

PENSION UNIT TRUST (PPUT) THE FIXED INTEREST FUND

INVESTMENT OBJECTIVE

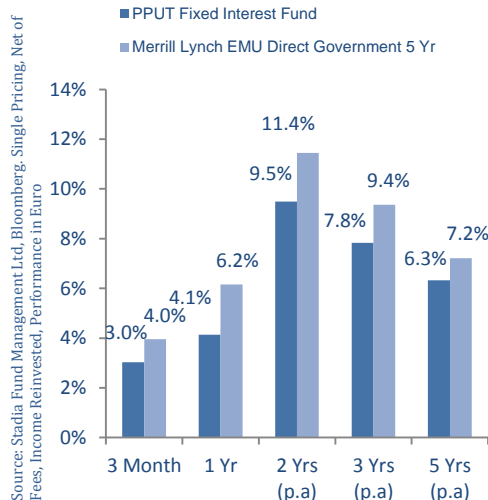
The Fixed Interest Fund seeks to achieve medium-term capital growth primarily through investment in Euro denominated fixed-interest securities.

INVESTMENT STRATEGY

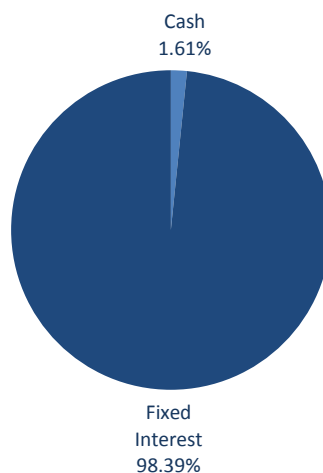
To identify through extensive fundamental analysis a spread of investments in fixed interest securities, all of which will be at least investment grade.

NOTE: All information below is provided as at 30.09.15

INVESTMENT PERFORMANCE

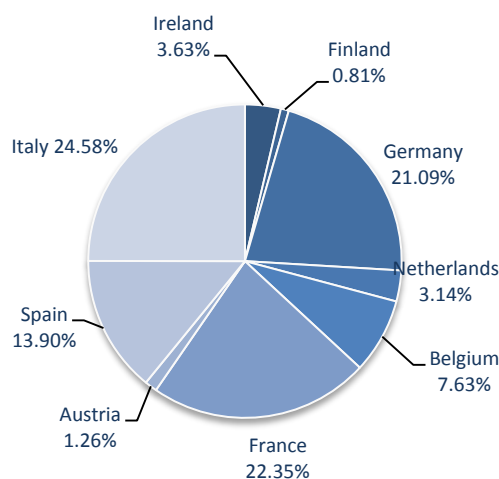


ASSET ALLOCATION (%)



GEOGRAPHIC ALLOCATION (%)

Fixed Interest Portfolio Geographic Allocation



TOP 5 HOLDINGS (%)

5 Largest Holdings as % of Total Fund

Italy 6.5% - 2027	11.5%
France 3.75% - 2021	7.9%
Germany 3% - 2020	6.0%
Italy 3.75% - 2021	5.8%
Belgium 5.5% - 2028	5.6%
Total	36.7%

CREDIT QUALITY (% Fixed Interest)

Credit Quality of Investments (% of Fixed Interest)

AAA	25.0%
AA+	1.3%
AA	30.0%
A-	3.6%
BBB+	38.5%
Total	98.4%

MODIFIED DURATION (%)

Indicative Duration Yield Curve Positioning (% of Fixed Interest)

Up to 5 Years	9.2%
5 - 10 Years	35.8%
10 - 15 Years	26.9%
> 15 Years	28.1%
Total	100.0%

Davy Asset Management

September 2015

ABOUT THE FUND

Base Currency:

Euro

Fund Size (EUR):

2.05m

No. of Bond Holdings:

30-40

Currency Exposure:

100% Euro

Investment Manager:

Davy Asset Management

Type of Unit:

Accumulation

Valuation Point:

5.00 pm Daily

Order Cut-Off Point:

4.00 pm Daily (two Business Days prior to the relevant Dealing Day.)

Contact:

Tel: +353 1 614 8874

Email: assetmanagement@davy.ie

Website:

<http://davy.ie/assetmanagement>

PENSION UNIT TRUST (PPUT) THE FIXED INTEREST FUND

Q3 2015 MARKET REVIEW

Market Review

Global government bond markets had a strong third quarter, as falling commodity prices and fears of a hard landing in China led investors to buy high quality government bonds.

Eurozone government bonds had a particularly strong third quarter reversing some of the hefty losses experienced in Q2. This resulted in the BofA Merrill Lynch 5 year plus Euro Government Index rising 3.95% during the reporting period.

The quarter also saw peripheral bond spreads tighten somewhat as fundamentals continued to improve in Ireland, Spain and Italy and tensions between Greece and its creditors eased.

Over the coming months, we believe that the Chinese authorities efforts to stabilise growth through fiscal and monetary policy will be successful and that a hard landing will be avoided. We also believe that global deflation fears are overdone. We believe that this will be increasingly evident as the fourth quarter unfolds and, as a consequence, inflation expectations should rise from their current very depressed levels.

In addition, while the US Federal Reserve did not raise interest rates in September, improving fundamentals, less volatility in China and Emerging Markets and improving inflation expectations may still see the Fed raise interest rates before year end. We think that the combination of these factors should put upward pressure on global yields from these very low levels in the fourth quarter.

Portfolio Review

The Fund underperformed its benchmark by circa 0.50% during the quarter. This was mainly due its under-weight duration position and the overweight in French inflation linked bonds, which hurt performance, as inflation expectations fell lower during the quarter. Given that we believe yields will rise in the coming quarters, the Fund is currently slightly short outright duration*. We will maintain our overweight in inflation linked bonds also as we believe inflation expectations will pick up from these very low levels as commodity prices look to have stabilized.

**Duration is used to infer how sensitive a bond portfolio's performance is to changes in interest rates. If a bond portfolio is short (long) duration it is taking less (more) interest rate risk than its benchmark.*

CALENDAR YEAR FUND PERFORMANCE (%)

	2014	2013	2012	2011	2010
PPUT Fixed Interest Fund	18.3%	1.6%	15.3%	3.8%	1.0%
Merrill Lynch EMU Direct Government 5 Yr	20.6%	2.4%	15.4%	3.9%	0.9%

Notes: Source: Stadia Fund Management Limited, Bloomberg Single Pricing, Net of Fees, Income Reinvested, Performance in Euro

Davy Asset Management

September 2015

DISCLAIMER

Davy Asset Management Limited, trading as Davy Asset Management, is regulated by the Central Bank of Ireland. No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Davy Asset Management on the basis of publicly available information, internally developed data and other sources believed to be reliable. The information contained herein does not purport to be comprehensive and is strictly for information purposes only. It does not constitute an offer or an invitation to invest. No party should treat any of the contents herein as advice in relation to any investment. While all reasonable care has been given to the preparation of this information, no warranties or representation express or implied are given or liability accepted by Davy Asset Management or its affiliates or any directors or employees in relation to the accuracy fairness or completeness of the information contained herein. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. We or any of our connected or affiliated companies or their employees may have a position in, or may have provided within the last twelve months, significant advice or investment services in relation to any of the securities or related investments referred to in this document.

Warning: Past performance may not be a reliable guide to future performance. The value of your investment may go down as well as up. If you invest in this product you may lose some or all of the money you invest. An investment in the Fund should be regarded as long term.

This document is not intended to constitute an offer or solicitation for the purchase or sale of any financial instrument, trading strategy, product or service and does not take into account the investment objectives, knowledge and experience or financial situation of any particular person. Investors should obtain advice based on their own individual circumstances from their Portfolio Manager, financial advisor or other legal or tax advisor before making an investment decision. Investors should also read the Prospectus and Supplement for the Fund prior to making a decision to invest. These documents are available from Davy House, 49 Dawson Street, Dublin 2.