# Investment Journal

WINTER 2024

**Asset Allocation 2024**

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# Welcome

***Gerard Casey,***
*Chief Executive Officer*

**Welcome to the Q1 2024 edition of the Cantor Fitzgerald Ireland Investment Journal.**

We enter 2024 with many global equity markets at or near all-time highs. As Philip Byrne opines in his asset allocation piece, “this has been achieved against a backdrop of 2 years of unprecedented rate hikes and in spite of the most distressing geopolitical events in the last half century”.

An amalgamation of a robust economy, corporate earnings surpassing expectations, and an expected end to the Federal Reserve’s interest rate hike are key drivers behind exceptional returns seen in 2023. These factors should inspire optimism as we look ahead.

One of the most exciting aspects of the “new” rate environment we are in, is the opportunities it offers to low-risk investors. In the following pages, you'll discover options such as sovereign debt, high-quality corporate debt and the CFAM money market fund, all of which immediately come to mind. For clients seeking excellent alternatives to low-yield or non-yielding deposit accounts, I strongly encourage you to reach out to your Cantor Fitzgerald representative to explore your options.

Cantor Fitzgerald recently hosted an exclusive sit-down with the Minister for Finance Michael McGrath at our St. Stephen’s Green offices. The Minister shared insightful information on Budget 2024, the financial services sector, and the possibility of a Sinn Fein government – we hope you enjoy it.

We were thrilled to announce the exciting news of the launch of our new website in December. Some of the enhanced features include a user-friendly interface, an exclusive research section, an improved education hub, and a new design that showcases beautiful imagery from around the country. In addition to the website, we have introduced a new and improved client portal for both intermediary and retail clients. This portal provides you with a comprehensive view of your portfolio, instant access to important documents, and the latest market research. Furthermore, we are excited to announce that a client app is set to launch later this quarter, further enhancing the overall client experience.

At Cantor Fitzgerald Ireland we continue to invest in our people and our technology, to provide you, our valued clients, with the service you deserve. We also strive to bring you access to thought leadership across finance and politics.

We look forward to the fresh challenges and opportunities the year will bring, and as ever, stand ready to help.

Sincerely
Gerard

# Asset **Allocation**

Winter 2024

# ASSET ALLOCATION 2024

***Philip Byrne,***
*Deputy CIO, Head of Equity Investments, CFAM*

## Q1 2024

The beginning of 2024 and developed equity markets are at or near their all-time highs. Economies are at full employment with workers now beginning to see real wage growth as inflation subsides quicker than recent wage rises. That this has been achieved against a backdrop of 2 years of unprecedented rate-hikes and in spite of the most distressing geopolitical events in the last half century should give investors cause for comfort. That it has been achieved ahead of an impending rate-cutting cycle should give investors cause for optimism. The news cycle for 2024 will undoubtedly be filled with the challenges of the upcoming political cycle in the US, the UK and perhaps even closer to home but for markets the monetary policy cycle will ultimately trump the political theatre. Investment into cyclical parts of the economy that have been lagging over the last 2 years will reaccelerate. The momentum in the structural growth areas of economies, namely digitalisation and decarbonisation will be at least sustained and potentially even turbocharged. CFAM enters into the year with their Multi-Asset funds fully invested with positioning in equities split between these two aforementioned themes, the digitalisation leaders of last year but also heavily exposed to the deep value on offer in cyclical sectors which offer compelling valuations.

The irony of 2023 has been that inflation in the west proved, 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 you couldn't get inflation down 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 their being full employment, a strong 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 counter-factual to argue whether inflation would have subsided so quickly if the Fed or ECB hadn't hiked to 5%, but given the rate is going to stay there for a such a short space of time, we will never know. The reality entering 2024 is given the outlook for inflation now rates across the western economies are too high and will come down both this year and next. 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.

Positive implications abound for global markets resulting from an inflation-led peak in interest rates. The once-vaunted "Fed put" is back. Every economic slowdown or external crisis can be met over the next number of years with rate cuts. 5% is a very high starting point to cut from. 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 is improved for two reasons. Rates are peaking, but not collapsing, which gives people ample time to move savings out of low-yielding bank deposits into the higher risk-free rates on offer in other products like our own Cash Fund or lower risk Multi-Asset 30 Fund. Of even greater significance, as rates fall, bond prices will rally, stemming and reversing the mark to market losses a lot of low-risk investors with sovereign bond holdings have suffered as a result of the rate hikes over the last two years.

The strong dollar, with all its negative implications for certain emerging markets and commodities could also have seen its peak for now. Our funds are generally underweight dollars entering into 2024. Another factor to weigh on the dollar will be the political uncertainty around the US presidential election cycle. The Republican primaries begin in January. The leading candidate to win the Republican nomination has little legislative agenda beyond enforcing a global 10% import tax to pay for his previous tax cuts. Former President Trump appears to be running on a personal agenda. As difficult as that will be for markets to price in some risk premium, it is dwarfed in comparison to the challenge markets may have to come to in the summer when it faces the prospect of a Republican convention to select their nominee coinciding with that nominee potentially beginning his trial in Georgia for 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 levels of borrowing undertaken since Covid. The strong trend of deglobalisation which has resulted in a non-residential capex boom in the US, however, will remain largely unaffected regardless of the winner.

The performance mix of the equity market should reflect the changing backdrop it faces in 2024 and the positioning in our funds reflects this. 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 two years. Bank share prices, where fear of recession superseded the benefits of higher rates and commercial real estate, were 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. The reversal of these two factors should jumpstart underperforming sustainable and positive impact investments.

2024 will pose predictably unpredictable challenges for markets and the global economy. Geopolitical events will dominate the news cycle, but as even the most recent evidence has shown, their impact on markets is multi-faceted and somewhat counterintuitive. 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.

## Cantor Fitzgerald Asset Management Core Funds

| Name | Risk Rating (1 - 7) | Sedol | Currency | TER % |
|---|---|---|---|---|
| **Cantor Fitzgerald Multi-Asset 30 Fund** | 4 | BVFMDG4 | EUR | 0.68% |
| **Cantor Fitzgerald Multi-Asset 50 Fund** | 5 | BVFMDD1 | EUR | 0.67% |
| **Cantor Fitzgerald Multi-Asset 70 Fund** | 5 | BVFMDL9 | EUR | 0.70% |

# ASSET ALLOCATION 2024

CONTINUED

## Cantor Fitzgerald Asset Management Multi-Asset Fund Performance

| Name | 1 Month % | 3 Month % | 1 Year % | *3 Year % | *5 Year % |
|---|---|---|---|---|---|
| **Cantor Fitzgerald Multi-Asset 70 Fund** | 4.8 | 9.9 | 24.5 | 5.6 | 11.5 |
| **Cantor Fitzgerald Multi-Asset 50 Fund** | 4.0 | 8.5 | 19.4 | 4.0 | 8.6 |
| **Cantor Fitzgerald Multi-Asset 30 Fund** | 3.8 | 7.6 | 14.6 | 1.7 | 5.6 |

**Annualised Gross Returns. Source: CFAM 31/12/2023*

WARNING: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

WARNING: Performance is gross of management fees. On a typical investment of €50,000 into the Managed/Multi-Asset 70 fund (share class B), an annual management fee of 0.50% would be applicable.

WARNING: Past performance is not a reliable indicator of future performance.

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

# Focus
# **Feature**

Winter 2024

FOCUS FEATURE

# MICHAEL MCGRATH ON ACCESSION TO THE BIG JOB, NURTURING DOMESTIC BUSINESS AND SINN FEIN

***Sean Keyes,***
*Finance Correspondent, The Currency*

*At the end of November, Cantor Fitzgerald hosted an exclusive sit-down with the Minister for Finance Michael McGrath at our offices on St. Stephen's Green. The event was held in partnership with The Currency, with the Minister sharing insightful information on Budget 2024, the financial services sector and the possibility of a Sinn Fein government.*


*Minister for Finance Michael McGrath speaks at Cantor Fitzgerald's Dublin office. Photo: Bryan Meade*

**Before an audience of investors, Minister McGrath set out his vision for the Department of Finance in 2024. His big theme: nurturing domestic companies and domestic investment.**

Any new minister wants to put their stamp on their new department. They want to lead it in a particular direction.

The stamping of a department is not a given. Government departments have their own ways of working and going about things. They were there before the minister, and they will outlast him or her.

There is a specific skill to influencing these institutions. The system must be respected, understood, and played.

The Minister for Finance Michael McGrath spent a significant time assessing the Department of Finance from the opposition benches before becoming the Minister of Public Expenditure and Reform. And now, one year in the job as Minister for Finance, he has had time in the driver's seat.

He understands that leading takes time. He is patient: "I've already marked dates in January for the 2025 budget. Ideas need to be introduced early for rigorous testing and refinement."

Taking questions in front of a room full of investors and business people at Cantor Fitzgerald's gracious townhouse in St Stephen's Green, he looked ready for the part. "You could have six or seven events a day, you could be speaking, giving public speeches four or five times a day," McGrath said. "So preparation is key."

McGrath was warmly introduced by Gerard Casey, the CEO of Cantor Fitzgerald Ireland. For the next hour, McGrath talked openly about his time in the job and his plans for the next year.

## Dublin riots

**Tom Lyons:** I'd like to hear your impressions about what occurred and what the government can do in terms of countering the problem.

**Michael McGrath**: I was really taken aback by what I witnessed. It's shattered any sense of complacency about such events occurring in Ireland. It has now happened. It was damaging and received global attention. Now we must ensure it doesn't happen again.

It is manageable if we respond sustainably and comprehensively. There's no point in just an initial burst of activity; this response must be sustained. Last Thursday should be seen as a watershed moment in how we address these issues from security and political perspectives. Part of this is tied to the rising far right, related to immigration.

However, I believe there was a significant element of pure opportunism, with some just jumping on the bandwagon, leading to a few chaotic hours. This does not represent the majority of Irish people. People were horrified that we could lose control of part of our capital city for a few hours on Thursday evening. It's unthinkable and completely unacceptable. We must be resolute in our determination to prevent it from happening again.

## Crisis?

**Tom Lyons:** You're making decisions at a time of unprecedented crisis. How do you think about the future when you're trying to put a budget together in the midst of this turmoil?

**Michael McGrath:** Notwithstanding the international challenges, our economy has shown remarkable resilience. This is most evident in the labour market, where employment has reached a record high, with 2.6 million people working, marking continual growth.

When assessing the Irish economy's performance based on modified domestic demand, it's clear that growth is slower compared to last year's extraordinary rate of almost 10 per cent. We're feeling the effects of monetary policy and rising interest rates, impacting borrowing costs for households and businesses.

The international turmoil, geopolitical tensions, and high energy costs also weigh heavily on an open economy like Ireland's. However, despite these challenges, our performance has been outstanding, driven by the innovation, hard work of the Irish people, and the private sector, supported by various public service strands.

Undoubtedly, we face both domestic and international challenges. At the EU finance ministers' meetings in Brussels, I hear about the deficits and challenges other economies face. Compared to them, Ireland is in a good position. However, we must make the right decisions to maintain competitiveness and prepare for the future. This includes addressing domestic challenges like the need for more homes, planning reform, and speeding up approval processes for public and private infrastructure. We must prioritise investment in education and research.

We're focusing on innovation and making significant changes in legislation, including new angel investor relief reforms, changes to employment investment and retirement relief, and enhancing the research and development tax credit. These are designed to address potential imbalances in our economy, with a particular focus on the indigenous sector. We aim to make Ireland an attractive place for starting and scaling businesses with an international reach. In my first budget, we made significant progress, and I plan to go much further next year.

# MICHAEL MCGRATH ON ACCESSION TO THE BIG JOB, NURTURING DOMESTIC BUSINESS AND SINN FEIN CONTINUED

**Tom Lyons:** Minister, you mentioned imbalance. We have been fortunate with corporation tax, its sheer growth over the last number of years has really helped the Irish economy. Now we are seeing a bit of a wobble, a bit of a slowdown. What's your view on the outlook for corporation tax?

**Michael McGrath:** We've consistently said for a number of years that [corporation tax] is a volatile source of revenue. The Department of Finance and Revenue Commissioners estimate that about half of what we collect is volatile in nature.

In the last three months, we've seen some weakness. The receipts for each month were less than in the corresponding month last year. Last year was extraordinary, with nearly 50 per cent growth in corporation tax receipts, bringing us up to about €22.5 billion.

November, a very important month, is ending. Last year, we collected around €13.6 billion overall in revenues in November, including about €5 billion in corporation tax. The trends of the last three months may not repeat in November. Over the last decade, there has been a strong correlation between receipts in June and November, both significant for corporation tax. We will confirm next week if this trend continues.

We must continue to refresh our foreign direct investment offerings. We've had extraordinary success, but we meet regularly with the IDA and constantly benchmark ourselves, especially with changes in international corporate taxation.

The relative advantage of our corporate tax rate has narrowed for very large companies. Therefore, we're focusing on other levers, including the R&D tax credit. We're ensuring that the net benefit of the credit is maintained for large businesses and significantly increased for all businesses. The future is green, digital, and invested in research and innovation. We need an ecosystem in Ireland where the multinational and indigenous sectors support and enhance each other.

## Wealth funds

**Tom Lyons:** There were two big ideas in the budget. The Future Ireland Fund which you suggested will rise to €100 billion. And the other was the Climate Fund. What are you going to do with those funds, and what are the logistics around launching those funds?

**Michael McGrath:** Let's start with the small one first, the Infrastructure, Climate and Nature Fund. We've earmarked €14 billion for this. The principal reason for setting up this fund is to move away from the past approach to public capital investment: the boom-bust approach. This was when we spent a lot in our National Development Plan during economic growth, and then abruptly cut back during a downturn, which is counterproductive.

You should invest through the cycle to get better value for money and a better return on incremental funding. This fund ensures that if we face another downturn or shock, which is inevitable in the coming years, we'll maintain a high level of investment in public housing, transport, renewable energy, healthcare, education, and other areas.

The primary purpose of the fund is to sustain these sectors. Within this, over €3 billion is earmarked for climate, nature, and biodiversity. If we're lagging in our climate targets, we can use this fund for major capital projects.

The larger fund [Future Ireland Fund] is about future-proofing public finances due to significant structural changes in our population. We have a young population that will age quickly, affecting the ratio of working-age to pension-age people, along with pension, healthcare, and nursing home costs. We're also facing climate and digital costs. The plan is to set aside a large share of windfall tax receipts — 0.8 per cent of GDP annually until the 2030s. Managed by the NTMA, it will deliver an annual return to mitigate tax increases that would otherwise be necessary. This isn't a rainy day fund as we will need this money in the next 10 to 20 years.

**Tom Lyons:** When I started in journalism, Paddy Power, CRH Jefferson Smurfit, which became Smurfit Kappa were all on the Irish stock market. We've seen a lot of the big well-established names leaving the Irish stock market. Do you have a concern about the decline of access to the public capital markets in Dublin? Is there anything you're thinking about as minister that maybe we could do to help?

**Michael McGrath:** The concerns [over Euronext] are valid, particularly given the vibrant equity market based in London and the broader global trends. Europe is indeed facing significant challenges, especially in comparison to the United States, which has more developed and deeper capital markets. This is a collective challenge for Europe, and as it affects Ireland, we're addressing it at the European level through the Capital Markets Union. The action plan involves various reforms.

Looking ahead, there are specific steps we can take within the Irish context. Currently, we are conducting a comprehensive review with the whole sector, focusing on retail investment. Our goal is to channel more domestic investment into equity markets. We have already engaged with Euronext and received a report from them.

This report made several recommendations, but they weren't developed enough for inclusion in the budget, primarily because one measure on statute had a significant community cost of around €350 million, which exceeded our budgetary limits. However, we are open to exploring the other recommendations and working with Euronext to implement them.

*Gerard Casey, CEO of Cantor Fitzgerald Ireland, introoducing Minister McGrath. Photo: Bryan Meade.*

# MICHAEL MCGRATH ON ACCESSION TO THE BIG JOB, NURTURING DOMESTIC BUSINESS AND SINN FEIN CONTINUED

## Banking changes

**Tom Lyons:** Over the last period we've had major banks leaving and financial services businesses like Goodbody and Davy absorbed into big banks. Are you concerned about a lack of competition in financial services?

**Michael McGrath:** Before the financial crisis, Ireland had over a dozen retail banks. Now, there are only three. The departure of Ulster Bank and KBC was a significant setback, and it led to the strengthening of Permanent TSB, which is a positive development for the Irish banking system.

To directly answer your question, yes, I would like to see more competition in retail banking. We're witnessing the rise of fintechs and more non-bank lenders entering the Irish market. However, the current stage of the interest rate cycle makes it challenging for these new entrants to compete in funding.

The Irish market for retail banking is quite small, which reduces the likelihood of attracting major international players to provide retail banking services on the high street. But, I do believe there's potential to attract employers offering a diverse range of products and services to customers, both personally and corporately. We've seen some progress in this area.

**Tom Lyons:** The other big issue coming down the tracks is pension auto-enrolment. That's being deferred to the second half of 2024. Do you think the state has the capacity to deal with it in that time frame?

**Michael McGrath:** My colleague, Minister [Heather] Humphreys, who is leading this project, and I have been working closely together. This initiative requires significant government effort to make it successful and accurate. It aims to address the long-standing issue of insufficient pension coverage in the private employment sector. Ensuring this is done correctly is crucial.

For me, the most important aspects are establishing the right structures, operations, and regulatory framework. It's vital that people have complete trust and confidence in the system. The Minister is aiming for implementation in the second half of next year. This is contingent upon the successful passage of legislation and completion of necessary scrutiny work. The Minister is involved in this process, which is beginning its journey through the legislative stages. Concurrently, there will be a procurement process for the operations and administration on a large scale.

**Tom Lyons:** The Standard Fund Threshold for pensions is €2 million. It is causing hiring issues in An Garda Síochána. Will you consider raising this cap?

Michael McGrath: I've committed to reviewing it and I'm going to bring in some external help to do that. I want to have that work completed by the summer of next year. It hasn't changed for the past nine or 10 years at this stage and obviously as wages and incomes have increased, the relative cap has changed. So yes, I am committed to examining it.

## Taxing times

**Tom Lyons:** Over the last two years, since Covid, the state has gotten much bigger. Now, even IBEC is calling for a bigger state. Will taxes need to go up to pay for it?

**Michael McGrath:** The state has become more significant, partly due to Covid-19. The argument hinges on dynamics related to our growing population. This growth has naturally


*Gerard Casey, Michael McGrath and Tom Lyons, CEO of The Currency pictured together at Cantor Fitzgerald's Dublin office. Photo: Bryan Meade.*

increased the demand for our public services. We've had to make substantial investments in healthcare, housing, and a range of other public services. I anticipate this trend will continue, albeit at a slower pace, in the coming years. This situation necessitates a broad and sustainable tax base, where income tax, VAT, and corporation tax remain strong. However, we also need to consider the recommendations made by the Commissioner of Taxation. Their key suggestion is that we must gradually broaden our tax base and increase revenue.

To mitigate the need for immediate tax changes, we're setting up the Future Ireland Fund. This initiative aims to maintain our competitiveness and reward enterprise. It will help us manage how wealth generated in our country is distributed. This is an important takeaway from this discussion.

In our national parliament, there's much debate about spending, but little on generating revenue. We're very focused on this aspect. The Future Ireland Fund will be instrumental in managing inevitable tax increases, especially in areas like pensions policy. We've decided to keep the pension age at 66, but this comes with associated costs that will increase over time. The Minister has already laid out a roadmap for gradual PRSI increases in the coming years.

**Tom Lyons:** What's your view of a potential government with Sinn Féin?

**Michael McGrath:** I'm very concerned about their tax policies and their approach to major problems. They propose to tax the rich and big businesses more, but this overlooks a fundamental reality. If you consistently increase taxes on individuals earning over, say, €100,000, it affects everyone. This is because decision-makers and jobs are influenced by these tax policies. In my interactions with the FDI community and large businesses in Ireland, I've found that our personal tax system significantly influences their decisions.

So, if we send a message that success and business growth will be met with excessive taxation, it will ripple through the economy. The idea that this won't affect people earning €40,000, €50,000 or €60,000 is a misconception. It does impact them. In the next election, we have a responsibility to address this issue and explain that while taxing the rich might seem like an easy solution, it ultimately affects us all. It makes us less competitive and less attractive for investment, leading to fewer jobs. We have a job of work to do politically to communicate this and to persuade people to understand the broader implications.

**Tom Lyons:** What's your view of Sinn Féin's housing policy?

# MICHAEL MCGRATH ON ACCESSION TO THE BIG JOB, NURTURING DOMESTIC BUSINESS AND SINN FEIN CONTINUED

**Michael McGrath:** We see this every year when discussing the private market or the private rented sector. The issue is that there's a lack of regard for it. Therefore, all the schemes we've introduced to support first-time buyers and enforce private supply are met with opposition, despite the belief that the state can manage everything.

We need at least €15 billion annually to build over 30,000 homes each year. The state has provided €5 billion. This goal is ambitious, the most we have ever aimed for. There is scope to increase this, but it's limited; the state can't do everything. Hence, we must involve private capital to build the necessary homes and ensure that housing construction remains a viable proposition.

That's why we're reforming the planning system, which is an urgent priority for the government. Measures like suspending development contributions and water connection charges, and providing funding are part of this reform. However, the idea that we can increase supply by 20,000 units simply by declaring it and expecting immediate results is nonsensical. It may sound attractive, especially to those under pressure and struggling to find a home, but it's not that simple.

**Tom Lyons:** Corporation taxes are low, but other capital taxes, such as those on dividends and CGT, are high. Do you think reducing capital taxes would spur investment?

**Michael McGrath:** In this area, I chose not to follow the Commission on Tax and Welfare's recommendation regarding capital taxes. They view these taxes as a way to broaden the tax base or increase revenue. However, changes in capital taxes don't yield straightforward dividends due to behavioural effects. Such changes influence decision-making and have impacts, especially since our rates are high by international standards. These rates have been stable for years, providing certainty.

Currently, as part of a focused review in parliament, we're examining a range of products, including their tax treatment. This review will inform the next budget, which I'll be looking into. We're considering various areas like life insurance, investment products, and ETFs, among others, for their tax implications. Regarding entrepreneurs and active investment, this budget demonstrates our willingness to adjust taxes in a targeted and effective manner, aiming to boost economic activity.

**Tom Lyons:** You had a long apprenticeship as shadow finance spokesperson and then Minister for Public Expenditure. How does it feel to be Minister for Finance?

**Michael McGrath:** Well, I've worked closely with the Minister as both a successor and predecessor. He's in public expenditure and has occupied the office I now hold for a number of years. I support him and his work, and he supports me. This relationship is crucial for the proper functioning of the government.

My experience includes two and a half years in public expenditure, an underrated department where many critical decisions are made. It's involved in day-to-day decisions, expenditure, and major initiatives like the national development plan. Leading this department provided me with invaluable experience.

I recently celebrated my first anniversary in the Department of Finance. We work closely with the revenue commissioners, and I've learned a lot this past year. The role is demanding, with up to six events and public speeches each day. Preparation is key, especially for the budget process. I've already marked dates in January for the 2025 budget. Ideas need to be introduced early for rigorous testing and refinement. The finance bill is a massive undertaking, almost 300 pages long. It's a complex process, but important to start planning well in advance. I'm already working on many ideas for the next year to include in the 2025 budget.

# Investment **Opportunities**

Winter 2024

# ANALYST CONVICTION LIST

***John Mullane,***
*Chief Investment Officer*

This list aims to highlight the very best current stock ideas identified by our analysts. The Analyst Conviction List (ACL) is dynamic and actively managed by the Equity Research team on an ongoing basis. Any changes made are communicated by way of a research note or the Weekly Trader. The full list is published in the Weekly Trader and the Investment Journal. Our analysts have the freedom to choose from the global stock universe and identify companies that are global leaders in their respective fields. Examples of stocks that fit this description and are currently included in the list are ASML, Flutter, FedEx and Microsoft. The list highlights the buy-rated stocks that we feel have the greatest potential for share price upside at the current time and where new money purchases could be made. The current list contains 12 names, detailed below, although in keeping with the need to only include our best ideas, there is no hard target for this. In January 2024, four changes were made to the list. Firstly, Flutter Entertainment was added on the back of our team's expectation of continued strong operational performance and the stock's forthcoming secondary US listing on the 29th of January. Secondly, IRES REIT was added following management's decision to launch a strategic review of the business model and the more favourable interest rate environment that appears to be on the horizon. Finally, whilst the team still retains a Buy rating on both Cairn Homes and CRH, it has been decided to remove both names, following strong share price appreciation since their inclusion in the ACL (29% and 35% respectively), with the view that there is possibly more limited upside potential for each stock in the short term.

In this Investment Journal, we feature ACL names Flutter Entertainment and ASML.

| Company | FX | Industry | Price when in ACL | Price (25th Jan) | Price target | Div yield | Fwd P/ E (x) | 3m move | ESG Score (0-100) |
|---|---|---|---|---|---|---|---|---|---|
| Barclays PLC | GBp | Banks | 192 | 147 | 230 | 5.2% | 5.0 | 10.4% | 88 |
| FedEx Corp | USD | Transportation | 242.77 | 249.73 | 290.00 | 2.0% | 14.2 | 6.2% | 67 |
| Ryanair Holdings PLC | EUR | Airlines | 18.12 | 18.55 | 22.75 | 0.9% | 8.8 | 29.3% | 73 |
| Microsoft Corp | USD | Software | 336.06 | 402.56 | 430.00 | 0.7% | 35.5 | 18.2% | 97 |
| ASML Holding NV | EUR | Semiconductors | 737.10 | 784.10 | 703.00 | 0.8% | 41.3 | 39.8% | 98 |
| Smurfit Kappa Group PLC | EUR | Forest Products&Paper | 45.07 | 35.49 | 45.20 | 4.0% | 10.2 | 18.9% | 74 |
| Alphabet Inc | USD | Internet | 125.15 | 150.35 | 160.00 | 0.0% | 24.8 | 18.7% | 97 |
| Aviva | GBp | Insurance | 389 | 436 | 485 | 7.3% | 11.1 | 10.3% | 95 |
| GSK | GBp | Pharmaceutical | 1458 | 1537 | 1875 | 3.6% | 10.0 | 3.6% | 100 |
| Deere & Co | USD | Machinery | 354.00 | 388.41 | 476.00 | 1.5% | 13.8 | 4.4% | 91 |
| Flutter Entertainment | GBp | Entertainment | 13300 | 15915 | 18500 | 0.0% | 39.2 | 23.2% | 73 |
| IRES REIT | EUR | REITS | 1.13 | 1.17 | 1.30 | 4.2% | 19.9 | 30.2% | 71 |

| Closed Trades | FX | Industry | Entry Price | Exit Price | Profit |
|---|---|---|---|---|---|
| Cairn Homes | EUR | Home Building | 1.04 | 1.34 | 29% |
| CRH PLC | USD | Building Materials | 49.61 | 66.87 | 35% |
| Volkswagen AG | EUR | Auto Manufacturers | 152.56 | 126.00 | -17.41% |
| TotalEnergies SE | EUR | Oil&Gas | 43.41 | 61.24 | 41.07% |
| Flutter Entertainment | EUR | Entertainment | 147.3 | 170.00 | 15.41% |

*Source: Bloomberg *Closed trades*

WARNING: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

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

WARNING: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

# ANALYST SNAPSHOT: FLUTTER

***John Blake,***
*Associate Equity Research Analyst*

**We have recently added Flutter to our Analyst Conviction List given the upside potential we envisage for shareholders on the back our expectation of continued strong operational performance and the stock's forthcoming secondary US listing at the end of January and the possible primary listing that follows. The shares have generated significant returns (+20% as per 25/01) since the stock's inclusion on the list and we believe there is more upside to come, as is evidenced by our recently increased price target to £185.**

In late April of last year, at Flutter's AGM, shareholders overwhelmingly approved a secondary listing of its shares in the US. Following the stock's final day trading on the Euronext on the 23rd of January, Flutter's secondary listing is moving to the US on the 29th of January, whilst its primary listing is remaining in the UK. In management's eyes, the move will "yield a number of long-term strategic and capital market benefits" for the company. We are of the opinion that this move is a significant positive catalyst for the shares because a wider range of US based investors will now have access to the stock. If US investors are willing to pay a premium as the valuation of close peer DraftKings would suggest, the move could drive an upward rerating for Flutter. The appetite that we envisage came to the fore following Flutter's Q4'23 trading statement, as FanDuel's increased market share caused a demand frenzy for the shares (+15% in one day). Looking forward, if, as many expect, this leads to a primary listing and inclusion in major stock indices in the US, it would be a major boost to the company's investor profile in the region.

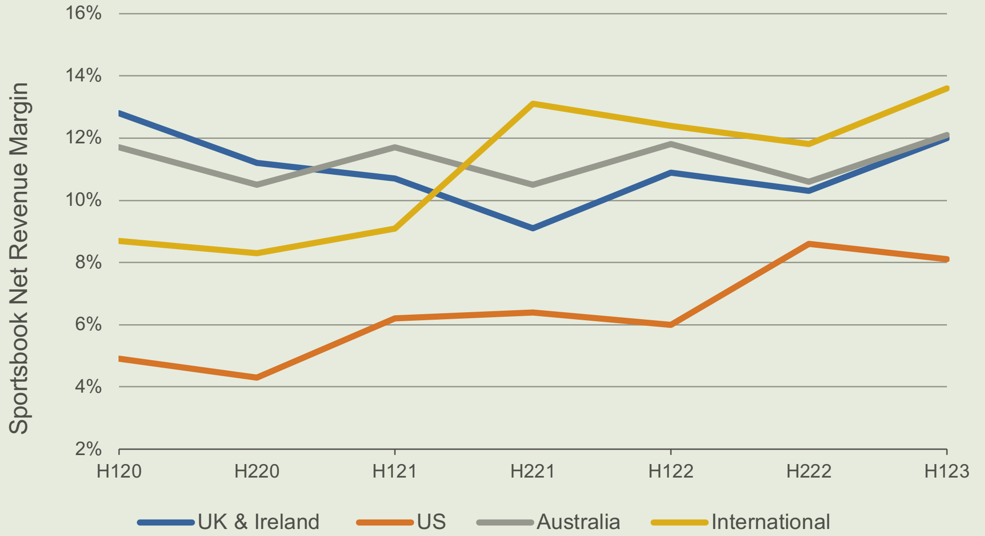
Furthermore, in our view, the fact Flutter would have to be removed from European Indices to facilitate a US listing acted as a negative catalyst for the shares over the second half of 2023. We believe that the sustained sell off since late May was partially caused by the requirement for certain funds to exit their positions in stock in anticipation of the index exclusion. The positive momentum seen in the shares following the announcement of Flutters removal from the EuroStoxx 50 in early December led us to believe that this process had come to an end. We highlighted this event as an opportunity to "Buy the Dip" via The Weekly Trader at the time and the share price increased by almost 7% over the following two weeks.

In addition to the upside potential resulting from its US listing, the company's robust operational performance also creates upside potential for shareholders. 2023 was a landmark year for FanDuel, as it became the first of its peers to turn a profit in the nascent US online gambling market. Flutter's US arm has also consolidated its dominant position in the region, increasing its market share during the final months of the year (52% net revenue share and 43% gross revenue share (Q3: 47% & 40%)). Looking forward, as new states come to market (Currently legal in 27 states), promotional expenditure is necessary to take market share. Importantly, according to the company, there appears to be an acceleration in market penetration in new states, which we believe is due to the foothold FanDuel has in neighbouring regions, which have already legalized gambling. Therefore, as the US market matures, the ad spend required to gain and hold onto market share is expected to decline, leading to margin expansion and an acceleration of earnings growth.

# ANALYST SNAPSHOT: FLUTTER

CONTINUED

**FLUTTER'S MARGINS HAVE BEEN TRENDING UPWARDS OVER THE LAST FEW PERIODS**




*Source: Flutter Presnetation*

While Flutter's US-based growth has deservedly been a key focus for investors in recent times due to the scale of the opportunity, almost 66% of the company's income is generated outside of the US. It is, therefore, encouraging to note continued strong performance in the more mature UK & Ireland markets. For example, during 2023, the more difficult operating conditions saw competitor revenues generally either stall or decline in the region. However, for Flutter, strong online momentum saw the company's average monthly players increase by 5% versus 2022, boosting revenue 15% YoY. Similarly, on an international level, Flutter continues to effectively execute its strategy of inorganic growth in order to gain market share in growing markets like Italy and, more recently, the acquisition of MaxBet in Serbia.

**To round up, our recent decision to elevate Flutter to our Analyst Conviction list is backed up by the following investment thesis; (i) Flutter's move to a US based listing should significantly boost is investor profile in the region providing a positive catalyst for the shares. (ii) FanDuel's turn to profitability in 2023 and its dominant market position highlight the prospect of an extended period of significant earnings growth that lays ahead. (iii) Flutter continues to exhibit resilient performance outside the US, where almost 2/3's of its income is generated.**

WARNING: Past performance is not indicative of future performance.

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

WARNING: Assessments of the economic impact of elevated geopolitical risks including conflicts, tensions between states, economic sanctions, potential sovereign defaults, and the COVID-19 pandemic on investments are not possible at present. These risk factors may negatively impact on the counterparty default risks, valuations & investment performance.

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

# ANALYST SNAPSHOT: ASML

***John Blake,***
*Associate*
*Equity Research*
*Analyst*

**In early November, we highlighted ASML as a high conviction Buying opportunity via the weekly trader based on, what we viewed to be, an improving landscape for the whole semiconductor space.**

ASML's shares are up over 35% since that call. Our investment thesis was centred around the view that industry sales appeared to have reached a trough in 2023, with 2024 marking the beginning of an upcycle, which could result in a sustained period of multiple expansion for key players in the sector. A core element of our bull case for ASML is that its machines are best positioned in the market to manufacture the smaller, more advanced chips required for AI related technologies. In our view, it has a strong competitive moat in this segment of the market, and this should be a key driver of growth in the long term.

Upon release its FY23 results, in which ASML'S Q4 order book came in well ahead of market expectations, management commented that it has observed some positive signs within the industry as it works through the "bottom of the cycle". Management also reaffirmed its view that the company looks set to return to impressive growth in 2025. This opinion is being echoed on the street, with consensus estimates looking for close to 50% earnings growth in FY25. As for FY24, fortunately, ASML's hefty order backlog appears to be sufficient to offset the sharp drop off in bookings during the first three quarters of 2023 and only a marginal decline is being forecasted for this year's sales. The market reaction to this release was very positive (+15% over the following two days), with investors clearly buying into the long-term growth story.

Given AMSL's critical position in the semiconductor supply chain, it should stand to benefit if consensus forecasts are correct that industry revenues have reached a trough, and we are at the beginning of an upcycle. Market data indicates that worldwide semiconductor sales fell by 13% in 2023, but they are set to rebound by over 20% in 2024 and continue to grow thereafter. Importantly, historical evidence has shown that semi-stocks tend to re-rate sharply during these "up-cycles" and the upward pressure on valuations can last up to two years. For ASML, the data suggest that this re-rating process has already begun, given that

**WORLDWIDE SEMICONDUCTOR SALES, WHICH ARE CYCLICAL IN NATURE, ARE FORECASTED TO RETURN TO POSITIVE GROWTH IN 2024**


*Source: Bloomberg*

# ANALYST SNAPSHOT: ASML

CONTINUED

on an annualized PE the stock has rerated from 26x to 41x over the past four of months. Our view is that there is scope for further multiple expansion over the expected next 17-month period, presenting an opportunity to buy ASML at an attractive entry point.

The recent surge in AI related developments is acting as a catalyst for high-end chip demand. Critically, the smaller, more powerful microchips required for AI applications are reliant on ASML's Extreme Ultraviolet (EUV) Lithography machines. The company has an effective monopoly in this segment of the market which, in our view, justifies its premium valuation relative to its peers. It is fully expected that industry demand for further miniaturization and microchip efficiency will continue to grow over the next decade or more. Thus, ASML's competitive moat in the space should provide reassurance that it can sustainably grow its profits in the long term. We believe this can be achieved through higher volumes and importantly, greater pricing power as its machines become more advanced.

**In conclusion, our investment thesis on the stock is centred around three main points; (i) The semiconductor industry appears to be at the early stages of an upcycle which should benefit ASML as a key player in the industry. (ii) ASML has a competitive moat in the machines which develop the more advanced chips required for AI applications. (iii) Whilst the stock now trades at a premium to its historical average valuation, we believe it can continue to rerate given its attractive growth prospects.**

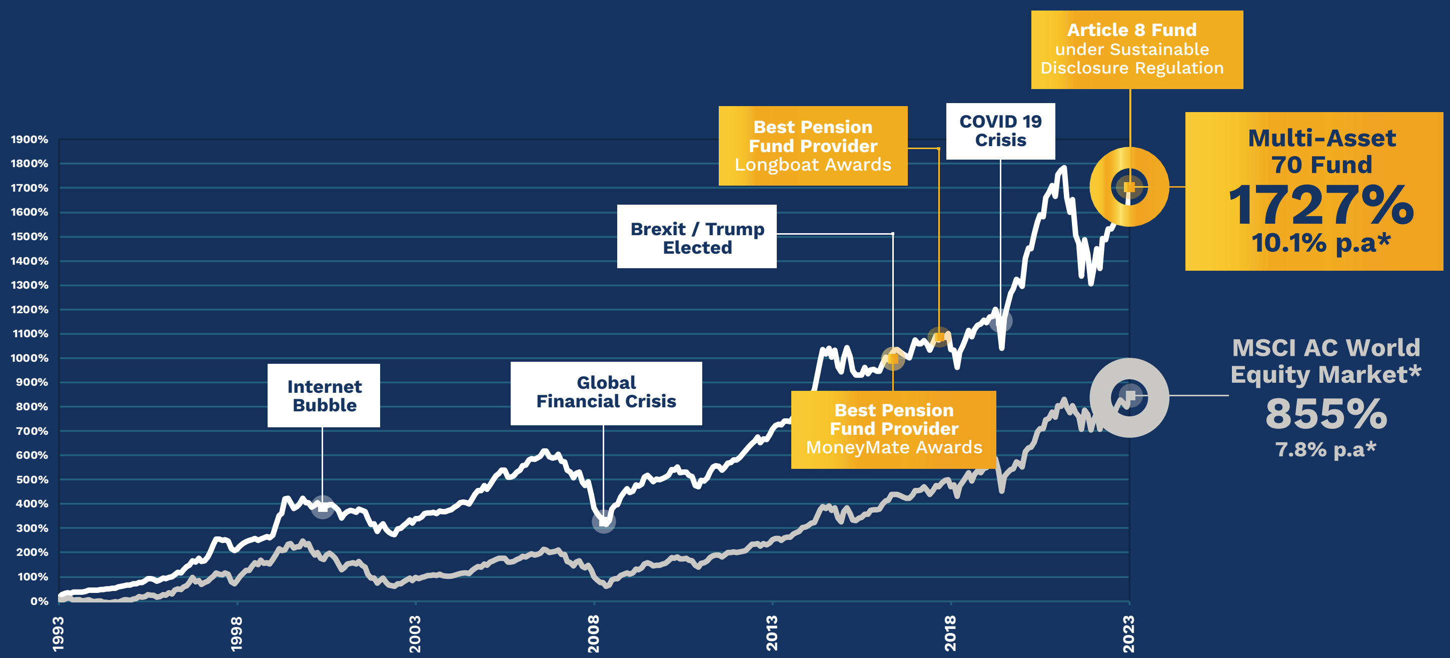
CELEBRATING 30 YEARS OF THE

# Cantor Fitzgerald Asset Management Multi-Asset 70 Fund

30 YEARS

## MULTI-ASSET 70 FUND PERFORMANCE SINCE INCEPTION vs. EQUITY MARKET

*performance to 31 December 2023




Source: Bloomberg and CFAM. Performance is quoted gross of Annual Management fee.



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

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

WARNING: If you invest in this fund you may lose some or all of the money you invest.

WARNING: This fund may be affected in changes in currency exchange rates.

For further information or to arrange a meeting contact:

**Dublin +353 1 633 3800 | Cork +353 21 422 2122 | Limerick +353 61 436 500**

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CANTOR FITZGERALD IRELAND

MORNINGSTAR ★★★★★ TM

# MULTI-ASSET FUND RANGE

The Cantor Fitzgerald Multi-Asset Range of funds is designed to suit investors with different risk appetites.

## KEY FEATURES

- Actively managed investment process
- Diversification across a range of assets
- Ability to deliver strong returns with reduced volatility in times of market stress
- Long term fundamental holdings with short term tactical opportunities
- Morningstar Rating™ ★★★★★[1]

1. As of 31/12/23

**MULTI-ASSET 30**
**20%-40%** in Growth assets
**80%-60%** in Defensive Assets

**MULTI-ASSET 50**
**40%-60%** in Growth assets
**60%-40%** in Defensive Assets

**MULTI-ASSET 70**
**60%-80%** in Growth assets
**40%-20%** in Defensive Assets

## PERFORMANCE

The table shows what these funds have typically returned over 4, 5 and 6 years (increasing the time period as the risk of the fund increases). These returns have been delivered despite the many crises that financial markets have faced over the last 20+ years.

| **SUMMARY STATISTICAL RETURNS** (since inception - December 2023) | | | |
|---|---|---|---|
| Medium Term Investment Horizon | MA30 (4yr)* | MA50 (5yr)* | MA70 (6yr) |
| Annualised Rolling Return: Average | **5.37% p.a.*** | **6.06% p.a.*** | **8.31% p.a.** |

* Include both actual returns from 21 July 2015 to 31 December 2023, and simulated returns prior to 21 July 2015.

## PERFORMANCE COMPARED WITH SIMILAR FUNDS & THE GLOBAL EQUITY MARKET

| | **MA30** | Average* | **MA50** | Average* | **MA70** | Average* |
|---|---|---|---|---|---|---|
| 1 Yr | **14.6%** | 7.1% | **19.4%** | 10.5% | **24.5%** | 13.4% |
| 3 Yrs p.a. | **1.7%** | 1.5% | **4.0%** | 4.1% | **5.6%** | 6.3% |
| 5 Yrs p.a. | **5.6%** | 3.2% | **8.6%** | 6.0% | **11.5%** | 8.5% |

Multi-Asset Fund returns gross of annual management charge (0.50%).
*Average of selection of equivalent funds available on the Irish market from other providers (Irish Life, Aviva, LGIM, Friends First, New Ireland, Zurich).



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CANTOR Fitzgerald®

For further information or to arrange a meeting contact:
DUBLIN 01 633 3800 | CORK 021 422 2122 | LIMERICK 061 436 500
www.cantorfitzgerald.ie

# GREEN EFFECTS FUND FACTSHEET

JANUARY 2024

## 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 | €372.69 |
| **NAV Date** | **31/12/2023** |
| 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 | €198.57m |
| Fund ISIN | IE0005895655 |
| Fund Sedol | 0589565 |
| Bloomberg | GEFINVL ID |
| Domicile | Ireland |
| Structure | UCITS Fund |

### Historic Yield

| | |
|---|---|
| *Fund Yield | 1.35% |

*Fund yield is historic based on full year 2020 dividend income received. The fund does not distribute income to investors. All dividend income is reflected within the NAV price of the fund.*

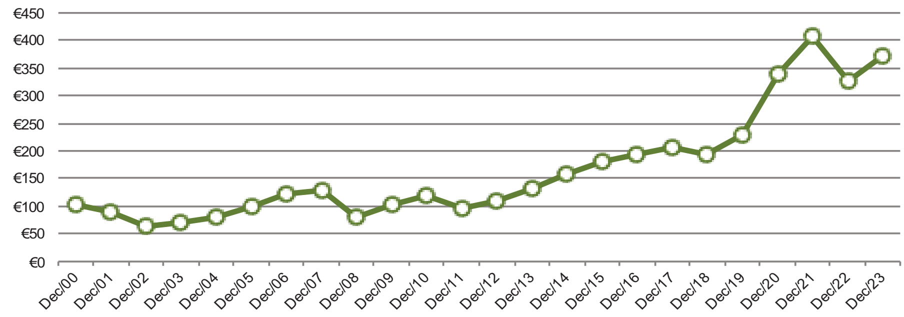
### Total number of holdings

| | |
|---|---|
| Number of holdings | 30 |

### Market Capitalisation Exposure

| | |
|---|---|
| Large: > €3bn | 60.08% |
| Medium: €500m - €3bn | 37.11% |
| Small: < €500m | 2.81% |

### GREEN EFFECTS FUND NAV SINCE INCEPTION



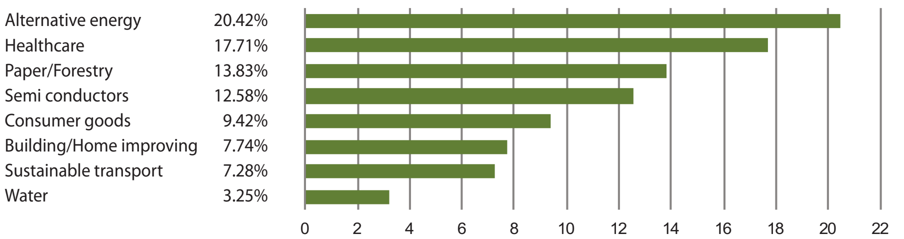

*Source: Cantor Fitzgerald Ireland Ltd Research*

### SRI RISK RATING

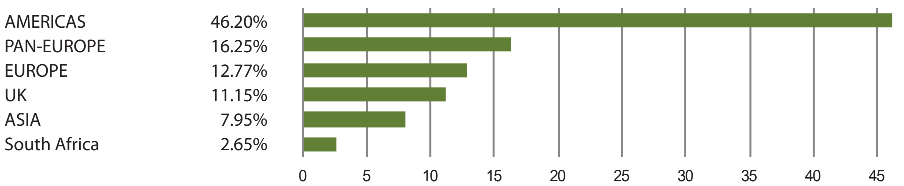
| Lower Risk | 1 | 2 | 3 | 4 | 5 | 6 | 7 | Higher Risk |
|---|---|---|---|---|---|---|---|---|

Typically Lower Rewards — Typically Higher Rewards

### LARGEST SECTOR EXPOSURE %




### GEOGRAPHIC EXPOSURE %




| Performance | 1 Month | YTD | 1 Year | 3 Year* | 5 Year* | 10 Year* | Inception* |
|---|---|---|---|---|---|---|---|
| Green Effects | 6.87% | 13.94% | 13.94% | 3.10% | 14.04% | 10.91% | 5.65% |
| MSCI World € | 3.29% | 20.47% | 20.47% | 11.46% | 14.18% | 11.64% | 5.46% |
| S&P 500 € | 2.89% | 22.23% | 22.23% | 13.70% | 16.46% | 14.50% | 6.37% |

*As of 31/12/2023. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.*

WARNING: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up.

## Top 15 Positions

| | |
|---|---|
| VESTAS | 9.02% |
| NVIDIA | 7.98% |
| SMITH & NEPHEW | 6.75% |
| TESLA INC | 5.16% |
| FIRST SOLAR | 4.78% |
| AIXTRON AG | 4.60% |
| MOLINA | 4.43% |
| SVENSKA CELLULOSA | 3.96% |
| BIONTECH SE | 3.88% |
| KADANT | 3.68% |
| MAYR MELNHOF | 3.42% |
| SIGNIFY | 3.27% |
| KURITA | 3.25% |
| STEELCASE | 3.12% |
| KINGFISHER | 2.99% |

*Source: Cantor Fitzgerald Ireland Ltd Research*

## Fund Sector Exposure vs MSCI World

| Sectors | GE | MSCI |
|---|---|---|
| Information Technology | 19.9% | 23.03% |
| Financials | 2.8% | 15.17% |
| Health Care | 17.7% | 12.14% |
| Consumer Discretionary | 9.6% | 10.88% |
| Industrials | 29.2% | 10.84% |
| Communication Services | 0.0% | 7.27% |
| Consumer Staples | 3.8% | 6.84% |
| Materials | 7.6% | 4.23% |
| Energy | 0.0% | 4.47% |
| Utilities | 3.4% | 2.63% |
| Real Estate | 2.8% | 2.48% |
| Cash | 3.2% | 0 |

*Source: Cantor Fitzgerald Ireland Ltd Research*

# Fund Manager Comment

The Green Effects Fund NAV price ended December at **€372.69** which was a return of **+6.87%** for the month. For 2023, the Fund generated a return of **+13.94%**. The **24 year** annualised net return for the fund since its inception (Oct 2000) is **+5.65%**.

Largest contributors to the NAV move on the month were Vestas (+1.13%), Aixtron (+0.72%), Tomra Systems (+0.48%), Mayr Melnhof (+0.42%) and Nvidia (+0.36%). Rate-sensitive names within the Fund were the standout performers in December.

Global equities rallied by +3.7% (in euro terms) on the month bringing the year to a strong close. During the month, Fed Chair Jerome Powell spoke of the end of interest rate increases and several potential cuts in 2024. The market reacted strongly to the Fed's "dot plot" matrix (prediction of the path of future interest rates) and continued to rally into year-end. Bond yields fell during the month and the closely monitored 10-year U.S. Treasury Bond yield continued to decline (it reached 5.02% in September, last seen 16 years ago), closing at 3.88% for the month. The consumer price index (CPI / Inflation) gained 3.1% year-over-year in November, down from peak 2022 inflation levels of 9.1%. The Fed's battle against inflation has been helped by energy prices (falling Oil & Gasoline prices), which have fallen on an annual basis for nine consecutive months.

The annual COP (Conference of the Parties) meeting took place in Dubai in early December. Nearly every country in the world has agreed to "transition away from fossil fuels". It is the first time such an agreement has been reached in 28 years of international climate negotiations. The outcome also included agreement to triple the world's renewable energy capacity and double its energy efficiency by 2030. However it was not all good news as many countries walked away from the talks frustrated at the lack of a clear call for a fossil-fuel "phase-out" this decade. The challenge remains clear on a global scale around the ongoing reliance on fossil fuels versus the ongoing damage being caused to our environment.

**Vestas Wind Systems** presented at an analyst event during the month and the overall tone was certainly more upbeat than any time over the last two years. The company is in a good position to capture market share and capitalise on improving order outlook. They remain optimistic on order flow as we look through to 2024 and reiterated their message from earlier this year being happy to turn down uneconomic business. Their service business remains a key differentiator and a steady margin business versus peers. It remains the largest holding within the Fund at the time of writing.

**Aixtron**, the German-listed Semiconductor business, also presented at an analyst event in early December. The company specialises in GaN technology within the Chip sector. GaN is growing in importance because of its ability to offer significantly improved performance across a wide range of applications while reducing the energy and the physical space needed to deliver that performance when compared with conventional silicon technologies. This technology features prominently within EV charging, data centres, fast charging device hardware (phones/PC's etc) and solar power energy deployment. The growth potential of the company's end markets remains particularly strong.

**First Solar**, ended the month circa 8% higher. The company remains a key player in the US solar market. The world doubled installed solar capacity over the last 18 months, primarily due to it being the cheapest source of electricity in history. A crucial focal point in the US for Solar is the US legislation passed in 2022, namely the Inflation Reduction Act (IRA). The IRA allocated $369 billion for clean energy infrastructure to bring U.S. carbon emissions down 40% by 2030. The IRA also includes an expanded Investment Tax Credit (ITC), a one-time base tax credit for up to 30% of investments into solar production facilities provided in the year a project is placed in service. Over the next 10 years, the IRA will lead to 48% more solar deployment than would otherwise be expected under a no-IRA scenario. By 2033, the U.S. will have installed 669 GW of total solar capacity, more than 4 times the amount installed today. 280 clean energy projects were announced across 44 US states in 2022 alone. These projects represent $282 billion in investment and are expected to create nearly 175,000 jobs.

During the month the Fund reduced its exposure to Molina Healthcare by circa 1% (of fund nav). The holding in Hannon Sustainable Infrastructure was increased (+1.50%) along with Signfy (+0.50%) and consumer goods company Natura (+0.50%). At the time of writing (4/1/23) the cash weighting in the fund was circa 4%.

## 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% | 13.94% |

*Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust*

email: **greeneffects@cantor.com**

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# GLOBAL EQUITY INCOME FUND

## When markets are unpredictable, you need a fund that isn't

The **Global Equity Income Fund** invests in a diversified portfolio of financially strong well-managed companies that pay an attractive and growing dividend.

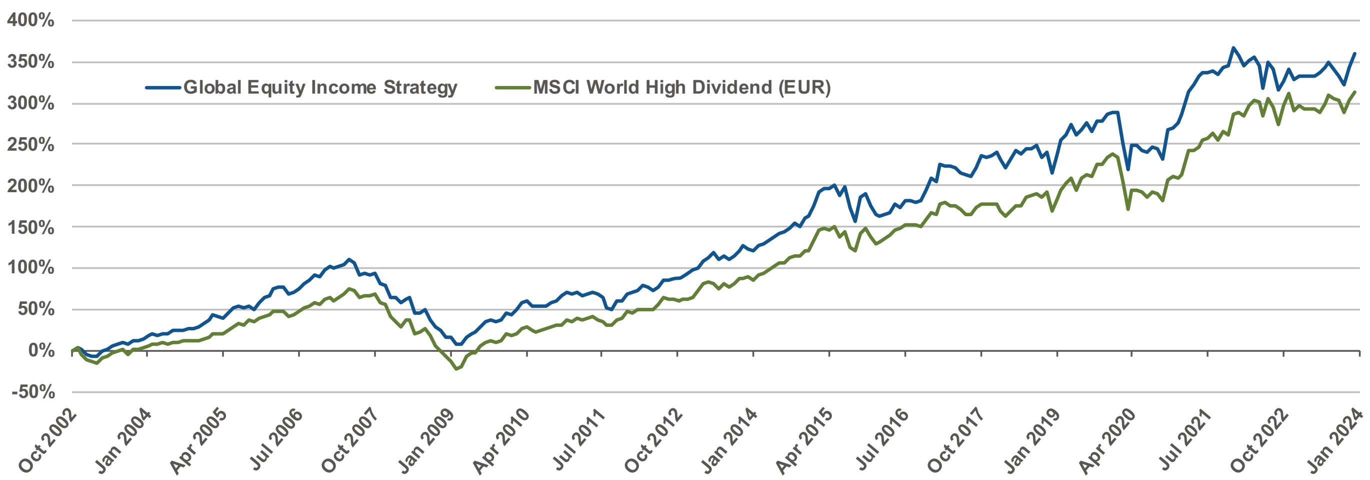
- Achieved annualised return of 7.62% per annum since inception* despite significant market disruption
- SRI rating 4 out of 7

* Inception October 2002

| Investment Philosophy | |
|---|---|
| **CONSERVATISM** | **INCOME QUALITY & GROWTH** |
| • Strong balance sheet<br>• Robust cash-flow generation<br>• Good return on capital / equity<br>• Valuation constraints | • Attractive dividend<br>• Consistent dividend growth<br>• Management commitment |

| Investment Style | |
|---|---|
| Large Capitalisation | >$2 Billion (avg. 150B) |
| Dividend yield | 2.61% |
| P/E | 16.42 |
| ROE | 19.03 |

### COMPARISON CHART




*Source: Bloomberg, Cantor Fitzgerald*

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

WARNING: Please refer to the Fund Prospectus and to the KID before making any final investment decisions.

## THE IMPORTANCE OF DIVIDEND QUALITY

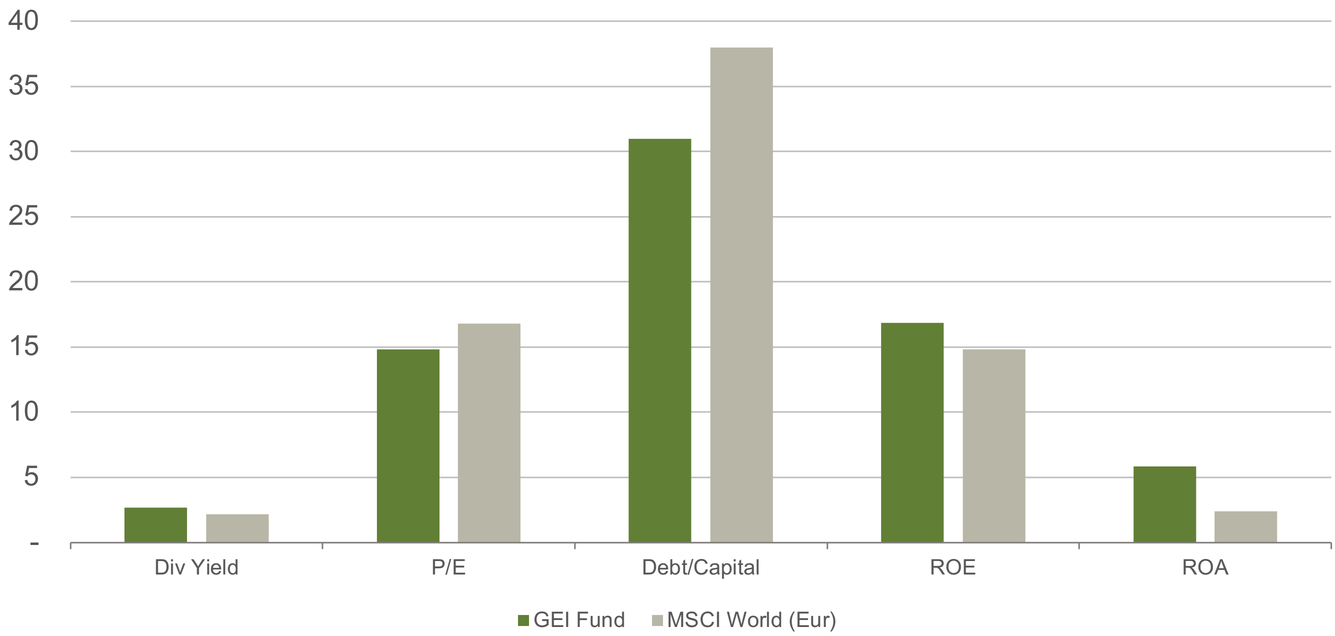
High-yielding companies without strong financial stability might underperform as they are vulnerable when the economy turns down – thus a good income strategy should combine both high yield and quality.

We think that a tilt toward quality names based on strong profitability and low leverage indicators should be able to create value by weeding out value traps and speculative growth investments with weak fundamentals and poor growth prospects.

The problem is that quality has different definitions which are quite often subjective to investment managers.

In our view, a quality stock must have paid dividends for a minimum of 5 consecutive years, have low leverage, high ROE, an attractive yield and a solid dividend growth rate! And from a fundamental view, quality also means being able to generate enough free-cash-flow so that the dividend can be sustained but also increased.

**STRONG FUNDAMENTALS, LOW LEVERAGE & HIGH PROFITABILITY**




*Source: Bloomberg*

The great thing about dividends is that, unlike accounting-based measures of profitability, dividends are difficult to manipulate. Moreover, a dividend policy focused on the sustainability and regular growth of the dividend, is often rewarded by the market: meaning that it can dissuade management teams on adopting speculative investment strategies (such as unnecessary capital spending or risky M&A) which can endanger free-cash-flow and erode stakeholders' value.

The key point here is that competitive pressure and economic cyclicality can unseat even the largest companies… but focusing on high quality companies, that pay an attractive dividend and also grow it over time, which is what we do for our Global Equity Income Fund, is an all-weather strategy that can help investors navigate multiple market cycles.

INVESTMENT OPPORTUNITIES

# AVIVA SDIO APPROVED FUNDS

Aviva's Self Directed Investment Option (SDIO) provides brokers and policy holders with access to a diverse range of assets for pre and post-retirement pension investors. Aviva's Approved Investment Funds available through Cantor Fitzgerald are listed below.

| Fund Manager | Name | SRI Risk Rating (1 - 7) | Fund Sector | OCF | Sedols | SFDR Classification |
|---|---|---|---|---|---|---|
| **Allianz** | Allianz Income and Growth | 4 | Mixed Allocation | 0.88% | BW9P634 | Article 6 |
| **BNY Mellon** | BNY Mellon Global Bond | 3 | Fixed Income | 0.64% | 0393238 | Article 6 |
| **Threadneedle** | Threadneedle European Select | 4 | Equity | 0.88% | BFNQYV8 | Article 8 |
| **PIMCO** | PIMCO GIS Global Investment Grade Credit | 3 | Fixed Income | 0.49% | B3D1YW0 | Article 6 |
| **PIMCO** | PIMCO GIS Income | 3 | Fixed Income | 0.55% | B8D0PH4 | Article 6 |
| **Invesco** | Invesco Global Targeted Return | 3 | Alternative | 0.92% | BH5MDY4 | Article 6 |
| **M&G** | M&G Dynamic Allocation | 3 | Mixed Allocation | 0.92% | BD6K5N2 | Article 8 |
| **M&G** | M&G Optimal Income | 3 | Fixed Income | 0.83% | BFLVD30 | Article 8 |
| **Jupiter** | North American Equity | 4 | Equity | 0.89% | BYR8HR0 | Article 6 |
| **Lazard** | Lazard Global Listed Infrastructure Equity | 3 | Equity | 0.95% | B51PLJ4 | Article 8 |
| **Fundsmith** | Fundsmith Equity Feeder | 4 | Equity | 0.95% | B4W03Z1 | Article 8 |
| **Muzinich** | Enhanced Yield | 2 | Fixed Income | 0.56% | 3375891 | Article 8 |
| **Cantor Fitzgerald Asset Management** | Global Equity Income | 4 | Equity | 0.70% | BYX7S23 | Article 6 |
| **JP Morgan** | Global Macro Opportunities | 3 | Mixed Allocation | 0.78% | 5671360 | Article 6 |
| **Cantor Fitzgerald Ireland** | Green Effects | 4 | Equity | 1.12% | 0589565 | Article 9 |

WARNING: Not all investments are necessarily suitable for all investors and specific advice should always be sought prior to investment, based on the particular circumstances of the investor.

INVESTMENT OPPORTUNITIES

# THE FUND EDIT

At Cantor Fitzgerald, we are proud to offer a wide range of investment options for our clients from collective funds, ETFs, investment trusts, REITs and direct equities. The investable universe available is vast. For this reason, we have produced a manageable list of our preferred funds across a range of assets classes, geographical regions and sectors. This pared-down list is produced by our in-house research team.

**Inclusion in the list does not necessarily mean that we recommend buying the fund at any given time and we strongly recommend that clients do their own research and/or seek independent investment advice, or talk to one of our advisors.**

## Alternative Funds

A range of funds with exposure to a range of different asset classes including commodities, private equity, bonds, property, as well as equity.

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **JPMorgan Global Macro Opportunities Fund** | Multi-asset strategy that seeks to deliver attractive risk-adjusted returns and in varying market environments through a macro, focused and flexible approach. | Global | 3 | 0.00% | 0.78% |

## Multi-Asset Class Funds

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Cantor Fitzgerald Asset Management Multi-Asset 30 Fund** | Award winning multi-asset fund with a maximum equity weighting of 40% | Global | 3 | 0.00% | 0.68% |
| **Cantor Fitzgerald Asset Management Multi-Asset 50 Fund** | Award winning multi-asset fund with a maximum equity weighting of 60% | Global | 4 | 0.00% | 0.67% |
| **Cantor Fitzgerald Asset Management Multi-Asset 70 Fund** | Award winning multi-asset fund with a maximum equity weighting of 80% | Global | 4 | 0.00% | 0.70% |

## Equity Funds

A range of actively manged funds as well as targeted passive funds.

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Fundsmith Global Equity Fund** | A global equity fund with a focus on growth stocks. The manager, Terry Smith, aims to buy and hold, ideally forever, high-quality businesses that will continually compound in value. | Global | 4 | 0.00% | 0.95% |
| **Cantor Fitzgerald Global Equity Income Fund** | This fund captures the capital growth potential inherent in equity markets over the long term through a diversified portfolio of global equities. | Global | 4 | 0.00% | 0.70% |
| **Threadneedle European Select Fund** | The fund invests at least two-thirds of its assets in shares of companies with growth prospects in Continental Europe. The fund's investment approach means it will typically hold a smaller number of investments compared with other funds. | Europe | 4 | 0.00% | 0.88% |
| **SPDR S&P 500 UCITS ETF** | The objective of this ETF is to track the US equity market performance of the S&P 500 index. | US | 5 | 1.19% | 0.09% |
| **abrdn UK Smaller Companies Growth Trust Plc** | The objective is to achieve long-term capital growth by investment in a diversified portfolio consisting of around 50 individual holdings which will be mainly UK-quoted smaller companies. | UK | 5 | 2.19% | 1.28% |
| **Aberdeen Standard European Smaller Companies Fund** | The fund aims to provide long-term growth by investing predominantly in the shares of smaller companies listed on European stock markets, including the UK. | Europe | 5 | 0.00% | 1.01% |

## Equity Funds continued

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Scottish Mortgage Investment Trust Plc** | This investment trust offers a unique mandate for investors with an idiosyncratic and esoteric portfolio of approx. 100 companies. The strategy focuses on identifying high-growth companies and holding them for the long term, this includes up to 30% in private equity. The nature of the portfolio means that it is likely to be volatile. | Global | 6 | 0.49% | 0.88% |
| **Pacific Horizon Investment Trust Plc** | This investment trust invests in the Asian Pacific region (excluding Japan) and the Indian sub-continent aiming to achieve capital growth. The fund manager focuses the fund towards companies that will benefit from the technological change on economics and existing businesses. | Asia ex Japan | 5 | 0.53% | 0.87% |
| **JPMorgan Emerging Markets Trust Plc** | This investment trust aims to maximise total returns from emerging markets and provides investors with a diversified portfolio of shares in companies which the manager believes offer the most attractive opportunities for growth. It draws on JP Morgan's global network of 40 emerging market specialists across Asia, Latin America, Eastern Europe and Africa. | Emerging Markets | 5 | 1.41% | 0.9% |
| **Smithson Investment Trust Plc** | Run by the same team behind the Fundsmith Equity fund behemoth, this smaller-sized investment trust allows the manager to focus on small & mid-sized companies in developed countries that fit their investment profile. | Global | 4 | 0.00% | 1.00% |
| **SPDR® Russell 2000 U.S. Small Cap UCITS ETF** | This ETF tracks the performance of the Russell 2000 Index, a US smaller companies index that covers approx 8% of the total US equity market | US | 5 | 0.00% | 0.30% |

## Bond Funds

Funds that invest in the debt issuances of governments and/or corporates.

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Corporate Bonds** | | | | | |
| **Vanguard Global Credit Bond Fund** | An actively managed fund that seeks to provide a moderate and sustainable level of current income by investing in a diversified portfolio of global credit bonds. The fund may take active fixed-income sector views with the focus on bond-specific selection. | Global | 3 | 0.00% | 0.30% |
| **iShares Core EUR Corporate Bond UCITS ETF** | This ETF offers diversified exposure to investment grade corporate bonds issued in Euro across a wide range of sectors. | Europe | 2 | 2.52% | 0.20% |
| **Carmignac Portfolio Sécurité Fund** | This bond fund invests mainly in government and corporate debt securities denominated in Euro. It adopts a low duration stance and flexible approach in its quest to deliver steady returns. Portfolio construction is a result of manager views and market analysis with no bias to any benchmark. | Global | 2 | 0.00% | 0.56% |
| **Muzinich Enhancedyield Short Term Fund** | This bond fund targets a diverse portfolio, primarily in corporate bonds with short maturities. The fund is a well-diversified, short duration portfolio consisting of predominantly European and US investment grade and high-yield bonds that have attractive risk-reward characteristics. | European | 2 | 0.00% | 0.56% |

## Bond Funds continued

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Government Bonds** | | | | | |
| **BNY Mellon Global Bond Fund** | This long-running bond fund invests in a wide mix of international, sovereign, government, agency, corporate, bank and asset-backed debt and debt-related securities. | Global | 3 | 0.00% | 0.64% |
| **iShares Core Euro Government Bond UCITS ETF** | The fund seeks to track the performance of an index composed of Eurozone investment grade government bonds. | European | 3 | 0.98% | 0.09% |
| **High Yield** | | | | | |
| **Allianz Income and Growth Fund** | Allianz Income and Growth adopts a “three-sleeves” approach, with the core holdings invested primarily in a portfolio consisting of 1/3 US high-yield bonds, 1/3 US convertible bonds and 1/3 US equities/equity securities. It aims to capture multiple sources of potential income and includes participation in the upside potential of equities at a potentially lower level of volatility than pure-equity investment. | Global | 4 | 1.84% | 0.89% |
| **UBAM Global High Yield Fund** | Invests in high-yield bonds through CDS (Credit Default Swap). A CDS is an instrument that gives investors exposure to high-yield company debt. CDS are more liquid than high-yield bonds and bear no interest rate risk. The fund is split between US High Yield (70%) and Euro High Yield (30%) | Global | 3 | 5.75% | 0.55% |
| **iShares Euro High Yield Corporate Bond UCITS ETF** | This ETF offers diversified exposure to sub investment grade corporate bonds issued in Euro across a wide range of sectors. | Europe | 3 | 5.47% | 0.50% |

## Specialist funds

Funds targeting specific sectors, regions or asset class.

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Lazard Global Listed Infrastructure Equity Fund** | The fund is an actively managed portfolio that typically invests in the equity of infrastructure companies that meet certain preferred criteria, such as revenue certainty, profitability and longevity. | Global | 4 | 0.00% | 0.95% |
| **Polar Capital Technology Trust Plc** | The investment trust aims to maximise long-term capital growth through investing in a diversified portfolio of technology companies around the world. | Global | 5 | 0.00% | 0.89% |
| **Worldwide Healthcare Trust Plc** | This specialist trust focuses on the healthcare sector from small-cap biotech firms to global blue-chip pharm companies. The managers blend relatively defensive subsectors, such as medical devices, with significant growth potential from small caps such as biotech and emerging markets. | Global | 5 | 0.90% | 0.83% |
| **First Trust Cloud Computing UCITS ETF** | The ETF tracks the performance of companies engaged in a business activity in the cloud computing industry. The ETF gives investors exposure to the three main business categories: Infrastructure as-a-Service (IaaS), Platform-as-a Service (PaaS) & Software as-a-Service (SaaS) | Global | 6 | 0.00% | 0.60% |
| **Lyxor Disruptive Technologies UCITS ETF** | This ETF tracks the performance of companies expected to derive significant revenue from disruptive tech, eg 3D printing, 'The internet of things', fintech, robotics and more. | Global | 5 | 0.00% | 0.45% |
| **Invesco Physical Gold ETC** | This fund tracks the performance of Gold in USD. It is backed by gold bullion held in the JP Morgan Chase Bank's London vaults. Gold offers a traditional alternative to equities and can be viewed as a hedge against inflation. | Global | 4 | 0.00% | 0.12% |

## Specialist funds continued

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **abrdn European Logistics Income Plc** | This investment trust invests in mid-sized warehouses across Europe. This sector of the property market has seen increased interest due to e-commerce as online sales require 3 times as much space as high street stores. The investment should offer some protection against inflation as leases are linked to CPI and benefits from an income. | Europe | 5 | 5.48% | 2.81% |
| **Supermarket Income REIT Plc** | This is a Real Estate Investment Trust investing in UK supermarket property. The portfolio is a mix of retailers including Sainburys, Tesco, Waitrose and Morrisons. This holding provides investors with long-dated, secure inflation-linked income and potential capital appreciation over the longer term. | UK | 5 | 6.57% | 1.30% |
| **VanEck Vectors Semiconductor UCITS ETF** | An ETF that tracks the performance of the largest and most liquid companies in the semiconductor industry. | Global | 6 | 0.00% | 0.35% |
| **L&G Cyber Security UCITS ETF** | This ETF tracks the performance of companies that are actively engaged in providing cyber security technology and services. The ETF has 50+ constituents. | Global | 5 | 0.00% | 0.69% |

## Ethical Funds

A range of funds that focus on ethical investing such as ESG or clean energy.

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **Green Effects Fund** | This long-running fund invests in a range of companies with a commitment to either supporting the environment or demonstrating a strong corporate responsibility ethos. | Global | 4 | 0.00% | 1.12% |

## Ethical Funds continued

| Investments | Comment | Region | SRI Risk Rating | Yield | OCF |
|---|---|---|---|---|---|
| **iShares Global Clean Energy UCITS ETF** | This ETF provides investors with exposure to companies involved in clean energy production or the provision of clean energy equipment & technology from both developed and emerging markets. It gives broad-based exposure to a basket of 80+ global Clean Energy stocks. | Global | 5 | 0.79% | 0.65% |
| **Aquila European Renewables Income Fund Plc** | This fund invests in a diversified portfolio of onshore wind, solar and hydro renewable energy assets across continental Europe and Ireland. | Europe | 3 | 5.38% | 1.10% |
| **Greencoat Renewables Plc** | A wind energy company with a portfolio of more than 520MW of generation capacity. It is Ireland's largest wind energy company and has begun to expand into continental Europe. | Ireland | 5 | 7.38% | 1.25% |

## Fund of Funds Opportunities (Optimum Discretionary Model Portfolios)

| Investments | Comment | Region | Risk Level | Yield | OCF |
|---|---|---|---|---|---|
| **Optimum Cautious** | The investment objective of this portfolio is to provide conservative capital appreciation. It is designed for investors who have a low to medium risk appetite. Therefore, the portfolio follows a strategy that aims for lower levels of volatility. | Global | Low-Medium Risk | 0.00% | 0.90% |
| **Optimum Moderate** | The investment objective of this portfolio is to provide moderate capital appreciation. It is designed for investors who have a medium risk appetite and are prepared to accept a moderate level of portfolio volatility. | Global | Medium Risk | 0.00% | 0.90% |
| **Optimum Growth** | The investment objective of this portfolio is to provide a high degree of capital appreciation. It is designed for investors who have a medium to high risk appetite and are prepared to accept a potentially higher level of portfolio volatility. | Global | Medium-High Risk | 0.00% | 0.90% |

*The Summary Risk Indicator (SRI) is used as the risk rating guide for these investments.
*OCF figure source: Morningstar and KID documents*
*Yield: Morningstar as at 31/12/23*
*Risk Rating: Morningstar and KID documents*

## Portfolio Risk Indicator


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

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

| |
|---|
| WARNING: Investments denominated in foreign currencies are subject to fluctuations in exchange rates, which may have an adverse affect on the value of the investments, sale proceeds, and on dividend or interest income. |

| |
|---|
| WARNING: The income you get from your investment may go down as well as up. |

| |
|---|
| WARNING: Not all products are necessarily suitable for all investors and specific advice is required prior to |

# CAPITAL PROTECTED INVESTMENTS

## 100% CAPITAL PROTECTED MSCI AI INDEX BOND II


### KEY FEATURES

- Uncapped return potential linked to the performance of the BNP Paribas 5% Volatility Control on MSCI AI Index (The Index)
- 150% of The Index returns are added to the 100% Capital Protected Amount at maturity
- 100% Capital Protection at maturity is guaranteed by BNP Paribas (S&P's A+ / Moody's Aa3 /Fitch AA-)*
- Dynamic risk-controlled index aims to produce stable returns
- Low risk investment (SRI risk level 2 out of 7)**
- 4 Years 11 Month Investment Term
- **Closing Date: 1st March 2024**

## TECHNOLOGY 85% PROGRESSIVE PROTECTION BOND

### KEY FEATURES

- Strategy linked to the Fidelity Global Technology Fund, Invesco Physical Gold ETC and 2 leading bond funds
- Continuous upward only capital protection feature
- 85% Max Nav protection is provided by Societe Generale (Moody's A1 / S&P's A / Fitch A)
- Open-ended investment with daily liquidity & pricing
- Subject to CGT
- Fully collateralised investment (SRI level 2 out of 7)
- **Minimum investment: €25,000**
  (or €10,000 via Aviva SDIO)

WARNING: This Investment is a complex investment product and may be difficult to understand. Investors should not invest in this product without having sufficient knowledge, experience and professional advice from their Financial Broker to make a meaningful evaluation of the merits and risks of investing in a product of this type, and the information contained in this document and the Base Prospectus.

CANTOR FITZGERALD IRELAND

# CAPITAL PROTECTED INVESTMENTS

## BARCLAYS BANK IRELAND PLC 3 YEAR 2.75% P.A. FIXED RATE BOND IV

### KEY FEATURES

- 100% Capital protection at the Final Maturity Date from Barclays Bank Ireland PLC
- Issuer: Barclays Bank Ireland PLC (Credit Rating: S&P A+ / Fitch A+) *
- Fixed Rate of 2.75% p.a. (2.75% CAR) paid out annually
- A potential Extra Coupon of 0.05% at the Final Maturity Date based on the underlying Eurostoxx 50 Index
- Very Low Risk Bond (SRI Risk Level 1)
- Minimum Investment €50,000
- **Closing Date: 19th February 2024**

## 100% CAPITAL PROTECTED PROFIT LOCK IN BOND III


### KEY FEATURES

- Unlimited return potential from an Index linked to the SPDR S&P 500 ETF, SPDR Gold Shares and the iShares 20+ Year Treasury Bond ETF
- 200% Participation in The Index returns with no cap or limit on final returns
- 4 Opportunities to Lock in Profits and redeem early annually
- 200% of The Index returns are added to 100% Capital Protected Amount at Final Maturity Date
- 100% Capital Protection at the Final Maturity Date is guaranteed by The Goldman Sachs Group, Inc. A2 (Moody's) / BBB+ (Standard & Poor's) / A (Fitch)*
- Dynamic risk controlled and diversified index aims to produce stable returns
- Low risk investment (SRI risk level 2 out of 7) ** 4 Year 11 month maximum Investment Term
- **Closing Date: 8th March 2024**

WARNING: The return on your investment as well as the capital protected amount at maturity is linked to the solvency of BNP Paribas Issuance B.V. as Issuer and BNP Paribas as Guarantor, if both were to default you will lose some or all of your investment.

For further information or to arrange a meeting contact:

**DUBLIN 01 633 3800 | CORK 021 422 2122 | LIMERICK 061 436 500**

**www.cantorfitzgerald.ie**

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CANTOR FITZGERALD IRELAND

# CAPITAL PROTECTED INVESTMENTS

## GOLDMAN SACHS GROUP, INC. 3.35% CALLABLE 3 YEAR FIXED RATE BOND II

### KEY FEATURES

- 100% Capital protection at the Final Maturity Date from Goldman Sachs Group, Inc
- Issuer: Goldman Sachs Group, Inc. (Credit Rating: A2 / BBB+ / A)*
- Fixed Rate of 3.35% p.a. (3.24% CAR**) payable at maturity with a potential Extra Coupon of 0.05% at
- Final Maturity Date based on the underlying iShares EURO STOXX 50 UCITS ETF***
- The Issuer has the right to Call The Bond and redeem it early at the end of year 1 and also on each 6 month anniversary following that****
- Minimum Investment €50,000
- **Closing Date: 15th February 2024**

WARNING: If Goldman Sachs Group, Inc. were to default you will lose some or all of your investment and your investment return.

WARNING: The Bond has a potential duration of 3 years. If you decide to cash in your investment before the end of investment term, you may lose some or all of your investment and investment return.

WARNING: If at Final Valuation Date The ETF is below the initial strike price on 22nd February 2024, no 0.05% Extra Coupon will be paid.

*Source Bloomberg 11th January 2024. **Compound Annual Rate. ***This Extra Coupon is not applicable if The Bond is Called or redeemed early. ****The Issuer may choose to Call the Bond if market interest rates move lower.

For further information or to arrange a meeting contact:

**DUBLIN 01 633 3800 | CORK 021 422 2122 | LIMERICK 061 436 500**

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# Latest **News**

Winter 2024

LATEST NEWS

# MARKET ROUND-UP WINTER 2024

**Scott Ellis,**
*Assistant Portfolio Manager*

## World Darts Championship: The Nuke

Luke “The Nuke” Littler has officially announced himself as the next big thing in the world of darts. The 16-year-old sensation steamrolled his way to the pinnacle of Darts, reaching the final of the PDC World Championship in his debut appearance, collecting a whopping £200,000 along the way. Littler had only played four senior matches at previous PDC events prior to the start of the tournament. His ambition entering the competition was to win one match. He became the youngest player to do so at a World Championship when he beat Christian Kist in the first round, with a dominant straight set 3-0 win. Two comfortable victories in rounds two & three beating Andrew Gilding & Matt Campbell respectfully, led him to one of his idols, 5-time PDC World Championship winner Raymond van Barneveld - this was no challenge for the Nuke. After dispatching Irishman Brendan Dolan in the quarter finals, it was another former PDC World Champion, Rob Cross in the semi-final, producing an exceptional 6-2 victory. Littler won 25 of the 31 sets he played on his way to becoming the youngest ever world darts finalist. In the end, it was Crewe-based Luke Humphries who walked away with the Sid Waddell Trophy & the £500,000 first prize that comes with it. Trailing 4-2 at one point, the 28-year-old won five consecutive sets to close out victory. Humphries appeared to settle the quicker of the two finalists as the first four sets were shared, with Littler finding his range by landing finishes of 142 and 120 in the second. The teenager took the fifth set to lead for the first time and appeared to have his more experienced opponent on the ropes when he raced through the sixth set. Littler then missed a double attempt for a 5-2 lead, going on to level the match with a 121 check out on the bull before moving clear. Littler hit a 170 checkout of his own in the 10th set, but Humphries held his nerve, sinking to his knees after landing a shot at double eight to clinch the biggest win of his career. Humphries hit 23 maximums and averaged 103.67 in the final, compared to Littler's 13 180s and 101.13 average. Not only did the viewers at home benefit from the magic of Luke “The Nuke” Littler’s performances throughout the tournament, Sky Sports reported a peak viewership in excess of 2.3m for Littler’s semi-final win over Robert Cross, with the final attracting a staggering 4.8m viewers, which is not only a record for Sky's World Championship coverage but the largest non-football audience for a single event in the broadcaster's history, more than The Ashes & The Ryder Cup. I think Luke “The Nuke” Littler is here to stay.

# Japanese Earthquake: A Shaken Nation

To end what was already an eventful year, the Noto Peninsula in the Ishikawa prefecture was struck with a magnitude 7.6 earthquake, triggering tsunami warnings for the nine prefectures along the west coast of the country and neighbouring areas, including South Korea. To put the force of this earthquake into context, a magnitude 7.6 earthquake is only 0.4 points off the top of the magnitude scale.

Sadly, the death toll has reached 92 souls with rescuers scrambling to find 242 other missing individuals. Japan, known for its technological progress and economic significance, is not only a major player in the global market but also a region prone to natural disasters. Earthquakes, tsunamis, typhoons, and volcanic eruptions are all part of the seismic landscape of this island nation.

Generally, reverberations are felt far beyond its borders as Japan's position as a major player in the automotive, electronics, and technology sectors means that disruptions in its manufacturing capabilities can cause ripple effects across the global supply chain. Supply chain interruptions, stemming from damage to critical infrastructure or key production facilities, can lead to shortages, delays, and increased production costs. Despite the severity of the earthquake, about 80% of 200 companies with plants in the quake-hit areas, including manufacturers of machines, semiconductors, and textiles, have resumed, production Industry Minister Ken Saito said, with manufacturers being the pillar of the local economies of the quake-hit areas, accounting for a third of corporate revenues. Services companies, such as builders and hotels, provide the most jobs.

Japan's influence in the energy market can significantly impact global energy dynamics, affecting prices and supply. The economic repercussions, such as insurance claims and financial market fluctuations, can also have implications for international investors and businesses with ties to the Japanese market. However, the anticipated economic loss is estimated to be less than 0.01% of Japan’s GDP. The Japanese government have said it would spend 4.74 billion yen ($34m; £27m) from budget reserves to assist the earthquake victims. The estimated total damage is roughly $220 billion.

# MARKET ROUND-UP WINTER 2024



## EVs: A Change of Crowns


In a surprising turn of events, Chinese electric vehicle (EV) manufacturer BYD has outpaced industry giant Tesla in electric vehicle sales, signalling a significant shift in the competitive landscape of the burgeoning electric automotive market.

BYD, which stands for 'Build Your Dreams', reported producing 3.02m new energy vehicles in 2023. The American multinational Tesla announced on Tuesday that it made 1.84m cars. However, BYD's sales figures include 1.6m battery-only cars, and 1.4m hybrids, which means Tesla is still the leader in the production of electric battery-only cars. Nevertheless, in the final quarter of last year, BYD outsold Tesla in battery-only cars – 526,000 to 484,000 – for the first time.

For years, Tesla has been the undisputed leader in the global electric vehicle industry, setting the benchmark for innovation, performance, and market dominance. BYD has long been recognized for its commitment to sustainable transportation and cutting-edge electric vehicle technologies. While it may not boast the same level of global recognition as Tesla, BYD's focus on affordability, efficiency, and a diverse range of electric vehicles has propelled it into the spotlight.

The surge in BYD's electric vehicle sales can be attributed to several factors. One of the key contributors is BYD's strategic approach to catering to a broad consumer base. Unlike Tesla, which has primarily targeted the premium and luxury segments, BYD has successfully penetrated the mid-range and budget markets, making electric vehicles more accessible to a wider demographic. One of the advantages BYD has over its US and European counterparts is its ability to manufacture electric vehicle batteries in-house. The Hong Kong-listed BYD, founded by a former university professor, Wang Chuanfu, began developing batteries in 1995 and intends to become a global powerhouse in the electric vehicle market. As governments worldwide prioritise sustainable public transportation solutions, BYD has positioned itself as a go-to provider, securing lucrative contracts and partnerships globally.

BYD's success also underscores the importance of government policies and incentives in promoting the adoption of electric vehicles. Many countries, particularly in Asia and Europe, have implemented aggressive policies to encourage the shift towards clean energy and electric transportation. BYD's ability to align with these policies and capitalise on the growing demand for electric vehicles has propelled the company to the forefront of the industry.

While Tesla's electric vehicles continue to enjoy immense popularity and acclaim, the BYD success story challenges the notion that a one-size-fits-all approach prevails in the electric vehicle market. As consumers become more discerning and diverse in their preferences, manufacturers that cater to a wide range of needs and budgets are gaining traction. In conclusion, BYD's outpacing of Tesla in electric vehicle sales marks a notable milestone in the ever-evolving landscape of the electric automotive industry. With BYD targeting sales of about 800,000 cars annually in Europe by 2030, have the tables turned?

LATEST NEWS

# NEWS & EVENTS

## Cantor support of Inclusion Games June 2023


At Cantor Fitzgerald, we take pride in our commitment to supporting charitable initiatives and events that benefit numerous organisations throughout Ireland. In June 2023, we were delighted to sponsor the National Watersport Inclusion Games. This event, focusing on a variety of water sports, was organised in collaboration with Sport Ireland, with the goal of creating a safe and inclusive environment where members of our community living with disabilities can actively participate in water sports.

The Wexford Harbour Boat and Tennis Club, commemorating its 150th anniversary, graciously hosted the games. Members of our Cantor Fitzgerald team were on hand to witness the incredible enthusiasm displayed by individuals with diverse abilities, all eager to experience water activities. The event featured an array of watercraft, including sailing boats, power boats, ribs, canoes, paddle boards, adaptive water skiing, rowing, dragon boat races and scuba diving. The overwhelming interest in these activities led the event to be held in three nearby locations due to the high demand. The Wexford club introduced tennis into the mix, with the Irish Blind Tennis team participating and offering a profound perspective on the dedication of these individuals to their sport.

Participants spanned a diverse age range, ranging from 8 years old to senior citizens. The sheer enjoyment and excitement were palpable throughout the weekend, with 1180 participants welcomed onto boats by Sunday evening, a testament to the event's popularity. Participants were treated to meals and engaging entertainment which at times, extended late into the evening.

We are immensely honoured to have played a role in the success of the 2023 event. The warm welcome extended to us by the people of Wexford, and the professional, yet relaxed, execution of the event left a lasting impression. Hearing the participants express that this event was the highlight of their year, and that it provided a peaceful and joyous weekend for their caregivers, was genuinely heartwarming.

LATEST NEWS
# NEWS & EVENTS
CONTINUED

## Credit Union Investment Seminar with Partner Bank Nord/LB

In December, the Credit Union team had the pleasure of hosting partner bank NORD/LB in Cork at our Credit Union Investment Seminar. The event featured insightful presentations from speakers such as David Tilson, Cantor Fitzgerald's Head of Capital Markets; Falk Meyer, NORD/LB's Head of Funding and Investor Relations; Friedrich Karl Stroedter, Investor Relations Manager; and Simon Carter, Head of Treasury London. We were delighted to host this seminar in person, allowing our speakers to provide valuable insights on topics such as interest rates, economic outlook, and Green Bond initiatives with lively discussions on many topics. The Cantor Fitzgerald Credit Union team look forward to hosting more events like this in the future.

## Intermediary Investment Seminar Roadshow January 2023

We would like to extend our sincere thanks to all our clients who joined us for our Investment Seminars held across the country in January. During the seminars, we had the opportunity to delve into the latest market trends and equity market outlook delved into the latest market trends and provided insights into the equity market outlook for 2024. We also had the opportunity to showcase our discretionary offerings and analyse our newest capital protected products. We appreciate the active engagement and enthusiasm of all attendees. A special thanks goes to David Tilson, John Mullane, Leonardo Mazza, and Eric Culliton for generously sharing their expertise, making the seminar even more insightful and valuable.

LATEST NEWS

# CORPORATE FINANCE NEWS

**Cillian Doyle**, *Corporate Finance Associate Director - Real Estate*

## REAL ESTATE - THE CRUCIAL ROLE OF ALTERNATIVE LENDERS IN ACHIEVING IRELAND'S HOUSING TARGETS

### The Development Finance Market

Ireland's housing crisis has been a persistent challenge for the current government. In September 2021, the Government launched the Housing for All strategy as a direct response to Ireland's failing housing system. It highlighted key issues impacting the market, from lack of both private and social housing supply, unaffordable housing to rent or buy, high construction costs, underutilised vacant housing stock and the low energy rating of the current housing stock. As we fast forward to Q1-2024, the same key issues remain, with new housing completions annually of c.30,000 units still somewhat adrift of the estimated national requirement of 50,000-60,000 units per annum. In a year which will potentially see a general election announced, housing will remain a key topic for all parties and regardless of the outcome, the supply challenge will persist.

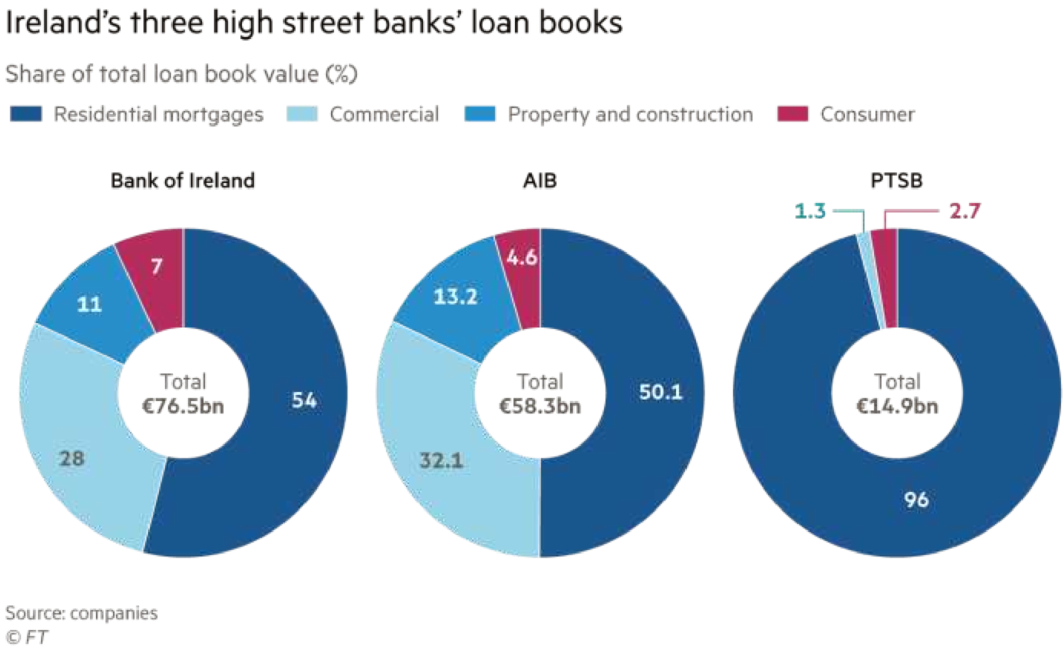
Reflecting on 2022, approximately 30,000 units were successfully completed, facilitated by the deployment of around €8.5bn in development finance from both public and private sectors. The state played a significant role by committing approx. €1.4 bn in capital, constituting 17% of the total expenditure for 2022. In contrast, domestic capital contributed €2.4bn (28%) and international capital being the largest contributor with €4.7bn, accounted for the remaining 55%.

In order to meet an annual housing target of 60,000 units, a substantial financial injection of €18.5bn will be necessary (as estimated by research from PII). Based on this estimation, the State is anticipated to contribute €3.2bn, while the domestic market is expected to fund €4bn with international capital funding the balance of €11.3bn.

### The Domestic Banks

As further mainstream banks in Ireland departed from the market in 2022, exemplified by the exits of KBC and Ulster Bank, the country is now left with only three major domestic debt providers - Bank of Ireland, AIB, and PTSB. The accompanying graph illustrates that PTSB currently lacks a development debt offering, while AIB and BOI each have less than 25% of their respective real estate portfolios allocated to development. Both AIB and BOI

# REAL ESTATE - THE CRUCIAL ROLE OF ALTERNATIVE LENDERS IN ACHIEVING IRELANDS HOUSING TARGETS CONTINUED




primarily concentrate on residential mortgages and commercial debt. In both BOI & AIB, their development debt is predominately focused on Tier 1 developers, including listed firms such as Cairn & Glenveagh, along with large private developers like Quintain. Their focus is on large-scale projects, effectively limiting borrowing opportunities for small to mid-sized developments and developers.

## The Established Alternative Lending Market

The limited availability of domestic funding in Ireland has paved the way for the emergence of the alternative lending market. Finance professionals have identified a distinct gap in the market, particularly catering to Tier 2 and 3 developers with small to mid-sized developments. These are generally high-quality smaller developers with good track records, a strong delivery platform with projects generally having the benefit of planning permission in place. These alternative lenders, primarily supported by international capital, channel their funds through lending platforms based in Ireland. These platforms adopt a streamlined and focused lending approach, ensuring swift decision-making processes and rapid deployment of funds to high-quality underlying borrowers.

Nevertheless, these alternative lenders offer terms that are relatively more costly than those provided by the Domestic Pillar banks. This is attributed to the demands of international capital, which seeks a robust and consistent return on investment.

Investors are also drawn to Alternative Lending Platforms by the diversification of risk, with investments being spread across various developments with a clear exit strategy, either via the private purchaser market or by social exit to an approved housing body (AHB). Terms for the latter are often agreed prior to commencement of the project. With investment being spread across various developers, geographical locations, exit strategies and timings, there is an inherent diversification feature that mitigates concentration risk that would otherwise be present when investing into a single development or developer.

Key controls within these platforms are the lending criteria and decision-making processes, which include criteria such as, maximum loan to costs (LTC), grant of planning permission prior to deployment of funds, analysis of project suitability, minimum profit the development is expected to generate, and proven track record of the borrower. All of which would be pre-agreed prior to any capital being committed from the platform to a development.

Despite the higher cost for the developer, alternative lenders have proven highly successful, leading to the establishment of numerous lending platforms in Ireland in the last decade. Well-regarded International capital such as Avenue Capital ($12.6bn AUM), KKR ($65bn AUM), and Pollen Street ($11.5bn AUM) support various development lending platforms in Ireland. Some support more than one platform in the same market, therefore diversifying their risk even further. It is noteworthy to mention Activate Capital, which has the backing of KKR but also holds the endorsement of the Ireland Strategic Investment Fund, underscoring a strong vote of confidence in the alternative lending market.

## Snapshot of Irish based Alternative Lenders and International Capital providers.

| Lending Platform | International Capital Provider |
|---|---|
| CH Castlehaven Finance<br>Residential & Commercial Property Finance | Avenue Capital Group® |
| Activate Capital | KKR<br>Ciste Infheistíochta Straitéisí d'Éirinn<br>Ireland Strategic Investment Fund<br>Gníomhaireacht Bainistíochta an Chisteáin Náisiúnta<br>National Treasury Management Agency |
| sancus<br>straightforward financing | Pollen Street |

## Alternative Lenders Deploying Capital

Development financing platforms provide the required levels of return to their investors through the effective recycling of committed capital. For instance, an international capital provider might allocate approximately €100mn of warehouse funding to a lending platform over a fixed term of around 5 years. Over this 5-year period, the €100mn can be utilized, repaid, and reinvested in various projects throughout its lifecycle. This systematic approach is the mechanism through which the platform generates returns, encompassing arrangement fees, exit fees, commitment fees, and a margin on the lending rate. For example, Castlehaven has deployed c.€2bn in development funding across 233 loans since inception, an average of €8.6mn per loan. The committed funding from the international capital provider is significantly less than €2bn. However, by effectively recycling the capital the lending platform is able to maximise the deployment during the fixed term.

## Alternative Funding takes centre stage

As we look ahead to 2024, a year marked by potential political shifts and promises, one thing remains certain – housing delivery will undoubtedly take centre stage, regardless of the

# REAL ESTATE - THE CRUCIAL ROLE OF ALTERNATIVE LENDERS IN ACHIEVING IRELANDS HOUSING TARGETS CONTINUED

political outcome. The ambitious target of reaching 60,000 units annually demands a collaborative effort that goes beyond the capacity of the state or the large, listed developers, who, as a collective, delivered approximately 3,000 units in 2022. The magnitude of this undertaking necessitates an inclusive approach that involves all facets of the development landscape.

The alternative lenders are poised to play a pivotal role in bridging the financial gap, by extending their support to Tier 2 and Tier 3 developers and contributing to the overall diversification and resilience of the housing market. The focus on key urban locations is particularly significant, as it aligns with the broader goals of creating sustainable and vibrant communities where the demand for housing is most needed. Their ability to cater to unique needs makes them a valuable component of the housing ecosystem.

At this critical juncture, the role of alternative lenders emerges as indispensable. Their involvement is crucial not only in providing much-needed financial support but also in diversifying the sources of funding across different segments of the development spectrum. While the larger developers have a pivotal role to play, it is evident that the collective efforts of Tier 2 and Tier 3 developers will be vital in achieving the ambitious housing targets.

In summary, as 2024 unfolds with the potential of political change, the spotlight on housing delivery will only intensify. In order to achieve the housing targets, a concerted effort is required from all stakeholders. Alternative lenders, with their capacity to support Tier 2 and Tier 3 developers in key urban locations, are a crucial element in fostering a diverse, resilient, and sustainable housing market.

# Performance **DATA**

Winter 2024

PERFORMANCE DATA

# INDICATIVE PERFORMANCE FIGURES & MATURITY DATES DECEMBER 2023

## Cantor Fitzgerald Capital Protected Products

| Cantor Fitzgerald Capital Protected Products | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Index Performance[1] | Option A Participation Rate | Option B Participation Rate | Option A Indicative Performance** | Option B Indicative Performance** | Returns Added to % Capital | Strike Date | Maturity Date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| TECHNOLOGY 85% PROGRESSIVE PROTECTION BOND | SGMDTB85 | 100 | 105.21 | 5.21% | 100% | | 5.21% | N/a | N/a Daily NAV | 24/03/2023 | Open Ended |
| GLOBAL 85% PROGRESSIVE PROTECTION BOND | SGMDGPPB | 100 | 100.44 | 0.44% | 100% | | 0.44% | N/a | N/a Daily NAV | 30/04/2020 | Open Ended |
| ESG 85% PROGRESSIVE PROTECTION BOND | SGMDPP85 | 100 | 92.02 | -7.98% | 100% | | -7.98% | N/a | N/a Daily NAV | 30/07/2021 | Open Ended |
| 100% & 90% Protected US $ Dividend Aristocrats Bond VI | SPXD8UE | 2357.33 | 2444.34 | 3.69% | 50% | 140% | 1.85% | 5.17% | 100% A 90% B | 22/11/2019 | 29/10/2024 |
| 100% & 90% US $ Dividend Aristocrats Bond VII | SPXD8UE | 2394.64 | 2444.34 | 2.08% | 50% | 140% | 1.04% | 2.91% | 100% A 90% B | 21/02/2020 | 28/01/2025 |
| 90% PROTECTED BEST SELECT BOND V* | SGMDBSFE | 143.95 | 164.29 | 14.13% | 200% | | 28.27% | N/a | 90% | 21/12/2018 | 02/01/2024 |
| 90% PROTECTED BEST SELECT BOND 6* | SGMDBSFE | 148.01 | 164.29 | 11.01% | 200% | | 22.01% | N/a | 90% | 27/02/2019 | 05/03/2024 |
| 90% PROTECTED BEST SELECT BOND 7* | SGMDBSFE | 149.98 | 164.29 | 9.54% | 200% | | 19.09% | N/a | 90% | 23/04/2019 | 30/04/2024 |
| 90% PROTECTED BEST SELECT BOND 8* | SGMDBSFE | 147.95 | 164.29 | 11.05% | 200% | | 22.10% | N/a | 90% | 14/06/2019 | 21/06/2024 |
| 90% PROTECTED BEST SELECT BOND 9* | SGMDBSFE | 150.42 | 164.29 | 9.22% | 180% | | 16.60% | N/a | 90% | 16/08/2019 | 23/08/2024 |
| 90% PROTECTED MOMENTUM BOND* | MSQTDFAA | 1.4629 | 1.3372 | -8.59% | 200% | | 0.00% | N/a | 90% | 27/09/2019 | 27/09/2024 |
| 90% PROTECTED MOMENTUM BOND II | MSQTDFAA | 1.4640 | 1.3372 | -8.66% | 200% | | 0.00% | N/a | 90% | 22/11/2019 | 06/12/2024 |
| 90% PROTECTED MOMENTUM BOND III* | MSQTDFAA | 1.5160 | 1.3372 | -11.79% | 200% | | 0.00% | N/a | 90% | 24/01/2020 | 31/01/2025 |
| 90% PROTECTED MOMENTUM BOND IV* | MSQTDFAA | 1.3378 | 1.3372 | -0.04% | 200% | | 0.00% | N/a | 90% | 24/04/2020 | 31/03/2025 |
| 90% PROTECTED MOMENTUM BOND V* | MSQTDFAA | 1.3780 | 1.3372 | -2.96% | 250% | | 0.00% | N/a | 90% | 22/05/2020 | 29/05/2025 |
| 90% PROTECTED MOMENTUM BOND VI* | MSQTDFAA | 1.3924 | 1.3372 | -3.96% | 250% | | 0.00% | N/a | 90% | 24/07/2020 | 31/07/2025 |
| 90% PROTECTED MOMENTUM BOND VII* | MSQTDFAA | 1.4073 | 1.3372 | -4.98% | 200% | | 0.00% | N/a | 90% | 23/11/2020 | 01/12/2025 |
| 80% PROTECTED STOXX GLOBAL ESG LEADERS BOND | SGESGDSP | 193.65 | 211.3 | 9.11% | 100% | | 9.11% | N/a | 100% | 16/02/2021 | 26/02/2027 |
| 80% PROTECTED STOXX GLOBAL ESG LEADERS BOND II | SGESGDSP | 205.7 | 211.3 | 2.72% | 100% | | 2.72% | N/a | 100% | 23/04/2021 | 30/04/2026 |
| 80% PROTECTED ROBOTICS & AUTOMATION BOND | SOLIROBE | 359.16 | 355.15 | -1.12% | 100% | | -1.12% | N/a | 100% | 14/05/2021 | 21/04/2027 |
| 80% PROTECTED INNOVATIVE TECHNOLOGY BOND | NYGITXE5 | 1297.13 | 1229.33 | -5.23% | 100% | | -5.23% | N/a | 100% | 22/10/2021 | 06/10/2027 |
| 80% PROTECTED PRIVATE EQUITY BOND | SOLPRIVT | 237.12 | 262.78 | 10.82% | 100% | | 10.82% | N/a | 100% | 20/05/2022 | 27/05/2027 |
| MSCI WORLD 90% PROTECTED GROWTH BOND | MSERWI | 255.465 | 290.496 | 13.71% | 100% | | 13.71% | N/a | 100% | 24/03/2023 | 31/03/2028 |
| 90% CAPITAL PROTECTED US INNOVATIVE LEADERS | BNPIUIL5 | 234.7327 | 233.48 | -0.53% | 125% | | -0.67% | N/a | 100% | 19/08/2022 | 26/08/2027 |
| 100% CAPITAL PROTECTED US INNOVATIVE LEADERS 1 | BNPIUIL5 | 228.912 | 233.48 | 2.00% | 150% | | 2.99% | N/a | 100% | 14/12/2022 | 21/12/2027 |
| 100% CAPITAL PROTECTED US INNOVATIVE LEADERS 2 | BNPIUIL5 | 227.0552 | 233.48 | 2.83% | 150% | | 4.24% | N/a | 100% | 23/02/2023 | 01/03/2028 |
| 100% CAPITAL PROTECTED US INNOVATIVE LEADERS 3 | BNPIUIL5 | 229.431 | 233.48 | 1.76% | 200% | | 3.53% | N/a | 100% | 21/04/2023 | 28/04/2028 |
| 100% CAPITAL PROTECTED US INNOVATIVE LEADERS 4 | BNPIUIL5 | 230.2356 | 233.48 | 1.41% | 200% | | 2.82% | N/a | 100% | 23/06/2023 | 30/06/2028 |
| 4 YEAR MIN RETURN & MAX GROWTH PROTECTED BOND | BNPITEC5 | 222.0356 | 231 | 4.04% | 100% | 170% | 7.54% | 6.86% | 100% | 24/05/2023 | 31/05/2027 |
| BARCLAYS 3 YEAR 3.5% FIXED RATE BOND | SX5E | 4332.22 | 4533.82 | 4.65% | 0.05% Fixed if >=0% | N/A | 1.14% | N/a | 100% | 24/08/2023 | 01/09/2026 |
| BARCLAYS 3 YEAR 3.5% FIXED RATE BOND II | SX5E | 4024.68 | 4533.82 | 12.65% | 0.05% Fixed if >=0% | N/A | 0.59% | N/a | 100% | 20/10/2023 | 30/10/2026 |
| BARCLAYS 4 YEAR 4.75% GBP FIXED RATE BOND | UKX | 7593.22 | 7715.68 | 1.61% | 0.05% Fixed if >=0% | N/A | 0.82% | N/a | 100% | 27/09/2023 | 29/09/2026 |
| BARCLAYS 3 YEAR 5% GBP FIXED RATE BOND | UKX | 7593.22 | 7715.68 | 1.61% | 0.05% Fixed if >=0% | N/A | 0.82% | N/a | 100% | 27/09/2023 | 29/09/2027 |
| MSCI EUROPE PROTECTED GROWTH BOND | MXEU | 145.83 | 160.21 | 9.86% | 100% | N/A | 9.86% | N/a | 100% | 23/10/2023 | 02/10/2028 |

Source: Bloomberg.

1. All figures are indicative of underlying index performance only, using the latest data available on 20th December 2023, and do not include the impact of participation or averaging if any.

# Cantor Fitzgerald Kick Out Notes

| Cantor Fitzgerald Kick Out Notes | Underlying Asset (Ticker) | Indicative Initial Strike | Indicative Current Level | Indicative Underlying Asset Performance | | | Indicative Performance | Strike Date | Returns Added to % Capital | Next Call/ Kick Out Observation Date | Maturity Date |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **90% PROTECTED ECOMMERCE BOND** | AMZN | 160.08 | 152.12 | -4.97% | Next Potential Coupon | 5% | | | | | |
| | SKG | 38.72 | 36.97 | -4.52% | | | | | | | |
| | FDX | 275.57 | 246.25 | -10.64% | | | | | | | |
| | PYPL | 236.45 | 61.74 | -73.89% | | | **-10.0%** | 18/12/2020 | 100% | 18/12/2023 | 01/01/2027 |
| **GLOBAL LEADERS KICKOUT BOND III** | ASML | 550.80 | 674.30 | 22.42% | Next Potential Coupon | 11.0% | | | | | |
| | RYA | 16.15 | 19.03 | 17.83% | | | | | | | |
| | Shell | 23.34 | 30.23 | 29.52% | | | | | | | |
| | Barclays | 191.44 | 151.64 | -20.79% | | | **0%** | 21/02/2022 | 100% | 21/02/2024 | 28/02/2027 |
| **OIL & GAS KICK OUT V** | RDSA | 28.98 | 30.23 | 4.31% | Next Potential Coupon | 42.75% | | | | | |
| | FP | 49.12 | 62.33 | 26.91% | | | | | | | |
| | BP | 5.56 | 4.67 | -16.04% | | | | | | | |
| | XOM | 77.69 | 101.27 | 30.35% | | | **0%** | 21/06/2019 | 100% | 21/12/2023 | 26/06/2024 |

Source: Bloomberg.

**All figures are indicative of underlying performance after participation only and represent the potential indicative return of the underlying strategy only, had the investments matured using the latest available on 20th December 2023. Indicative performance figures may need to be added to the relevant capital protected amount, if any, which may be less than 100% of the funds originally invested. All performance figures are indicative only and do not include the impact of averaging over the final averaging period if any. This is a general guide to indicative performance only, for specific encashment values please contact Cantor Fitzgerald Ireland Ltd.**

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