

# Green Effects Fund FACTSHEET



AUGUST 2024

This is a marketing communication

## 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 is actively managed and 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	★★★★
Morningstar Analyst Rating	Gold
<b>SFDR Designation</b>	<b>Article 9</b>
Fund Inception	Oct 2000
NAV	€405.46
<b>NAV Date</b>	<b>31/7/24</b>
Minimum Investment	€5,000
Dealing Frequency	Daily
Investment Manager	Cantor Fitzgerald Ireland Ltd
Manager	Bridge Fund Mgt 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	€204.29m
Fund ISIN	IE0005895655
Fund Sedol	0589565
Bloomberg	GEFNVL ID
Domicile	Ireland
Structure	UCITS Fund

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

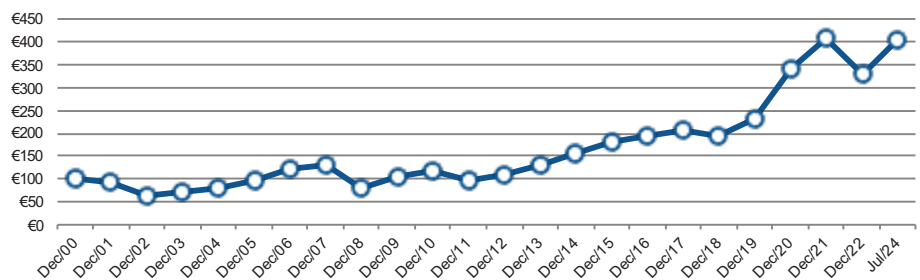
## Total number of holdings

Number of holdings	30
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## Market Capitalisation Exposure

Large Greater than 3bn	70%
Medium 500m - 3bn	27%
Small Less than 500m	3%

## GREEN EFFECTS FUND NAV SINCE INCEPTION



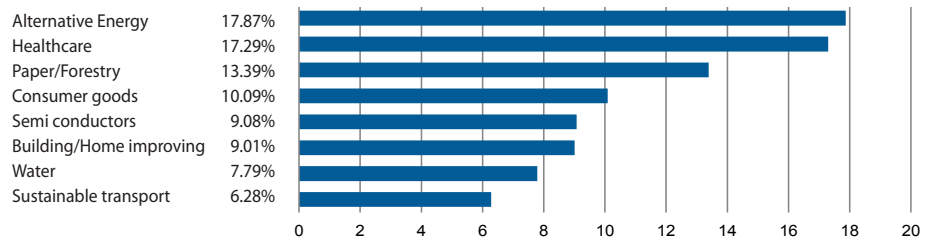
Source: Cantor Fitzgerald Ireland Ltd Research

Performance data quoted represents past performance. Past performance does not guarantee future returns.

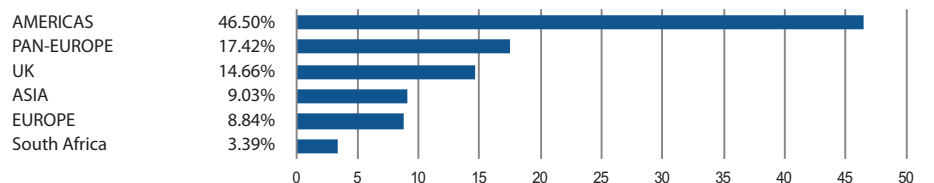
## ESMA RISK RATING



## LARGEST THEMATIC EXPOSURE %



## GEOGRAPHIC EXPOSURE %



## Performance

	1 Month	YTD	1 Year	3 Year*	5 Year*	10 Year*	Inception*
Green Effects	5.97%	8.79%	10.27%	0.85%	13.69%	10.82%	5.88%
MSCI World €	0.91%	16.74%	21.09%	10.75%	13.28%	12.50%	6.01%
S&P 500 €	0.35%	19.45%	24.37%	13.00%	15.63%	15.57%	7.01%

As of 31/7/24. Source: Cantor Fitzgerald Ireland Ltd Research, Bloomberg and Northern Trust. \*Annualised Return.

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## Top 15 Positions

SMITH & NEPHEW	7.16%
NVIDIA	6.88%
KINGFISHER	5.44%
FIRST SOLAR	5.13%
VESTAS	4.90%
KADANT	4.58%
HANNON ARMSTRONG	4.37%
GEBERIT	4.25%
TESLA INC	4.22%
MOLINA	3.72%
SVENSKA CELLULOSA	3.56%
KURITA	3.53%
STEELCASE	3.31%
ASPEN PHARMACARE	3.27%
TOMRA SYSTEMS	3.26%

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Sector Exposure vs MSCI World

Sectors	Green Effects	MSCI World
Information Technology	17.3%	24.97%
Financials	4.4%	15.42%
Health Care	17.3%	11.94%
Consumer Discretionary	11.2%	10.12%
Industrials	30.4%	11.00%
Communication Services	0.0%	7.42%
Consumer Staples	3.5%	6.38%
Materials	6.5%	3.71%
Energy	0.0%	4.28%
Utilities	3.5%	2.55%
Real Estate	2.5%	2.21%
Cash	3.5%	0

Source: Cantor Fitzgerald Ireland Ltd Research

## Fund Manager Comment

The Green Effects Fund nav price ended July at **405.46** which was a return of **5.97%** for the month.

Volatility was elevated during the month in equity markets predominantly driven by the Technology sector. This volatility is expected to continue into the later half of the year as the US election, softer economic data and significant geopolitical tension remain key factors being monitored. The largest contributors to the positive NAV price move for the month were Smith & Nephew, Tomra Systems, Kingfisher and Tesla. While the largest detractors from the fund price on the month were Nvidia, Svenska Cellulosa and First Solar.

U.S. President Joe Biden's announcement at month end that he will drop out of the presidential race added to volatility, although pressure had been building in recent weeks. The knock on impact of a Trump victory was evident during the month as Wind and Solar companies retreated. Separately, but certainly related, the long term opportunity from AI remains significant as does the massive infrastructure investment – and energy – needed to fuel its expansion. The market however has started to reprice valuations and in particular those that have benefitted most from the significant AI tailwind to date. That was evident for shares in Nvidia which retreated by circa 7% on the month.

The main news / earnings releases during the month were:

- Cevian, a large Swedish activist investment firm, confirmed it had acquired a 5.11% position in **Smith & Nephew**. The group commented that Smith & Nephew operates a fundamentally attractive business. The investor thinks there could be significant potential upside from improving the operating performance of the company's businesses. That would make the Swedish fund the third-biggest shareholder in the maker of hip and knee implants and medical robotic technologies, according to Bloomberg data.
- **Tesla** shares were circa 10% lower on the day of results as CEO Elon Musk and his colleagues focused their comments on robots, software and robotaxis — not car sales.
- Alternative energy stocks (**Vestas & First Solar**) traded lower on the month as markets digested the likelihood of a Trump victory and his potential negative impact on legislation around wind and solar initiatives brought in by the Biden administration. The capital infrastructure spending plans of the Trump administration, should he win, are likely to be focused on "roads and bridges" with a number of comments around plans to reverse the renewables legislation catching headlines.
- **Tomra Systems** Revenues and Earnings Beat Expectations. Revenue exceeded analyst estimates by 24%. Earnings per share (EPS) also surpassed analyst estimates by 18%. Looking ahead, revenue is forecast to grow 10% p.a. on average during the next 3 years. The shares were amongst the best performers during the month rising 36% (in Euro terms).
- **Aixtron**, the German semi conductor equipment manufacturer, reported Q2 earnings ahead of forecasts. The company's products are used worldwide by a wide range of customers to manufacture high-performance components for electronic applications. These components are used in a variety of innovative applications including LED and display technology, data transmission, sensor technology, energy management and many other sophisticated high-tech applications.

### Company spotlight: Kingfisher

Kingfisher plc is an international home improvement company with over 2,000 stores, supported by a team of over 78,000 employees. The company operates in eight countries across Europe under retail banners including B&Q, Castorama, Brico Dépôt, Screwfix, TradePoint and Koçtaş. They offer home improvement products and services to consumers and trade professionals who shop in our stores and via their e-commerce channels.

They note their mission statement as "At Kingfisher, we believe a better world starts with better homes and we strive to help make that happen". For their financial year ended 31/1/24 the group had revenues of £12.98bn and profits of £749m. UK & Ireland represent 49% of group revenues with France making up 33%. Of this total group revenue review figure circa 49.4% of products were Sustainable Home items. Kingfisher trades on an undemanding 11.5x 2025 earnings and offers an attractive dividend yield (estimate FY24) of circa 4.50%. UK equities have been particularly out of favour in recent years however with the significant wind of political changes, lower interest rate outlook and undemanding valuation we are expecting better returns from here over the medium term from this stock.

During the month, the Fund increased its exposure to Kingfisher. The cash weighting at month end was **3.72%**

## 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%	8.79%

Source: Cantor Fitzgerald Ltd Research, Bloomberg and Northern Trust

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