CANTOR Fitzgerald

Cantor Fitzgerald Alternative Investment Fund

FACTSHEET

31ST DECEMBER 2024

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

FUND MANAGERS

- **Phil Byrne**
- **Pearse MacManus**
- **Conor McDermott**
- **Diarmaid Colreavy**

FUND KEY FEATURES

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

ESMA Risk Rating

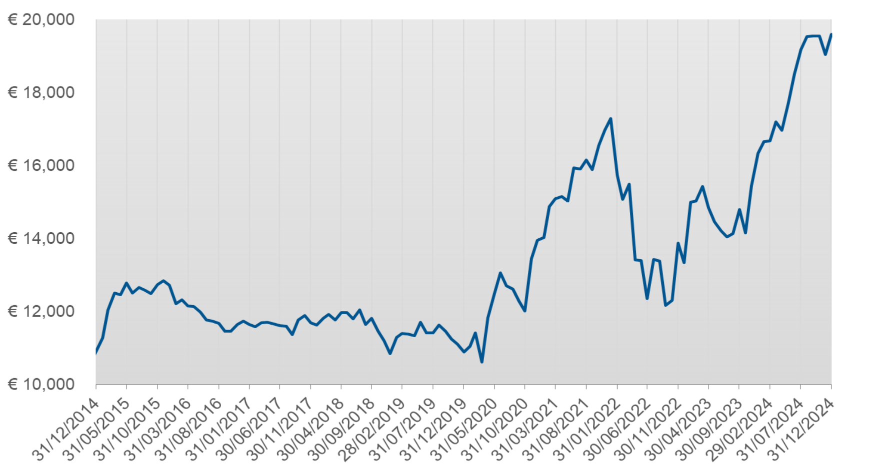
Lower Risk — Higher Risk

1	2	3	4	5	**6**	7

Source: Cantor Fitzgerald Asset Management

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

GROWTH OF €10,000 OVER THE LAST 10 YEARS



PERFORMANCE UPDATE AT 31.12.2024

	1 Month	YTD	1 Year	3 Years P.A.	5 Years P.A.	10 Years P.A.	Inception P.A.
Alternative Investment Fund*	2.9%	17.7%	17.7%	3.6%	12.1%	5.8%	9.9%
Fund Target	0.6%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

Source: Cantor Fitzgerald Asset Management 31/12/2024. Performance Figures are quoted gross of Management Fees. Management fees are detailed in the relevant share class addendum. There is a performance incentive linked directly to the success of the fund. Cantor Fitzgerald Asset management will share 20% of the excess return over 7% p.a. Fund performance is quoted net of the performance fee.

ANNUAL RETURNS

2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
0.6%	9.5%	14.5%	10.7%	16.7%	-7.7%	-0.9%	-6.8%	0.5%	28.2%	23.9%	-22.9%	22.7%

Source: Cantor Fitzgerald Asset Management

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

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

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

FUND COMMENTARY

A weak end to a strong year for global equity markets. With election uncertainty out of the way markets initially exhibited their well-established post-election seasonality rally in the first few days of November. Since then, it has begun to become a slightly more disconcerting ride for global investors who are met with a number of inconsistent and conflicting data points as they face into 2025. Although the bottom-up micro-outlook for certain stocks and sectors looks as strong as ever, fuelled by generational trends such as Digitalisation, the geo-political, macro but most of all yield backdrop has darkened somewhat in the immediate term.

The new administration in the US has a solid political mandate but the potential controversial geo-political and economic policies are now coming to the fore. Multiple threats around tariffs, trade wars and redrawing borders and renaming oceans are being voiced more vociferously. Of most concern to us however is the direction of global yields. The magnitude of the benefits of cost saves under the D.O.G.E are unlikely to offset the need for further US borrowing. This extra borrowing will pressure an already strained bond market. We appear to be the end of the rate cutting cycle for now due to sticky inflation and a more solid employment picture than expected. Almost 18 months into the FED pivot to cut rates and long-term interest rates globally are all heading towards new highs, fuelling risks around the relative valuation of other asset classes and pressurising balance sheets or any leveraged entity. The Fed also seem not to be willing to look through potential inflationary impact of tariffs this time round. The ultimately mis-founded concerns in early 2023 around the impact of higher rates should now back on everyone's radar.

The dollar is surging and previous growth engines of the world like India and Brazil are slowing, faced with the same overborrowing that the West has been guilty of since Covid. European political backdrop is unhelpful, with no effective government in France or Germany over Christmas. The Draghi report shows Europe a way to increase competitiveness, but the political will is lacking for now. Chinese authorities began what appeared to be a long-awaited stimulus and although it is helpful it is running out of steam. In the UK the Labour Government's first Budget has exacerbated all the problems listed above.

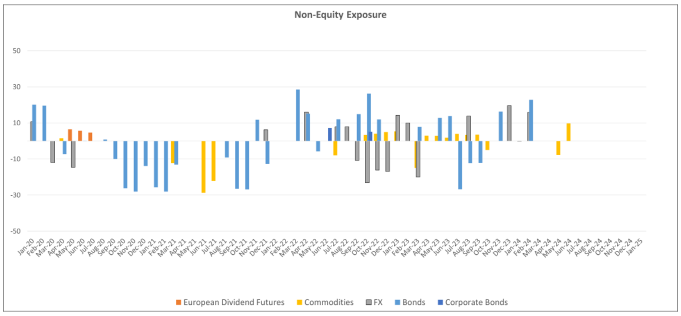
Despite our tactical concerns we note quite worryingly how global investors, strategists and commentators enter 2025 with expectations that are sky high. Surveys indicate the highest percentage of investors on record expect markets higher 12 months out. Wall street strategists have just upgraded their collective price targets for indices at the largest and quickest pace in a generation after largely missing the rally of the last 2 years. Fund managers enter into 2025 with record low levels of cash, a curious time for this to happen as the valuation of the US market, which has been the global leader, is now elevated, whether versus bonds or its own long history.

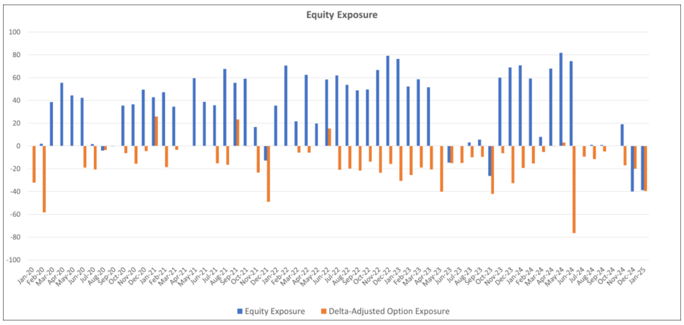
Against a tricky macro and political backdrop being invested in leading companies will matter more than ever. We're particularly interested in those whose end markets or products are immune to the macro and geo-political pressures of the day. Technology, and in particular AI investment spending continues to be a bright spark. The initial capex spend that centred on the data centre appears to be broadening as the AI theme encompasses more industries from Software to Warehouses. The back and middle office functions of large organisations are being transformed. Enterprise migration to the cloud continues apace. As these trends continue those companies who have invested in this cycle will begin to see margin improvements from already lofty levels. Ultimately efficiency and productivity across the economy will improve.

Bank earnings continue to impress, with deposit taking franchises benefiting from the higher rate cycle and the deal makers from the potential positives around the huge deregulation push in the US. This should free up excess bank capital and kick start a wave of M&A. Industrial capex exposed to the electrification of the grid globally is one of our most exciting and resilient exposures. The merits of LNG, from being a transition fuel in the path to net zero to being a geo-political security blanket are becoming more understood. A maturity around nuclear energy is also emerging, given its carbon free status. Global Aerospace and Defence spending should accelerate as warranted by the current geo-political pressures. Long term themes around obesity and med tech solutions for an aging population continue to offer a solid growth outlook. The global consumer is still hooked on subscription based streaming services whose pricing power is as resilient as ever.

During December, the Alternative fund returned 2.9%, bringing the total return for the year up to 17.7%. The holdings in the fund now are primarily index options and futures, with excess cash raised through the de-risking that took place during the previous month being invested into US and European T-bills.

ALTERNATIVE INVESTMENT EXPOSURE DECEMBER





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

Want to talk to us about investments? Contact us.

T: +353 1 670 2500 | **e:** CFAMEinfo@cantor.com | **www.cantorfitzgerald.ie** | Cantor Fitzgerald House, 23 St Stephen's Green, Dublin 2.