

Goodbody Asset Management

Goodbody Smaller Companies Fund

- Material Fund outperformance in 2019
- Kingspan position top sliced on strength

Via New Ireland

Risk rating 1 2 3 4 5 6 7

Fund performance

December was a strong month for the Fund, contributing to significant outperformance of the benchmark for the year. Stock selection was the primary driver of relative performance during the month. Top contributors to performance included Irish insulation manufacturer Kingspan (+11%), UK company Diploma (+11%) and US machine vision leader Cognex (+10%). We had the opportunity to meet Kingspan during December and remain upbeat on the group's future structural growth opportunities. However, the company has seen its share price rise 47% in 2019 and recent strength was used to top slice our holding based on a reappraisal of valuation.

Value of €10,000 invested



	1 MTH	3 MTH	YTD	1 YR	Since inception
Goodbody Smaller Companies (Series 6 R)	2.0%	9.9%	40.3%	40.3%	81.1%
Benchmark	1.0%	6.2%	30.0%	30.0%	52.3%

Source: New Ireland, Bloomberg

Why consider the Goodbody Smaller Companies Fund?

1. Return enhancement potential

Global small/mid cap equities have historically offered a compelling risk/reward opportunity compared to their large cap counterparts.

2. Diversification benefits

The fund invests in a segment of the equity market that is frequently overlooked and neglected by other investors.

3. Proven smaller company expertise

Our investment team has successfully delivered strong performance in the small/mid cap segment of the equity market over the last 10 years.

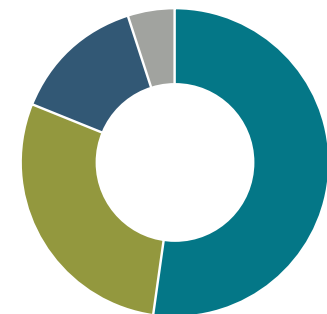
For Financial Advisors Only

The **Goodbody Smaller Companies Fund** is an actively managed, concentrated global equity fund that offers investment in a diversified portfolio of 40 small/mid sized growth companies. The fund aims to outperform the MSCI World Small/Mid cap index by 2 - 3% per annum over the medium to long-term.

Key information

Fund launch date	3 March 2016
Base currency	€
Pricing/Dealing	Daily
Month end unit price (€)	1.72
Number of holdings	36
Top 10 holdings as a % of the fund	32%
Active share*	97%

Geographic mix as at 31 December 2019



North America	53%
Europe (ex. UK)	29%
UK	14%
Japan	4%
Asia Pacific (ex. Japan)	0%

Source: Goodbody

Performance is shown gross of taxation and gross of fund management fees.

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

Sector split as at 31 December 2019

Technology	25%
Industrials	23%
Healthcare	18%
Financials	11%
Consumer discretionary	10%
Materials	8%
Energy	5%
Consumer staples	0%
Real Estate	0%
Telecoms	0%
Utilities	0%

Source: Goodbody

Market commentary

December rounded off an impressive decade for financial markets with the MSCI world rising by 1.2% over the month, bringing the total return in 2019 to 30.0%, in euro terms. Again, US stocks outperformed with the S&P 500 rising by 3.0%, in US dollar terms. European stocks performed well with the STOXX 600 rising by 2.2%. After a strong year for global bond markets, government bonds were weaker in December. The US and German 10-year yields increased by 14bp and 18ps respectively. Risk-on momentum over the month was driven by a combination of geopolitical events and central bank policy. The much-anticipated US-China “phase one” trade deal was agreed, calming investor concerns heading into 2020. While a full agreement is a long way away, the risk of tensions escalating have somewhat abated for the immediate future. Elsewhere, Boris Johnson’s triumph in the UK general election was welcomed by the market. Both the Fed and the ECB reiterated their accommodative stance at their respective meetings last month. Christine Lagarde held her first meeting as head of the ECB. Meanwhile, Fed Chairman, Jerome Powell, confirmed continued liquidity to support the troubled repo market and flexibility should inflation “run hot”.

Top 10 holdings as at 31 December 2019

ResMed	3.5%
Alten	3.4%
ICON	3.3%
Paylocity	3.2%
Partners Group	3.2%
Moncler	3.2%
Jack Henry & Associates	3.2%
Teleperformance	3.1%
Diploma	3.1%
Ansys	3.1%

Source: Goodbody

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

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

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

*Active Share is a measure of the Fund’s overlap with the benchmark. An active share of 100% indicates that the Fund has no holdings in common with the benchmark and active share of 0% indicates a Fund that tracks the benchmark.

The Fund is a unit linked fund of the life company. The value of your life assurance policy is linked to the performance of the Fund. Please contact your financial adviser or New Ireland to make additional premiums. Please refer to your policy documentation for information on fees, charges and risks that apply to your investment.

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