

QUARTERLY UPDATE Q4 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 DECEMBER 2017)

FUND SIZE	€28.23 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 DECEMBER 2017)

NAV	€280.9890 per unit*
------------	---------------------

YEAR-TO-DATE PERFORMANCE ▲ 8.12%

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

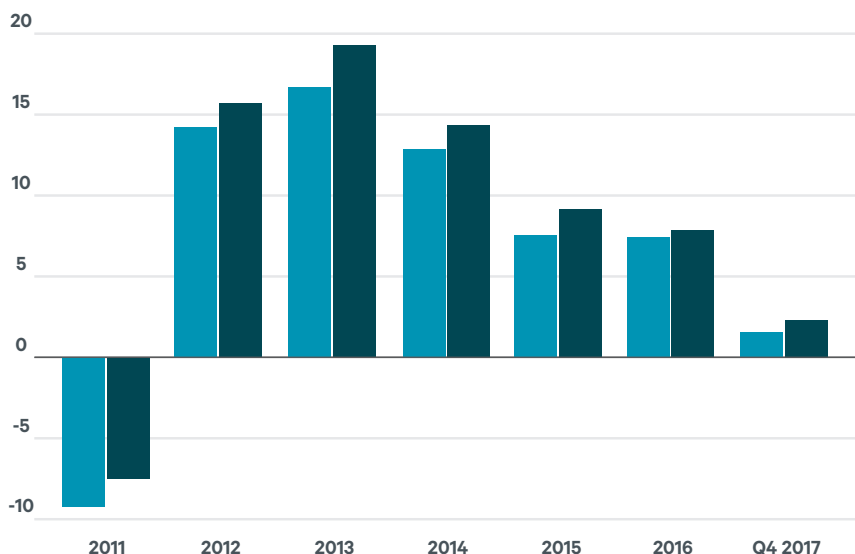
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- 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 December 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 (%)	Q4 2017 (%)
Davy Strategic Global Equity Fund	-9.25	14.24	16.70	12.89	7.58	7.43	2.99
Benchmark	-7.53	15.72	19.27	14.35	9.18	7.85	2.78

Source: Davy / Bloomberg

MARKET OUTLOOK

- Investor attention focussed on political and central bank developments.
- Brexit negotiations move to next phase and US tax reform bill passed.
- Interest rate increases in the UK and US.

PORTFOLIO UPDATE

- Most markets except Europe had positive returns.
- Stronger Euro tempered returns for investors.
- Sector performance more weighted to cyclical sectors.

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

While equity markets spent much of the last three months grinding higher, they did have to deal with a few issues along the way. As has been the case so far this year, these challenges were less to do with the markets themselves and more to do with politics and central banks.

Political developments were occurring on both sides of the Atlantic. In Europe, the focus of attention was around the United Kingdom exit from the European Union. Talks eventually came to a head as the major stumbling blocks were resolved, allowing the process to move to the next phase. In the US negotiations around a new tax reform bill took time but eventually the politicians found the happy medium and the bill was passed.

Central bank actions were also in focus in the quarter as both the Bank of England and the US Federal Reserve decided to increase official interest rates. Here in Europe, the European Central Bank announced it would be reducing the size of its monthly Quantitative Easing (QE) purchase programme but extending the life of the programme out to September 2018.

PORTFOLIO UPDATE

For the most part, equity markets managed to post positive gains in the final quarter of 2017, but further strength in the currency, tempered the gains for euro based investors. European equity markets bucked the trend of positive returns in the quarter, ending slightly in the red.

With global economic growth forecasts improving, it was no surprise that the sectors that outperformed in the fourth quarter were more cyclically oriented. Companies in the technology, materials, and energy sectors were among the best whereas those in more defensive areas like utilities and healthcare, underperformed.

As the year drew to a close, all eyes turned to the prospects for 2018. With valuations above historical averages, market returns will be dependent on a continuation in the growth of company profits. To this end, synchronised global economic growth and changes to the US corporate tax code will certainly help.

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 2011-2017¹

Region	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	YTD (%)	Q4 2017 (%)
World	14.05	21.2	19.50	10.42	10.73	7.51	3.87
USA	16.00	32.39	13.69	1.38	11.96	21.83	6.64
Europe	20.13	23.74	4.14	10.33	4.15	12.55	-0.69
Asia ex-Japan	19.35	5.94	7.41	-5.59	6.12	35.57	6.21
UK	10.72	18.78	0.78	-1.92	19.22	11.73	4.86
Ireland	20.36	35.68	16.73	33.61	-2.68	9.49	2.36

Source: Bloomberg

¹ Performance as at year-end for 2011-2017

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.

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

Davy Private Clients is a division of J&E Davy. J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange and the London Stock Exchange. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Davy 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 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.