DAVY

DAVY FOUNDATION FUNDS

GLOBAL EQUITIES FOUNDATION FUND

FACTOR EQUITY FOUNDATION FUND

GLOBAL FIXED INCOME FOUNDATION FUND

TARGET RETURN FOUNDATION FUND

D Share Class Accumulating

INFORMATION MEMORANDUM FEBRUARY 2017

www.davy.ie

Important: This Information Memorandum is a summary document and does not contain all of the information that a prospective investor might reasonably require in considering an investment. It is not a Prospectus, a Supplement or a Key Investor Information Document, all of which provide important disclosures regarding risks, fees and expenses and are available on request from Davy, Davy House, 49 Dawson Street, Dublin 2. Investors are advised to read these documents prior to making an investment decision.

WARNING: None of these documents constitute investment advice, as they do not consider your individual situation. If you are in any doubt as to the suitability of an investment, you should seek investment advice in the context of your own personal circumstances prior to investing.

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1 OVERVIEW

The Davy Foundation Funds are four distinct Funds of funds (Funds which invest in other funds) (collectively, the 'Funds' or the 'Davy Foundation Funds'; individually, the 'Fund')[1]:

- the Global Equities Foundation Fund;
- the Factor Equity Foundation Fund;
- the Global Fixed Income Foundation Fund; and
- the Target Return Foundation Fund.

Each Fund targets either a separate asset class or distinct investment strategy. The Funds have a similar goal in attempting to maximise their risk/return profile through investing in a diverse range of investment funds ('Underlying Funds'). Each Fund will target separate and distinct asset classes and/or investment strategies[2]. Each Foundation Fund will thus have its own unique characteristics and risk/return profile.

The suite of Foundation Funds was designed by Davy to facilitate investors making allocations to the various Funds, in order to create a portfolio solution. The intention is that investors would tailor a portfolio to suit their preferences by allocating their capital between the 4 Foundation Funds and cash, in any combination at their own discretion or determined with the help of their investment advisor, depending on their own objectives and needs. If an investor's circumstances change, the investor can alter allocations within their portfolio by issuing Davy with purchase and sale instructions, as relevant. Transfers under the Davy Funds plc umbrella can be made without triggering a taxable event. Please refer to Section 4 for further information on the tax implications of investing in the Funds.

The cash allocation can be achieved either by holding cash directly or by investing in a Cash fund. Should an investor choose to allocate to cash by investing in a cash fund, Davy can offer a solution in the form of the Davy Cash Fund which is also part of the Davy Funds plc umbrella. Information on the Davy Cash Fund is available in a supplemental document to this Information Memorandum or directly from Davy, Davy House, 49 Dawson Street, Dublin 2.

Investors also have the option to invest in one of the Foundation Funds in order to gain exposure to an individual asset class and/or strategy or they may wish to invest in a combination of some but not all of the Foundation Funds, depending on their own needs and objectives. For example an investor can buy one of the Funds in order to gain exposure to one asset class or strategy, without gaining exposure to other asset classes, which may not be of interest. An investment in one Fund will still benefit from the collective ability of Davy's Investment Team in selecting best in class asset managers around the world and bringing them together in a single easily accessible investment solution. In addition, a Fund will be invested across a diverse global and sectoral range meaning the benefits of diversification within the asset class may be achieved. Before investing in any of the Foundation Funds, an investor should give careful consideration to the composition of their overall portfolio and their personal circumstances.

The Foundation Funds can be bought and sold on a weekly basis in Dublin.

Please see Section 1.1 for a summary of the key characteristics of each of the Funds. For further information please refer to the Prospectus and the relevant Fund Supplements.

Warning: Investing in all or a combination of the Foundation Funds does not guarantee diversification within a portfolio or diversification of asset classes.

Warning: If you invest in these products you may lose some or all of the money you invest. The value of your investment may go down as well as up. These products may be affected by changes in currency exchange rates.

Warning: The difference at any one time between the sale and repurchase price of shares in the UCITS means that investment should be viewed as medium to long term.

[1] The Global Equities Foundation Fund, the Factor Equity Foundation Fund, the Global Fixed Income Foundation Fund and the Target Return Foundation Fund (the "Davy Foundation Funds") are sub-funds of Davy Funds plc, an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland under the Companies Act 2014, authorised by the Central Bank of Ireland as a UCITS (Undertakings for Collective Investment in Transferable Securities) pursuant to the Regulations. The Fund is defined differently in the Prospectus as "a sub-fund of the Company the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Company from time to time with the prior approval of the Central Bank". Davy Funds plc is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities (UCITS).

[2] Please refer to the Prospectus and individual Supplements for a full list of permissible investments. There is no guarantee that the Funds will be successful in meeting their objectives.

1.1 Fund Overview

Global Equities Foundation Fund

Description

The Global Equities Foundation Fund is a fund of funds with a mandate to invest in equity funds with exposure throughout the world. The target geographical asset weightings are outlined below and in section 2.4 “Strategic versus Tactical allocation”, however these weightings are subject to change depending on Davy’s current view of the market. In addition to adjusting exposure towards certain geographical markets, the Fund will also adjust exposure to certain sectors.

The Fund will invest in a mix of actively and passively managed underlying funds. The Fund will invest in passively managed funds where we believe active management cannot add value, and will invest in actively managed funds where we believe that active management can add value. (Please see Section 2.5 “Active versus Passive Management” for further detail on active and passive management).

Investors in this Fund should have a long time horizon and be willing to accept high volatility in the short term in order to potentially achieve greater returns in the long term.

Risk Factors

The Fund is particularly vulnerable to volatility in equity prices which will fluctuate daily depending on market conditions and can lead to losses. The Fund may invest a portion of its assets in what may be classified as emerging markets which tend to be subject to potentially higher economic, social and political risks than investments in developed countries.

An investment in the Global Equities Foundation Fund does not provide diversification across multiple asset classes as this fund invests in equity instruments only. For a more detailed description of some of the other risks facing the Fund, please see Section 5 “Risk Factors”.

The value of the Fund can fall as well as rise.

Investment Objective

The investment objective of the Fund is to achieve long term capital growth by predominantly taking positions in a variety of Collective Investment Schemes (“CIS”) that will invest principally in a diversified portfolio of equity securities on a global basis.

There can be no assurance that the Fund will achieve its investment objective.

ESMA (European Securities and Markets Authority) Risk and Reward Indicator

(See page 10 for an explanation of the ESMA Risk & Reward Indicator)

1	2	3	4	**5**	6	7

Strategic Asset Allocation

● Global Equities

Note: Strategic Asset Allocation may be revised at any time.

Minimum Investment Amounts

Minimum Initial Investment	€500
Minimum Additional Investment	€100

Warning: If you invest in this product you may lose some or all of the money you invest. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.

Warning: The difference at any one time between the sale and repurchase price of shares in the UCITS means that investment should be viewed as medium to long term.

Factor Equity Foundation Fund

Description

The Factor Equity Foundation Fund is a fund of funds with a mandate to invest in equity funds that aim to generate positive risk adjusted returns through investment in equities which meet certain "factor" criteria. Factor investing operates on the premise that there are certain identifiable factors that have been proven to outperform the market in the long run. The initial factors for inclusion in the Factor Equity Foundation Fund are Momentum, Value, Quality and Size (See the Glossary for an explanation of these terms) but these factors can be removed, replaced or added to depending on the views of the Investment Manager. The Investment Manager will also monitor exposures to sectors and geographies and alter the asset allocation weightings in the portfolio in light of its current view of the market.

The Fund will invest in a mix of actively and passively managed underlying funds. The Fund will invest in passively managed funds where we believe active management cannot add value, and in actively managed funds where we believe that active management can add value. (Please see Section 2.5 "Active versus Passive Management" for further detail on active and passive management).

Investors in this Fund should have a long time horizon and be willing to accept high volatility in the short term in order to potentially achieve greater returns in the long term.

Risk Factors

The Factor Equity Foundation Fund is particularly vulnerable to volatility in equity prices which will fluctuate daily depending on market conditions and can lead to losses. The Fund may invest a portion of its assets in what may be classified as emerging markets which tend to be subject to potentially higher economic, social and political risks than investments in developed countries.

An investment in the Factor Equity Foundation Fund does not provide diversification across multiple asset classes as this fund invests in equity instruments only. For a more detailed description of some of the other risks facing the fund, please see Section 5 "Risk Factors".

The value of the Fund can fall as well as rise.

Investment Objective

The investment objective of the Fund is to achieve long term capital growth by predominantly taking positions in a variety of Collective Investment Schemes (CIS) that target particular strategies (factors) that are based upon fundamental analysis. The initial strategies at launch of the Fund are Momentum, Quality, Size and Value but these factors can be removed, replaced or added to by the investment manager at any time.

There can be no assurance that the Fund will achieve its investment objective.

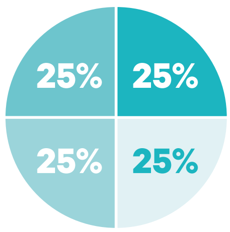
ESMA (European Securities and Markets Authority) Risk and Reward Indicator

(See page 10 for an explanation of the ESMA Risk & Reward Indicator)

1	2	3	4	**5**	6	7

Strategic Asset Allocation

- Momentum Strategy
- Value Strategy
- Quality Strategy
- Size Strategy



Note: Strategic Asset Allocation may be revised at any time.

Minimum Investment Amounts

Minimum Initial Investment	€500
Minimum Additional Investment	€100

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Warning: The difference at any one time between the sale and repurchase price of shares in the UCITS means that investment should be viewed as medium to long term.

Global Fixed Income Foundation Fund

Description

The Global Fixed Income Foundation Fund is a fund of funds with a mandate to invest in fixed income funds with exposure throughout the world. The target geographical and sectoral weightings are outlined in Section 2.4 "Strategic versus Tactical allocation"; however these weightings are subject to change depending on our current view of the market. In addition to adjusting exposure towards certain geographical markets, the Fund may also adjust exposure to certain sectors.

The Fund will invest in a mix of actively and passively managed underlying funds. The Fund will invest in passively managed funds, where we believe active management cannot add value, and in actively managed funds where we believe that active management can add value.

Investors in this Fund should be willing to sacrifice some long term gains, relative to an equity investment, in order to potentially achieve lower volatility in the short term.

Risk Factors

The Fund is particularly exposed to the risk of default through counterparty credit risk, corporate bond risk and government bond risk. Fixed income financial instruments are essentially loans given to corporations or governments (the counterparty). This makes this fund particularly exposed to the risk of default by the counterparty.

In addition the fund is vulnerable to interest rate changes. If interest rates in the market are increasing, the interest rate on fixed income investments in the fund look less appealing relative to the market and therefore can suffer capital impairment.

For a more detailed description of some of the other risks facing the fund, please see Section 5 "Risk Factors".

There is no guarantee that the Fund will have less volatility than an equity investment.

Investment Objective

The investment objective of the Fund is to generate income by predominantly taking positions in a variety of Collective Investment Schemes (CIS) that will invest in a diversified portfolio of a range of both sovereign and non-sovereign fixed income securities denominated in multiple currencies.

There can be no assurance that the Fund will achieve its investment objective.

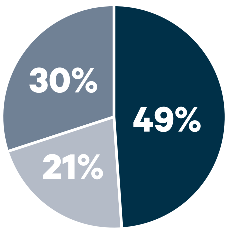
ESMA (European Securities and Markets Authority) Risk and Reward Indicator

(See page 10 for an explanation of the ESMA Risk & Reward Indicator)

1 2 **3** 4 5 6 7

Strategic Asset Allocation

- Global Government Fixed Income Funds
- Euro Government Fixed Income Funds
- Corporate and Other Fixed Income Funds



Note: Strategic Asset Allocation may be revised at any time.

Minimum Investment Amounts

Minimum Initial Investment	€500
Minimum Additional Investment	€100

Warning: If you invest in this product you may lose some or all of the money you invest. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.

Warning: The difference at any one time between the sale and repurchase price of shares in the UCITS means that investment should be viewed as medium to long term.

Target Return Foundation Fund

Description

The Target Return Foundation Fund is a fund of funds with a mandate to invest in target return funds. A target return fund aims to produce a consistent return, usually cash plus a percentage, over a given time period regardless of market conditions. A target return fund is intended to have lower volatility than standard equity investment, although this may not always be the case.

The Target Return Foundation Fund will primarily invest in a diversified portfolio of underlying target return funds such as authorised open-ended UCITS and/or exchange traded funds (ETFs) and alternative investment funds (which may include ETFs). These underlying target return funds will employ strategies that aim to produce a consistent return over a given time period regardless of market conditions.

Examples of such strategies include:

- "Multi-strategy" where investment is across a broad spectrum of asset classes, each of which pursue various strategies;
- "Equity" where investment is in equity securities; and
- "Fixed income" where investment is in liquid fixed and/or floating rate government or corporate securities.

The underlying target return funds can have exposure across asset classes, sectors or geographies. The Investment Manager will also monitor exposures to asset classes, sectors and geographies and alter the asset allocation weightings in the portfolio in light of its current view of the market.

The Target Return Foundation Fund will invest only with active managers. The very nature of the risk return target set by these underlying funds would require active management. It is our belief that active managers can add value in this area.

Investors in this Fund should be willing to sacrifice some long term gains, relative to an equity investment, in order to potentially achieve lower volatility in the short term.

Risk Factors

Derivative products are more prevalent in the Target Return Foundation Fund than in the other Foundation Funds. This may entail investment exposures that are greater than their cost would suggest, meaning a small investment in derivatives could have a large impact on the Fund's performance, either positively or negatively.

For a more detailed description of some of the other risks facing the Fund, please see Section 5 "Risk Factors".

There is no guarantee that the Fund will have less volatility than an equity investment.

Investment Objective

The investment objective of the Fund is to achieve positive returns with a lower volatility than equity markets over the long term by predominantly taking positions in a variety of target return funds (via collective investment schemes) which employ specific investment strategies. There can be no assurance that the Fund will achieve its investment objective.

ESMA (European Securities and Markets Authority) Risk and Reward Indicator

(See page 10 for an explanation of the ESMA Risk & Reward Indicator)

1	2	**3**	4	5	6	7

Strategic Asset Allocation

● Target Return Funds

Note: Strategic Asset Allocation may be revised at any time.

Minimum Investment Amounts

Minimum Initial Investment	€500
Minimum Additional Investment	€100

Warning: If you invest in this product you may lose some or all of the money you invest. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.

Warning: The difference at any one time between the sale and repurchase price of shares in the UCITS means that investment should be viewed as medium to long term.

1.2 Our Philosophy

In order to achieve the target returns with due regard to risk, our approach is to invest in a range of funds across every major sector and geography.

WE DO BELIEVE

- That certain markets are inefficient, and in these markets active managers can add value;
- In keeping costs down for our clients;
- In being transparent about what we do with your money; and
- In actively monitoring the risk/return profiles of all of our investments.

WE DON'T BELIEVE

- That active managers will add value in every situation;
- In paying above-average fees for average managers;
- In putting all of our eggs in one basket; and
- In limiting ourselves to a small selection of fund houses.

1.3 Keeping Costs Down

The Davy Foundation Funds have a focus on avoiding unnecessary investment costs:

- The Funds endeavour to invest in lower-fee institutional share classes of the Underlying Funds rather than the more expensive retail share classes which are typically available to retail investors.

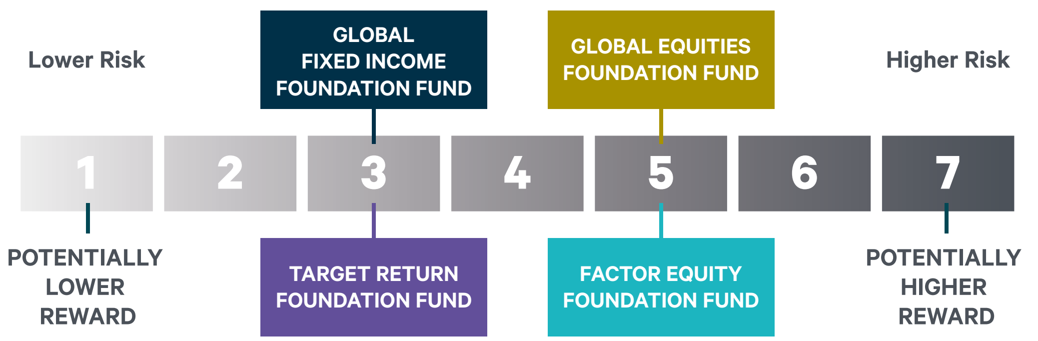
- The Funds endeavour to use passive investment options (which typically have lower fees than actively managed options) where Davy does not believe that active management fees are justified.

1.4 ESMA (European Securities and Markets Authority) Risk and Reward Indicator

The ESMA Risk and Reward Indicator provides a broad indication of each Fund's historical volatility over the last 5 years. As actual performance data is not available we have used back tested data. Volatility is a measure of the variation of an investment's returns over time. Funds with a higher volatility (i.e. a greater variation in their returns over time) are assigned a higher rating on the scale.

For example, a fund which is fully invested in cash or short-term bonds of a highly rated government would likely receive a "1" rating, whereas a fund entirely invested in highly leveraged private equity or property transactions would likely receive a "7".

Figure 1: ESMA (European Securities and Markets Authority) Risk and Reward Indicator



Source: Davy

Please note:

- Historical data may not be a reliable indication for the future.

- The Risk and Reward profile is not guaranteed and may change over time.

- The lowest category does not mean "risk free".

Warning: These figures are estimates only. They are not a reliable guide to the future performance of this investment.

Warning: These figures refer to simulated past performance. Past performance is not a reliable indicator of future performance.

The ESMA Risk and Reward Indicator above does not take account of the following risks of investing in the Funds:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates may reduce the value of your investment.
- General Investment and Market Risks of the Underlying Funds: The Funds' activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of the Underlying Funds and the liquidity of the Funds' investments. Unexpected volatility or illiquidity could impair the Funds' returns or result in losses.
- Currency Risk: There is a risk of loss arising from exchange rate fluctuations or exchange control regulations.
- Use of derivatives for currency hedging purposes involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments.

For a complete description of such risk factors, please see the section entitled "Risk Factors" in the Prospectus which is available on www.davy.ie.

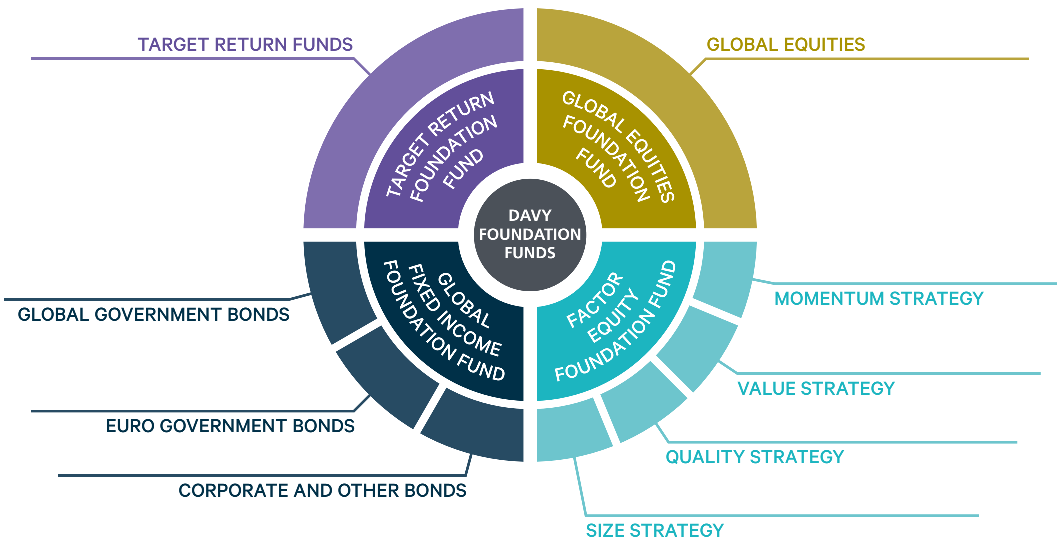
> We don't need to be smarter than the rest, we need to be more disciplined
>
> Warren Buffett, CEO of Berkshire Hathaway

2 HOW THE DAVY FOUNDATION FUNDS WORK

2.1 How the Funds are Constructed

The Davy Foundation Funds are a range of multiple-manager Funds, which invest in a carefully selected range of underlying funds. Figure 2 shows a simplified version of this relationship, illustrating how an investor can access a diversified portfolio of different types of funds with a single investment in one or a combination of the Davy Foundation Funds. For example, the Global Equities Foundation Fund can invest in a broad-based global equity fund, while simultaneously investing in an equity fund which invests only in European equities.

Figure 2: Illustrative structure of a diversified portfolio: different types of third party funds



Source: Davy

An investor can gain further diversification by investing across the full range of Davy Foundation Funds.

Figure 3 is simplified, and in practice each of the Davy Foundation Funds invests in a wide range of underlying funds across geographies and sectors in varying proportions. Please refer to the latest Fund Factsheet for details of Underlying Funds at that date.

In this way, a single investment in any one of the Davy Foundation Funds gives an investor diversified exposure to a range of geographies, sectors and underlying holdings.

2.2 Why Diversify?

Diversification is a key feature of the Davy Foundation Funds. This diversification can have significant benefits for investors in terms of the risk-return profile of their own individual portfolio.

Diversification can be viewed in terms of its effect on an investor's risk/return profile. A portfolio which is 100% invested in the shares of one company is 100% exposed to the risks and returns of that holding. However, a portfolio which combines a variety of different investments can have the effect of reducing the overall risk of the portfolio by spreading this risk across a range of companies.

Types of Diversification

Although a Fund may target one specific asset class, diversification still plays a very significant role.

A portfolio can be diversified in a number of ways, including the following:

Geographic

Investors can gain exposure to different regions (for example, US, Europe, Emerging Markets) or specific countries. Davy looks through to the underlying holdings of each Fund to determine the geographic exposure of each Fund and the implications of this for the geographic exposure of the Fund as a whole.

Strategy

Through the Davy Foundation Funds, investors can access underlying funds that cover a range of strategies to ensure that an investor is not exposed to any one strategy.

Sector

Securities may also be classified according to sector. For example, the Davy Foundation Funds may invest in Underlying Funds which have exposure to a wide range of sectors, including financials, consumer discretionary, information technology and/or biotechnology, among others.

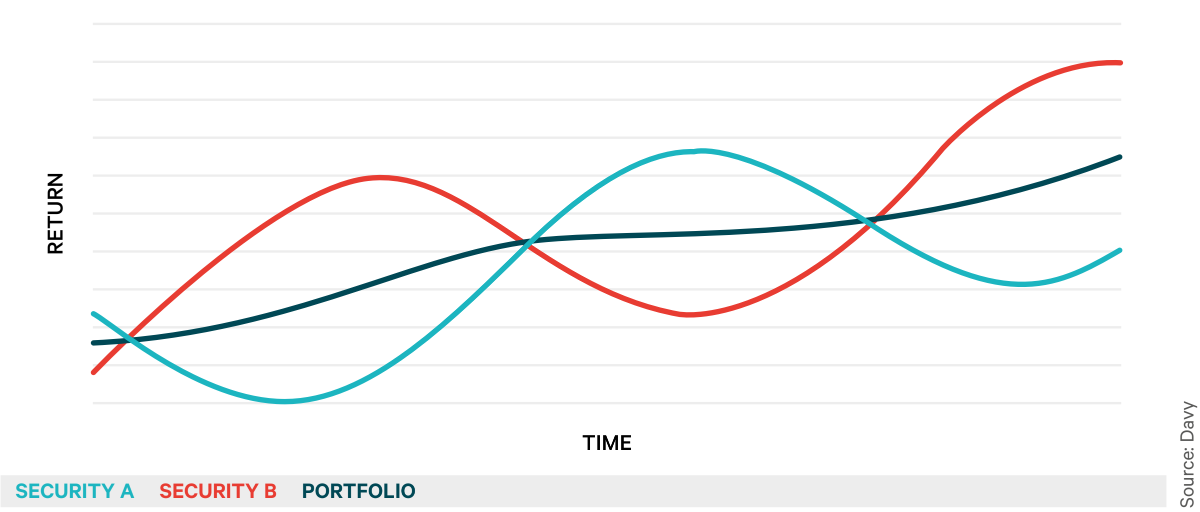
The Importance of Diversification

Diversification is important because individual securities, sectors, regions or strategies may perform strongly in one year and poorly in the next. A diversified approach allows an investor to capture a more broad performance across a larger number of allocations. No one sector, region or strategy will consistently outperform relative to others. All asset classes have up years and down years over the medium to long term.

A portfolio containing allocations to just one strategy, sector or geography would experience significant variation in value over time (volatility). However, if a portfolio is diversified across strategies, sectors and geographies, it is likely to benefit from a lower average level of volatility. Figure 3 is a simplified chart that illustrates how a portfolio of two securities which experience positive or negative returns at different times can enable an investor to achieve more stabilised returns.

> Diversification should be the corner stone of your investment program.
>
> Sir John Templeton, mutual fund manager July 1949

Figure 3: Illustrative chart of the performance of two individual securities versus a portfolio composed of 50% of each security



This chart is notional and does not reflect the performance of any individual investment or instruments.

2.3 Asset Allocation

Asset allocation decisions are a key component of any investment strategy. Asset allocation involves apportioning the instruments in a portfolio to align with the portfolio's investment objective, risk tolerance and investment horizon.

The Davy Foundation Funds reflect key asset allocation decisions in line with their investment objectives and risk tolerances. Asset allocation decisions including the following have implications for the underlying funds selected in each of the Davy Foundation Funds:

1. **Geography**
   Different geographical markets can have drastically different characteristics with consequent risks and opportunities.

2. **Strategy**
   Different strategies can offer different risk/return profiles over time.

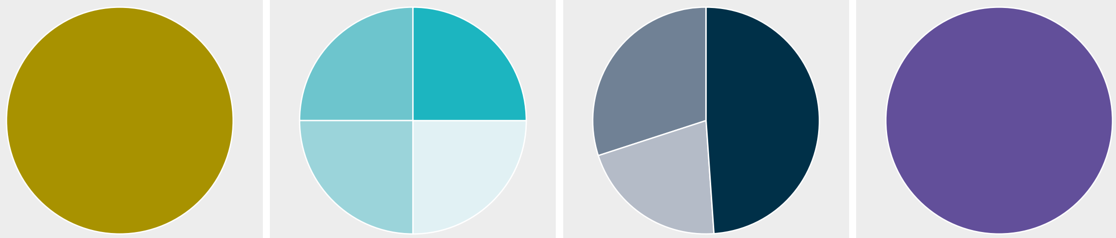
3. **Sector**
   Different sectors may outperform/underperform over different time periods. For example, in a period of low growth, an investor could reasonably expect that defensive equities (for example, utilities companies) may outperform relative to the market. During periods of higher growth, however, cyclical stocks (for example, consumer discretionary companies) may be expected to outperform. Technology trends may also play a role in sector selection.

2.4 Strategic Versus Tactical Allocation

Strategic asset allocation describes the asset allocation which Davy believes will deliver the long-term risk and return characteristics of the Fund.

Below is the Strategic Asset Allocation for each of the Davy Foundation Funds:

Figure 4: Strategic asset allocation of the Davy Foundation Funds



GLOBAL EQUITIES FOUNDATION FUND	FACTOR EQUITY FOUNDATION FUND	GLOBAL FIXED INCOME FOUNDATION FUND	TARGET RETURN FOUNDATION FUND
GLOBAL EQUITIES **100%**	MOMENTUM STRATEGY **25%**	GLOBAL GOVERNMENT FIXED INCOME FUNDS **49%**	TARGET RETURN FUNDS **100%**
	VALUE STRATEGY **25%**	EURO GOVERNMENT FIXED INCOME FUNDS **21%**	
	QUALITY STRATEGY **25%**	CORPORATE AND OTHER FIXED INCOME FUNDS **30%**	
	SIZE STRATEGY **25%**		

Source: Davy - February 2017

NOTE: These asset allocations are not intended to reflect current allocations which may vary from these figures. Strategic asset allocations for each Fund may be revised at any time.

Tactical asset allocation decisions are implemented within each Fund at periodic intervals, based on the market and economic environment at any given time. In practice, this means that on a regular basis, the Fund (through its investment in underlying funds) takes underweight/overweight positions relative to the strategic asset allocation in line with Davy's view of the current market environment. For example, while the strategic allocation to Global Government Fixed Income in the Global Fixed Income Foundation Fund is 49%, the tactical weighting could be lower to reflect the view that Global Government Fixed Income markets may underperform in the short to medium term.

Regular Updates

Davy produces factsheets for the Davy Foundation Funds on a monthly and quarterly basis, showing asset allocation details. Data on the Funds is also available online through the Morningstar® website (www.morningstarfunds.ie). 'Look through' data on the portfolio allocations and exposures is available through this site, and is updated at the beginning of each month.

2.5 Active Versus Passive Management

The Davy Foundation Funds invest in a mix of actively and passively managed underlying funds.

An **actively managed fund** seeks to generate a positive return and outperform the market by selecting investments which the fund manager believes will perform well. An active strategy can respond to changing market conditions and the fund's manager may sell securities if they believe that their value is likely to decline.

A **passively managed fund**, on the other hand, attempts to replicate the performance of a chosen market index or basket of securities – in this way, the fund manager is not aiming to generate excess returns above the return of the index for investors. A passive strategy can give an investor exposure to a broad range of instruments without the additional expense associated with appointing an active fund manager to research and select the optimal mix of securities for the portfolio. However, opting for a passive strategy may mean sacrificing the potential for outperformance relative to the index.

The Davy Foundation Funds invest in both active and passive underlying funds for two key reasons:

1. In certain markets, particularly more efficient developed markets, passive strategies may be more likely to outperform active managers over an extended time period; and

2. The strong range of active managers is augmented with some lower-cost passive strategies to maintain an overall low level of third-party costs for investors.

Active Manager Selection

Good active fund managers can and frequently do outperform their benchmarks, but many also underperform a passive alternative. This means that manager selection is critical.

Davy undertakes extensive quantitative and qualitative due diligence prior to selecting an underlying fund. The key criteria include:

Figure 5: Key criteria in selecting an active fund manager

Investment Strategy	Investment Process	Key Personnel	Performance Track Record	Peer Group Analysis	Risk Control Procedures
How does the manager intend to achieve their target returns?	How does the manager identify securities and implement this strategy? Is the process logical, reliable and repeatable?	Is the team responsible for the fund's previous successes still intact?	Does the manager have a strong long-term track record of outperformance?	How has the fund performed relative to its peers?	What procedures are in place to avoid excess or unintended risks?

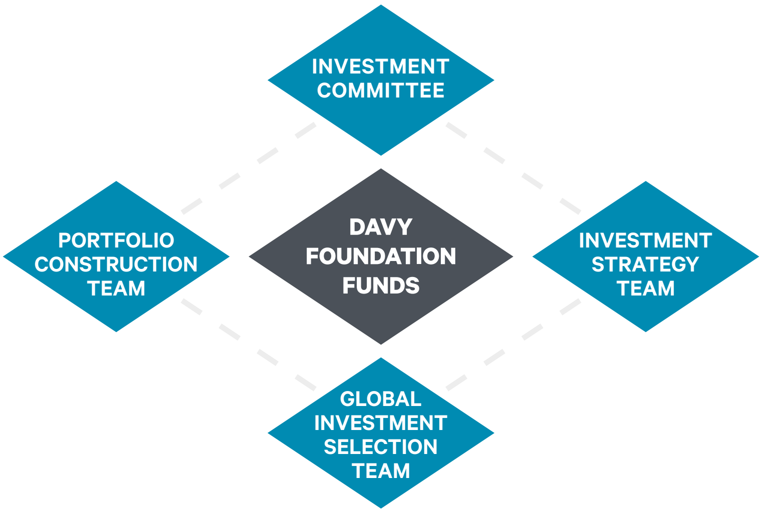
Davy's selection process also takes the level of fees charged by a manager into account. Keeping investment costs down is one of the key priorities for the Funds.

> You can't predict. You can prepare.
>
> Howard Marks, Chairman of Oaktree Capital

2.6 Management of the Davy Foundation Funds

The Davy Foundation Funds are managed on an ongoing basis with the full support of Davy's Investment Team. This team comprises the Investment Strategy Team, the Global Investment Selection Team and the Portfolio Construction Team, and is overseen by Davy's Investment Committee.

Figure 6: Management of the Davy Foundation Funds



Source: Davy

Investment Committee[3]

The Davy Investment Committee oversees our investment process and aims to ensure consistently superior investment results. The members of the Committee have an average of over 20 years of investment experience.

Investment Strategy Team

The Investment Strategy Team considers the overall macroeconomic and market environment to formulate our investment outlook, providing Davy's view on each of the respective asset classes and our assessment of the major issues impacting the markets today.

Global Investment Selection Team

The Global Investment Selection Team ensures that Davy has a world-class offering in every asset class and determines the best way to implement the Funds' desired exposure. For example, the team will decide whether it is most beneficial to invest through a low cost passive option, through an active manager who has particular expertise in the area in question or through a bespoke instrument structured to reflect the Fund's specific investment objective.

Portfolio Construction Team

The Portfolio Construction Team brings together the views of the Investment Strategy Team and the investments identified by the Global Investment Selection Team to adjust tactical allocations while maintaining the risk objective of each Fund's strategy.

[3] Please note that two members of the Investment Committee are also members of the other teams listed here.

3 SUMMARY OF FUND TERMS AND CONDITIONS

For full information on each Fund, please see the Fund Prospectus, relevant Supplements and the Key Investor Information Documents which are available from Davy.

Strategy	The Investment Manager of the Funds will select underlying funds and other investments which in their opinion are most suitable for the purpose of meeting each Fund's investment objective. The percentage to be invested in each underlying investment will be decided by the Investment Manager in light of current economic and other circumstances and may include a proportion in cash. The asset allocation within the Funds will be reviewed periodically.
Permitted Investments	The Funds intend to achieve their investment objective by primarily investing in a diversified portfolio of authorised open-ended UCITS and non-UCITS. These underlying funds will invest principally in equity securities and fixed income securities on a global basis. The Funds may also invest in underlying funds with exposure to the following asset classes: money market instruments, property, private equity, absolute return funds, managed futures and hedge funds. While the Funds are funds of funds, they may also invest in direct securities for short term liquidity. The Funds may also use Financial Derivative Instruments for efficient portfolio management and currency hedging purposes.
Investment restrictions	A summary of the investment restrictions is outlined below. A Fund cannot invest more than 20% of its Net Asset Value in any one underlying fund. The aggregate investment in non-UCITS cannot exceed 30% of the Net Asset Value of a Fund. The underlying funds cannot invest more than 10% of net assets in other open-ended investment funds. Investors should also read the Prospectus: Appendix 1, Sections 2 & 3 as well as the "Investment Restrictions" section of the relevant Supplement which is available on request. The Funds may use Financial Derivative Instruments (FDIs) for efficient portfolio management and currency hedging purposes. Such techniques and instruments include options and forwards. ■ You can buy, exchange and sell shares in each Fund on a weekly basis on Thursday (where Thursday is a business day) in Dublin. ■ This share class does not intend to pay a dividend. Any income generated by each Fund is reinvested to grow the value of your investment. ■ The Funds may not be appropriate for investors who plan to withdraw their money in 2-3 years. For full investment objectives and policy details please refer to the Prospectus and the Fund Supplements which are available on www.davy.ie.
Management of the Company	The Directors control the affairs of the Company and are responsible for the formulation of investment objectives and policies of each Fund. The Directors have delegated certain duties to the Investment Manager, the Distributor, the Promoter, the Depositary and the Administrator.
Investment Manager, Promoter & Distributor	J & E Davy (trading as Davy) (a wholly owned subsidiary of J & E Davy Holdings).
Depositary	Northern Trust Fiduciary Services (Ireland) Limited
Administrator	Northern Trust International Fund Administration Services (Ireland) Limited
Base Currency	Euro
Minimum Initial Subscription	€500
Minimum Additional Subscription	€100

Dealing Day	The Funds will deal weekly on Thursday of each week or the next business day if Thursday is not a business day in Dublin. All orders for subscriptions and redemptions relating to each Fund must be received by the administrator, Northern Trust, by 4.00pm on the business day preceding the relevant dealing day.
Distribution Status	The shares of the Funds will be Accumulating and will not make any distributions.
ISINs / SEDOLs	Global Equities Foundation Fund IE00BD3V3M30 / BD3V3M3 Factor Equity Foundation Fund IE00BD3V3N47 / BD3V3N47 Global Fixed Income Foundation Fund IE00BD3V3P60 / BD3V3P60 Target Return Foundation Fund IE00BD3V3Q77/ BD3V3Q77
Share Class	D Accumulating
Net Asset Value	The Funds will be valued at the close of business each Wednesday in Dublin[4]. From this valuation, the shares are priced and will be updated on www.davy.ie on the following business day in Dublin.
Investment Management Fee	A fee of up to 1% per annum of the value of each Fund is payable to the Investment Manager from the assets of each Fund. The Investment Manager is also entitled to its reasonable out-of-pocket expenses out of the assets of the Funds.
Commission	There may be a charge of up to 5% entry commission on any subscription for shares in the Funds and up to 3% exit charge on redemptions. Please refer to the Prospectus for further detail.
Director's Fees	A maximum fee of €40,000 plus VAT per annum will be payable to each Director of the Company from the assets of the Funds. All Directors will be entitled to reimbursement of expenses in connection with the business of the Company or the discharge of their duties.
Depositary Fee	The annual fee of the Depositary is up to 0.015% of the net asset value of each Fund, subject to a minimum monthly fee of €600 per Fund as well as a transaction fee for each transaction conducted. The Depositary is also entitled to its reasonable out-of-pocket expenses out of the assets of the Funds.
Administrator's Fees	The annual fee of the Administrator is 0.085% of the net asset value of each Fund, subject to a minimum annual fee of €30,000 as well as a transaction fee for each transaction conducted. The Administrator is also entitled to its reasonable out-of-pocket expenses out of the assets of the Funds.
Establishment Expenses	All fees and expenses (not exceeding €10,000) in relation to the establishment and organisation of the Company and the initial Funds will be taken out of the assets of the Funds.
Fees payable within the Underlying Investment Funds	The Underlying Funds in which the Funds may invest will bear their own fees and expenses. They will also be subject to management fees and other expenses of a similar nature to those applying with respect to the Funds such as redemption fees, subscription fees and the fees of service providers such as the depositary, trustees and administrators. The Funds will typically only invest in Underlying Funds, which charge management fees of up to 3% of the Underlying Fund's net asset value.

[4] If the valuation day falls on a non-business day, the valuation day will be the business day immediately preceding the business day.

Anti-Dilution Levy	Upon the recommendation of the relevant Investment Manager, an Anti-Dilution Levy may be imposed. Please refer to the Prospectus for further detail.
Operational Expenses	The Funds will be liable for certain fees and expenses related to the provision of these services including but not limited to Agent Fees, Distributor Fees, sub- custodians and sub-investment managers fees. Please refer to the "Fees & Expenses" section of the Prospectus for additional information.
Fund Structure	The Davy Foundation Funds (the Global Equities Foundation Fund, the Factor Equity Foundation Fund, the Global Fixed Income Foundation Fund and the Target Return Foundation Fund) are sub-funds of Davy Funds plc, an open ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability under the Companies Act 2014, authorised and regulated by the Central Bank of Ireland. Authorisation by the Central Bank of Ireland is not an endorsement of the Funds and does not constitute a guarantee or a warranty as to the performance of the Funds. This Information Memorandum has not been reviewed or approved by the Central Bank of Ireland.

4 TAXATION

For Irish Resident Investors

Warning: This information is provided for Irish resident investors only and is based on our understanding of Irish tax legislation and the known current Revenue interpretation thereof. This can vary according to individual circumstances and is subject to change without notice, including retrospectively. It is intended as a guide only and not a substitute for professional advice. This information is not applicable to UK resident clients. You should consult the "Taxation" section of the Prospectus for additional information as well as your tax advisor for the rules that apply in your individual circumstances. No undertaking can be given that the tax system may not be revised with a consequent effect on the return of the Funds.

It is our current understanding that an investment in each of the Funds operates on what is known as a 'gross roll-up' taxation basis. This means that there are no Irish income or capital gains taxes incurred on investment earnings generated within the Funds. This enables each of the Foundation Funds to add to their value by re-investing any income and gains without any deductions for Irish tax for an eight-year period.

Tax Rates[5]

Figure 7 outlines the current Irish taxation rates applicable to the Funds in the case of redemptions from the Funds or deemed disposals.

Figure 7: Taxation rates

Irish Tax Resident / Ordinary Tax Resident Individual	41%
Irish Tax Resident Corporate*	25%

Source: Revenue

* This rate assumes the payment is not taken into account as a receipt from a trade carried on by the corporate investor.

Additional taxes may be payable where the company is treated as a 'close company' for Irish tax purposes.

Capital losses on disposal cannot be used to shelter capital gains from other investments.

Irish Exempt Investors

Some investors may be exempt from tax. They include Irish resident pension schemes and charities which are approved by the Revenue and have completed the relevant revenue declaration. (Please note that there is no provision for a refund of tax in cases where tax has been withheld from the proceeds of a sale and the investor has not made the relevant declaration as an exempted investor).

Eight-year Deemed Disposal Rule

A liability to tax currently applies to Irish individual investors and Irish corporate investors on the ending of the eighth anniversary of their acquisition of an interest in any of the Funds, and each subsequent eight-year period beginning when the previous one ended. The tax is payable on any unrealised uplift in the value of the investment at that date. Where the investment is subsequently sold, the amount of tax paid under this eight-year rule is treated as a payment on account in respect of any further tax that may be due on disposal of the shares. The 'excess income' deemed distribution can arise despite the fact that the relevant Shares may be accumulation shares and no income will be ordinarily distributed to the shareholders in any period in respect of their holding, either in cash or by way of a distribution which is then immediately reinvested into further shares in the Fund.

Deemed Disposals

Where an investor dies while holding an interest in any of the Funds, this event gives rise to a deemed disposal of the investment at market value at that point in time. Any taxable gain arising on this deemed disposal event is liable to Irish tax at a rate of 41% with a potential for a credit against any Capital Acquisition Tax liability that arises on the same event.

Non-Residents

Different rules may apply in the case of certain non-residents. For more details, please consult your tax advisor.

[5] Rates correct as at January 2017; these rates may be subject to change. Investors should consult their tax advisor for the rules that apply in their own individual circumstances.

5 RISK FACTORS

Warning: The following is a list of some of the important risk factors that prospective investors should consider prior to making a decision to invest in any of the four Foundation Funds. The list is not intended to be comprehensive or exhaustive. Various other risks may also apply. You should read the complete list of risks contained in the Full Prospectus and Supplements. Terms not defined herein shall have the same meaning as they do in the Prospectus. You should consult an advisor about the risks that apply in your particular circumstances.

Each of the four Davy Foundation Funds has a distinct risk and return profile. However, it is possible that the Fund with the potential for most risk may not produce a higher return than the other Funds and similarly the Fund with the lowest risk objective may produce a higher return than the other Funds. This is particularly true in the short- and medium-term.

No Assurance of Investment Return (Relevant to all Foundation Funds)

There is no guarantee that the Funds will achieve results comparable to those achieved in the past, or that capital will be returned to investors. Investors should note that the Funds and the Underlying Funds are NOT capital protected. Investors may lose some or all of the value of their investment.

Underlying Funds and Other Investments (Relevant to all Foundation Funds)

Although Davy will monitor activities of the Underlying Funds, investment decisions within these Underlying Funds will be made by the third party investment manager of these underlying funds, independently of the Investment Manager of the Davy Foundation Funds. The Underlying Funds will be subject to the restrictions applicable to those Underlying Funds and the Directors of Davy Funds plc, the Investment Manager or the Trustee/Depositary of the Davy Foundation Funds are not liable for compliance with such restrictions.

It is possible that some investment managers of the Underlying Funds will take positions in the same security or in issuers in the same industry or country or in the same currency or commodity at the same time. Consequently, it is possible that one Underlying Fund may purchase an instrument at the same time as another Underlying Fund decides to sell it. There is no guarantee that the selection of the Underlying Funds will actually result in diversification of investment styles or that the positions taken by the Underlying Funds will always be consistent.

An investment in a Fund which invests in Underlying Funds may entail a duplication of entrance, management, administration, depositary charges and taxes. Where the Fund invests in an Underlying Fund which is managed by the Investment Manager or its subsidiaries, no duplication of subscription and redemption charges will be incurred.

Income (Relevant to all Foundation Funds)

Although these Funds aim to invest in assets which may provide for some income generation, there is no guarantee that there will be sufficient investments with this characteristic or that the investments will return the income anticipated. Income may fluctuate in accordance with market conditions and taxation arrangements. The Funds may not therefore accumulate income. Share Class D Accumulating shares do not intend to pay a dividend. Any income generated by the Funds is reinvested to grow the value of the investment.

Conflicts of Interest (Relevant to all Foundation Funds)

Investors should be aware that some of the Directors of the Company (Davy Funds plc) are also employed by the Investment Manager, Promoter and the Distributor (J&E Davy). The Investment Manager may invest in Underlying Funds affiliated with the Investment Manager or in Underlying Funds for which the Investment Manager or an affiliate act as sponsor, investment manager or provide other services which may pay fees to the Investment Manager or an affiliate. The Funds may also use affiliates of the Investment Manager as broker for transactions on behalf of the relevant Fund or other Underlying Funds in which it invests. The Investment Manager may also provide services similar to those provided to the Funds to other investment funds with similar objectives. It is, therefore, possible that any or all of them may, in the course of business, have potential conflicts of interests with the Funds and the Investment Manager will endeavour to ensure that such conflicts are resolved fairly as per its regulatory requirements.

Fees (Relevant to all Foundation Funds)

Investments in underlying investment funds will usually entail a duplication of management, administration and depositary charges.

Currency Risk (Relevant to all Foundation Funds)

The Funds may invest in Underlying Funds which may not be euro-denominated. This means they carry a risk related to currency fluctuations. In some cases, investments may be made in Underlying Funds which are euro-denominated but the underlying investments themselves may be subject to exchange rate and currency fluctuations and risks. Any currency fluctuations may affect the returns of the Funds in euro terms. The Funds may also employ techniques such as forward foreign exchange contracts under the conditions and within the limits set out in Appendix I of the Prospectus for currency hedging purposes. There can be no guarantee that such strategies will be completely effective in practice.

Flexible Investment Mandates (Relevant to all Foundation Funds)

The third party managers of the Underlying Funds have discretion over the management and implementation of investment decisions for their respective funds. This places considerable reliance on the expertise of the third party managers, however there is no guarantee that the third party managers will be successful in their efforts.

Diversification Risk (Relevant to all Foundation Funds)

While diversification is an objective of the Funds, there is no assurance as to the degree of diversification that will actually be achieved. The Funds may invest in a limited number of Underlying Funds and/or investments and as such, the performance of a single investment may have a substantial impact on the overall performance of the Funds.

Interest Rate Risk (Relevant to all Foundation Funds)

Interest rates change over time, adding to the risk of the Funds. One of the objectives of the Funds is to provide the opportunity for an income and so therefore a portion of the Funds may be invested in bond funds. Typically, as rates rise, the price of a fixed rate bond will fall, and vice versa. Changes in interest rates may affect the value of the holdings within the Underlying Funds that the Funds may be invested in and so therefore may affect the Funds and their performance.

Economic, Social and Political Risks/Emerging Market Risk (Relevant to all Foundation Funds)

The Funds may invest a portion of their assets in what may be classified as emerging markets which tend to carry a higher degree of risk. Investments in such countries may be subject to potentially higher economic, social and political risks than investments in developed countries. Emerging markets with emerging economies or stock markets may lack the social, political, economic and regulatory stability characteristics of more developed countries. As a result, the risks from investing in those countries, including the risks of nationalisation, expropriation and repatriation of assets, may be heightened. Emerging markets also may have substantially less volume and greater volatility than more developed markets. There may be little financial or accounting information available with respect to issuers located in some of these countries, and it may be difficult as a result to assess the value or prospects of an investment in such issuers. Debt in these markets may not be rated for creditworthiness by any internationally recognised credit rating organisation. Settlement systems may also be less well organised.

Settlement and Clearing Risk (Relevant to all Foundation Funds)

The trading and settlement practices on some of the exchanges on which the Funds may invest may not be the same as those in more developed markets of western Europe and the United States. In particular, some or all of the following additional risks may be associated with settlement and clearing of securities transactions in emerging markets. These additional risks include but are not limited to delays experienced in repatriation of sales proceeds due to local exchange controls, an uncertain legal and regulatory environment and the possibility that transactions may be settled by a free delivery of stock with payment of cash in an uncollateralised manner. That may increase settlement and clearing risk and/or result in delays in realising investments made by the relevant Underlying Fund.

Depositary Risk (Relevant to all Foundation Funds)

Local custody services in some of the market countries in which an Underlying Fund may invest may not be the same as those in more developed market countries and there is a transaction and custody risk involved in dealing in such markets, for which the Trustee /Depositary will have no liability.

Credit Risk (Relevant to all Foundation Funds)

There can be no assurance that issuers of the securities or other instruments in which the Funds invest will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/ or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. A Fund investing in bonds or other debt securities will be subject to the credit risk of the issuers of the bonds or debt securities in which it invests. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may adversely affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero), which may in turn adversely affect the Net Asset Value of the Fund. In times of financial instability, there may be increased uncertainty surrounding the creditworthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions which may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Share. The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty as to the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

Liquidity Risk (Relevant to all Foundation Funds)

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in fluctuation in the price of the securities. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected.

Due to market conditions the Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Fund to liquidate at an amount close to its fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

Recent Developments in Financial Markets Risk (Relevant to all Foundation Funds)

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Company, the relevant Investment Manager and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Company's business and operations.

Eurozone Crisis (Relevant to all Foundation Funds)

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the European Union (EU) have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the recently created European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. In December 2011, leaders of the countries in the Eurozone, as well as the leaders of certain other countries in the EU, met in Brussels and agreed a "fiscal compact" which includes a commitment to a new fiscal rule, to be introduced into the legal systems of the relevant countries, as well as acceleration of the entry into force of the European Stability Mechanism treaty.

Notwithstanding the measures described above, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

Investment in Collective Investment Schemes (CIS) Risk (Relevant to all Foundation Funds)

The Funds may invest in one or more CIS including schemes managed by the relevant Investment Manager or its affiliates. As a shareholder of another CIS, the Funds would bear, along with other shareholders, their pro rata portion of the expenses of the other CIS, including investment management and/or other fees. These fees would be in addition to the relevant Investment Management Fees and other expenses which the Funds bear directly in connection with their own operations.

CIS may have different settlement cycles than that of the Foundation Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the Funds. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the Funds and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the Funds will be the latest available net asset value of such CIS.

At various times, the markets for securities purchased or sold by the underlying funds may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. This may indirectly impact upon the Net Asset Value of the Funds.

CIS may be leveraged. This includes the use of borrowed funds and investments in FDI. Also, they may engage in short sales. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. The level of interest rates generally, and the rates at which such funds may be borrowed in particular, could affect the operating results of the Funds.

To the extent that the Funds are invested in CIS, the success of the Funds shall depend upon the ability of the CIS to develop and implement investment strategies that achieve the Funds' investment objectives. Subjective decisions made by the CIS may cause the Funds to incur losses or to miss profit opportunities on which it could otherwise have capitalised. In addition, the overall performance of the Funds will be dependent not only on the investment performance of the CIS, but also on the ability of the relevant Investment Manager to select and allocate the Funds' assets among such CIS effectively on an ongoing basis. There can be no assurance that the allocations made by the relevant Investment Manager will prove as successful as other allocations that might otherwise have been made, or as adopting a static approach in which CIS are not changed.

Tax Risks (Relevant to all Foundation Funds)

Where the Funds invest in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Funds may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the section of the Prospectus entitled "Taxation".

Inflation Risk (Relevant to all Foundation Funds)

Inflation risk is the erosion of value in real terms of the income stream and the capital value of an investment that occurs during a period of general increases in price and corresponding fall in the purchasing power of money during inflationary times. Inflation will impact on the real return of the Funds.

Foreign Investment Risk (Relevant to all Foundation Funds)

The Funds can invest globally. A Fund that invests in foreign securities may experience more rapid and extreme changes in value. The value of the Funds' assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the law and regulations of countries in which investment may be made.

Investment in High Yield Securities (Relevant to all Foundation Funds)

The Funds may invest in Underlying Funds in which the third party managers may choose to be invested in higher yielding securities as a means to generate income and you should be cognisant of that fact. This can be regarded as speculative as it generally entails increased credit and market risk and may also be subject to price volatility due to such factors as interest rate sensitivity and general market liquidity.

Special risks of Hedging and Income Enhancement Strategies/Use of Derivative Instruments (Relevant to all Foundation Funds)

The Funds may also employ techniques and instruments, specifically options and forward foreign exchange contracts under the conditions and within the limits set out in Appendix I of the Prospectus for currency hedging purposes and efficient portfolio management purposes. Use of these instruments, including but not limited to futures and options, may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large impact on the Funds' performance. Their use as a hedging methodology does not eliminate fluctuations in the underlying prices of securities and the cost of hedging can outweigh the benefits.

Sovereign Debt Risk (Specifically relevant to the Global Fixed Income Foundation Fund and the Target Return Foundation Fund)

Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the IMF and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, the Funds may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Funds' ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which the Funds may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

Fixed Income Securities Risk (Specifically relevant to the Global Fixed Income Foundation Fund and the Target Return Foundation Fund)

The Funds will invest in Underlying Funds and a portion of those investments may be allotted to fixed income biased funds. It is likely that such funds will be exposed to risks including, but not limited to credit risk, corporate bond risk and government bond risk. Credit risk refers to the possibility that a sovereign, company, municipality or agency which issued the bonds may default or go bankrupt, leaving them unable to make their debt payments. The default of an issuer of a fixed income security held by the Funds or the Underlying Funds may affect the performance of the Funds. The Funds and/or the Underlying Funds may invest in corporate bonds which typically have a lower credit rating than government bonds reflecting the higher level of risk associated with corporate credit. Though investment grade bonds[6] are the "safest" corporate bonds, there is still a risk that they can default. They are therefore considered to be riskier than some government bonds, some of which, like the UK and US, have never defaulted. Sovereign fixed income securities are issued and backed by a central government. U.K. Gilts, U.S. Treasuries and German Bunds, are all examples of sovereign government bonds. Sovereign bonds are typically perceived to be less risky than corporate bonds and the income generated from such fixed income securities has reflected that in the past.

Equity Risks (Specifically relevant to the Global Equities Foundation Fund, the Factor Equity Foundation Fund and the Target Return Foundation Fund)

The Funds may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily depending on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that a Fund invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in the local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Funds to losses.

[6] Please refer to Section 7 - Glossary of Terms for an explanation of "Investment Grade".

6 IMPORTANT INFORMATION

Conflicts of Interest

Investors should be aware that some of the Directors of the Company (Davy Funds plc) are also employed by the Investment Manager, Promoter and the Distributor (J & E Davy).

The Directors of Davy Funds plc, the Investment Manager, Depositary, Administrator, Promoter, Distributor and their respective affiliates, officers and shareholders (collectively the "Parties") of the Funds and/or the Underlying Funds are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of the Funds and/or the Underlying Funds. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Funds may invest. In particular, it is envisaged that the relevant Investment Manager and Fund Manager of the Funds and/or the Underlying Funds may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with the Funds and/or the Underlying Funds. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Directors of Davy Funds plc shall endeavour to ensure that it is resolved fairly and in the interests of share-holders.

The Parties may engage in transactions where any one or more of the Parties is acting in the capacity as principal or as agent, provided that such transactions are carried out on terms similar to those which would apply in a like transaction between parties not connected with the Parties or any one of them and that such transactions are carried out on normal commercial terms negotiated at arm's length and in the best interests of the share-holders.

Connected Party Transactions permitted are subject to:

a. a certified valuation of a transaction by a person approved by the Trustee/Depositary as independent and competent; or

b. the transaction is executed on best terms reasonably obtainable on an organised investment exchange in accordance with the rules of such exchange; or

c. where (a) and (b) are not practical, execution on terms which the Trustee/Depositary is satisfied conforms with the principle outlined in the preceding paragraphs.

Where a commission is received by the Investment Manager by virtue of an investment made for the account of the portfolio in an investment fund, this commission shall be paid into the property of the portfolio. Davy may deal as principal for its own account by selling investments to the Funds and/or the Underlying Funds or by buying investments from the Funds and/or the Underlying Funds, which may give rise to a profit for Davy. Davy, acting as Investment Manager, or any connected or affiliated companies or their employees, may have a position in the investments made by the Funds or the Underlying Funds.

Davy makes payments to intermediaries that help to start, conclude or maintain a business relationship between Davy and its clients. Further information is available in the Davy Terms and Conditions for your account. You can receive more detailed information on request by contacting Davy or your intermediary.

Legal Structure

The Davy Foundation Funds (the Global Equities Foundation Fund, the Factor Equity Foundation Fund, the Global Fixed Income Foundation Fund and the Target Return Foundation Fund) are sub-funds of Davy Funds plc, an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland under the Companies Act 2014, authorised and regulated by the Central Bank of Ireland. Subscriptions may only be based on the current Prospectus, Supplements and Key Investor Information Documents, and together (where applicable) with the most recent annual report and (if issued after such a report) the most recent semi-annual report. A copy of the Prospectus, Supplements and Key Investor Information Documents and reports, where issued, may be obtained free of charge from Davy or the administrator of the Funds.

Prospectus, Supplements and Key Investor Information Documents

This Information Memorandum is NOT a Prospectus but is general marketing information only. Prospective investors should read carefully the Prospectus, Supplements and Key Investor Information Documents for each of the Davy Foundation Funds and should also consult professional advisors (including financial, taxation and legal advisors). Further information on the Funds, as well as the Prospectus, Supplements and Key Investor Information Documents, is available free of charge from Davy on request.

Suspension of the Funds

The Manager may temporarily suspend the calculation of the Net Asset Value and the issue and redemption of shares of the Funds. The conditions under which the temporary calculation of the Net Asset Value may be suspended are outlined in the Prospectus, which is available on request.

Switching

Republic of Ireland investors will be permitted to switch at no charge between the Davy Foundation Funds and other funds which are under Davy Funds plc, a list of which is available in the Prospectus.

It is our understanding that switching between sub-funds of Davy Funds plc does not under current legislation constitute a taxable event. Advisory and discretionary clients can get further information on switching from their Private Client Adviser. Execution-Only clients should contact the Davy Select Team on 01 614 8900.

Davy will not charge a fee for switches between different classes of shares of the same Funds.

Investors should note that Davy reserves the right to switch clients between share classes of the same Funds in the event that they no longer meet the criteria for holding a specific class of shares.

Eligibility

Shares may be held by individuals, charities, corporate entities, pension schemes and partnerships (with the exception as set out in 'Excluded Investors' below). All investments will be registered in the name of a nominee company of the Davy Group.

Excluded Investors

Shares cannot be offered in the United States or to any US citizen. Applicants will be required to certify that they are not US citizens.

7 GLOSSARY OF TERMS

Asset Allocation

An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to either the investor's goals and circumstances, (for example, knowledge and experience, risk tolerance and investment horizon) or the specific objective or mandate of a particular fund, depending on the client relationship.

Benchmark

A standard against which the performance of a fund can be measured. Generally, broad market stock and bond indices are used for this purpose, for example, the FTSE 100.

Corporate Bond

A corporation-issued, long-term debt obligation. When you invest in a corporate bond, the corporation pays you interest on the bonds you own. At a stated date in the future (maturity date), the company intends to return your principal to you. The maturity dates on corporate bonds can range from 1 to 40 years.

Government Bond

A debt security issued by a government, which traditionally has had high credit ratings to reflect a healthy financial economic position. Credit ratings may be significantly lower where the economic outlook is less favourable.

Investment Grade

A security which has been rated BBB/BBB/Baa or above by one of the leading credit agencies (for example, S&P/Fitch/Moody's) and is considered to be suitable for investment purposes. For more information on credit ratings, please refer to the company websites of S&P/Fitch/Moody's[7].

Investment Strategy

A plan used to guide investment decisions, often based on individual goals, risk tolerance and future needs for capital. Many investment strategies include asset allocation, buy and sell guidelines, risk guidelines, etc.

Net Asset Value ('NAV')

The value of a fund's assets minus the value of its liabilities.

Factor Investing

Investing where an investment exhibits characteristics (factors) that have in the past outperformed.

Factor Investing - Momentum Strategy

Investing in securities exhibiting an upward trending price relative to the market over a time frame determined by the investor.

Factor Investing - Value Strategy

Investing in securities that appear to have cheaper fundamentals (Price to Book value, Price to Earnings, Price to Sales etc.) relative to the broader market.

Factor Investing - Quality Strategy

Investing in securities whose earnings display higher quality (e.g. stability and sustainability) relative to the general market. The quality of earnings can, for example, be determined by ratios such as return on equity, debt to equity or earnings variability.

Factor Investing - Size Strategy

Investing in small to mid-cap securities rather than large cap securities.

Total Return

The total return on an investment takes into account not only the capital appreciation, but also any income such as dividends which may be received.

Trustee/Depositary

The Trustee/Depositary of a fund is an independent representative of the investors, responsible for safekeeping of assets and performance of certain fiduciary duties.

Volatility

A measure of a fund's propensity, compared to other funds, to go up and down in price. A volatile fund is one that has a tendency to move sharply through a wide price range. Mathematically, this is expressed as the average standard deviation of weekly price change from the average. In general, high volatility means high unpredictability, and therefore greater risk but also greater opportunity to make money. Historical volatility is a measure based on past performance.

[7] www.standardandpoors.com / www.moodys.com / www.fitchratings.com

DISCLAIMER

This Information Memorandum has been issued by Davy and is provided on a confidential basis to and for use solely by those parties who have expressed an interest in the Davy Foundation Funds for the purpose of providing certain information about the Funds. The information contained herein does not purport to be comprehensive, all-inclusive or to contain all of the information that a prospective investor might reasonably require in considering the Fund. It is strictly for information purposes only. Investors should request a copy of the Fund Prospectus (including the four individual Fund Supplements and the Key Investor Information Documents, together the 'Prospectuses') prior to making a decision to invest. The information contained in this communication is not a research recommendation or "investment research" and is classified as a "marketing communication" in accordance with the European Communities (Markets in Financial Instruments) Regulations 2007. This means that (a) it has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and (b) it is not subject to any prohibition on dealing ahead of the dissemination of investment research. The Information Memorandum does not constitute an offer for the purchase or sale of any financial instruments, trading strategy, product or service. No one receiving this Information Memorandum should treat any of its contents as constituting advice. It does not take into account the investment objectives or financial situation of any particular person. Prospective investors are advised to make their own independent commercial assessment of the information contained herein and obtain independent professional advice (including inter alia legal, financial and tax advice) suitable to their own individual circumstances, before making an investment decision, and only make such decisions on the basis of their own objectives, experience and resources. Where you are an advisory client of Davy, you should discuss the contents of this document with your Private Client Adviser prior to making any decision to invest. Where you use the services of an intermediary or a financial advisor, you should discuss the contents of this document with them prior to making any decision to invest. In all circumstances, you should ensure that you take the time to fully understand the risks associated with any decision and that any such decisions are made in line with your objectives, financial situation and knowledge and experience of investing. Interested parties are not entitled to rely on any information or opinions contained in this Information Memorandum or the fact of its distribution for the purpose of making any investment decision or entering into any contract or agreement with Davy in relation to the Fund.

Subscriptions may only be based on the current Prospectus and Supplements together, where applicable. Before making investments in collective investment schemes, investors should obtain and carefully read the relevant Prospectuses, which contain additional information needed to evaluate the Investment and which provide important disclosures regarding risks, fees and expenses. In the event of any conflict or inconsistency between the information, views and opinions in this Information Memorandum, in so far as they relate to the Fund and/or its proposed activities and the Prospectuses, the Prospectuses shall apply. The Prospectuses (including any Supplements and the Key Investor Information Documents), may be obtained free of charge from Davy. An investor's choice of investment funds may be restricted by the law that applies in either their location or their country of citizenship, residence or domicile. If the investor has any doubt about whether or not a particular investment fund may be promoted to him/her/it or whether or not the investor may invest in a particular investment fund, the investor should seek advice from his/her/its professional advisor. On the realisation of any investment in the Fund, there is no guarantee that investors will receive back the original amount invested or anything at all.

Tax information contained herein is based on Davy's current understanding of the tax legislation in Ireland and the Revenue interpretation thereof. It is provided by way of general guidance only and is neither exhaustive nor definitive and is subject to change without notice. It is not a substitute for professional advice. You should consult your tax advisor about the rules that apply in your individual circumstances.

This Information Memorandum contains summary information regarding the Fund. Statements, expected performance and other assumptions contained in this Information Memorandum, are based on current expectations, estimates, projections, opinions and/or beliefs of Davy at the time of publishing. These assumptions and statements may or may not prove to be correct. Actual events and results may differ from those statements, expectations and assumptions. Estimates, projections, opinions or beliefs are not a reliable guide to the future performance of any investment. In addition, such statements involve known and unknown risks, uncertainties and other factors and undue reliance should not be placed thereon.

Certain information contained in this Information Memorandum constitutes 'forward looking statements', which can be identified by the use of forward-looking terminology, including but not limited to, the use of words such as 'may', 'can', 'will', 'would', 'should', 'seek', 'expect', 'anticipate', 'project', 'target', 'estimate', 'intend', 'continue' or 'believe' or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results, the actual performance of the Fund may differ materially from that reflected or contemplated in such forward looking statements. There can be no assurances that projections are attainable or will be realised or that unforeseen developments or events will not occur. Accordingly, actual realised returns may differ materially from any estimates, projections, opinions or beliefs expressed herein.

Economic data, market data and other statements regarding the financial and operating information of the Funds that are contained in this Information Memorandum have been obtained from published sources or prepared by third parties. While such sources are believed to be reliable, Davy shall have no liability, contingent or otherwise, to the user or to third parties, for the quality, accuracy, timeliness, continued availability or completeness of same, or for any special, indirect, incidental or consequential damages which may be experienced because of the use of the data or statements made available herein. As a general matter, information set forth herein has not been updated through the date hereof and is subject to change without notice. While reasonable care has been taken by Davy in the preparation of this Information Memorandum, no warranty or representation, express or implied, is or will be provided by Davy or any of its shareholders, subsidiaries or affiliated entities or any person, firm or body corporate under its control or under common control or by any of their respective directors, officers, employees, agents, advisors and representatives, all of whom expressly disclaim any and all liability for the contents of, or omissions from this Information Memorandum, the information or opinions on which it is based and/or whether it is a reasonable summary of and/or otherwise in conformity with the Prospectuses and for any other written or oral communication transmitted or made available to the recipient or any of its officers, employees, agents or representatives. Davy gives no undertaking to provide investors or prospective investors with access to any additional information or to update this Information Memorandum, or to correct any inaccuracies in it which may become apparent and Davy reserves the right, without giving reasons, at any time and in any respect, to amend or terminate the procedure for investing in the Funds or to terminate negotiations with any prospective investor. The issue of this Information Memorandum shall not be deemed to be any form of commitment on the part of Davy to proceed with any transaction with any prospective investor or any other party.

Neither Davy nor any of its shareholders, subsidiaries, affiliated entities or any person, firm or body corporate under its control or under common control or their respective directors, officers, agents, employees, advisors, representatives or any associated entities (each an 'Indemnified Party') will be responsible or liable for any costs, losses or expenses incurred by investors in connection with the Funds. The investor indemnifies and holds harmless Davy and each Indemnified Party for any losses, liabilities or claims, joint or several, howsoever arising, except upon such Indemnified Party's act of bad faith or gross negligence. The maximum liability of Davy collectively with each and all Indemnified Parties for any and all claims in aggregate shall not in any circumstances exceed the higher of (i) four times the amount of the fees actually paid by the investor to Davy relating to the Sub-Funds in the 12 month period prior to the event(s) giving rise to the claim or (ii) the amount of €50,000.00 (fifty thousand euro) whichever is the higher. Davy and each Indemnified Party shall have no liability or obligation for any direct or indirect consequential loss after the first anniversary following investment.

This Information Memorandum has been made available on the express understanding that any written or oral information contained herein or otherwise made available will be kept strictly confidential and is only directed to the parties to whom it is addressed. This Information Memorandum must not be copied, reproduced, distributed or passed to others at any time without the prior written consent of Davy. Davy may have acted, in the past 12 months, as lead manager / co-lead manager of a publicly disclosed offer of the securities in certain companies held by the Fund. Investors should be aware that Davy may have provided investment banking services to and received compensation from certain companies held by the Funds in the past twelve months or may provide such services in the next three months. The term investment banking services includes acting as broker as well as the provision of corporate finance services, such as underwriting and managing or advising on a public offer. Davy or an associated company or some other person connected with Davy, may have an interest, relationship or arrangement that is relevant to these Funds. This means that a transaction in a Fund may give rise to a profit for Davy, an associated company or some other person connected with Davy. Our conflicts of interest management policy is available at www.davy.ie.

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.

Davy. Since 1926.
The Davy Group is Ireland's leading provider of wealth management, asset management, capital markets and financial advisory services. We work with private clients, small businesses, corporations and institutional investors.

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