

QUARTERLY UPDATE Q1 2018

DAVY IRISH EQUITY FUND

FUND OBJECTIVE

The aim of the Davy Irish Equity Fund (the 'Fund') is to achieve long-term capital growth through actively managed investments in Irish companies listed on the Irish or other stock exchanges.

FUND FACTS (AT 3RD APRIL 2018)

FUND SIZE	€4.33 million
INITIAL PURCHASE CHARGE	Up to 2% on initial purchases and any top-ups
EXIT CHARGE	Up to 0.5% on redemptions
MINIMUM SUBSCRIPTION	€1,000
ANNUAL MANAGEMENT FEE	Up to 1.35%
DEALING DAY	Wednesday All orders must be received by 3:00pm on the Friday before the dealing day

NET ASSET VALUE (AT 3RD APRIL 2018)

NAV	€308.2303 per unit*
YEAR-TO-DATE PERFORMANCE	▲ -4.06%

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

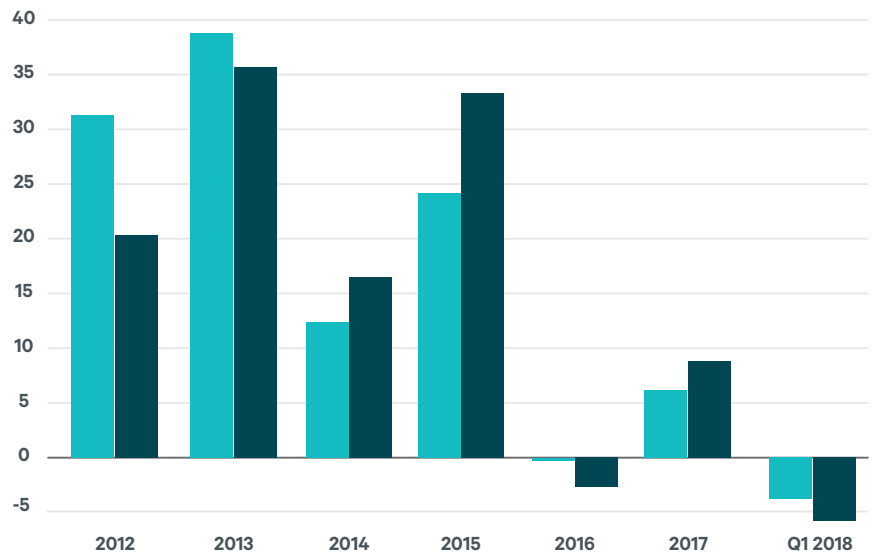
OTHER DAVY EQUITY TRUST FUNDS WHICH MIGHT BE OF INTEREST TO YOU

- Davy Global Bond Fund
- Davy Strategic Global 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 Irish Equity Fund Performance to 3rd April 2018



Davy Irish Equity Fund Benchmark

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

TABLE 1: Davy Irish Equity Fund Performance to 3rd April 2018

	2012 (%)	2013 (%)	2014 (%)	2015 (%)	2016 (%)	2017 (%)	Q1 2018 (%)
Davy Irish Equity Fund	31.31	38.75	12.36	24.14	-0.26	5.97	-4.06
Benchmark	20.36	35.68	16.46	33.28	-2.68	9.42	-5.88

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

- ISEQ index in negative territory, lagging other European indices.
- Some bright spot in terms of Smurfit Kappa and Ryanair.
- Weakness in food companies and CRH, a significant drag.

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

Following the trend of most global markets, the ISEQ index was in negative territory in Q1 as investor risk appetite waned and volatility returned. That said the performance was even worse than other European bourses as weakness in many of the main line stocks was particularly pronounced.

There was some offset in the form of an unsuccessful bid for paper and packaging company, Smurfit Kappa, by US peer, International Paper. The ongoing share buyback in Ryanair also supported its share price, posting a positive return on the quarter. On the negative side, weakness in global construction stocks impacted the price of CRH, while further disappointing news from food company Arzta, saw its shares be the worst performer in the index over the quarter.

The fund outperformed the index over the period helped by positions in Hostelworld, Ryanair and Smurfit. An underweight position in CRH also added to relative performance.

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

TABLE 2: Equity Market Performance 2012-2018¹

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: Davy

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.

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