

Green Effects Fund FACTSHEET

FEBRUARY 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, solar energy, electric vehicles, recycling, waste management, forestry and water-related businesses all feature prominently within the fund. The fund can only invest in the constituents of the Natural Stock Index (NAI) which was set up in 1994 and currently consists of 30 global equities.

Key Information

Morningstar Rating	★★★
SFDR Designation	Article 9
Fund Inception	Oct 2000
NAV	€357.70
NAV Date	31/1/24
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	€189.27m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFINVL ID
Domicile	Ireland
Structure	UCITS Fund

ESG Rating

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

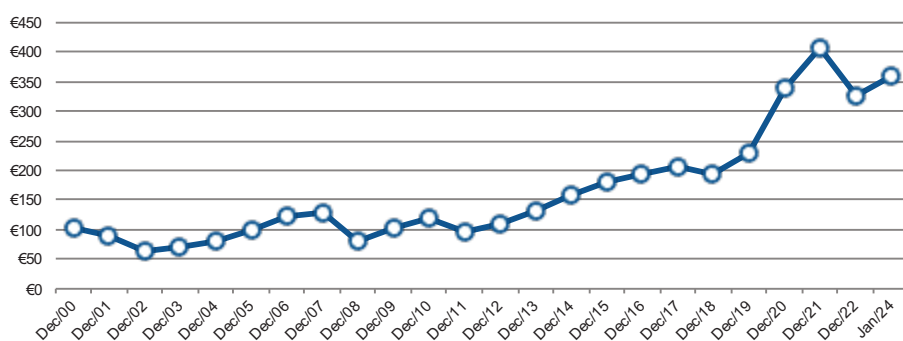
Total number of holdings

Number of holdings	30
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Market Capitalisation Exposure

Large: > €3bn	72.73%
Medium: €500m - €3bn	24.24%
Small: < €500m	3.03%

GREEN EFFECTS FUND NAV SINCE INCEPTION

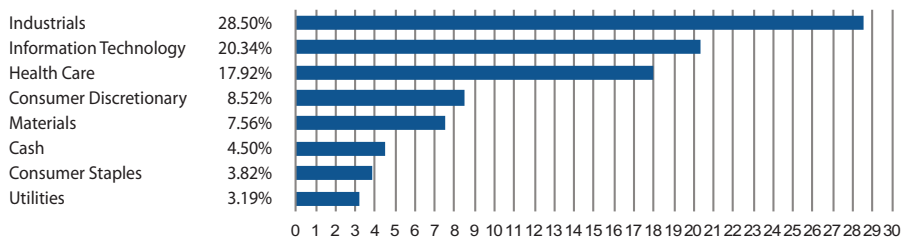


Source: Cantor Fitzgerald Ireland Ltd Research

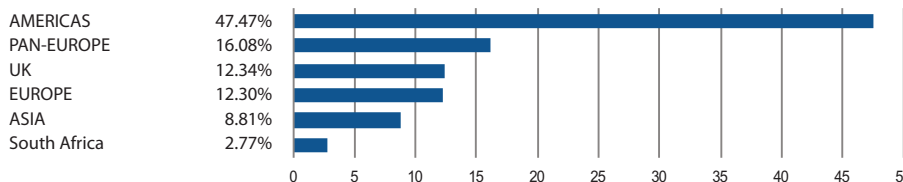
ESMA RISK RATING



LARGEST THEMATIC EXPOSURE %



GEOGRAPHIC EXPOSURE %



Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	-4.02%	-4.02%	2.48%	0.61%	11.56%	10.35%	5.44%
MSCI World €	3.22%	3.22%	17.77%	12.72%	13.19%	12.18%	5.59%
S&P 500 €	3.68%	3.68%	20.96%	15.18%	15.51%	15.08%	6.51%

As of 31/1/24. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. *Annualised Return.

Top 15 Positions

NVIDIA	8.94%
SMITH & NEPHEW	7.41%
VESTAS	6.93%
FIRST SOLAR	4.78%
MOLINA	4.18%
TESLA INC	4.15%
KADANT	4.01%
SVENSKA CELLULOSA	3.88%
AIXTRON AG	3.82%
BIONTECH SE	3.73%
MAYR MELNHOF	3.47%
KURITA	3.29%
SIGNIFY	3.16%
STEELCASE	3.12%
HANNON ARMSTRONG	2.93%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Information Technology	20.34%	23.66%
Financials	2.92%	15.21%
Health Care	17.92%	12.29%
Consumer Discretionary	8.52%	10.96%
Industrials	28.50%	10.59%
Communication Services	0.00%	7.38%
Consumer Staples	3.82%	6.80%
Materials	7.56%	4.37%
Energy	0.00%	3.90%
Utilities	3.19%	2.49%
Real Estate	2.68%	2.34%
Cash	4.57%	0.00%

Source: Cantor Fitzgerald Ireland Ltd Research

Fund Manager Comment

The Green Effects NAV price ended January at **357.7** which was a decline of **-4.02%** on the month.

Largest positive contributors to the NAV move on the month were Nvidia (+2.05%), Ricoh (+0.21%) and Smith & Nephew (+0.21%). The main detractors on the month from the NAV were Tesla (-1.15%), First Solar (-0.72%), Vestas Wind Systems (-0.66%), Hannon Armstrong (-0.42%) and Ormat Technologies (-0.36%). With the exception of Telsa, which was lower on a number of negative news reports around ongoing price cuts, the move higher in bond yields negatively impacted the rate sensitive names in the Fund. The U.S. 10-year yield climbed above 4.10% as markets trimmed expectations for Federal Reserve interest rate cuts this year but still eye about five or six quarter-point cuts. Better-than-expected retail sales and Fed comments warning against rapid rate cuts spurred the repricing towards the end of the month.

The ongoing focus on the significant structural tailwinds from the "big data" requirement for AI has led to significant positive reports and analyst upgrades of both short- and medium-term forecasts for Nvidia earnings. The shares ended the month up 24.2%. At the time of writing the stock is the largest holding in the Green Effects Fund at circa 9%. Nvidia is expected to announce its earnings on Wednesday, February 21st, after the close of trading. Our US based semi-conductor analyst summed up the long-term opportunity for Nvidia particularly well during January. "Generative AI is the most significant platform transition in history – far greater than prior technology cycles (PC, Mobile, Internet), and we are only 12 months into it — simply put, it's too early to call a peak NVDA is "the AI Platform", offering both hardware and end-to-end software stack capabilities to support this once-in-a generation investment cycle and we expect NVDA's leading competitive position to continue".

A number of companies reported earnings during the period.

Signify announced Q4 results, with sales down 12.3% yoy to EUR1,734m. Margins and cash generation were strong, with an adjusted EBITA margin of 12.1% representing a 1.90% yoy improvement. Free cash flow generation was also strong, with EUR295m generated in the quarter and EUR586m for the year overall.

Tesla 4Q results were better than expected, but Elon Musk's decision to not provide FY'24 production guidance and uncertainty about TSLA's 2024 pricing philosophy and tax rate caused prolonged weakness in the shares during January (-24.6% on the month). The biggest concern right now is if further price cuts are likely this year across the range and if margins are at close to trough levels (at circa 17%). Elon Musk suggested on the analyst call that the \$25K next gen EV will enter production in late 2025 in their Texas plant. In the early part of January, the company announced price cuts in China and the US followed by Europe. We suspect that Tesla could be close to trough margins given the level of price cuts that have been implemented this year. Revenue growth over the next three years is forecast to annualise at 20%.

Closer to home there was welcome news regarding alternative energy in Ireland. The fossil fuel industry lost out on almost €1 billion last year – with an additional €300 million saved on carbon credits – as wind farms provided 35 per cent of Ireland's electricity and set a new record for the amount of power they produced. The Wind Energy Ireland annual report also estimated that Irish wind farms saved approximately 4.2 million tonnes of carbon last year which is roughly equivalent to the amount of carbon produced by 1.9 million cars. This figure of 13,725 gigawatt-hours represents the largest annual amount of wind power generated by our wind farms to date and it is equivalent to the electricity consumption of more than 3 million Irish families, surpassing the previous record of 13,699 GWh set in 2020.

Licycle Holdings was removed from the NAI Index (and the Green Effects Fund) in early January and was replaced with Swiss listed sanitaryware manufacturer **Geberit**.

Geberit concentrates on installation and flushing systems for sanitary facilities, piping systems for transporting water in buildings, as well as bathroom systems. Saving, careful use of water as a valuable resource is one of our core areas of focus. The consistent focus on reducing water consumption both in production and in the product use phase plays a pivotal role in our contribution to sustainable development. With eco-design, the products are also checked and improved with regard to water consumption. Our innovative sanitary products thus help to systematically optimise water consumption in buildings. For FY22 the group had sales of €3.62BN euro and currently has a market capitalisation of €18.5bn. Its main markets are Germany (30% of sales), Switzerland (10%), Eastern Europe (10%), Benelux (8%) and Italy (7%). Its key business units are Installation & Flushing Systems (37%), Piping Systems (32%) and Bathroom Systems (31%).

The main activity on the month saw the Fund reduce its exposure to Nvidia, Aixtron, Molina Healthcare and Vestas. A position in Geberit was established during the month and the holding in First Solar was increased. At the time of writing the Fund has circa 4.25% in cash.

Annual Returns

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
9.71%	14.38%	23.95%	22.52%	6.42%	-38.47%	31.28%	13.47%	-19.61%	16.02%	19.87%
2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
18.42%	15.72%	6.62%	6.8%	-5.91%	23.34%	42.70%	19.78%	-19.70%	13.94%	-4.02%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust



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