

Davy Funds Plc

Davy ESG Multi-Asset Fund

CLASS "A Dist" UNITS

INVESTMENT OBJECTIVE

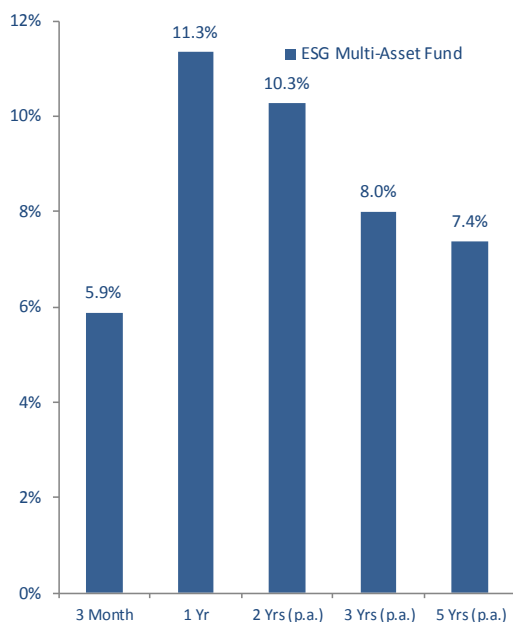
The primary investment objective of the Davy ESG Multi-Asset Fund ('the Fund') is to seek, over time, to achieve capital appreciation in real terms. The Fund may, as a secondary objective, also seek to generate a moderate level of income, from year to year, consistent with the growth objective.

INVESTMENT STRATEGY

The objective of the Fund will be achieved by investing across a range of asset classes including equities, bonds and fixed deposits. The Investment Adviser's ongoing investment policy will be to take due account of the nature of the trading activities carried out by such corporations from an ethical standpoint.

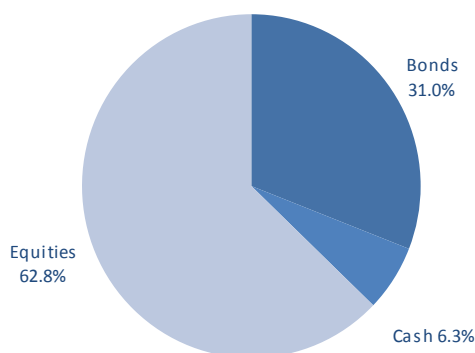
NOTE: All information below is provided as at 30.09.2019

INVESTMENT PERFORMANCE



Source: Stadia Fund Management & Northern Trust, Single Pricing, Net of Fees, Bi-Annual Income Distribution, Performance in Euro.

ASSET ALLOCATION (% Fund)



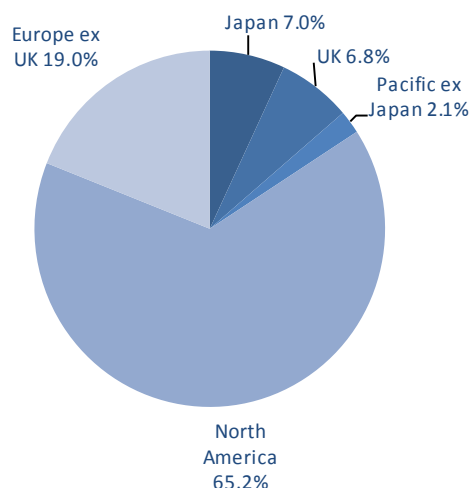
TOP 10 HOLDINGS (%)

10 Largest Equity Holdings (% of Total Fund)

Stock	Country	Weight
Microsoft	North America	3.3%
Alphabet	North America	3.0%
Apple	North America	2.8%
Visa	North America	2.2%
JP Morgan	North America	1.9%
Merck & Co	North America	1.8%
Mondelez	North America	1.7%
Medtronic	North America	1.6%
Iberdrola	Spain	1.5%
Home Depot	North America	1.5%
Total		21.3%

GEOGRAPHIC ALLOCATION (%)

Portfolio Geographic Allocation (% Equity)



Davy Asset Management

September 2019

ABOUT THE FUND

Base Currency:

Euro

Fund Size (EUR):

54.28 m

No. of Equity Holdings:

c.55

Investment Manager:

Davy Asset Management

Type of Unit:

Distributing

Valuation Point:

Close of business

Order Cut-Off Point:

Daily – All orders must be received by 16:00 p.m. (Irish time) one Business Day immediately preceding the relevant Dealing Day.

Lipper ID:

65090638

Structure:

UCITS*

* The assets of the Prescient Select Ethical Balanced Growth Fund, a sub-fund of the Prescient Select Portfolio (non-UCITS) were transferred to a new sub-fund of Davy Funds plc (UCITS), which is named the Davy ESG Multi-Asset Fund, on 17th October 2017. The same Strategy applies to both sub-funds.

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Q3 2019 MARKET REVIEW

The Fund returned 5.89% during the third quarter of 2019. Global equity markets rose by 5.15% in a volatile third quarter dominated by slowing growth, tumbling bond yields, political drama in the UK and rising trade tensions.

Central Banks were active during the quarter, as the ECB and the Federal Reserve joined numerous other central banks around the world in cutting interest rates in the face of weakening economic sentiment. There were dissenting voices from ECB Council members following the Bank's decision to cut rates further into negative territory and renew quantitative easing. However, the broad range of weak economic indicators released since that rate cut suggest that Christine Lagarde may have to follow Draghi's lead in the months ahead.

While the initiation of impeachment process against the US president grabbed the headlines late in the quarter, the trade war and rate cuts remain the main movers of markets. Tariffs on Chinese goods rose again in September adding to the cost-base of US manufacturers and retailers. A survey of manufacturing managers, released after the quarter-end, revealed the weakest sentiment since the Global Financial Crisis. A deal on trade would be greeted positively by equity investors.

Renewed monetary easing by central banks across the globe drove the Utilities, Real Estate and Consumer Staples sectors to the top of the performance table during the quarter. Energy and Materials stocks were the worst performers, reflecting slowing economic momentum and global trade.

Eurozone, UK and global government bonds all had a strong third quarter, with the JP Morgan Global Index (euro hedged) returning 2.43%, due to dovish central banks, weaker than expected economic data, intensifying US/China trade war risks, and Brexit uncertainty.

At the ECB's policy meeting in September, the deposit rate was cut for the first time since 2016. The Bank also announced the relaunching of the Quantitative Easing programme, "for as long as necessary", with ECB President Mario Draghi saying risks remained "tilted to the downside". This forced the yield on the German bund to fall (causing prices to rise).

In the UK, the rising prospect of a 'hard' Brexit under new Prime Minister Boris Johnson, in addition to dovish central banks globally, saw yields fall. The UK 10-year Gilt yield fell to 0.40%. This is not only lower than in 2016 after the Brexit Referendum result, but also a new record low for the UK 10-year Gilt.

Source: Bloomberg

CALENDAR YEAR FUND PERFORMANCE (%)

	2018	2017	2016	2015	2014
ESG Multi-Asset Fund	-1.0%	3.8%	3.2%	7.4%	14.6%

Source: Stadia Fund Management Limited, Bloomberg
Single Pricing, Net of Fees, Bi-Annual Income Distribution, Performance in Euro

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September 2019

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Warning: Past performance may not be a reliable guide to future performance. The value of your investment may go down as well as up. If you invest in this product you may lose some or all of the money you invest. An investment in the Fund should be regarded as long term.