

Goodbody Asset Management

Goodbody Smaller Companies Fund

- Macro environment impacting business' growth outlooks
- Dechra Pharmaceutical – a new addition to the Fund

Via New Ireland

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

Fund performance

Sector allocation and stock selection contributed to the Fund's underperformance in May. The Fund has no holdings in the Energy sector, which was a notable outperformer during the month. Cognex, the US machine vision company, declined 29%. Cognex had its results early in the month and beat estimates for the quarter, but management commentary guided for slowing growth and automation project delays due to supply chain challenges and staffing shortages. Belimo, a Swiss company in the HVAC industry, fell 21% on rising raw material cost intensity. During the month we initiated a position in Dechra Pharmaceutical, a UK based specialist in veterinary pharmaceuticals, focused on chronic illness and critical care.

Value of €10,000 invested



	1 MTH	3 MTH	YTD	1 YR	3 YR P.A.	Since inception
Fund	-5.8%	-7.2%	-21.8%	-4.3%	14.9%	130.1%
Benchmark	-1.8%	-2.6%	-8.6%	1.4%	12.1%	87.1%

Source: New Ireland, Bloomberg, Benchmark in Euro terms

Performance of Goodbody Smaller Companies (Series 6 R)

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 15 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 in Euro terms 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 (€)	2.19
Number of holdings	34
Top 10 holdings as a % of the fund	38%
Active share*	98%

Geographic mix as at 31 May 2022



North America	56%
Europe (ex. UK)	21%
UK	16%
Asia Pacific (ex. Japan)	4%
Japan	2%

Source: Goodbody

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

## Sector split as at 31 May 2022

Industrials	32%
Technology	24%
Consumer discretionary	18%
Healthcare	15%
Materials	7%
Financials	3%
Energy	0%
Consumer staples	0%
Real Estate	0%
Telecoms	0%
Utilities	0%

Source: Goodbody

## Market commentary

May was another volatile month for equity and bond markets with inflation continuing to dominate the narrative. The MSCI World Index finished the month 1.5% lower in euro terms. Having touched on 3.2% at the beginning of May, the US 10 year yield ended the month close to 2.8%. The German 10 year yield rose by c.20bps, ending the month above 1.1%. Meanwhile, Italian government bonds remained under pressure with the Italian 10 year yield reaching 3.1%. Central banks maintained their respective hawkish tone. As expected, the Fed delivered on a 50bps interest rate hike and signalled that interest rates may have to move above the “neutral rate” in order to bring inflation back to target. US headline inflation came in above expectations but fell slightly from the previous month to 8.3%. In Europe, ECB President Christine Lagarde all but confirmed the market expectations that it would deliver a 25bps interest rate hike in July, its first hike since 2011. During the month EUR/USD broke below \$1.04, its lowest level since 2016, before somewhat recovering into month end.

## Top 10 holdings as at 31 May 2022

Ulta Beauty	4.3%
ICON	4.3%
Manhattan Associates	4.1%
Cooper Companies	3.9%
Avery Dennison	3.7%
IDEX Corp	3.7%
Teleperformance	3.6%
Tractor Supply	3.4%
Paylocity	3.4%
Huntington Bancshares	3.3%

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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