

# Green Effects Fund FACTSHEET

## FEBRUARY 2023



### 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	€ 349.03
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 31/01/23

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

### Fund & Share Class Information

Fund Size	€ 172.63m
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.

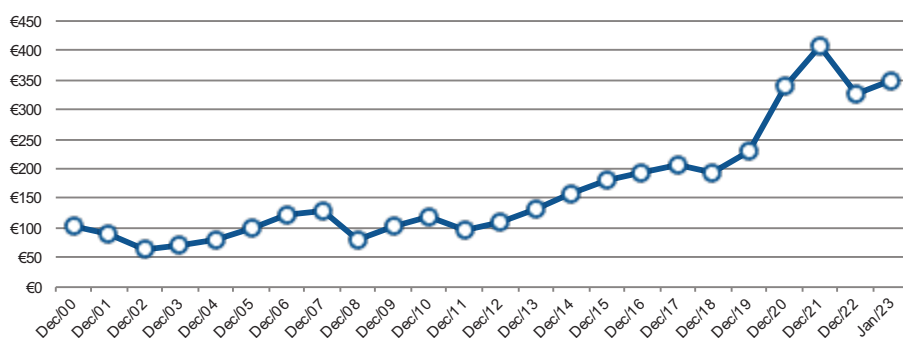
### Total number of holdings

Number of holdings	30
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### Market Capitalisation Exposure

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

### GREEN EFFECTS FUND NAV SINCE INCEPTION

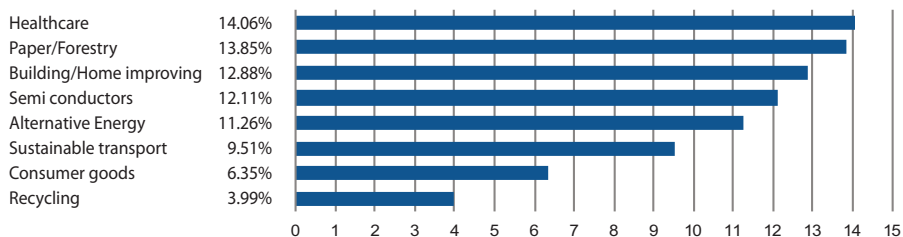


Source: Cantor Fitzgerald Ireland Ltd Research

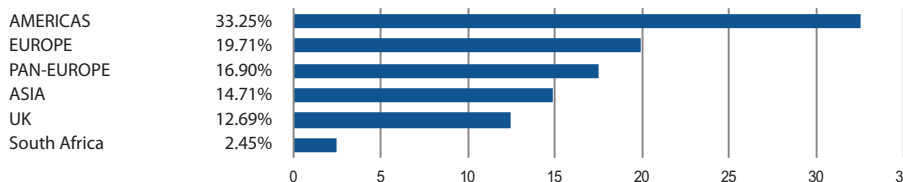
### ESMA RISK RATING



### LARGEST SECTOR EXPOSURE %



### GEOGRAPHIC EXPOSURE %



### Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	6.7	6.7	-6.1	11.9	11.1
MSCI World €	5.6	5.6	-3.9	8.8	10.0
S&P 500 €	4.8	4.8	-5.2	10.6	12.5
Euro STOXX 50	9.9	9.9	3.4	7.7	6.2

As of 31/01/23. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

VESTAS	8.15%
NVIDIA	7.40%
SMITH & NEPHEW	6.68%
ACCIONA	6.51%
AIXTRON AG	4.71%
MAYR MELNHOF	4.42%
SHIMANO	4.35%
KINGFISHER	4.30%
KURITA	4.03%
MOLINA	3.78%
SVENSKA CELLULOSA	3.76%
TOMRA SYSTEMS	3.23%
POTLATCH	2.98%
TESLA INC	2.94%
ORMAT	2.85%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Cash	8.89%	0.00%
Energy	0.00%	5.69%
Financials	0.24%	15.66%
Communication Services	0.00%	6.51%
Real Estate	2.98%	2.79%
Consumer Staples	3.17%	8.12%
Utilities	9.63%	3.14%
Information Technology	14.91%	18.64%
Materials	8.45%	4.31%
Consumer Discretionary	12.18%	9.66%
Health Care	14.06%	14.63%
Industrials	25.50%	10.85%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund NAV ended January at **€349.03** which was a return of **+6.70%** for the month.

The largest contributors to the NAV move on the month were Nvidia (+2.04%), Tesla (+1.21%), Kingfisher (+0.73%) and Shimano (+0.39%).

Largest detractors from the NAV move were Molina Healthcare (-0.30%) and Vestas (-0.15%).

Equities rebounded solidly in January, with a drop in bond yields helping 'growth' style stocks and indices in particular. Emerging-market equities have gotten off to a particularly good start this year, with China's re-awakening seen as further boosting the prospects for Asian stocks in particular. Notably during the month Real US GDP growth came in at 2.9% annualised in Q4 22, down from Q3 (3.2%) but better than expected. US data has been much better than expected so far in 2023 leading to expectations that US rates may top out at 5.25% during H1 2023 (higher than expected towards the end of last year). Equally in Europe the market is now forecasting that the ECB hits a peak base rate of circa 3.75% by H2 2023.

The Chinese economy will likely rebound in 2023, as the government has pledged to prioritise growth and restore confidence after three years of its 'zero-covid policy'. We will likely see a revival in domestic consumption from the persistently muted levels of the past three years. While the Green Effects Fund has no direct exposure to Chinese listed equities it does have several holdings with considerable exposure to the region (**Nvidia, Aixtron and Tesla**). Global trade indicators and economic data points are still below their pre-pandemic trend, but business sentiment appears to be stabilising in Europe, new orders have been picking up in emerging markets and global supply-chain bottlenecks continue to ease (as most recently mentioned by Vestas and Shimano). Equally the employment market in the US remains strong and most recent Retail Sales data pointed to a relatively solid consumer spending outlook.

Energy transition remains a key investment theme for the fund. The scale of the opportunity and challenge for global Wind Energy was well put by the International Energy Agency (IEA) in early January. "Renewable capacity expansion in the next five years will be much faster than what was expected just a year ago. Over 2022-2027, renewables are seen growing by almost 2 400 GW in our main forecast, equal to the entire installed power capacity of China today. That's an 85% acceleration from the previous five years, and almost 30% higher than what was forecast in last year's report, making it our largest ever upward revision".

**Vestas** reported FY22 results during the month. As expected, the group confirmed it was a year of sharply higher costs, lower completed orders and weaker EBIT margin guidance. However since early December the stock has performed well on the premise that we may well have seen an inflection point in earnings for wind-turbine manufacturers. The regulatory support for the industry is "unprecedented" (particularly in the US and Europe) and provides visibility for wind-turbine makers over the medium term in our view. Notably the two significant pieces of legislation brought into action last year (US Anti Inflation Act and EU RePower) represent a significant structural tailwind for the sector. At the time of writing **Vestas** remains one of the largest holdings in the Fund (small reduction in the holding during the month given the +20% rally from early December).

During the month the Fund reduced its weighting in Tesla by 0.50% and Nvidia by 1.00% given the particularly strong price momentum since the December 2022 recent market low.

At the time of writing the Fund had circa 7% in cash.

## Annual Returns

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
-30.00%	9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%	31.28%	13.47%	-19.61%	16.02%
2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
19.87%	18.42%	15.72%	6.62%	6.8%	-5.91%	23.34%	42.70%	19.78%	-19.70%	6.70%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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