

GLOBAL EQUITY INVESTOR



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INTRODUCTION

While it may have been the summer, the livin' wasn't necessarily easy for equity market investors. The 'Global Equity Investor' aims to provide insights on the major issues currently impacting global equity markets. Published quarterly, the in-depth report will also analyse the performance of our global equity portfolios as well as outline the key developments in some of the companies within these portfolios during the preceding three months.

We have also included a section providing commentary on the factors impacting the Irish equity market, and outline some of the latest developments for some of the major companies listed on the ISEQ index. Finally, we feature some of the interesting thematic investment ideas available from our advisory platform.

This information should not be considered to be investment advice and it is important that you discuss the contents of this publication with your adviser. Please also refer to the section containing Important Disclosures within this document.



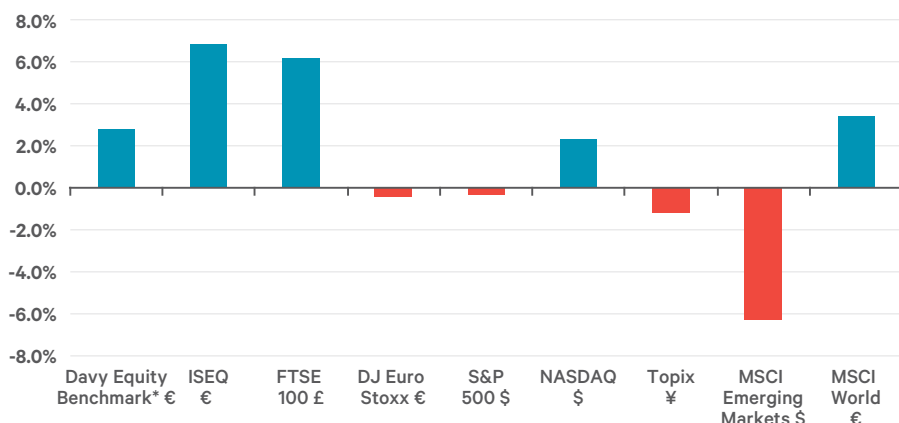
Aidan Donnelly

Head of Equities,
Davy Private Clients

GLOBAL MARKET UPDATE

Figure 1: Global equity market performance

3-month performance 31 May 2018 - 31 August 2018



Source: Davy/Bloomberg

*Benchmark 70/30 MSCI AC World Total Return EUR/EUROSTOXX Total Return

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WARNING: This information should not be considered advice in isolation, and must be read in conjunction with the corresponding recommendation provided by your Davy private client adviser. You should ensure that you take the time to fully understand the risks associated with any investment decision and that any such decision is made in light of your objectives, financial situation and knowledge and experience of investing. In that regard, it is important you discuss the contents of this document with your adviser prior to any investment decision.

MARKET OVERVIEW

The traditionally sleepy summer markets should have been in full flow over the last three months, and while it would have been nice to let your mind drift off, there were still a few issues out there to disturb the slumber and ensure that investors had to keep at least one eye open. While the Italian governments' travails and the changes in policy stance from central banks on both sides of the Atlantic caused a stir in June, and Brexit reared its head in July with UK Prime Minister Theresa May, submitting her plan in 'White Paper' format to the European Union (EU) for its consideration, August provided some surprises of its own.

TARIFF TIFFS

For several months, the one constant topic for discussion has been the potential for a global trade war to develop as the major economic blocs play trade tariff ping pong with each other. While the frequency of comment from US President Trump may have reduced in recent weeks, the underlying rhetoric remains unchanged. Early August brought more evidence of this when US President Trump tweeted that "tariffs are working far better than anyone ever anticipated" and would make the US "much richer than it is today".

Talk is one thing but actions have duly followed, with the confirmation by the US that it will impose 25% tariffs on an additional \$16bn worth of Chinese goods from August 23rd. China quickly responded with their counter move that will see it impose a 25% tariff on \$16bn worth of US imports from the same date. The list of impacted US goods includes fuel products, autos and medical equipment but excludes bigger ticket items like crude oil and large aircraft.

The question many investors are now trying to answer is what Mr Trump's agenda and goal is. Is this a genuine crusade to get huge concessions from the Chinese or is he making a calculated gamble ahead of the mid-terms and will be happy to get relatively small, last minute concessions that he can grandstand to voters? The problem with the latter outcome is that we have over two months until voters go to the polls and thus time for plenty of potential uncertainty. Maybe Mr Trump is a master tactician, as the tax cut does give the US economy and equity markets enough support for him to be able to avoid blinking for now.

CORPORATE SCORES ON DOORS

Coming into the Q2 earnings season, there were mixed messages coming from analysts as although forecasts were being raised, there were also concerns in the market about the impact of a rising US dollar and slower global economic growth on companies in the S&P 500 with higher international revenue exposure. Now that the majority of the companies in the index have reported results for Q2, what has the outturn been?

To date, 79% of these companies have reported actual earnings per share (EPS) above the consensus forecasts. In general companies in the S&P 500 that beat consensus forecasts by reporting positive earnings surprises for Q2 have seen an increase in their share prices since their results. In aggregate, earnings have exceeded expectations by 5.0%, which is above the 5-year average of 4.4%. Due to the number and magnitude of these positive EPS surprises, the earnings growth rate for the S&P 500 for the second quarter has improved to 24.6% today from 20.0% on June 30. (Source: Factset)

But that was the past and what has been more interesting is the commentary from the company managements as they discuss specific factors that had, or will have, a negative impact on their fundamentals. Foreign exchange has been cited as a headwind by many companies, as have negative impacts related to costs and, in particular, the areas of raw material, transport, labour and oil/gas. It is interesting to note that so far there has been minimal mention of tariffs. But that said, we have seen a higher percentage of S&P 500 companies reducing their profit guidance for Q3, leading to revisions to forecasts by industry analysts.

NO TURKISH DELIGHT

With its recent elevation to 'enfant terrible' status, it is worth taking a step back to look at what is going on in Turkey and how we ended up where we are. At its core, the issue – like so many Emerging Market debt debacles in the past – lies in the fact that much of their government debt is denominated in US dollars rather than their own currency (in this case the lira). This is rarely the spark that ignites a major problem, but typically some issue or incident will sour sentiment towards the country and raise questions about their ability to repay or refinance the debt outstanding. At the same time, their currency tends to weaken considerably – which makes the servicing of the debt even more expensive.

In the case of Turkey, the spark for the current rollercoaster ride is two-fold. Firstly, the upcoming mid-term elections in the US have raised the issue of the on-going detention of an American pastor by Turkish authorities – he was arrested in October 2016 – with the US imposing a series of sanctions on Turkey in retaliation. This comes at a time when investors are getting worried about how the promises of increased spending made by the government during the recent election campaign will be financed. Interest rates remained unchanged for much of the year, even in the face of the inflation rising almost 16% year on year to the end of July and credit agencies downgrading their rating on the country.

As we have seen in the past few weeks, the major stress point has been the currency and although the central bank promised "to take all necessary measures" to address the crisis, this did little to impress investors, who are looking for more substantive policy actions. Policymakers basically have three options to support the currency: (1) enact capital controls to prevent investors from selling lira; (2) expend reserves to directly support the lira; or (3) tighten domestic liquidity to make it more expensive to position against the lira and to discourage further outflows. Option 1 would be poorly received by markets, and President Erdoğan has insisted that he remains committed to open markets. External solutions could come in the form of a financial bailout from the likes of the International Monetary Fund, Russia or Qatar – with the last of these having already promised to invest \$15bn into Turkey.

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DAVY GLOBAL EQUITY PORTFOLIOS

ABOUT THE PORTFOLIOS

At Davy we run four core equity portfolios, the Global 25, Global 10, Theme 25 and Theme 10. The 'Global' portfolios (Global 25 and Global 10) may be of interest to investors who like the idea of having a benchmark to compare their performance to and want their equity exposure to follow a structure. The 'Theme' portfolios (Theme 25 and Theme 10) consist of companies that are exposed to various themes that we believe could drive equity markets in the future. Clients who are less focused on benchmarks and more interested in the investment 'narrative' should find the Theme portfolios appealing. As their name suggests, each of the Global 25 and Theme 25 portfolios hold 25 stocks.

The Global 10 and Theme 10 portfolios contain a subset of 10 stocks which are held in the Global 25 and the Theme 25 portfolios as a more efficient method of gaining exposure for smaller sized portfolios.

Each portfolio represents our views through broad geographic and sector diversification and is intended to be held as a portfolio of companies. For suitable clients, the portfolio should be bought in its entirety, not on an individual stock basis.

PORTFOLIO PERFORMANCES

At the overall level, the last three months have seen world equities generate positive returns but this has been driven by the US stock market in particular. For Euro based investors, the strength in the US dollar has added an additional fillip to performance. As a result, our benchmark* gained 2.7% in euro terms for the period. Against this backdrop, our equity portfolios also enjoyed positive returns ranging +2.0% – +4.9% in euro terms.

The Global portfolios had a strong three months, delivering positive absolute returns and outperforming the benchmark. On the positive side there were good moves from Alphabet and Cisco Systems (combination of good sector strength and quarterly results), Sanofi (sector strength), Adidas (strong results), and Walgreen Boots Alliance (see below). In the negative column we had Intel (see below), Caterpillar (profit taking), and Vodafone (sector weakness).

The Theme portfolios also performed well in absolute terms over the three months with the Theme 10 outperforming the benchmark. Individual names that did well included Snap-On (see below), Salesforce.com (sector strength), and Tapestry (better than expected quarterly results). To the downside there was Standard Chartered (see below), Intel, and Vodafone (sector weakness).

Table 1: Davy global equity portfolio performance

	3 months (%)	Year to date (%)	Since inception (%)
Global 10	4.9	3.3	97.2
Global 25	3.0	9.9	134.2
Theme 10	3.3	4.6	107.6
Theme 25	2.0	4.6	116.2
Benchmark*	2.7	5.1	98.6

Performance is shown in euro terms and is gross of Davy's annual management fee of up to 1.25% p.a. and equity commission charges of up to 1.65% per transaction. Other fees and charges may apply depending on your account which will also reduce the performance indicated above accordingly.

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Source: Bloomberg/Davy

*Benchmark: 70/30 MSCI AC World Total Return €/EUROSTOXX Total Return in euro terms

3 months: 31/5/2018 – 31/08/2018

Year to date: 31/12/2017 – 31/08/2018

Since inception: 26/10/2012 – 31/08/2018



Global 25	Share Price	% change 3 month
Cisco Systems (\$)	47.77	12.7%
Sanofi (€)	73.69	12.3%
Alphabet (\$)	1231.8	12.0%
Adidas (€)	214.9	11.0%
Walgreens Boots Alliance (\$)	68.56	10.6%
Apache Corp (\$)	43.83	10.2%
Nestle (CHF)	81.38	9.4%
JP Morgan Chase (\$)	114.58	7.7%
Yum Brands (\$)	86.89	7.3%
Akzo Nobel (€)	80.52	7.2%
United Parcel Service (UPS) (\$)	122.88	6.6%
Deutsche Telekom (€)	13.91	5.2%
Deutsche Boerse (€)	119	4.0%
GlaxoSmithkline (GBp)	1560.4	3.6%
LVMH (€)	301.85	1.6%
Zurich Insurance (CHF)	295.2	1.0%
Metlife (\$)	45.89	0.7%
Siemens (€)	111.98	0.4%
Tesco (GBp)	246.5	0.3%
Royal Dutch Shell (GBp)	2501.5	-2.7%
BHP Billiton (GBp)	1643.8	-4.9%
HSBC Holdings (GBp)	668.9	-6.1%
Caterpillar (\$)	138.85	-8.0%
Vodafone (GBp)	164.5	-10.1%
Intel (\$)	48.43	-11.7%

% change 3 month is the performance change based on the difference between the closing price on 31 May 2018 and closing price on 31 August 2018 in local currency terms.

Share price is at 31 August 2018 in local currency terms.

Source: Bloomberg

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WALGREEN BOOTS ALLIANCE +10.6%

It has been a rollercoaster three months for the shares of Walgreen Boots Alliance (WBA) with the announcement that Amazon would acquire PillPack, the online pharmacy, overshadowing good quarterly earnings in June. The WBA management is not overly concerned with the deal and indicated that they know the company and were aware it was for sale for some time. While it is confident it can compete, the company stressed that it would not be complacent. Management noted that they recognise they need to enhance the service levels to customers and that as technology changes, it will continue to invest in new technologies that support patients.

The company reported fiscal Q3 earnings per share above expectations and remains focused on developing healthcare services in its retail stores, and identifying and structuring strategic partnerships in order to improve the profitability of their stores. Management pointed to various strategic partnerships, including with LabCorp, FedEx, Sprint and Humana.

WBA announced a \$10bn share repurchase and increased the 40c quarterly dividend to 44c (+10%), which is a larger-than-normal increase. From a timing standpoint, while there was no defined period given for the buyback, management noted that absent large acquisitions, it would expect to complete the programme in the next 3 years.

INTEL -11.7%

Despite reporting Q2 revenue and earnings per share coming in ahead of the company's revised guidance, the shares have succumbed to a bout of profit taking following their strong run earlier in the year. The quarterly results were driven by strong performance in its "data centric" business units, including core Data Centre Group (DCG)—strong cloud service provider spending with enterprise spending remaining solid—and by better than expected PC semiconductor chip demand.

Intel raised its 2018 revenue outlook and now expects nearly 11% year on year growth to \$69.5bn, ahead of consensus estimates. Within the full year view, Intel expects its PC-centric sales to grow as PC market demand is coming in better than expected and demand is strong in higher priced products, while data-centric businesses in aggregate are expected to increase by ~20% year on year.

Despite on-going solid execution, analysts are focused on next year and beyond with questions on Intel's competitiveness, especially in data centres versus its peer, AMD. We believe Intel should continue to drive strong performance gains in the data centre product set and, in particular, is well-positioned to address high-end data applications with its adjacent technologies. Underlying end market fundamentals remain positive for all players in the data centre space.



Theme 25	Share Price	% change 3 month
Snap-on (\$)	176.78	20.2%
Salesforce.com (\$)	152.68	18.1%
Tapestry (\$)	50.69	16.8%
Nike (\$)	82.2	15.1%
Roche Holdings (CHF)	240.8	14.1%
Sanofi (€)	73.69	12.3%
Nestle (CHF)	81.38	9.4%
Mondelez International (\$)	42.72	9.4%
Sodexo (€)	89.72	8.1%
Akzo Nobel (€)	80.52	7.2%
United Parcel Service (UPS) (\$)	122.88	6.6%
Allianz (€)	183.64	4.1%
LVMH (€)	301.85	1.6%
Siemens (€)	111.98	0.4%
YUM China Holdings (\$)	38.68	-1.3%
Royal Dutch Shell (GBp)	2501.5	-2.7%
Illinois Tool Works (\$)	138.88	-2.8%
Pernod Ricard (€)	136	-4.7%
Schneider Electric (€)	70.24	-4.8%
BHP Billiton (GBp)	1643.8	-4.9%
HSBC Holdings (GBp)	668.9	-6.1%
Sealed Air (\$)	40.11	-7.9%
Vodafone (GBp)	164.5	-10.1%
Intel (\$)	48.43	-11.7%
Standard Chartered (GBp)	627.1	-16.3%

% change 3 month is the performance change based on the difference between the closing price on 31 May 2018 and closing price on 31 August 2018 in local currency terms.

Share price is at 31 August 2018 in local currency terms.

Source: Bloomberg

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SNAP-ON +20.2%

The key strengths of the Snap-On business model include strong brands and distribution systems, coupled with a broad product offering to supply everything needed by a shop to repair vehicles. A strong corporate culture that emphasises innovation and continuous improvement, as well as strong free cash flow generation and a conservative balance sheet complete the picture. Snap-on's Q2 results reflected better underlying trends across areas where some investors previously had concerns – tool storage, diagnostics, profitability and credit. These concerns have weighed on the stock, but as greater clarity is emerging, the share price has reacted positively.

Many of these positive trends should carry into the second half of the year, supporting higher organic revenue growth and continued strong margin performance. During Q2, Snap-on introduced new mid-tier offerings in both tool storage and diagnostics and there are signs that sales traction for these products is good, as evidenced by management noting both categories increased sales in Q2 versus meaningful declines for other big ticket categories. Also notable is the fact that both new product categories are margin accretive to the historical product lines, helping to drive Tool Group gross margins. For diagnostics, the majority of buyers are opting for multiyear software/data subscriptions adding a high margin, recurring revenue stream to the business as well.

STANDARD CHARTERED -16.3%

For the last three months the share price performance of Standard Chartered has been the result of the perceived negative of a trade war commencing, drowning out the actual positive of rising interest rates in both the US and Hong Kong (HK).

Whilst the actual amount of tariffs that has or is scheduled to be implemented remains small, it is the threat of tariffs and import restrictions between the US, China and now other nations, that has created a cloud over financial markets. There is no denying that a full blown trade war between China and the US would impact the bank's revenue through its trade finance, wealth management and fund management businesses but the share price move seems excessive and overlooks the fact that the bank may be better positioned to increase market share if the competitive environment changes.

Another fact being overlooked is the increase in US and HK interest rates and the positive sensitivity the bank has to these changes. Three month HK interbank rates (HIBOR) now stand at 1.92%, an increase of 0.62% year to date. The majority of the earnings uplift would arise from the Greater China and North Asia region, and from non-USD currencies. The benefit from rising interest rates is largely from reinvesting at higher yields and repricing loans faster and to a greater extent than deposits.

IRISH EQUITY MARKET UPDATE

Although world equities posted gains over the last three months, this belied a wide dispersal of performances across the regions. European equities were in negative territory, with the ISEQ underperforming its continental peers. There were many stock specific stories to contend with from financial results, to strikes, to large capital raises.

KERRY GROUP

Kerry Group's interim statement confirmed another strong period of delivery. Within its Taste and Nutrition (T&N) division, healthy volume growth was sustained, led by developing markets. Continuing operational momentum and a busy innovation pipeline has prompted Kerry to lift the lower end of its full year 2018 guidance.

The overall sales increased by 1.4% year on year to €3,225.3m reflecting volume growth, pricing improvements and gains from acquisitions, which were partly offset by foreign exchange headwinds. The end use markets (EUMs) of meat, snacks and beverage all performed well in North America.

In the Food Service channel, where agility is key, Kerry harnessed the capabilities of its 2017 acquisitions (the Kettle business and Dottley Spice) to drive growth. Growth in Latin America was described as 'solid' with volume growth in Brazil impacted by the trucking strike in Q2. In Europe, the Food Service channel delivered 'strong growth', while the EUMs of beverage (new innovations), meat and dairy performed well. Russia delivered good growth (mainly in the meat and snacks EUMs), where Kerry commenced production at its first manufacturing facility. Kerry continues to execute well in the fragmented Asia Pacific/Middle East market – strong growth was achieved in the EUMs of snacks, meals (particularly in China) and bakery.

ARYZTA

While it was good news for Kerry shareholders in recent weeks, the same could not be said for Aryzta. Following a detailed review of its capital structure, Aryzta has announced its intention to raise up to €800m of new equity, primarily via a rights issue (specially priced issue of shares offered by a company to its existing shareholders in proportion to their holding of old shares).

The restoration of a sustainable capital structure (via a rights issue) is a bitter pill for shareholders as it requires them to introduce additional funds to avoid dilution of their investment, but will afford the enterprise a more secure platform from which to execute on its strategy.

The proceeds of the capital raise are mainly targeted at debt reduction, with the purpose to 'create the necessary strategic and financial flexibility to implement its business plan'. Aryzta anticipates that the rights issue will be executed in the fourth quarter of 2018, subject to shareholder approval. It has reiterated its target to deleverage by €1bn over four years (exclusive of the proposed capital raise), including generating at least €450m of disposal proceeds with the balance from operating cash flow. Management will update the market on the planned capital increase in conjunction with its FY2018 results on 1st October.

RYANAIR

Although there have been a lot of headlines about Air Traffic Control (ATC) disruption and pilot/cabin crew strikes in peak summer, the important point investors should remember is that Ryanair's business model endures – whether that is profitability, competitive position, growth potential or balance sheet strength.

Evidence of this came in the company's recent Q1 results that included better than expected profit after tax of €318.5m. Profits were impacted by higher fuel costs, staff costs, European Union (EU)-261 regulation costs and maintenance costs. However, Ryanair recently hedged 35% of H1 fiscal year (FY) 2020 fuel requirements at \$69per barrel and is scaling up to take delivery of 210 Max-200 aircraft with 4% more seats and 16% lower fuel cost. These aircraft are expected to deliver material unit cost reductions from the end of 2021 when Ryanair starts to retire older aircraft.

Net debt is down to €259m at end-June, and over 70% of the €750m share buyback programme is complete. When fully completed later this year, Ryanair will have returned over €6bn to shareholders since 2008. With only 15% of the pan-European market, Ryanair is clearly going to be a leader in consolidation – primarily organically in the European marketplace – a market that is likely to consolidate quicker with cash flow squeezes through higher fuel prices.

AIB GROUP

Our colleagues in Davy Research recently downgraded their recommendation on AIB. H1 results showed that AIB remains on track to hit its financial targets, supported by strong non-performing exposure (NPE) momentum and capital generation. However, they reduced forecasts to include a flatter margin outlook—as deposit re-pricing support abates—and risk weighted assets increase.

AIB remains on track to achieve its medium-term financial targets, supported by a strong domestic backdrop. New lending grew by 15% annually in H1 and performing loans were up 4% since December 2017. The bank continues to generate capital and should be comfortably in excess of the level required by European regulators – but surplus capital return will not be addressed until Q1 2020, following the achievement of the NPE target.

NPEs fell by 27% to €7.5bn (12% of gross loans) and AIB continues to benefit from its restructuring activities. This gives confidence in AIB's NPE target and suggests possible earnings upside in the near term, but it also shows the drag on earnings in the medium term. AIB expects internal restructures rather than sales to represent the majority of the future reduction. However, it is reportedly in the market seeking a buyer for a €1.5bn portfolio.

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INVESTMENT THEMES



David Hillery
Investment Strategist

Thematic investing has become more prevalent in recent years as the ability to recognise themes that should drive returns is important. The expectation is that over the coming years, trends in economics, politics, demographics and technology will drive specific industry outperformance. At Davy we identify a list of thematic investment ideas that we expect to add value over the short to medium term, two of which we have highlighted below. The information provided here is not investment advice, but if you would like to find out more about some of the investment options please contact your private client adviser who can consider the suitability of these investments in the context of your individual circumstances.



ARTIFICIAL INTELLIGENCE, AUTOMATION AND ROBOTICS

Since the introduction of mechanical production in the 17th century, the global economy has undergone a number of industrial revolutions. Artificial Intelligence (AI) is set to drive the next wave of innovation and has been dubbed the 4th industrial revolution. Advances in AI are driving major transformations in transportation, finance, healthcare and manufacturing. AI is a megatrend that looks set to grow at a much greater pace than the market for years to come. The technology offers solutions for global issues including low productivity and population growth. The demographic argument is clear with the US alone expected to have an 18 million shortfall in workers by 2050. Source: Morgan Stanley

In simple terms, AI is the simulation of human intelligence by machines. It is different from traditional software programmes as it extracts knowledge from data and can alter its behaviour using that data without being specifically programmed. It is likely to be embedded in numerous applications within a few years. These 'self-learning' systems are impacting nearly every industry and giving rise to new business models. We are now at a pivotal point for the adoption of AI as the availability of data, computing power, the cloud and advances in algorithms are making it easier, cheaper and faster to implement.

Investment call 1

- ROBO® robotics and automation UCITS Index*



EMERGING MARKET CONSUMER

A major deterioration in the global economic backdrop may see companies reduce their levels of capital expenditure in the short term which would negatively impact this investment.

The global economy is undergoing one of its most dramatic transitions of the past two hundred years. The pace at which nations like China and India have transformed themselves from poor economies into industrial powerhouses has been remarkable. As Gross Domestic Product (GDP) increases, a middle class of several hundred million emerging consumers will change consumption patterns for decades to come.

Companies that can serve the growing demand for a whole range of goods and services which will improve diets, hygiene standards, transportation, technology and high-end luxury goods look set to benefit. This demand will be driven by rising incomes as the number of people who are classified as "middle class" is expected to grow rapidly in the coming years. This in turn is helping support the rate of growth in Emerging Market (EM) economies, which is currently picking up against Developed Markets (DM), this is usually seen as a good time for investment in EM.

Despite recent headwinds such as US dollar strength and trade war rhetoric the fundamental backdrop remains positive. Should trade tensions escalate this could have a negative impact on sentiment to Emerging Markets.

Investment call 2

- | | |
|--|----------------|
| ■ Yum China | ■ LVMH |
| ■ Akzo Nobel | ■ Siemens |
| ■ United Parcel Services | ■ BHP Billiton |
| ■ Standard Chartered | ■ Praxair |
| ■ Morgan Stanley Emerging Market Fund* | |

*These investments are considered to be Packaged Retail and Insurance-based Investment Products (PRIIPS) for which a Key Investor Document (KID) is available from your adviser for your consideration prior to making a decision to invest.

MARKET DATA

PORTFOLIOS' PERFORMANCE

Portfolio	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
Global 10	16.4	2.7	15.2	20.2	9.5
Global 25	24.0	10.8	12.6	17.3	10.3
Theme 10	18.3	8.8	7.2	12.4	17.9
Theme 25	22.5	11.2	11.0	11.9	16.1
Davy Equity Benchmark*	19.3	14.3	9.2	9.2	9.8

Source: Bloomberg

*Benchmark 70/30 MSCI AC World Total Return EUR/EUROSTOXX Total Return

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5-YEAR SHARE PRICE PERFORMANCE (LISTS)

Global 25	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
JPMORGAN CHASE & CO	36.7	9.9	8.4	34.5	26.8
METLIFE INC	67.5	3.0	-8.3	15.9	8.4
HSBC HOLDINGS PLC	7.0	-3.7	-6.7	32.1	23.5
DEUTSCHE BOERSE AG	36.1	2.2	41.4	-5.7	30.0
ZURICH INSURANCE GROUP AG	13.5	28.6	-12.6	10.3	12.6
APACHE CORP	10.5	-26.3	-27.7	45.7	-32.1
ROYAL DUTCH SHELL PLC-A SHS	7.5	4.7	-24.4	58.7	18.1
INTEL CORP	30.9	44.3	-2.2	8.8	30.9
ALPHABET INC-CL A	58.4	-5.4	46.6	1.9	32.9
CISCO SYSTEMS INC	16.7	28.0	0.6	15.2	31.3
GLAXOSMITHKLINE PLC	26.7	-10.1	5.5	21.6	-10.8
SANOFI	11.6	1.7	7.2	2.0	-3.5
WALGREENS BOOTS ALLIANCE INC	58.9	35.3	13.6	-1.0	-10.5
TESCO PLC	3.6	-41.1	-20.9	38.4	1.7
NESTLE SA-REG	13.0	15.4	5.2	-1.9	18.3
CATERPILLAR INC	3.4	3.5	-23.0	42.1	75.0
UNITED PARCEL SERVICE-CL B	46.5	8.7	-10.9	22.7	7.1
SIEMENS AG-REG	29.3	-2.6	-0.9	31.2	2.5
YUM! BRANDS INC	16.2	-1.7	2.5	23.4	31.1
ADIDAS AG	39.8	-36.6	59.3	67.5	12.6
LVMH MOET HENNESSY LOUIS VUI	-2.2	13.2	11.8	28.1	37.9
BHP BILLITON PLC	-8.8	-22.8	-37.4	76.2	22.2
AKZO NOBEL	16.8	5.1	9.3	-1.3	32.8
VODAFONE GROUP PLC	61.6	-2.7	4.2	-4.5	24.6
DEUTSCHE TELEKOM AG-REG	55.6	10.8	29.8	-2.0	-6.4

Source: Bloomberg.
Price return in local currency

Theme 25	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
HSBC HOLDINGS PLC	7.0	-3.7	-6.7	32.1	23.5
INTEL CORP	30.9	44.3	-2.2	8.8	30.9
YUM CHINA HOLDINGS INC	n/a	n/a	n/a	n/a	53.6
NESTLE SA-REG	13.0	15.4	5.2	-1.9	18.3
UNITED PARCEL SERVICE-CL B	46.5	8.7	-10.9	22.7	7.1
SIEMENS AG-REG	29.3	-2.6	-0.9	31.2	2.5
SODEXO SA	18.4	12.8	13.2	24.2	5.0
AKZO NOBEL	16.8	5.1	9.3	-1.3	32.8
SNAP-ON INC	41.1	26.8	27.1	1.5	3.6
SCHNEIDER ELECTRIC SE	19.5	-1.8	-10.7	30.5	10.2
STANDARD CHARTERED PLC	-10.7	-26.2	-35.4	17.7	17.6
ALLIANZ SE-REG	29.2	10.0	24.6	-3.4	27.5
SEALED AIR CORP	98.4	26.4	6.3	3.0	10.3
SALESFORCE.COM INC	31.3	7.5	32.2	-12.7	49.3
SANOFI	11.6	1.7	7.2	2.0	-3.5
ROCHE HOLDING AG-GENUSSCHEIN	40.2	11.6	5.7	-15.9	9.5
MONDELEZ INTERNATIONAL INC-A	41.1	4.6	25.4	0.6	-1.6
LVMH MOET HENNESSY LOUIS VUI	-2.2	13.2	11.8	28.1	37.9
ILLINOIS TOOL WORKS	41.4	15.0	0.1	35.0	38.9
TAPESTRY INC	3.6	-30.8	-9.3	10.8	30.5
NIKE INC -CL B	54.5	23.8	31.4	-17.7	24.7
PERNOD RICARD SA	-3.5	13.5	16.0	-0.3	30.3
BHP BILLITON PLC	-8.8	-22.8	-37.4	76.2	22.2
VODAFONE GROUP PLC	61.6	-2.7	4.2	-4.5	24.6
ROYAL DUTCH SHELL PLC-A SHS	7.5	4.7	-24.4	58.7	18.1

WARNING: Past performance is not a reliable guide to future performance. The value of investments may go down as well as up. Returns on investments may increase or decrease as a result of currency fluctuations.

Source: Bloomberg.
Price return in local currency

5-YEAR SHARE PRICE PERFORMANCE (IRISH)

Name	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
CRH PLC	24.2	12.2	37.6	26.4	-7.2
KERRY GROUP PLC-A	27.1	13.9	34.7	-10.4	38.7
RYANAIR HOLDINGS PLC	32.5	56.5	58.4	-3.4	3.8
PADDY POWER BETFAIR PLC	1.2	13.9	82.2	-15.3	0.0
BANK OF IRELAND GROUP PLC	121.1%	24.2	8.0	-30.8	1.1
SMURFIT KAPPA GROUP PLC	103.2	7.5	28.7	-4.5	33.7
KINGSPAN GROUP PLC	58.1	11.6	71.0	7.4	42.7
AIB GROUP PLC	124.0	-29.5	-66.3	-24.9	10.0
ARYZTA AG	46.3	13.7	n/a	n/a	-18.5
GLANBIA PLC	36.1	13.8	34.3	-6.2	-4.8
CAIRN HOMES PLC	n/a	n/a	n/a	n/a	n/a
DALATA HOTEL GROUP PLC	n/a	n/a	90.2	-20.1	43.5
HIBERNIA REIT PLC	n/a	-6.2	30.7	-11.6	25.9
GREEN REIT PLC	n/a	-9.4	26.6	-11.1	17.1
IRISH CONTINENTAL GROUP PLC	43.0	27.0	70.9	-15.0	30.7

Source: Bloomberg.
Price return in local currency

KEY MARKET CHANGES 5-YEAR DATA

Name	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)
Equity Markets Price Return					
ISEQ (EUR)	33.6	15.1	30.0	-4.0	8.0
FTSE 100 (GBP)	14.4	-2.7	-4.9	14.4	7.6
DJ Eurostoxx (EUR)	20.5	1.7	8.0	1.5	10.1
S&P 500 (USD)	29.6	11.4	-0.7	9.5	19.4
Dow Jones Industrial (USD)	26.5	7.5	-2.2	13.4	25.1
Nasdaq (USD)	38.3	13.4	5.7	7.5	28.2
Hang Seng (HKD)	2.9	1.3	-7.2	0.4	36.0
Nikkei 225 (JPY)	56.7	7.1	9.1	0.4	19.1
Topix (JPY)	51.5	8.1	9.9	-1.9	19.7
MSCI Emerging Markets (USD)	-5.0	-4.6	-17.0	8.6	34.3
MSCI World (EUR)	18.8	17.3	8.3	8.5	5.4
Davy Equity Benchmark (EUR)	19.3	14.4	9.2	9.2	9.8
Commodities					
WTI Oil (USD)	7.5	-45.6	-31.0	45.4	11.5
Gold (USD)	-28.0	-1.7	-10.4	8.6	13.1
Bond and Forex					
US 10-Year Bond (USD)	3.03	2.17	2.27	2.44	2.41
German 10-Year Bond (EUR)	1.93	0.54	0.63	0.21	0.43
UK 10-Year Bond (GBP)	3.02	1.76	1.96	1.24	1.19
Irish 10-Year Bond (EUR)	3.51	1.25	1.15	0.75	0.67
Currency Rates					
USD/EUR	1.37	1.21	1.09	1.05	1.20
GBP/EUR	0.83	0.78	0.74	0.85	0.89
USD/GBP	1.66	1.56	1.47	1.24	1.35
JPY/USD	105.31	119.68	120.06	117.00	112.69

WARNING: Past performance is not a reliable guide to future performance. The value of investments may go down as well as up. Returns on investments may increase or decrease as a result of currency fluctuations.

Source: Bloomberg.

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