

QUARTERLY UPDATE Q1 2017

DAVY IRISH EQUITY FUND

FUND OBJECTIVE

The aim of the Davy Irish Equity Fund (the 'Fund') is to achieve long-term capital growth through actively managed investments in Irish companies listed on the Irish or other stock exchanges.

FUND FACTS (AT 28TH MARCH 2017)

FUND SIZE	€4.99 million
INITIAL PURCHASE CHARGE	Up to 2% on initial purchases and any top-ups
EXIT CHARGE	Up to 0.5% on redemptions
MINIMUM SUBSCRIPTION	€1,000
ANNUAL MANAGEMENT FEE	Up to 1.35%
DEALING DAY	Wednesday All orders must be received by 3:00pm on the Friday before the dealing day

NET ASSET VALUE (AT 28TH MARCH 2017)

NAV	€305.6159 per unit*
YEAR-TO-DATE PERFORMANCE	▼ -0.43%

*Source: Northern Trust
Fund facts, NAV and fund performance relate to the Fund's oldest share class. Calculation NAV to NAV.

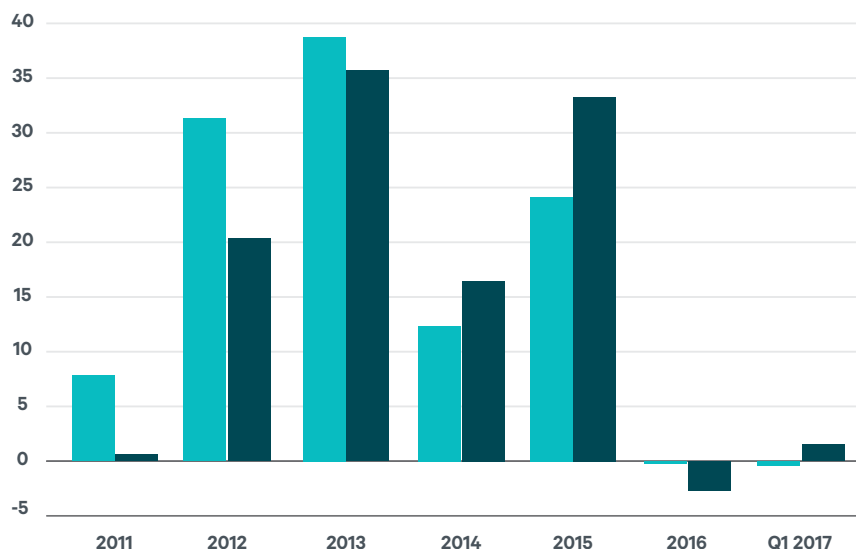
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- Davy Global Bond Fund
- Davy Strategic Global Equity Fund

FUND ENQUIRIES

For Advisory/Discretionary Clients, please contact your private client adviser on +353 (0) 1 679 7788 or for Execution-Only Clients call Davy's Execution Desk on +353 (0)1 614 9000

FIGURE 1: Davy Irish Equity Fund Performance to 28th March 2017



Davy Irish Equity Fund Benchmark

For further information on the Fund's benchmark please contact your Davy private client adviser.
Source: Davy / Bloomberg

TABLE 1: Davy Irish Equity Fund Performance to 28th March 2017

	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	Q1 2017 (%)
Davy Irish Equity Fund	7.84	31.31	38.75	12.36	24.14	-0.26	-0.43%
Benchmark	0.58	20.36	35.68	16.46	33.28	-2.68	1.51%

Source: Davy / Bloomberg

MARKET REVIEW

- Markets continued positive in the quarter
- US Federal Reserve increased interest rates as expected
- Political developments could spell trouble in the months ahead

PORTFOLIO UPDATE

- ISEQ lagged other Continental European markets
- Corporate news was mixed in the quarter
- Ryanair, Aryztia and Independent News and Media hurt performance

Warning: Past performance is not a reliable guide to future performance. The return on investments denominated in non-euro currencies may be affected by changes in currency exchange rates.

In publishing this Quarterly Update, Davy aims to provide a summary of the Fund's activity and performance in the previous financial quarter which may be of interest to you. This document is not intended to constitute an offer or solicitation for the purchase or sale of any financial instruments, 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 own tax, financial, legal and other advisors before making an investment decision, and only make such decisions on the basis of the investor's own objectives, experience and resources.

MARKET REVIEW

The positive sentiment in global markets in the wake of Donald Trump's election win continued into 2017 as investors tried to get their heads around what the new administration would mean for markets. As markets moved higher, the level of volatility remained low even though there were some causes for concern. Global economic data held up well in the first quarter.

Early in March there was a meeting of the European Central Bank (ECB) where president Draghi was able to paint a picture of an encouraging economic rebound without needing at the moment to signal that monetary policy is in imminent danger of tightening. Then it was the turn of the US Federal Reserve (Fed) with the committee deciding to increase interest rates by 25 basis points (0.25%).

Washington was stunned at the surprise withdrawal of the Republican healthcare bill and what this could say about the continued division within the wider Republican Party. Whether this is a precursor to growing political and policy risks in the US, it is too early to say for now.

PORTFOLIO UPDATE

European equities were among the best global markets in euro terms in the first quarter but the ISEQ lagged its Continental peers. After a strong end to 2016, many of the larger companies were subject to bouts of profit taking. There was some mixed news on the corporate front as the year end results season rolled on. The worst of this was a profit warning from food company Arysza, accompanied by a change in three of the top executives.

In the quarter the fund was down marginally, and underperformed the benchmark as a result. Positions in Arysza, PaddyPower Betfair, Ryanair and Independent News and Media were a drag to performance. On the positive side, our holdings in FBD, Smurfit Kappa, Kingspan and Datalex contributed to performance in the quarter.

We reduced our positions in both Bank of Ireland and Datalex in the quarter and are currently holding the proceeds in cash, looking for opportunities to put the money to work.

Please note the factors listed above are neither comprehensive nor exhaustive. Investors should note that there is no guarantee the Fund will meet its objectives. There is no assurance of investment return. The value of the investment may fall as well as rise.

TABLE 2: Equity Market Performance 2011-2016¹

Region	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	Q1 2017 (%)
World	-2.38	14.05	21.2	19.50	10.42	10.73	4.90
USA	2.11	16.00	32.39	13.69	1.38	11.96	6.07
Europe	-15.22	20.13	23.74	4.14	10.33	4.15	7.07
Asia ex-Japan	-14.87	19.35	5.94	7.41	-5.59	6.12	10.16
UK	-5.54	10.72	18.78	0.78	-1.92	19.22	3.82
Ireland	2.65	20.36	35.68	16.73	33.61	-2.68	2.71

Source: Davy

¹ Performance as at year-end for 2011-2016

STRUCTURE The Fund is a sub-fund of the Davy Equity Trust, an umbrella type open-ended unit trust authorised by the Central Bank of Ireland under the Unit Trust Act 1990. Subscriptions may only be based on the current Prospectus together (where applicable) with the most recent annual report and (if issued after such report) the most recent semi-annual report. A copy of the Prospectus and reports (where issued) may be obtained free of charge from Davy or the Administrator to the Fund.

WARNING: Past performance is not a reliable guide to future performance. The return on investments denominated in non-euro currencies may be affected by changes in currency exchange rates.

Dublin Office Davy House, 49 Dawson Street, Dublin 2, Ireland. T +353 1 679 7788 E dublin@davy.ie

Belfast Office Donegall House, 7 Donegall Square North, Belfast BT1 5GB, Northern Ireland. T +44 28 90 310 655 E belfast@davy.ie

Cork Office Hibernian House, 80A South Mall, Cork, Ireland. T +353 21 425 1420 E cork@davy.ie

Galway Office 1 Dockgate, Dock Road, Galway, Ireland. T +353 91 530 520 E galway@davy.ie

London Office Dashwood House, 69 Old Broad Street, London EC2M 1QS, United Kingdom. T +44 207 448 8870 E london@davy.ie

www.davy.ie

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