Cantor Fitzgerald Alternative Investment Fund

FACTSHEET

28TH FEBRUARY 2025

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*	16.9%

ESMA Risk Rating

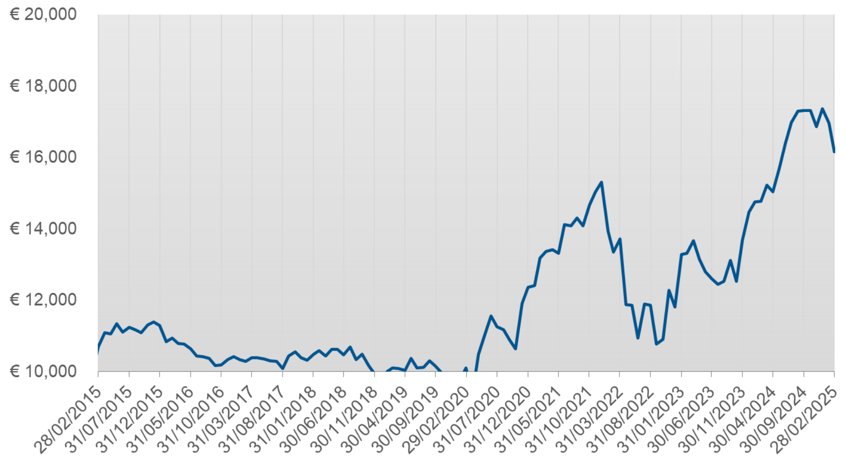
Lower Risk — Higher Risk

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 28.02.2025

	1 Month	YTD	1 Year	3 Years P.A.	5 Years P.A.	10 Years P.A.	Inception P.A.
Alternative Investment Fund*	-4.8%	-7.0%	7.3%	5.9%	9.4%	4.1%	9.4%
Fund Target	0.6%	1.1%	7.0%	7.0%	7.0%	7.0%	7.0%

Source: Cantor Fitzgerald Asset Management 28/02/2025. 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	2024
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%	17.7%

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

After a solid start to 2025, global equities fell by -0.5% in euro terms during February – another volatile month that saw European indices yet again outperform their US counterparts, even as the MSCI US hit all-time highs. US yields saw a sharp reversal downwards from the middle of the month onwards, with oil also declining on headlines of an end to the fighting in Ukraine, with Brent crude down -4.7% over the month to $73.18/bbl. The SOX index was on track to recover much of its losses from DeepSeek during January, before sharply pulling back after Nvidia's earnings results and further tensions around tariffs.

There was no shortage of market moving events during the month; the continued threat of Canada/Mexico tariffs, talk of an end to the fighting in Ukraine, German elections, a rare earth mineral deal between the US and Ukraine and further interest around DeepSeek all contributed to further volatility. Despite the announcement of broad reciprocal tariffs set to come into force on April 2nd, in addition to 10% tariffs on China, and growing anxiety around US inflation led by a hotter than expected inflation print – the bond market focus was on weaker US sentiment data and the risks to economic growth, sending yields downward and reversing much of their post-election gains.

An end to the fighting in Ukraine, no matter how implausible this may seem, partly led to strong performance in European indices, with German equities continuing to rise at an almost record-breaking pace – notching up over 3.7% in EUR terms during the month. The continued momentum behind German equities is somewhat hard to explain though – peace in Ukraine does not seem as if it is around the corner, regardless of what headlines are saying, the European growth outlook (especially that of Germany's), is far from impressive, the German election yielded few surprises and the possibility or impact of substantial fiscal reform in the country is not yet fully clear. Although an enormous package has been proposed since the end of the month, the passage of this relies on the old parliament, not the new.

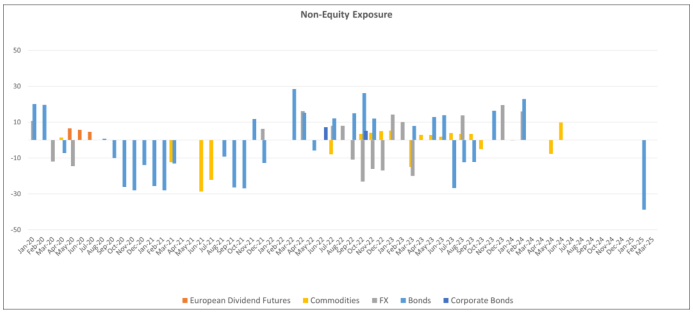
February saw both business and consumer sentiment deteriorate in the US, while consumer confidence registered its largest decline since August 2021. Delinquency rates on credit card and auto loans have also been steadily creeping higher. This concern might gain more traction as US budget negotiations move forward. The latest draft budget resolution from House Republicans includes major spending cuts, with $1.5tln specified and a $2tln goal, in order to have some offset for the $4.5tln cost of other "tax cuts", which are predominantly the extension of the TCJA. It seems inevitable that these cuts will target Social Security and Medicaid, which would further stress already indebted consumers.

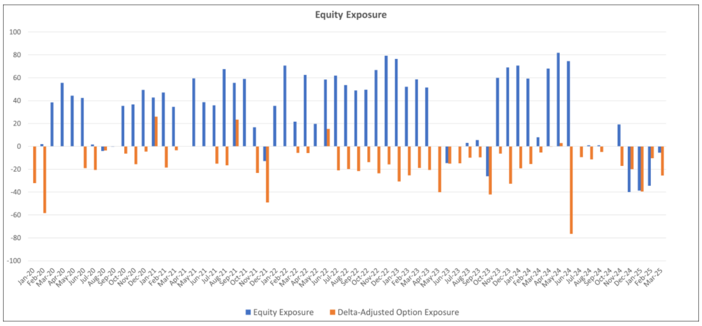
Despite a small bounce in Euro area PMI's – which, is worth noting, comes from very depressed levels, Europe's economic woes continue. The German economy hasn't grown since 2019, potential growth prospects are also falling, public investment as a percentage of GDP is at the bottom of the EU ladder, both households and corporations are saving, the only domestic sector not saving being the government – but even that may turn to contraction as the debt brake is about to be re-applied unless the new government can take action. The need and capacity for fiscal stimulus in Germany is clear, though the willingness to push through the necessary measures to improve their current situation remains unclear. Adding to this, the US is openly discussing the implementation of 25% tariffs on the bloc and appears to be reaching over the heads of Europeans to broker a peace between Ukraine and Russia – thus spurring a level of European defence investment not seen in decades, though should governments attempt to offset this higher defence spending with cuts elsewhere, the impact on growth would be quite negative as the economic multiplier for defence spending is quite low.

The Alternative fund had a disappointing month, down -4.8% in February. The drawdown in US equities, in particular AI exposed names, and a rally in US bonds contributed to much of the loss. We took advantage of the market pullback to add to some beaten up secular winners, primarily those at the forefront of the AI boom. The fund partly benefitted from short positions in European and UK futures in addition to strong performance by a number of EU financial names. These short future positions in addition to some index options will continue to allow us to play any market pullback that would be expected from further tariff announcements by Donald Trump.

Due to the current volatility in markets, we remain in a net short position, with excess cash held in short-dated US and EU bonds whilst we continue to look for long term opportunities amongst the backdrop of an unpredictable US administration.

ALTERNATIVE INVESTMENT EXPOSURE JANUARY





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.

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