The New Ireland Fund, Inc.
Portfolio Manager Commentary
Quarter Ending October 31, 2019

Performance Review

The New Ireland Fund, Inc.'s ("Fund") returns are summarized in the table below.

Period to October 31, 2019	Benchmark* Return	IRL NAV Return	IRL NAV Return Relative to Benchmark
Quarter	+6.15%	+8.53%	+2.38%
Six months	+1.23%	+0.53%	-0.70%
1 year	+6.40%	+5.38%	-1.02%
3 years	+7.73%	+2.45%	-5.28%
5 years	+7.01%	+4.88%	-2.13%
Since inception	+7.06%	+7.11%	+0.05%

*Benchmark is the MSCI All Ireland Capped Index ("MSCI Ireland") from August 1, 2015. Prior to July 31, 2015 the benchmark was the Irish Stock Exchange Index ("ISEQ"). Prior to July 31, 2011 it was the ISEQ ex Bank of Ireland.

Investment Overview

Portfolio

The Fund has posted a very positive quarter returning 8.53% and ahead of the benchmark by 238 basis points. Of note, the Fund's NAV return is now in positive territory over every period in the table above. All in all, a very positive turnaround helped by positive signs surrounding US- China trade, and of direct relevance to Ireland, Brexit clouds lifting.

Top performers for the quarter saw a mix of cyclical names such as Ryanair, Glenveagh and Dalata perform strongly alongside names driven more by M&A such as Amryt and Flutter. Flutter announced their proposed merger with Toronto based Stars Group to become the largest on-line gaming company globally. On the negative side defensive names such as Covanta underperformed as did Glanbia, Mincon and AIB Group all of who had relatively downbeat earnings reports.

Quarter ending October 31, 2019 (MSCI Ireland +6.2%)			
Strongest portfolio returns		**Weakest portfolio returns**	
Amryt Pharma plc	+67.9%	Covanta Holding Corp	-14.9%
Flutter Entertainment plc	+30.6%	Glanbia plc	-14.7%
Ryanair Holdings plc	+25.3%	Mincon Group plc	-10.0%
Glenveagh Properties plc	+15.1%	AIB Group plc	-5.6%
Dalata Hotel Group plc	+15.0%	Origin Enterprises plc	-4.8%

Irish Economic Review

In the latest available data, for Q2 2019, Ireland's GDP grew by 6.0% relative to the same quarter of the previous year, while GNP rose by 0.6% over the same period.

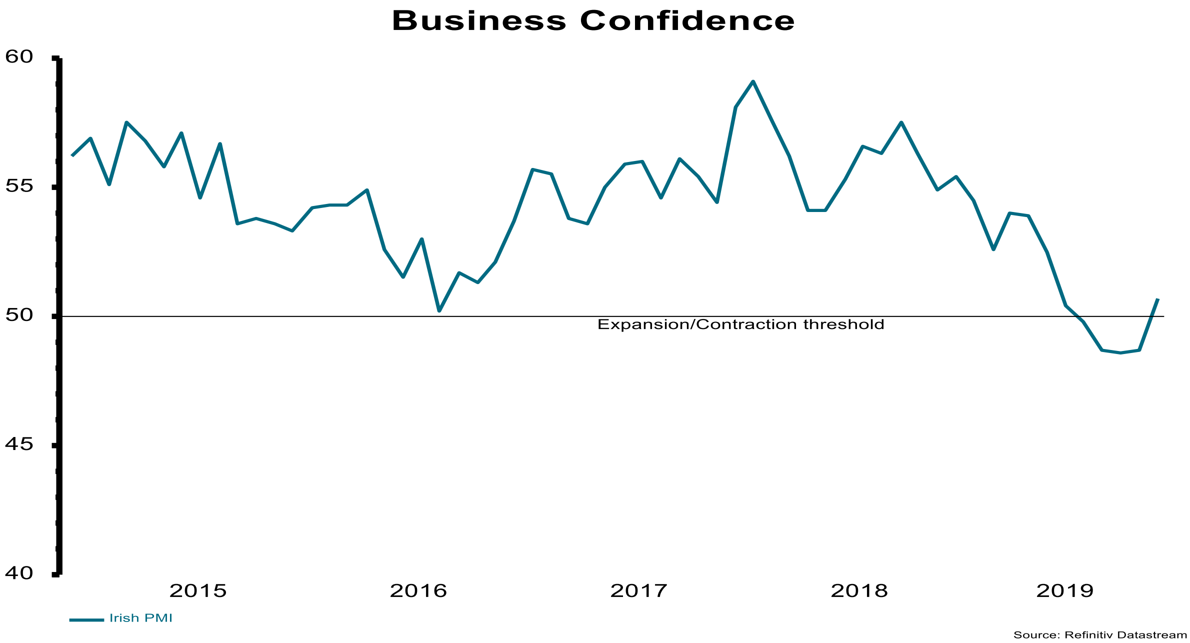
Retail Sales

Retail sales volume growth has been quite erratic in recent months, being as high as 5.1% (in year on year terms) in March, and as low as -4.5% in July – and the most recent data point shows a rise of 4.2% in the year to September. In our view it is likely that growth is slowly declining, as sentiment has been negatively affected by Brexit and the uncertainty of global trade tensions.

Consumer confidence has declined considerably over the last few months. Concern about Brexit may again be a significant factor, as are global trade tensions. The most recent consumer confidence level is at its lowest point since August 2013.

Business confidence

The combination of global trade tensions and the perceived increased likelihood of a disorderly Brexit over the summer and fall had an adverse impact on business confidence. However, data from September and October improved somewhat, as global trade tensions eased.



Labor Market

There continues to be a steady trend downwards in unemployment. The unemployment *rate* stands at 4.8% (October data), down from a peak of 16.0%. Ireland's unemployment rate is now substantially below the eurozone average.

Credit Growth

Credit is growing modestly, after many years of declines. The overall pattern is that while growth remains strong, it is certainly not debt fueled. Both the corporate and household sector have significantly reduced their debt since the peak of the last cycle in 2009.

Government Finances

The government is estimated to have achieved a small budget surplus in 2018 of about 0.1% of GDP, the first surplus since 2007. Brexit-related uncertainties create difficulties in forecasting for 2020, but if a Brexit 'crash' is avoided, there should continue to be modest surpluses in the years ahead.

All major credit rating agencies now rate Ireland in the "A" range.

"Brexit"

The decision of the UK to leave the European Union will have significant ramifications for the Irish economy. While nothing is quite certain yet, it is very likely that the UK will leave both the EU Customs Union and the European Single Market. This is the least welcome outcome for Ireland, as it means that there would have to be customs controls on goods moving between Ireland and the United Kingdom, which could be quite disruptive to trade.

However, the eventual shape of Brexit is still quite unclear. In late October, the EU and UK reached agreement, whereby the UK would exit the EU Customs Union and the Single Market, but special arrangements would be put in place whereby there would be no customs checks on the land border between Ireland and Northern Ireland.

Much now depends on the outcome of the UK election. Most analysts expect the ruling Conservative party, led by Boris Johnson, to win a comfortable majority, and then move to formally ratify the deal reached with the EU in late October, followed by an exit from the EU in early 2020. An orderly Brexit seems a likely outcome at the time of writing, which would lead to some negative impact on the Irish economy, but significantly less than from a disorderly Brexit.

Outlook:

For 2019, the Central Bank of Ireland is forecasting GDP growth of 5.0%, led by capital investment in particular. However, forecasts are highly dependent on the outcome of the Brexit process.

<u>**Global Market Outlook**</u>

We enter the final quarter of 2019 with global equity markets remaining resilient to geopolitical events and genuine concerns of global economic and earnings slowdown. The continued easing actions of global central banks have acted as a positive counterbalance for markets once again with the recent rate cuts by the US Federal Reserve, the ECB and many other central banks helping globally. For much of 2019 we have highlighted that markets would be 'desperately seeking reassurance' on three fronts, namely – Geopolitics; Macro outlook and earnings outlook. Six months on this remains the core issue that investors are grappling with.

We have, over recent months, seen evidence of growth slowing across major economies but continue to believe that fears of a global recession are overblown at this point. The blame for this softening is placed on the US-China trade spat and Brexit to a lesser extent.

We have been of the view all year that there won't be a full-scale escalation of the trade spat, but rather a "kicking of the can" down the road. As the US 2020 Presidential election comes into focus for the President, the question of a truce versus causing a recession is looming large, we believe! In our opinion, this binary event is the largest issue over coming months to drive markets in either direction. Logic suggests that bad news on the US economy may increase the odds of agreeing a trade deal. This should help sentiment and markets as they anticipate a better earnings outlook for 2020.

While our core expectation remains that an eventual lessening of geo-political uncertainty and a gradually reassuring outlook will support further market gains into 2020, we continue to monitor various downside risks of slowing growth and earnings prospects, trade tensions and geopolitics.

Irish Market Outlook

Our outlook has not changed materially since last quarter and it is worth repeating that the medium- and longer-term outlook remains very positive for both the Irish economy and stock-market, in our opinion. From an economic perspective, the fundamentals underpinning Ireland, whether it be its economic growth, earnings growth or company valuations, remain very compelling to any investor with a medium to long term perspective. For 2020, we hope that investors move beyond Brexit clouds and focus back on fundamentals.

That said, we still see better relative value in more cyclical areas of the market such as building materials and homebuilders rather than defensive names that don't appear as attractive. Overall, the market appears to be fairly valued, we believe, and therefore the key to progress during 2020 will be earnings growth.

We continue to focus on the portfolio with a strong bottom up stock picking emphasis, always seeking superior growth at attractive valuations and not compromising on quality. We continue to build the portfolio in a balanced way and playing on many of the same themes at present, as we have over the last year. In fact, we have kept the faith in the existing themes with little change:

- Attractive dividend income---Greencoat Renewables; Covanta
- Quality cyclicals---Ryanair; Kingspan.
- Attractive quality growth--- Uniphar Group; C&C Group
- European recovery --- Saint Gobain. Veolia
- Irish domestic economy recovery--- Applegreen; Dalata Hotel; Grafton Group, Glenveagh.

- Idiosyncratic bottom up picks---Mincon; IPL Plastics; Amryt Pharma; Malin Corporation.