

# Green Effects Fund FACTSHEET

## DECEMBER 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, solar energy, electric vehicles, 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	€348.74
NAV Date	30/11/2023
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%

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

### Fund & Share Class Information

Fund Size	€187.73m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFNVL ID
Domicile	Ireland
Structure	UCITS Fund

### ESG Rating

	Fund	MSCI World
MSCI ESG Rating	AA	A
MSCI Avg ESG Score	7.9	6.8
MSCI Quality	7.91	6.75
MSCI Carbon Intensity	52	140

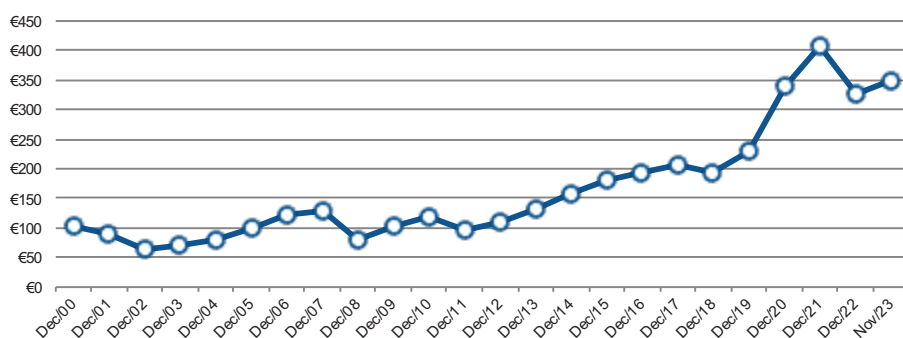
### Total number of holdings

Number of holdings	30
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### Market Capitalisation Exposure

Large: > €3bn	74.35%
Medium: €500m - €3bn	12.21%
Small: < €500m	1.57%

### GREEN EFFECTS FUND NAV SINCE INCEPTION

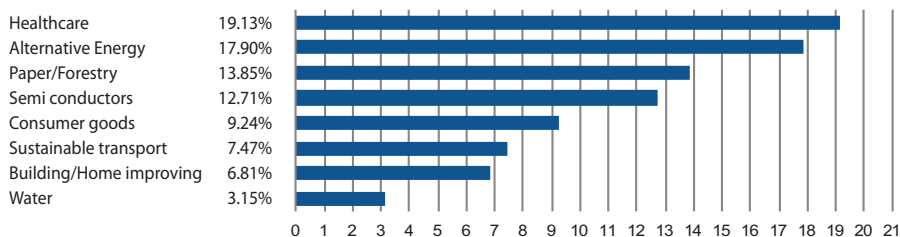


Source: Cantor Fitzgerald Ireland Ltd Research

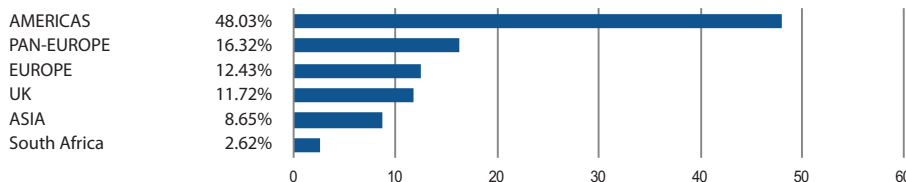
### ESMA RISK RATING



### LARGEST THEMATIC EXPOSURE %



### GEOGRAPHIC EXPOSURE %



### Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	9.91%	6.62%	-2.15%	2.94%	10.66%
MSCI World €	6.26%	16.63%	7.59%	10.98%	11.41%
S&P 500 €	5.98%	18.80%	7.81%	13.20%	13.35%

As of 30/11/2023. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

VESTAS	8.44%
NVIDIA	8.07%
SMITH & NEPHEW	6.82%
MOLINA	5.87%
TESLA INC	5.33%
FIRST SOLAR	4.69%
AIXTRON AG	4.64%
SVENSKA CELLULOSA	4.21%
BIONTECH SE	3.95%
KADANT	3.66%
MAYR MELNHOF	3.22%
KURITA	3.15%
STEELCASE	3.04%
RICOH	2.94%
KINGFISHER	2.87%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Information Technology	20.3%	23.11%
Financials	1.6%	15.08%
Health Care	19.1%	12.20%
Consumer Discretionary	9.6%	10.84%
Industrials	27.2%	10.83%
Communication Services	0.0%	7.18%
Consumer Staples	3.4%	6.97%
Materials	7.6%	4.06%
Energy	0.0%	4.69%
Utilities	3.2%	2.65%
Real Estate	2.8%	2.39%
Cash	5.2%	0

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund rebounded strongly in November with a gain of **9.9%** for the month. September and October were particularly difficult months for equities as hawkish interest rate narrative pushed bond yields higher. The story changed quite dramatically during November. The market has effectively priced in peak global interest rates and is now forecasting rates cuts during H1 next year in both the US and Europe (quite a change in sentiment in just a few weeks). 2yr US Government Bond yields hit 5% (lower bond prices) during November which was a level not seen since 2007. Added to this during the month there were multiple readings in the US and Europe pointing to a continued fall in CPI (inflation). Specifically in the US some of the key inputs into the inflation readings (Rents, Used Cars, Gasoline) are now considerably lower year on year. Separately, despite the horrific events that are ongoing in Israel / Gaza the Oil price fell by -7.2% on the month (Brent closed at \$80.86 at the end of November). At the time writing (4/12/23) markets are now pricing in four rate cuts in Europe next year (starting in April) and five rates cuts in the US.

Some of the more interest rate sensitive names in the Fund rallied strongly during the month. Holdings like Vestas (+20% in Nov), Tesla (+21%), Aixtron (+20%) and First Solar (+10%) all contributed to the rebound in the Fund nav price. As we noted during our Sept & Oct fund updates the rate cycle has impacted the Energy Transition sector substantially over the last 18 months with sharply higher funding costs impacting margins and earnings.

A number of the holdings within the fund reported earnings during the month. **Nvidia** reported strong results circa 15% ahead of expectations. The share price was relatively muted given the sharp gains so far this year. **Vestas Wind Systems** increased its earnings outlook for the year after a flood of turbine orders helped pull the Danish manufacturer back from losses during 2022. The company now expects to deliver positive earnings before interest and tax, according to its third quarter earnings statement Wednesday. The company reported 4.5 gigawatts of new wind turbine orders, more than double year-on-year, mainly coming from North America and Europe. **Smith & Nephew** reported quarterly earnings marginally better than forecasts and maintained its guidance for an trading profit margin of around 17.5%. Brazilian cosmetics maker **Natura & Co** said it has signed a binding agreement to sell subsidiary The Body Shop to private investor Aurelius Group in a deal with an enterprise value of £207m.

During the month there was a change to the NAI Index (which provides the investable universe for the Green Effects Fund) with Umweltbank removed and US listed REIT, **Hannon Armstrong Sustainable Infrastructure Capital**, replacing it. Hannon Armstrong Sustainable Infrastructure Capital, Inc. engages in the business of investing in climate solutions and the provision of capital to assets developed by companies in energy efficiency, renewable energy, and other sustainable infrastructure markets. It focuses on generating attractive returns from a diversified portfolio of project company investments with long-term, predictable cash flows from proven technologies that reduce carbon emissions or increase resilience to climate change. The key areas the company is invested into are Solar, Energy Storage, Wind Energy & Storage and Renewable Natural Gas. With an alternative energy portfolio of circa \$4.3bn the company provides a well-diversified climate solutions business leveraged to the ongoing tailwind of the US Inflation Reduction Act. Circa 40% of the Fund is now invested into the overall theme of Energy Transition across areas like Sustainable Construction, Electric Cars, Solar Energy, Wind Energy and Semi Conductors.

During the month holdings in First Solar, Nvidia, Tesla and Natura were increased. The holdings in Molina Healthcare and Aixtron were reduced by 0.50% each during November.

A new position in Hannon Armstrong Sustainable Infrastructure was established.

At time of the writing the Green Effects Fund cash weighting was 5.10%.

## 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%	6.26%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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