

Green Effects Fund FACTSHEET

OCTOBER 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	€330.36
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 30/09/2022

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€172.65m
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.

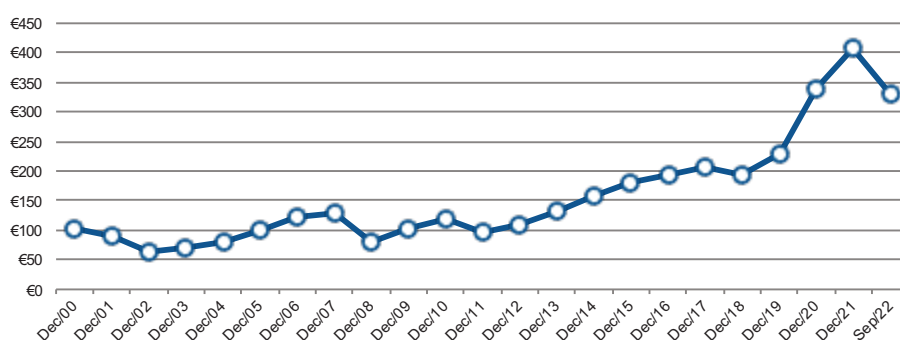
Total number of holdings

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

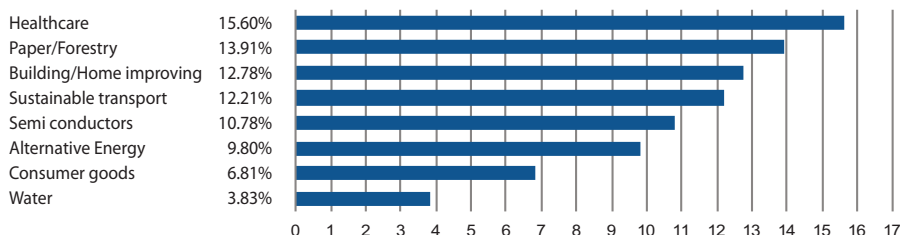


Source: Cantor Fitzgerald Ireland Ltd Research

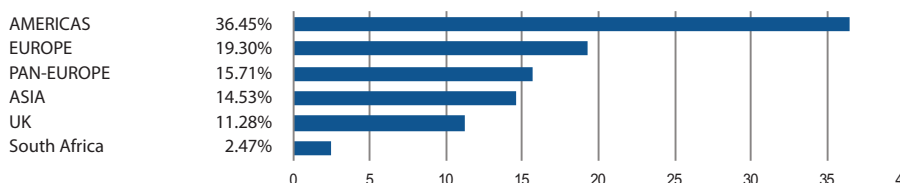
ESMA RISK RATING



LARGEST SECTOR EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-10.3	-18.9	-17.5	15.0	10.1
MSCI World €	-6.8	-12.9	-4.5	8.9	9.9
S&P 500 €	-6.8	-11.5	-0.1	12.1	13.4
Euro STOXX 50	-5.5	-20.4	-15.2	0.4	1.6

As of 30/9/2022. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.

Top 15 Positions

ACCIONA	7.10%
VESTAS	6.34%
SMITH & NEPHEW	6.25%
NVIDIA	6.12%
TESLA INC	5.64%
MOLINA	5.50%
AIXTRON AG	4.66%
SVENSKA CELLULOSA	4.18%
SHIMANO	4.12%
MAYR MELNHOF	4.10%
TOMRA SYSTEMS	3.89%
KURITA	3.83%
KINGFISHER	3.69%
ORMAT	3.19%
RICOH	3.18%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	GE	MSCI
Information Technology	18.5%	20.2%
Financials	6.8%	14.8%
Health Care	16.7%	13.4%
Consumer Discretionary	15.0%	10.9%
Industrials	18.4%	10.2%
Communication Services	0.6%	7.4%
Consumer Staples	5.8%	7.9%
Materials	6.9%	4.0%
Energy	0.0%	5.3%
Utilities	8.1%	3.2%
Real Estate	3.2%	3.0%
Cash	0.1%	0.0%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Manager Comment

The Green Effects Fund NAV ended the month at **€330.36** which was a return of **-10.25%** for September.

Largest detractors from the NAV move on the month were Vestas (-1.62%), Steico (-1.36%), Nvidia (-1.08%) and Tomra Systems (-0.93%). Largest contributors were Aixtron (+0.20%), Smith & Nephew (+0.15%) and Tesla (+0.14%). The "growth" focused names within the portfolio were particularly impacted given the sharp move higher in rates and the implication on growth expectations globally.

Equities continued their move lower as the fallout from the most recent Fed announcement and press conference continued to focus on rising rates and sticky inflation that will likely be around for some time and won't be as "transitory" as once hoped earlier this summer. The US 2yr benchmark yield traded above 4.25% during the month. UK Chancellor Kwasi Kwarteng unveiled the biggest package of tax cuts in 50 years, as he hailed a "new era" for the UK economy. Income tax and the stamp duty on home purchases will be cut and planned rises in business taxes have been scrapped. It came as the Bank of England warned the UK may already be in recession. Government ministers announced a series of measures aimed at boosting growth and stimulating investment. We saw a significant market reaction with the pound tumbling and government bond prices dramatically depreciating. Circa 15% of the Green Effects Fund is invested in UK quoted equities (Kingfisher, Pearson and Smith & Nephew plc). The most exposed stock to the UK economy would be Kingfisher, the owner of UK home improvement group B&Q which the fund reduced exposure to during the month.

On a global scale central banks delivered a combined 600bps of tightening during the last week of September, bringing the total number of global rate hikes this year to over 150, as they belatedly attempt to tackle inflation. The UK's 'mini budget' featured the largest tax cuts since 1972. The rapid depreciation of the yen forced the Japanese ministry of finance to intervene in currency markets for the first time since 1998, while the Fed and the Swiss National Bank (SNB) announced 75bps hikes. The widely expected Fed hike was accompanied by more hawkish rhetoric and a dot plot pointing to ever-higher rates as the US central bank tries to push the entire yield curve above the inflation rate.

In company specific news during the month **Kingfisher** reported quarterly earnings and noted that for the balance of year, the company has several trading scenarios to take into account with the potential for a more uncertain macroeconomic environment. Revenue for the period was £6.81B compared with £7.10B a year-ago. **Steico**, is a German listed world market leader in wood fiber insulation materials. The group reported results broadly in line with expectations during the month however the it noted a softer demand outlook in housing and commercial building driven by higher rates and input costs. However the company did note ongoing government supports across Europe should help to stabilise demand over the medium term. During the month **Tesla** confirmed its plans to double its vehicle sales in Germany this year. This would equate to the delivery of circa 80,000 units in the German market this year. **Nvidia**, one of the world's largest Semi-Conductor makers, noted that U.S. officials told it to stop exporting two top computing chips for artificial intelligence work to China, a move that could cripple Chinese firms' ability to carry out advanced work like image recognition and hamper Nvidia's business in the country. The company has already recognised a revenue impairment charge of circa \$400m. Given the ongoing global digitalisation trend, the company is well placed to benefit from the significant growth opportunity within Electric Cars, Digital healthcare and the digitalisation of domestic appliances. Higher growth names have been materially impacted by the sharp rise in US Rates, we do think we are closer to the end of this rate hike cycle and expect US rates to top out by the end of 2022 or early 2023. **United Natural Foods**, is a US based natural and organic food company. It is the largest publicly traded wholesale distributor of health and specialty food in the US and Canada, it is Whole Foods Market's main supplier. Despite supply chain challenges and higher energy costs the company announced a new share buyback programme of \$200m.

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%	-18.9%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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