

Goodbody Asset Management

Goodbody Smaller Companies Fund

- Outperformance in difficult market conditions
- Abcam an exciting new healthcare holding

Via New Ireland

Risk rating 1 2 3 4 5 6 7

Fund performance

The Fund outperformed its benchmark during a period of significant equity market volatility and weakness. Stock selection was the primary driver of outperformance. The Fund’s underweight exposure to both Real Estate and Consumer Staples (no holdings in either sector) was a headwind given these sectors outperformed. Top performing holdings included US healthcare company ResMed and Moncler, the Italian fashion retailer. Both stocks ended the month in positive territory. During December we initiated a position in life science company Abcam, the world’s leading online supplier of research-grade antibodies. The company offers an exciting, sustainable growth opportunity at a reasonable valuation.

Value of €10,000 invested



Source: New Ireland

| | 1 MTH | 3 MTH | YTD | 1 YR | Since inception |
|---|-------|--------|-------|-------|-----------------|
| Goodbody Smaller Companies (Series 6 R) | -8.0% | -14.1% | -6.3% | -6.3% | 29.1% |
| Benchmark | -9.5% | -15.4% | -8.9% | -8.9% | 17.2% |

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.

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

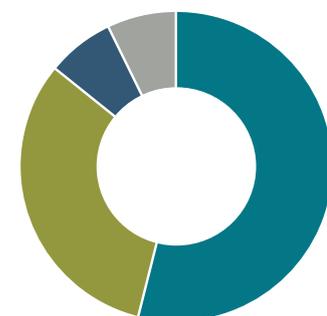
For Financial Advisors Only

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 (€) | 1.23 |
| Number of holdings | 38 |
| Top 10 holdings as a % of the fund | 32% |

Geographic mix as at 31 December 2018



| | |
|----------------------------|-----|
| ■ North America | 54% |
| ■ Europe (ex. UK) | 32% |
| ■ UK | 7% |
| ■ Japan | 7% |
| ■ Asia Pacific (ex. Japan) | 0% |

Source: Goodbody

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

Sector split as at 31 December 2018

| | |
|------------------------|-----|
| Industrials | 25% |
| Technology | 23% |
| Healthcare | 12% |
| Financials | 11% |
| Materials | 11% |
| Consumer discretionary | 10% |
| Energy | 5% |
| Utilities | 3% |
| Consumer staples | 0% |
| Real Estate | 0% |
| Telecoms | 0% |

Source: Goodbody

Market commentary

Global equities ended 2018 on a negative note, declining 8.5% in December to bring the total return for the year to -4.1%. A confluence of factors contributed to such weakness in equity markets: concerns of a potential US recession, fears of excessive tightening by the Fed, increasing credit spreads, ongoing trade uncertainty, and a desynchronization of global growth. From a geographic perspective, US stocks underperformed their European counterparts in the month (S&P 500 -9%, Euro Stoxx 50 -5%). Energy stocks were the worst performing sector, dragged lower by ongoing oil price weakness, while Utilities, a traditionally defensive sector, outperformed. In fixed income markets, the US 10 year yield fell from ~3.0% to ~2.7%, pricing in a potentially lower growth and inflation outlook. Oil prices fell a further 8% in December, having collapsed 20% in the month prior. On the geopolitical front, the highly anticipated G20 meeting has led to a temporary de-escalation in trade tensions, with US and China agreeing to halt the imposition of tariffs for a 90 day period.

Top 10 holdings as at 31 December 2018

| | |
|-----------------------|------|
| Ansys | 3.5% |
| Keysight Technologies | 3.4% |
| Xylem | 3.4% |
| Teleperformance | 3.3% |
| Cooper Companies | 3.2% |
| Trend Micro | 3.2% |
| Kansas City Southern | 3.1% |
| Allegion | 3.0% |
| Global Payments | 2.9% |
| Huntington Bancshares | 2.9% |

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.

Fund Manager

Paul O'Brien, CFA
Shane Butler
Asset Management team

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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Contact us today

Goodbody Asset Management, 2 Ballsbridge Park, Ballsbridge, Dublin 4

T +353 1 641 9470 E assetmanagement@goodbody.ie W www.goodbody.ie/assetmanagement

