

QUARTERLY UPDATE Q1 2018

DAVY STRATEGIC GLOBAL EQUITY FUND

FUND OBJECTIVE

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

FUND FACTS (AS AT 29TH MARCH 2018)

| | |
|--------------------------------|-----------------------------------------------------------------------------------------|
| FUND SIZE | €25.85 million |
| INITIAL PURCHASE CHARGE | Up to 2% on initial purchases and any top-ups |
| EXIT CHARGE | Up to 0.5% on redemptions |
| MINIMUM SUBSCRIPTION | €1,000 |
| ANNUAL MANAGEMENT FEE | Up to 1.35% |
| DEALING DAY | Wednesday All orders must be received by 3:00pm on the Friday before the dealing day |

NET ASSET VALUE (AS AT 29TH MARCH 2018)

| | |
|------------|---------------------|
| NAV | €269.0816 per unit* |
|------------|---------------------|

YEAR-TO-DATE PERFORMANCE ▲ -4.23%

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

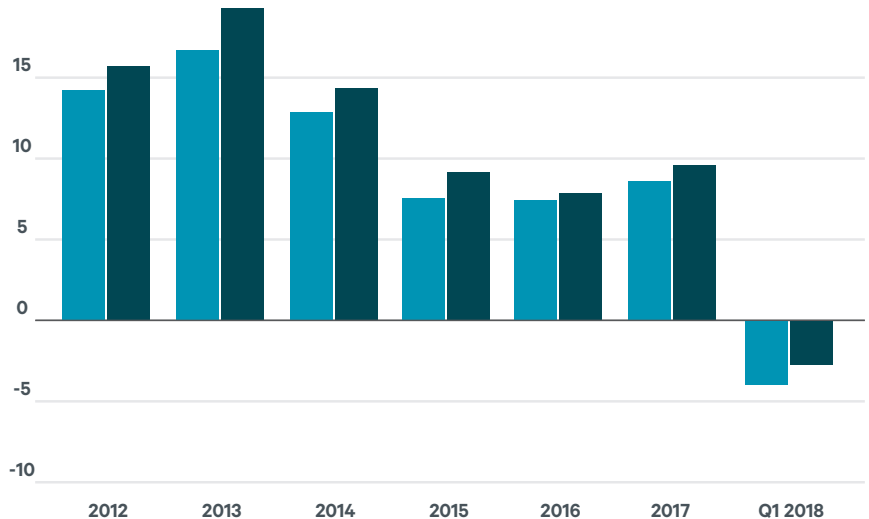
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- Davy Global Bond Fund
- Davy Irish Equity Fund

FUND ENQUIRIES

For Advisory/Discretionary Clients, please contact your private client adviser on +353 (0) 1 679 7788 or for Execution-Only Clients call Davy's Execution Desk on +353 (0)1 614 9000

FIGURE 1: Davy Strategic Global Equity Fund Performance to 29th March 2018



Davy Strategic Global Equity Fund Benchmark

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

TABLE 1: Davy Strategic Global Equity Fund Performance to 29th March 2018

| | 2012 (%) | 2013 (%) | 2014 (%) | 2015 (%) | 2016 (%) | 2017 (%) | Q1 2018 (%) |
|-----------------------------------|----------|----------|----------|----------|----------|----------|-------------|
| Davy Strategic Global Equity Fund | 14.24 | 16.70 | 12.89 | 7.58 | 7.43 | 8.12 | -4.23 |
| Benchmark | 15.72 | 19.27 | 14.35 | 9.18 | 7.85 | 9.84 | -3.21 |

Source: Davy / Bloomberg

MARKET OUTLOOK

- Equity markets began the year in buoyant mood.
- Rising bond yields and inflation worries emerged in February.
- Global trade concerns grew in March with talk of tariffs.

PORTFOLIO UPDATE

- Positive January gave way to falls in February and March.
- US market best performing with the UK bottom of the heap.
- Yield sectors underperformed while Tech and Discretionary rallied.

Warning: Past performance is not a reliable guide to future performance. The return on investments denominated in non-euro currencies may be affected by changes in currency exchanges rates.

In publishing this Quarterly Update, Davy aims to provide a summary of the Fund's activity and performance in the previous financial quarter which may be of interest to you. This document is not intended to constitute an offer or solicitation for the purchase or sale of any financial instruments, trading strategy, product or service and does not take into account the investment objectives, knowledge and experience or financial situation of any particular person. Investors should obtain advice based on their own individual circumstances from their own tax, financial, legal and other advisors before making an investment decision, and only make such decisions on the basis of the investor's own objectives, experience and resources.

MARKET OUTLOOK

As 2018 kicked off, the script didn't change much from that seen in 2017 with risk appetite buoyed by the passing of the US tax reform bill and the generally more upbeat economic commentary from around the globe. The mood among equity investors was all the more impressive given the fact that their bond market brethren were decidedly less enthusiastic.

It was all going so well and then we hit an ice patch at the start of February. Concerns over rising bond yields in the US and lurking inflationary pressures, initially in the form of higher wages, were cited as the taper that sparked the pullback in markets at the beginning of the month but a spike in volatility and a rapid reduction in risk appetite quickly usurped the narrative.

If investor attention was focused on inflation and bond yields in the month of February, then March saw it switched to global trade, and in particular the imposition of a raft of tariffs by the Trump administration in the US. But as time went by we learned that the devil was in the detail.

PORTFOLIO UPDATE

Although we started off in such promising form in January with most markets posting gains for the month quickly about faced in February and March as a combination of economic and trade worries impacted investor sentiment and risk appetite. Ironically, even though it was their president causing most of the headlines, the US market managed to be the best performer among developed markets over the period.

Ongoing strength in the currency and greater worries about the potential impact of trade tariffs impact European markets but it was the UK market that bore the brunt of the negativity as debates around Brexit continued to grab the headlines. On a sector basis it was a mixed bag as we saw positive performances from more cyclical sectors like Technology and Consumer Discretionary, while the higher dividend yield sectors like Telecom, Energy and Staples underperformed in reaction to rising bond yields.

Please note the factors listed above are neither comprehensive nor exhaustive. Investors should note that there is no guarantee the Fund will meet its objectives. There is no assurance of investment return. The value of the investment may fall as well as rise.

TABLE 2: Equity/Bond Market Performance 2012 - 2018

| Region | 2012 (%) | 2013 (%) | 2014 (%) | 2015 (%) | 2016 (%) | 2017 (%) | Q1 2018 (%) |
|---------------|----------|----------|----------|----------|----------|----------|-------------|
| World | 14.05 | 21.2 | 19.50 | 10.42 | 10.73 | 7.51 | -3.67 |
| USA | 16.00 | 32.39 | 13.69 | 1.38 | 11.96 | 21.83 | -0.76 |
| Europe | 20.13 | 23.74 | 4.14 | 10.33 | 4.15 | 12.55 | -2.75 |
| Asia ex-Japan | 19.35 | 5.94 | 7.41 | -5.59 | 6.12 | 35.57 | 0.29 |
| UK | 10.72 | 18.78 | 0.78 | -1.92 | 19.22 | 11.73 | -7.29 |
| Ireland | 20.36 | 35.68 | 16.73 | 33.61 | -2.68 | 9.49 | -5.68 |

Source: Bloomberg

¹ Performance as at year-end for 2012-2018

STRUCTURE The Fund is a sub-fund of the Davy Equity Trust, an umbrella type open-ended unit trust authorised by the Central Bank of Ireland under the Unit Trust Act 1990. Subscriptions may only be based on the current Prospectus together (where applicable) with the most recent annual report and (if issued after such report) the most recent semi-annual report. A copy of the Prospectus and reports (where issued) may be obtained free of charge from Davy or the Administrator to the Fund.

WARNING: Past performance is not a reliable guide to future performance. The return on investments denominated in non-euro currencies may be affected by changes in currency exchanges rates.

Dublin Office Davy House, 49 Dawson Street, Dublin 2, Ireland. T +353 1 679 7788 E dublin@davy.ie

Belfast Office Donegall House, 7 Donegall Square North, Belfast BT1 5GB, Northern Ireland. T +44 28 90 310 655 E belfast@davy.ie

Cork Office Hibernian House, 80A South Mall, Cork, Ireland. T +353 21 425 1420 E cork@davy.ie

Galway Office 1 Dockgate, Dock Road, Galway, Ireland. T +353 91 530 520 E galway@davy.ie

London Office Dashwood House, 69 Old Broad Street, London EC2M 1QS, United Kingdom. T +44 207 448 8870 E london@davy.ie

www.davy.ie

Davy Private Clients is a division of J&E Davy. J&E Davy, trading as Davy, is regulated by the Central Bank of Ireland. Davy is a member of the Irish Stock Exchange and the London Stock Exchange. In the UK, Davy is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Davy on the basis of publicly available information, internally developed data and other sources believed to be reliable. The information contained herein does not purport to be comprehensive and is strictly for information purposes only. It does not constitute an offer or an invitation to invest. No party should treat any of the contents herein as advice in relation to any investment. While all reasonable care has been given to the preparation of this information, no warranties or representation express or implied are given or liability accepted by Davy or its affiliates or any directors or employees in relation to the accuracy fairness or completeness of the information contained herein. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. We or any of our connected or affiliated companies or their employees may have a position in, or may have provided within the last twelve months, significant advice or investment services in relation to any of the securities or related investments referred to in this document.