

Goodbody Asset Management

Goodbody Smaller Companies Fund

- Style rotation a headwind to relative performance
- Financials and Energy lead while Healthcare lags

Via New Ireland

Risk rating 1 2 3 4 5 6 7

Fund performance

Style rotation was the major theme within global equity markets last month. Value stocks significantly outperformed their Growth and Quality counterparts. This was reflected in sector performance as Financials and Energy outperformed, while Healthcare and Technology sectors lagged the broader market. This divergence in style performance was a notable headwind to Fund performance given our Quality/Growth investment approach. Top performing holdings during the month included industrial technology company Sensata Technologies (+11%) and US machine vision leader Cognex (+10%). Laggards during the month included US rural retailer Tractor Supply (-10%) and Japanese digital advertising group Cyberagent (-13%).

Value of €10,000 invested



	1 MTH	3 MTH	YTD	1 YR	Since inception
Goodbody Smaller Companies (Series 6 R)	1.7%	1.7%	27.6%	9.6%	64.7%
Benchmark	3.1%	3.9%	23.0%	4.0%	44.1%

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 (€)	1.57
Number of holdings	37
Top 10 holdings as a % of the fund	32%

Geographic mix as at 30 September 2019



■ North America	53%
■ Europe (ex. UK)	30%
■ UK	11%
■ Japan	5%
■ Asia Pacific (ex. Japan)	0%

Source: Goodbody

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

Sector split as at 30 September 2019

Industrials	24%
Technology	24%
Healthcare	16%
Financials	11%
Materials	10%
Consumer discretionary	9%
Energy	6%
Consumer staples	0%
Real Estate	0%
Telecoms	0%
Utilities	0%

Source: Goodbody

Market commentary

September was a strong month for global equity markets - the MSCI World Index, measured in euros, gained 3.2%. European equities outperformed their US counterparts during the month, buoyed by the sharp rotation towards Value-oriented sectors. For example, the best performing sectors in September were Financials and Energy. An uptick in bond yields and increased oil price volatility acted as tailwinds behind the respective moves in Financials and Energy companies. For the third quarter and year-to-date, global equities gained 5.0% and 23.3% respectively. Central bank meetings, global trade, and a weakening trend in macroeconomic data continued to dominate headlines throughout the month. On the central bank front, the Federal Reserve lowered interest rates at its September meeting, as widely expected. The ECB also lowered its deposit rate and announced an open-ended bond purchasing program to the tune of €20bn per month. A weakening trend in global macroeconomic data, specifically within the manufacturing sector, continues to be evident. The ISM PMI, the most widely watched gauge of US manufacturing activity, dipped into contractionary territory for the first time since 2016, while German manufacturing activity touched its lowest level since the financial crisis.

Top 10 holdings as at 30 September 2019

Teleperformance	3.6%
Keysight Technologies	3.5%
Halma	3.5%
Allegion	3.4%
Jack Henry	3.3%
Alten	3.1%
ResMed	3.1%
Xylem	2.9%
Partners Group	2.9%
ICON	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.

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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