

Goodbody Best 8 - FAQ's

Invest in Goodbody's top global equity ideas

What is Goodbody Best 8?

Goodbody Best 8 ('Best 8') is an equal-weighted stock list representing Goodbody's top global equity ideas for the next 12 months. The list contains up to 8 stock positions in medium to large companies operating and listed in developed markets. For every Best 8 stock position, we target net client returns (i.e. after costs) of 8%+ within 12 months.

How will my Best 8 account operate?

A member of Goodbody's Active Trading Desk will manage your Best 8 account for you on a 'discretionary' basis. This means we make all the trading decisions on your behalf, saving you the time and effort required to make well-timed and researched investments.

Can I pick and choose from the Best 8 list?

No. By signing up for this service, investors will be allocated positions in all stocks on the Best 8 list at any one time. All trade decisions are made by our team of experienced market professionals.

Will I be informed about trade decisions?

Yes. You will receive a contract note after each stock is bought or sold in your Best 8 account. Your dedicated investment manager will also be in regular contact with you to discuss market developments and explain the rationale behind our investment decisions.

Goodbody Active Trading Desk

What investment experience does the team have?

In operation for over 15 years, the Active Trading Desk is a team of eight market professionals with c.150 years of combined investment experience. So, we have a long history of successfully advising clients in direct equity investing.

Why is this potentially attractive to me?

Investors who are interested in trading more actively often don't have the time, experience or resources needed to execute and manage positions efficiently. Having a market edge or a good idea is an important aspect in generating positive trading returns. But navigating short-term volatility, gauging entry and exit points, controlling emotions and sticking to strict risk management discipline are also key characteristics of a successful trader.

Goodbody is one of the very few wealth managers with a direct equity trading desk for non-institutional clients. We have a strong track record of both identifying high potential opportunities and managing successful outcomes. Our Best 8 offers clients a unique opportunity to benefit from the team's extensive investment knowledge and experience.

Will the team provide regular Best 8 updates?

Yes. In addition to targeting excess client returns, we want Best 8 investors to grow their investment knowledge from this experience. So, our professional traders are keen to share regular updates on their decision-making, forward thinking, risk control and the performance of our selected trades.

The Best 8 investment process

What's the Best 8 investment style?

Best 8 takes an Active investment approach but is agnostic between Value and Growth opportunities. This differs from many peers that are solely Value or Growth focused. Furthermore, we blend robust 'top down' fundamental analysis with secondary indicators (e.g. technical analysis) to optimise our market timing.

Where do the investment ideas originate?

As the Best 8 represents Goodbody's best ideas, they are drawn from every corner of the firm. This includes the Active Trading Desk (seven Investment Managers and Trade Strategist), the Wealth Management research team (seven Analysts) that's led by our Chief Investment Officer, our Institutional Research Department (20+ Analysts) and our Institutional Equity Sales experts (10+ Traders). In addition, we analyse research received on a paid basis from a host of global investment banks, which also informs our decision-making.

Does Best 8 have an investment process?

Yes. The Active Trading Desk has a detailed investment process to optimise stock selection and management. Only the most compelling and high-conviction ideas that meet our strict investment criteria are implemented.

Are Best 8 accounts diversified?

Geographic and sector diversification are very important factors for us in the compilation of the Best 8 and both are central to our investment process. However, as the Best 8 is a concentrated list of eight stocks or less, it is not as well diversified as a traditional equity portfolio.

What happens if a Best 8 stock underperforms?

We have a managed 'stop loss' procedure to ensure any stock that underperforms is not allowed to remain in the Best 8. The performance of all Best 8 positions is under constant review and is discussed in detail at our weekly investment meetings. We also employ downside risk sharing in the Best 8 offering, meaning we don't charge any trade commission on the sale of loss-making positions, i.e. if the gross sale price is below the gross purchase price.

Does the Best 8 adopt other risk-mitigating techniques?

Yes. Best 8 may be partially invested during periods of market weakness or heightened volatility. In addition, the use of a managed stop loss policy provides downside protection. Our strict investment process supports decisive and prompt decision making to maximise client returns.

Do Best 8 accounts use leverage?

No. Leverage is never used in Best 8 accounts.

Costs, Returns and Taxes

What are the Best 8 costs and charges?

The charging structure for Best 8 consists of 0.5% commission per trade and an annual account management fee of 0.75%. There is no minimum commission on transactions. Other transaction costs such as Stamp Duty, Irish Takeover Panel levy, overseas broker fees and handling charges may apply to transactions.

What are the projected annual costs and charges for a Best 8 account?

Using the example of a €250,000 initial investment, the estimated cost of a Best 8 account is 3.0% in year one (while we initially invest the funds) and 2.5% in subsequent years. This estimate includes VAT, commissions, annual management fees, Stamp Duty, Irish Takeover Panel levies, overseas broker fees and handling charges.

What are the target returns for Best 8?

We target net client returns of 8%+ within a 12 month period for every Best 8 stock selection. In aggregate, we target net client returns of 8%+ per annum for a Best 8 account.

Is Best 8 a fund investment and how is it taxed?

Best 8 is a collection of stocks and not a fund. A Best 8 account involves clients taking single stock positions in equities chosen by Goodbody. With Best 8, you are liable for capital gains tax on any gains and can offset any capital losses against future gains, as per normal individual stock trading. There are no taxes above those associated with single stock ownership.

Client Suitability

Is Best 8 suitable for me?

As Best 8 is an equity-based list and is relatively concentrated, interested clients must have a high-risk tolerance with respect to the funds invested. Similarly, given Best 8 positions will be held for 12 months or less, clients must have a short-medium term investment horizon with respect to the funds invested.

I already have a diversified portfolio, is Best 8 for me?

Best 8 is a high-risk investment that aims to generate 'alpha' for clients. In order to achieve this, we make short to medium term investments in a concentrated list of stocks that we actively manage. Every client has different investment objectives, risk tolerances and investment horizons. So, Best 8 is not suitable for everyone. However, it may be appropriate for certain clients to apportion a percentage of their total funds (e.g. 10%) to Best 8 as a complimentary investment to their diversified portfolio.

I already have a trading account, is Best 8 for me?

Yes. Clients with existing trading accounts, especially those with limited time to devote to company and market analysis, may find Best 8 particularly attractive and rewarding.

Is Best 8 available to personal and corporate clients?

Yes. Both personal and corporate clients can invest in Best 8.

Is there a minimum initial investment for a Best 8 account?

Yes. A minimum initial investment amount of €150,000 applies.

How can I learn more about Goodbody Best 8?

You can learn more about Goodbody Best 8 by calling your existing Goodbody representative or contacting the Goodbody Active Trading Desk:

T +353 1 641 9200

E marketsdesk.support@goodbody.ie