

QUARTERLY UPDATE Q3 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 3RD OCTOBER 2017)

FUND SIZE	€4.79 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 3RD OCTOBER 2017)

NAV	€320.9371 per unit*
YEAR-TO-DATE PERFORMANCE	▲ 5.86%

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

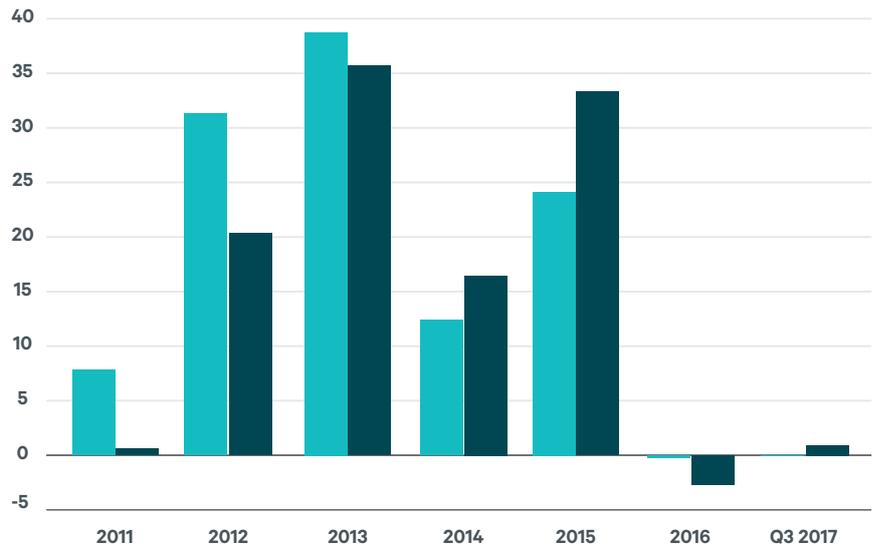
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- 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 3rd October 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 3rd October 2017

	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	Q3 2017 (%)
Davy Irish Equity Fund	7.84	31.31	38.75	12.36	24.14	-0.26	-0.04
Benchmark	0.58	20.36	35.68	16.46	33.28	-2.68	0.92

Source: Davy / Bloomberg

MARKET OUTLOOK

- Politics and Central Banks continue to influence markets.
- European Central Bank discusses strength of the Euro.
- President Trump tries to reignite his policy agenda.

PORTFOLIO UPDATE

- Positive returns for ISEQ but lagged other markets
- Weakness in Ryanair and Paddy Power Betfair were a drag on the index.
- Fund marginally underperformed on the quarter.

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 exchanges 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 OUTLOOK

Those investors that were hankering after some quiet time over the last three months have been sorely disappointed. The twin forces of politics and central bank speak have combined to keep attentions focused and while we have, for the most part, avoided major periods of volatility in equity markets, developments in other markets, particularly currencies, have had an impact on the returns for euro-based investors.

In the run-up to the last European Central Bank (ECB) meeting, the biggest focus was on what sort of rhetoric we would get around the recent strength in the currency. While questioned and addressed at least half a dozen times, the general conclusion was that ECB president Draghi feels relatively comfortable with the move, viewing it as a sign of improving economic fundamentals.

With no escalation of tensions overseas, US President Trump was able to focus on domestic matters. His political agenda has stalled in recent months and he therefore took matters into his own hands in negotiations around the extension of the US debt ceiling and tax reform.

PORTFOLIO UPDATE

Although impacted by the generally better sentiment towards equity markets in the quarter the Irish market lagged the performance seen by other indices in Europe and further afield. The strong performance of Kerry Group, and to a lesser extent CRH, was offset by weakness in Ryanair and Paddy Power Betfair. During the quarter, the strength of the Euro had an impact on the sentiment towards many of the companies with overseas exposure.

The fund marginally under-performed the index in the quarter with positive contributions from overweight positions in Kingspan, Origin, and Dalata. On the negative side, the overweight positions in Aryzta and Datalex, and underweight positions in the banks were a drag to performance.

During the quarter we reduced the holding in Total Produce, Kerry, Ryanair, and Kingspan. We initiated a position in Greencore.

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	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	YTD (%)	Q3 2017 (%)
World	14.05	21.2	19.50	10.42	10.73	3.51	1.15
USA	16.00	32.39	13.69	1.38	11.96	14.24	4.48
Europe	20.13	23.74	4.14	10.33	4.15	13.34	4.54
Asia ex-Japan	19.35	5.94	7.41	-5.59	6.12	27.64	6.58
UK	10.72	18.78	0.78	-1.92	19.22	6.55	1.81
Ireland	20.36	35.68	16.73	33.61	-2.68	6.97	1.17

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 exchanges rates.

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