

Green Effects Fund FACTSHEET

JUNE 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
NAV	€352.04
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 31/5/23

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

Fund & Share Class Information

Fund Size	€191.98m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

ESG Rating

	Fund	MSCI World
MSCI ESG Rating	AAA	AA
MSCI Avg ESG Score	7.51	6.77
MSCI Quality	9.23	8.04
MSCI Carbon Intensity	51.12	151.5

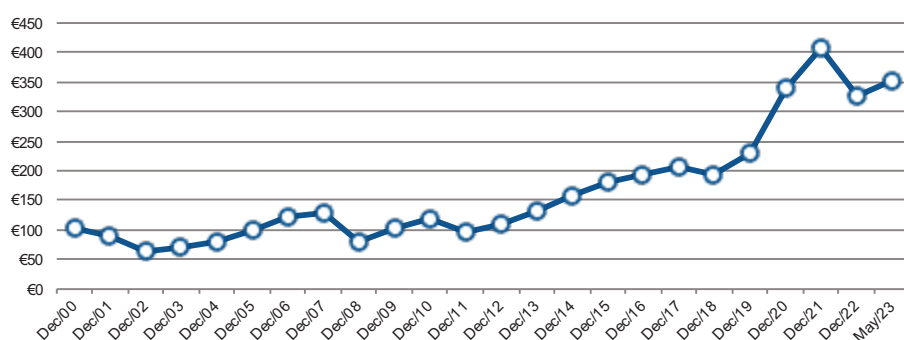
Total number of holdings

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

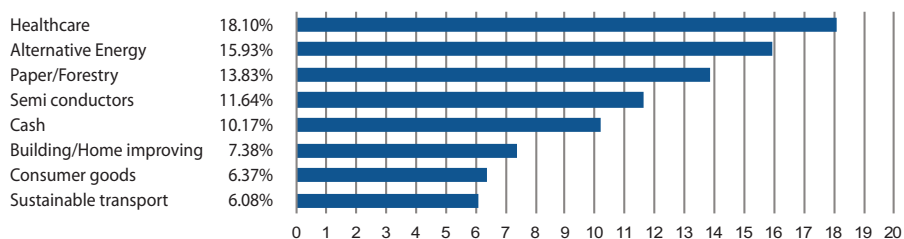


Source: Cantor Fitzgerald Ireland Ltd Research

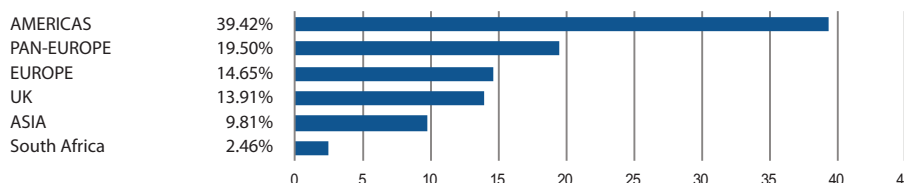
ESMA RISK RATING



LARGEST THEMATIC EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	3.8	7.6	-5.1	11.2	10.7
MSCI World €	2.7	9.6	3.5	13.1	10.4
S&P 500 €	4.1	10.4	3.8	14.5	13.1
Euro STOXX 50	-1.9	14.2	15.4	15.2	7.7

As of 31/5/23. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.

Top 15 Positions

VESTAS	8.65%
SMITH & NEPHEW	7.74%
NVIDIA	6.31%
AIXTRON AG	5.33%
MOLINA	4.77%
SVENSKA CELLULOSA	4.74%
TESLA INC	3.90%
MAYR MELNHOF	3.80%
FIRST SOLAR	3.70%
KURITA	3.63%
KINGFISHER	3.55%
TOMRA SYSTEMS	3.39%
BIONTECH SE	3.38%
RICOH	3.00%
ORMAT	2.84%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Industrials	26.83%	10.79%
Health Care	18.26%	13.12%
Information Technology	18.51%	22.16%
Materials	8.85%	4.06%
Consumer Discretionary	8.73%	10.66%
Cash	9.37%	0.00%
Utilities	3.62%	2.88%
Real Estate	2.83%	2.40%
Consumer Staples	2.81%	7.60%
Financials	0.19%	14.56%
Energy	0.00%	4.55%
Communication Services	0.00%	7.22%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Manager Comment

The Green Effects Fund NAV ended May at €351.56 which was a return for the month of **3.8%**. The largest contributors to the NAV move on the month were **Nvidia** (+2.44%), **Tesla** (+0.87%), **Aixtron AG** (+0.67%) and **First Solar** (+0.47%). The main detractors from the NAV return in May were **Smith & Nephew** (-0.53%), **Molina Healthcare** (-0.29%) and **BioNtech SE** (-0.21%).

From a Macro Economic perspective during the month the latest Fed meeting minutes, which offer a look behind the curtain of the May policy meeting, suggested policymakers may be done hiking rates. Yet, rhetoric from Fed speakers during the later part of the month has signalled that even if a pause comes in June, a few more hikes may be needed to once and for all claim victory against inflation. The one consistent message has been pushing back on rate cuts—and it appears to have had an impact during the month. Markets have priced out almost all of the cuts they were baking in for this year - just 0.25% today versus circa 0.80% in early May. Closer to home a number of European Central Bank officials continued to sound pretty hawkish and that was despite Germany dipping into technical recession in Q1. One ECB Council member Joachim Nagel noted: "The ECB Governing Council will continue on this monetary-tightening path to overcome high inflation." Even notable dove Portugal's Centeno conceded that "monetary tightening will be with us for quite some time — it will not go away as fast as all of us would like."

Nvidia, now the world's biggest chipmaker by market value reported a blowout revenue forecast that caught even the most bullish Wall Street analysts by surprise. It has become the world's fifth-largest publicly traded company. The Santa Clara, California-based group gained as much as 30% after saying it expects \$11 billion in the next quarter. That's 52% higher than the \$7.2 billion that analysts had estimated, and it's hard to imagine that any company has ever administered a surprise on such a scale. TS Lombard Global Data - estimates that the total AI market will be worth \$383.3 billion in 2030. That's a 21% compound annual growth rate over 2022. This implies that AI can improve productivity and help companies cut costs. Nvidia and its powerful semi-conductor chips are integral to the entire investment theme of Energy Transition. Some of the key areas where they provide an enhanced process would be:

Global Decarbonization - To reach ambitious net-zero emissions goals by 2050, renewable energy resources such as wind, solar, and electric are growing in adoption. AI can dynamically manage these new resources on the grid.

Grid Decentralization - As more electric vehicles and residential solar panels come online, traditional energy grids will quickly become overloaded and unreliable. Smart grids, built on software and powered by edge AI, can automate management.

Over the last nine months Solar projects in the US have been slowed by uncertainty regarding if using panels produced in the US containing Chinese solar cells would still qualify for the entirety of a 40% investment tax credit included in last year's Inflation Reduction Act. The U.S. Treasury Department addressed those concerns with new guidance mid-month, sparking a widespread rally within the sector. **First Solar** was the biggest beneficiary, rising over 25% in one day during May. The Inflation Reduction Act includes a 30% investment tax credit for new solar renewable energy projects and facilities. It also includes an additional 10% credit if facilities are built using a required amount of U.S.-produced steel, iron, and manufactured products. Importantly during the month, the US Treasury Department said that as long as 40% of the total cost of components used in the project are made with domestically produced materials, the project will qualify for the perk. Previously, it wasn't clear if that would be true if 100% of the solar cells were manufactured overseas. **Vestas** reported an improved set of Q1 results for Q1. The key drivers for the stock remain order intake, the trajectory of average selling prices (ASPs) and delivered margins. Order intake of 3.3GW represents a strong pick up from last year. **Tesla** shares rebounded well during May. Notable news in the sector from the IEA (International Energy Agency) showed that the EV share of the overall global car market has increased from around 4% in 2020 to 14% in 2022 and is set to increase to 18% this year. 60% of global EV sales in 2022 took place in China.

Following the +25% move from Nvidia on the month the fund reduced its exposure to the stock by circa 1.25%. The company still remains one of the largest holdings in the Fund (6.31% of the Fund at 31/5/23). At the time of writing the fund has a cash weighting of circa **10%**.

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%	7.6%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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