

# Green Effects Fund FACTSHEET

## SEPTEMBER 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	€352.48
<b>NAV Date</b>	<b>31/08/2023</b>
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 31/8/2023

Source: Bloomberg & Cantor Fitzgerald Ireland Ltd Research

### Fund & Share Class Information

Fund Size	€190.65m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL 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

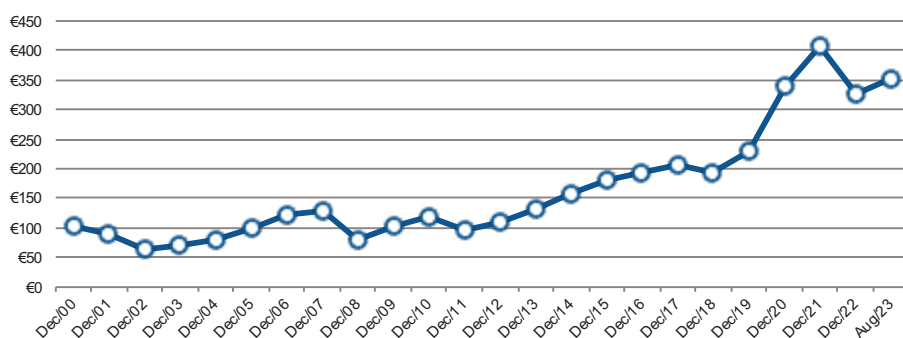
### Total number of holdings

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

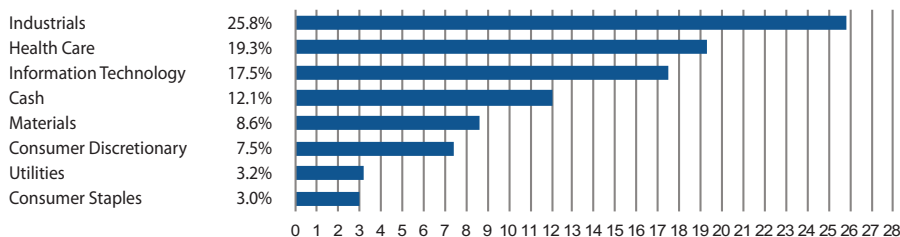


Source: Cantor Fitzgerald Ireland Ltd Research

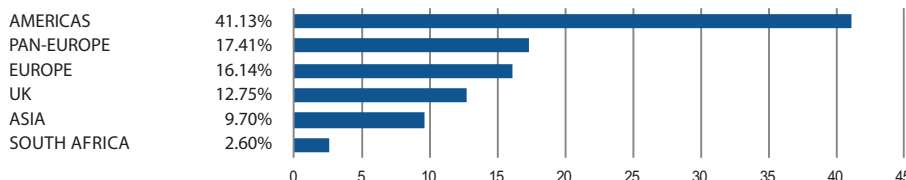
### ESMA RISK RATING



### LARGEST THEMATIC EXPOSURE %



### GEOGRAPHIC EXPOSURE %



### Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*
Green Effects	-4.1	7.8	-4.2	5.8	10.3
MSCI World €	-0.8	15.2	7.8	12.5	10.4
S&P 500 €	-0.1	17.3	7.5	14.1	12.6
Euro STOXX 50	-3.8	16.7	26.6	13.0	8.2

As of 31/8/2023. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

## Top 15 Positions

VESTAS	6.97%
SMITH & NEPHEW	6.97%
AIXTRON AG	6.50%
MOLINA	5.90%
SVENSKA CELLULOSA	4.73%
NVIDIA	4.73%
BIONTECH SE	4.13%
MAYR MELNHOF	3.68%
KURITA	3.43%
FIRST SOLAR	3.41%
TESLA INC	3.22%
KINGFISHER	2.98%
TOMRA SYSTEMS	2.91%
RICOH	2.90%
KADANT	2.84%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Information Technology	17.50%	22.31%
Financials	0.17%	14.69%
Health Care	19.26%	12.70%
Consumer Discretionary	7.46%	10.95%
Industrials	25.83%	10.93%
Communication Services	0.00%	7.18%
Consumer Staples	3.04%	7.20%
Materials	8.63%	4.10%
Energy	0.00%	4.92%
Utilities	3.24%	2.64%
Real Estate	2.81%	2.39%
Cash	12.06%	0.00%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund nav price ended August at **€352.48** which was a return of **-4.14%** for the month.

Largest detractors from that NAV move on the month were **Vestas** (-0.98%), **Smith & Nephew** (-0.76%) and **Natura Holdings** (-0.45%). Largest positive contributors to the NAV move during August were **Biontech SE** (+0.43%), **Nvidia** (+0.37%) and **Molina Healthcare** (+0.19%). In August, market volatility increased, reflecting renewed stress in the Chinese property market, weak macroeconomic data out of China and an increase in sovereign bond yields. Global equities were lower by circa 3% on the month with Emerging Markets underperforming with a drop of circa 6%.

From a macro perspective the focus remains firmly on interest rates and inflation (CPI) globally. Closest to home, Eurozone headline inflation defied expectations and remained flat in August at 5.3 y/y. Core inflation, however, did fall modestly from 5.5%/y in July to 5.3%/y in August. We fully expect the ECB to move rates to 4% during September. Q2 reporting season came to a close during August. Tech (Nvidia & Tesla) met a high bar but share price moves on the month were relatively muted (Nvidia +7%, Tesla -2%). The resilience of US corporate profitability in the face of higher interest rates is certainly somewhat of a surprise for sectors outside of Tech where corporate debt and leveraged balance sheets would be more visible.

Global warming remained exceptionally prominent during the month. The world has just experienced its hottest three months on record. It was the hottest August on record – by a large margin – and the second hottest ever month after July 2023, according to the Copernicus Climate Change Service. Sadly, natural disasters were way too common this summer. The U.S. has been struck with a record-breaking 23 separate weather and climate disasters — each with losses exceeding \$1 billion — between January and August 2023.

The European Green Deal has pledged €1 trillion to reduce Europe's carbon emissions by 55% by 2030, and become the world's first carbon-neutral continent by 2050. The ambitious plan was described by EU Commission President, Ursula von der Leyen, as Europe's "man on the moon moment". Despite this strong structural tailwind the alternative energy sector underperformed in August. **Vestas Wind Systems** confirmed its FY outlook during the month but said it expects increased costs from a backlog of orders and service agreements to weigh on full-year earnings. Analysts highlighted a stronger-than-expected revenue performance for the Services business. Within the same sector, Orsted, issued a particularly poor set of results and guided earnings down between 15% - 20% specifically around supply disruptions in its US market. ORSTED-DK anticipates up to €2.1B write down on US portfolio citing increasing risk in suppliers' ability to deliver on commitments. This update put further pressure on the sector during the month. (note Orsted is not a holding in the Green Effects Fund).

**Nvidia's** results during the month were exceptionally strong. The company expects \$16bn in revenues in the third quarter; in the year ago period, revenue was \$5.9bn. The company is growing exceptionally strongly but so too is its valuation (45x earnings). We reduced exposure to the stock during the month by circa 1.20%. It will remain a core long term holding within the Fund but we may well see better valuation level over the coming months. **Smith & Nephew** reported a mixed set of H1 results during August, with a solid performance on the top line revenue offset by a weak margin performance.

During the month the fund manager reduced exposure to Nvidia as noted above. At the time of writing the cash weighting within the fund was circa 12%.

## 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%	7.8%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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