

FACTSHEET

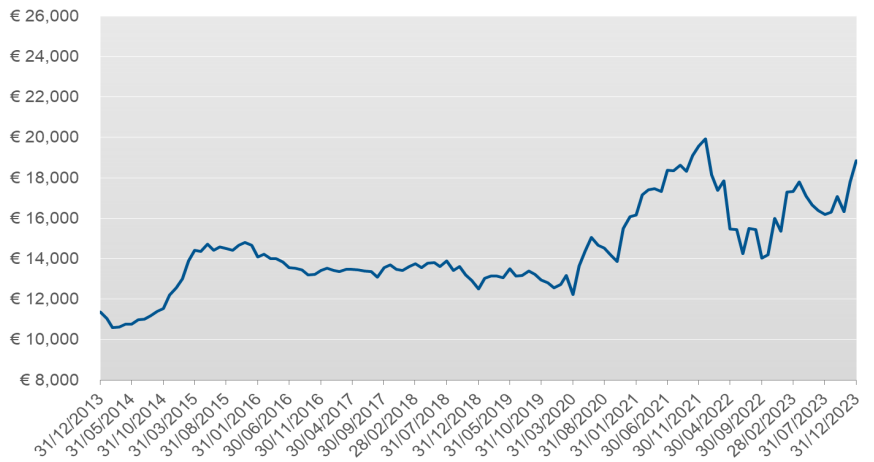
31ST DECEMBER 2023

Fund Objective: The Cantor Fitzgerald Alternative Investment QIAIF Fund was launched in August 2007*. It is a process-driven absolute return fund. The fund may hold cash from time to time in order to protect capital. The fund does not reference a benchmark, instead it targets a return in excess of 7% per annum for the investor, not withstanding how equity markets perform.

FUND KEY FEATURES

Fund Type	Absolute Return
Bid/Offer Spread	None
Launch date	15.08.2007
Base Currency	EUR
Liquidity	Daily
Volatility*	17.0%

GROWTH OF €10,000 OVER THE LAST 10 YEARS



ESMA Risk Rating

Lower Higher



Source: Cantor Fitzgerald Asset Management

**Volatility* on a risk scale of 1 to 7, with level 1 being generally low risk and level 7 being generally high risk. The volatility is measured from past returns over a period of five years using weekly and monthly data where applicable. Prior to making an investment decision, you should talk to your financial advisor or broker in relation to the risk profile most suitable for you.

PERFORMANCE UPDATE AT 31.12.2023

	Q4	YTD	1 Year	3 Years P.A.	5 Years P.A.	10 Years P.A.	Inception P.A.
Alternative Investment Fund*	10.4%	22.2%	22.2%	5.1%	8.4%	5.1%	9.3%
Fund Target	1.7%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

Source: Cantor Fitzgerald Asset Management 31.12.2023

*The Cantor Fitzgerald Alternative Investment Fund (QIAIF) was launched in August 2007. The Cantor Fitzgerald Alternative Investment Fund (RIAIF) returns are shown from the end of Q3 2008. Source: Cantor Fitzgerald Asset Management 31/12/2023. Performance Figures are quoted gross of Management Fees. Management fees are detailed in the relevant share class addendum. There is a performance incentive linked directly to the success of the fund. Cantor Fitzgerald Asset Management will share 20% of the excess return over 7% p.a. Fund performance is quoted net of the performance fee.

ANNUAL RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.6%	9.5%	14.5%	10.7%	16.7%	-7.7%	-0.9%	-6.8%	0.5%	28.1%	24.7%	-23.9%	22.2%

Source: Cantor Fitzgerald Asset Management

WARNING: Past performance is not a reliable guide to future performance.

WARNING: The value of your investment may go down as well as up.

Cantor Fitzgerald Asset Management Europe Limited (trading as Cantor Fitzgerald Asset Management) is regulated by the Central Bank of Ireland.

FUND COMMENTARY

December

Global equities and bonds finished the year on a very strong note, global equities rising by +6.2% in Q4 (+9.4% in the final two months of the year) to record an 18.3% gain for 2023. US and Eurozone bond yields fall by 75 - 100 basis points from their peaks in late October. Dovish commentary from central banks, driven in turn by continued falls in inflation sparked the rally. Jerome Powell's comment in late October that he believed the rise in bond yields was helping to further tighten financial conditions lessening the need for additional rate increases quickly morphed into outright dovishness as a growing body of evidence suggested growth was slowing, but not too much, whilst inflation in the west is proving, somewhat belatedly, to be transitory.

The supply and demand imbalances post covid and the Putin-led energy price shock have all subsided quicker than the lags in monetary policy impacted to slow the economy. Economic theory stated inflation couldn't fall without an interest rate hiking cycle to bring about a recession. This has proven to be completely incorrect. Inflation over the last 6 months of this year has normalised despite continued full employment, a strong US economy, and a stable consumer. Central bankers have acknowledged this recently leading the market to price in "adjustment" cuts beginning late Spring or early Summer. It is counterfactual to argue whether Inflation would have subsided so quickly if the Fed or ECB hadn't hiked so aggressively but given that interest rates will likely stay at such elevated levels for a such a short space of time, we will never know. The reality entering 2024 is that given the outlook for inflation now, rates across the western economies are too high. This has the added benefit of removing one longer term concern around the ability of the US to finance itself at higher rates given the level of debt it currently has.

There are numerous positive implications for global markets resulting from an inflation-led peak in interest rates. Every economic slowdown or external crisis can be met over the next number of years with rate cuts. In the minutes from the December FOMC meeting, a "number of participants" highlighted the uncertainty associated with how long a restrictive policy stance would need to be maintained, pointing to the "downside risks to the economy that would be associated with an overly restrictive stance." Furthermore, "a few" even suggested the Committee potentially could "face a trade-off between its dual mandate goals in the period ahead." In other words, if it comes to fighting inflation or supporting growth, the latter will win. Add to that the fact that 5% in the US and 4% in the Eurozone is a very high starting point to cut from, particularly if inflation is returning to normal levels, this leaves central bankers with the best tool kit for managing the economy they have had in their history when one also considers their clever use of their balance sheet to deal with issues such as Silicon Valley bank failure and the LDV liquidity event in the UK whilst they were raising rates.

Expect risk appetite amongst riskier investors to reflect this safety net of future central bank support. For lower risk investors the outlook has improved for two reasons. Rates are peaking but not collapsing, giving ample time to move savings out of low yielding bank deposits into the higher risk-free rates on offer in other products like cash funds. Of even greater significance however is the fact that bonds now offer an attractive yield for the first time in many years - stable or even falling bond yields, combined with a positive short term interest rate mean that the defensive part of multi asset portfolios will deliver a positive contribution to return.

That isn't to say that the year ahead won't see bouts of risk. Political uncertainty around the US presidential election cycle, where the leading candidate to win the Republican nomination has no legislative agenda whatsoever, and faces numerous charges related to his alleged conspiracy to subvert the 2020 election. Whatever the outcome of the election, fiscal support from the new administration will be under review given the excessive

excessive levels of borrowing undertaken since Covid. The strong trend of deglobalisation which has resulted in a non-residential capex boom in the US however should remain largely unaffected regardless of the winner, though policy supports which have driven this to new heights may be questioned.

The performance mix of the equity market should reflect the changing backdrop it faces in 2024. Technology stocks, driven by the start of an AI investment cycle, led for 2023 and the outlook continues to look bright for them. Also of interest are the sectors that struggled so much over the last 2 years. Banks, where fear of recession superseded the benefits of higher rates and Commercial Real Estate, where impending refinancing cycles and high occupancy levels kept investors on the sidelines could offer the type of value longer term investors are interested in. Decarbonisation investments, which given their leverage and long-life nature had suffered disproportionately from the combined effects of rate hikes and supply chain snarls should also stage a revival.

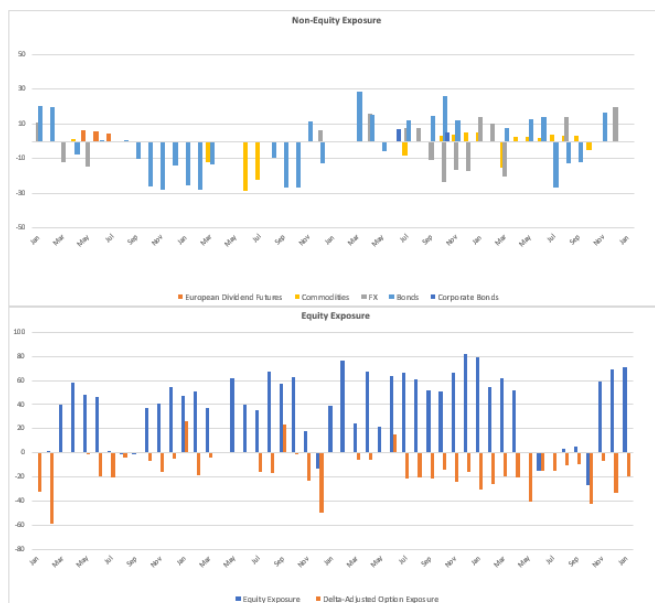
2024 will, like every year, pose unpredictable challenges for markets and the global economy. The combination however of long-term structural investment themes and shorter-term value opportunities allied with the support of a solid economy and favourable central bank policy provide one of the better backdrops for investors entering a new year than they have had for a long time.

Fund positioning

The fund returned +10.4% in Q1, to bring the return for the year to +22.2%.

We enter 2024 with a high allocation to equities and a broad mix of sectors and themes. When appropriate, we also continue to use index put protection to limit downside risk.

ALTERNATIVE INVESTMENT EXPOSURE DECEMBER



Please refer to our website link: <https://cantorfitzgerald.ie/wp-content/uploads/2019/08/policy-research-third-party-1.pdf> for our policy regarding the provision of research by third parties. In relation to Cantor Fitzgerald Investment Trust - KIDs additional information is available on request from Cantor Fitzgerald Asset Management - please contact 670 2500 or e-mail CFAMEinfo@cantor.com. Further details are available on request from Cantor Fitzgerald Asset Management.



Want to talk to us about investments? Contact us.

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