

QUARTERLY UPDATE Q3 2017

DAVY STRATEGIC GLOBAL EQUITY FUND

FUND OBJECTIVE

The aim of the Davy Strategic Equity Fund (the 'Fund') is to achieve long-term capital growth through actively managed investments in a range of regional, country specific and sector focused ETFs and Investment Funds. The Fund has a largely unconstrained mandate and may be diversified by both geography and sector.

FUND FACTS (AT 29TH SEPTEMBER 2017)

FUND SIZE	€28.80 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 29TH SEPTEMBER 2017)

NAV	€2672.8376 per unit*
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YEAR-TO-DATE PERFORMANCE ▲ 4.98%

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

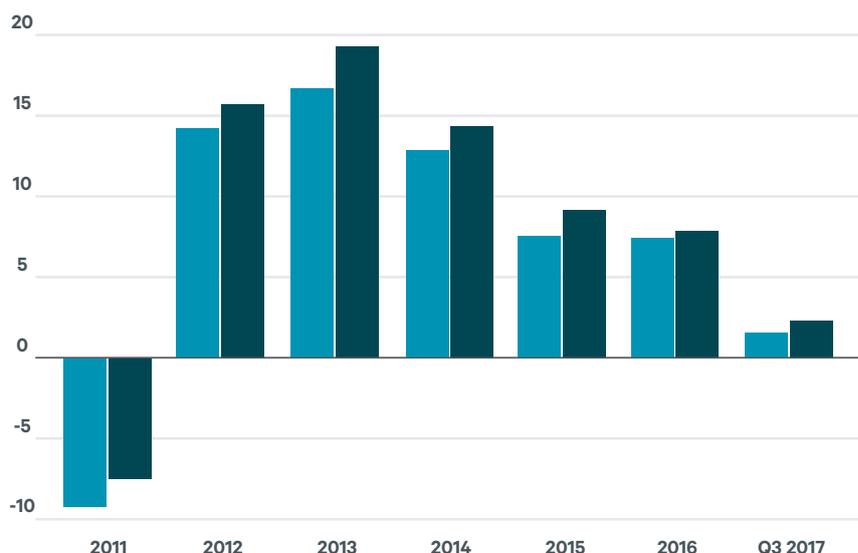
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- Davy Global Bond Fund
- Davy Irish 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 Strategic Global Equity Fund Performance to 29th September 2017



Davy Strategic Global Equity Fund Benchmark

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

TABLE 1: Davy Strategic Global Equity Fund Performance to 29th September 2017

	2011 (%)	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	Q3 2017 (%)
Davy Strategic Global Equity Fund	-9.25	14.24	16.70	12.89	7.58	7.43	1.53
Benchmark	-7.53	15.72	19.27	14.35	9.18	7.85	2.30

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 equity markets in general.
- Performance was back end weighted for the quarter.
- Asia continues to lead with the UK lagging over the three months.

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

Global equity markets saw positive returns over the quarter but most of the move came in September. The weakness in the euro towards the end of the quarter provided a further fillip to euro based investors. The absence of any 'bad news' or surprises created improved investor sentiment, allowing markets rebound from early quarter weakness.

On a regional basis, Asia continued to generate strong returns and has extended the gap over other regions on a year to date basis. In local currency terms the US and European markets performed largely in line with each other, with the UK lagging behind due to political developments.

At the sector level, cyclical stocks showed the best returns with areas such as Materials, Energy, and Industrials leading the way. More defensive sectors like Staples and Healthcare struggled.

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: Bloomberg

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.

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