

Goodbody Asset Management

Goodbody Dividend Income Cautious Fund - **GDI 3**

- Rising yields a headwind to bond returns
- Dividend equity performance in line with the wider market

Fund performance

Following a very strong rebound in July, the Fund posted a negative return in August. The underlying global dividend equity holdings performed broadly in line with the global equity market. Broadridge Financial (+8%) and US waste management company Republic Services (+4%) were two notable outperformers over the period. Government bonds were a drag on overall Fund performance as the trend of rising yields (falling prices) resumed. For reference, the Core European Government Bond Index (8-year duration) declined 5% during the month. The Fund’s downside risk management strategy (index put options) posted a positive contribution to return given the backdrop of global equity market weakness.

Fund price since inception



Share Class B (€)										
1 MTH	3 MTH	YTD	1 YR	3 YR p.a.	2021	2020	2019	2018	2017	Since inception
-2.7%	0.8%	-5.9%	-1.7%	4.2%	13.2%	5.7%	11.8%	-1.4%	1.5%	28.9%

Source: Goodbody

Why consider the Goodbody Dividend Income Cautious Fund?

1. Income Oriented Multi Asset Exposure

The Fund invests in high quality dividend paying equities which act as the engine of real returns for investors. Other assets, such as cash, fixed income and exchange traded funds are used to provide diversification and reduce volatility.

2. Active asset allocation

The Investment Team employs an asset allocation framework to tactically adjust exposure to equities throughout the investment cycle.

3. Risk management strategy

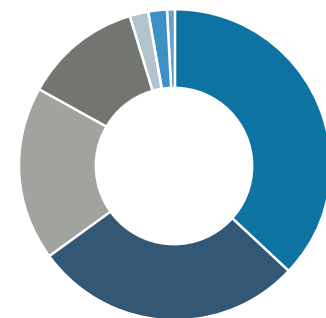
This strategy helps to reduce volatility and smooth the returns journey for investors.

The **Goodbody Dividend Income Cautious Fund** is a risk managed multi-asset fund which invests in high quality dividend paying stocks as well as income generating Bonds, REITS, Alternatives and Cash.

Key information

<b>Fund launch date</b>	18 December 2015
<b>Fund type</b>	UCITS
<b>Base currency</b>	€
<b>Pricing/Dealing</b>	Daily
<b>Share class</b>	B
<b>ISIN</b>	IE00BYWKP775
<b>Month end NAV (€)</b>	12.89
<b>Investment management fee</b>	0.50%

Asset Split as at 31 August 2022



■ Equity	37%
■ Government Bonds	28%
■ Cash	18%
■ Corporate Bonds	12%
■ Property	2%
■ Alternatives	2%
■ Put Options	0.7%

Source: Goodbody

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

Risk rating **1** 2 3 **4** 5 6 7

## Equity sector split as at 31 August 2022

Technology	31%
Healthcare	16%
Industrials	14%
Consumer discretionary	11%
Materials	9%
Consumer staples	8%
Financials	8%
Energy	0%
Telecoms	0%
Utilities	0%

Source: Goodbody

## Top 10 equity holdings as at 31 August 2022

Apple	5.3%
Republic Services	4.3%
Microsoft	4.1%
Dollar General	3.6%
Motorola Solutions	3.3%
ResMed	3.3%
Analog Devices	3.3%
Amphenol	3.3%
Fastenal	3.0%
Paychex	2.9%

Source: Goodbody

## Market commentary

August was a volatile month for both equities and bonds with both asset classes ending the month in negative territory after a strong July. The MSCI World ended the month down 2.8% in euro terms and the US 10-year government bond yield jumped from 2.6% to 3.2%. Meanwhile, the German 10-year government bond yield rose from 0.8% to 1.5%. The declines in both asset classes were driven by the escalation in hawkish rhetoric by central banks. In his speech at the annual Jackson Hole Symposium, Fed Chairman Jerome Powell committed to higher interest rates for as long as was necessary to bring down inflation. ECB member Isabel Schnabel followed suit with an equally hawkish speech in which she argued the need for tighter policy despite slowing economic growth and the fact that inflation was predominately being driven by exogenous factors. During the month European gas and electricity prices rose to record highs over fears of a cut off of supplies from Russia. Recession fears in Europe led the euro to drop below parity relative to the US dollar.

## Prospectus and Key Investor Information

A copy of the English version of the Prospectus of the Fund and the Key Investor Information (KIID) document relating to the Fund is available [here](#) and may also be obtained [here](#) to view the Prospectus and [here](#) to view the KIID. Where required under national rules, the KIID document will also be available in the local language of the relevant EEA Member State.

### Summary of Investor Rights

A summary of investor rights associated with an investment in the Fund shall be available in English [here](#).

### Termination of Marketing Arrangements

A decision may be taken at any time to terminate the arrangements made for the marketing of the Fund in any EEA Member State in which it is currently marketed. In such circumstances, Shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the Fund free of any charges or deductions for at least 30 working days from the date of such notification.

### Article 8 Classification

The Fund is classified as an Article 8 Fund pursuant to the Sustainable Finance Disclosure Regulation (EU) 2019/2088. While the Fund promotes environmental and social characteristics, it does not currently commit to investing in any "sustainable investments" with an environmental objective within the meaning of SFDR.

**Warning: Dividend Income is not guaranteed and may rise or fall in value. The value of your investment may go down as well as up. This fund may be affected by changes in currency exchange rates. If you invest in this fund you may lose some or all of the money you invest.**

This publication has been approved by Goodbody Stockbrokers UC. The information has been taken from sources we believe to be reliable, we do not guarantee their accuracy or completeness and any such information may be incomplete or condensed. All opinions and estimates constitute best judgement at the time of publication and are subject to change without notice. The information, tools and material presented in this document are provided to you for information purposes only and are not to be used or considered as an offer or the solicitation of an offer to sell or to buy or subscribe for securities.

The Fund is a sub-fund of Goodbody Funds ICAV, which is an undertaking for Collective Investment in Transferable Securities (UCITS) with limited liability between sub-funds. Investors should read the Prospective Supplement and Key Investor Information document for the Fund, as well as the Information Memorandum prior to making a decision to invest, and for full information on the Fund including fees, risks and conflicts of interest.

This document is not to be relied upon in substitution for the exercise of independent judgement. Nothing in this publication constitutes investment, legal, accounting or tax advice, or a representation that any investment or strategy is suitable or appropriate to your individual circumstances, or otherwise constitutes a personal recommendation to you.

Registered Office: Ballsbridge Park, Ballsbridge Dublin 4, Ireland. T: +353 1 667 0400. Registered in Ireland No. 54223.

Goodbody Stockbrokers UC, trading as Goodbody, is regulated by the Central Bank of Ireland. In the UK, Goodbody is also subject to regulation by the Financial Conduct Authority. Goodbody is a member of Euronext Dublin and the London Stock Exchange. Goodbody is a member of the group of companies headed by AIB Group plc. 000749\_00922

## Contact us today

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

T +353 1 641 9470 E [assetmanagement@goodbody.ie](mailto:assetmanagement@goodbody.ie) W [www.goodbody.ie/assetmanagement](http://www.goodbody.ie/assetmanagement)