under SFDR by the Central Bank of Ireland. This is an important milestone for the fund and a significant differentiating factor for clients and advisors looking for an appropriate ESG fund. The Sustainable Finance Disclosure Regulation (SFDR) is a European regulation introduced to improve transparency in the market for sustainable investment products, to prevent greenwashing and to increase transparency around sustainability claims made by financial market participants. The Green Effects Fund has more than a 22 year track record and a 5-star rating from Morningstar.

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%	-6.79%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust

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