

A man with a beard and a grey cardigan is looking at a tablet in a modern office setting. The background is a bright, blurred office space with large windows and a desk with a laptop, mouse, and coffee cup.

**DAVY**



Global  
Portfolio  
Strategies

# Davy **Long Term** Growth Fund

**Q3 2019** update

# Davy Long Term Growth Fund

## Q3 2019 Update

Share Class: B Accumulating

ISIN: IE00BRJL4881

SEDOL: BRJL488

### Summary of objective

The investment objective of the Davy Long Term Growth Fund is to seek total returns with an emphasis on long term growth but with the potential for some degree of income generation. There is no guarantee the fund will meet its objectives.

1 month: 31/08/2019 - 30/09/2019

Q3 2019: 30/06/2019 - 30/09/2019

YTD (Year to date): 31/12/2018 - 30/09/2019

Since launch: 23/04/2013 - 30/09/2019

ISIN: International Securities Identification Number

SEDOL: Stock Exchange Daily Official List

The Davy Long Term Growth Fund was launched on 23rd April 2013. Investors should note that as the Davy Long Term Growth Fund is newly established, the past performance reflects past performance data relating to the Davy Long Term Growth Fund (non UCITS) which merged with the Davy Long Term Growth Fund (UCITS) (the "Merger"). Prior to the Merger the investment policy, strategy and portfolio composition were largely the same. In the circumstances, the past performance data included in this document is believed to be an appropriate reference for investors.

Davy Funds plc is 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 by the Central Bank of Ireland as a UCITS (Undertakings for Collective Investment in Transferable Securities) pursuant to the Regulations. Davy Funds plc is authorised by the Central Bank of Ireland as a UCITS.

**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates.**

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### Quarterly fund commentary

Q3 marked another eventful quarter for financial markets with total returns for both equities and fixed income masking a bumpy ride along the way. Trade war fallout helped encourage a fall in equity values and a rush to safe haven assets in early August, although this reversed somewhat over the course of the following 6 weeks.

On the back of the strength in markets, the Davy Long Term Growth was up 2.15% for Q3, bringing the total return to 13.55% in 2019. The fund has benefited from rallies in both equities and fixed income over the period. A notable performer has been Acadian Managed Volatility fund which has benefited from a rally in low volatility stocks in 2019. Q3 saw a rotation from fast growing but more expensive stocks ('Growth' stocks) to stocks which are cheaper relative to the market ('Value' stocks). This benefited strategies such as Blackrock Global Equity Income (Q3 '19: 0.2%, USD) but at the expense of strategies such as Vanguard US Opportunities Fund which was marginally negative in the quarter (Q3 '19: -4.3%, USD). Our multi-manager approach showcases its benefits in quarters such as this, ensuring our investors don't structurally miss out on returns arising from style and factor rotations.

In the Fixed Income space, our government bond fund managers who run higher duration portfolios have benefited from this quarters' rally in bond markets. Most notably the move in European government bonds saw the Vanguard European Bond fund return 3.5% in Q3, bringing its total return to 9.3% in 2019.

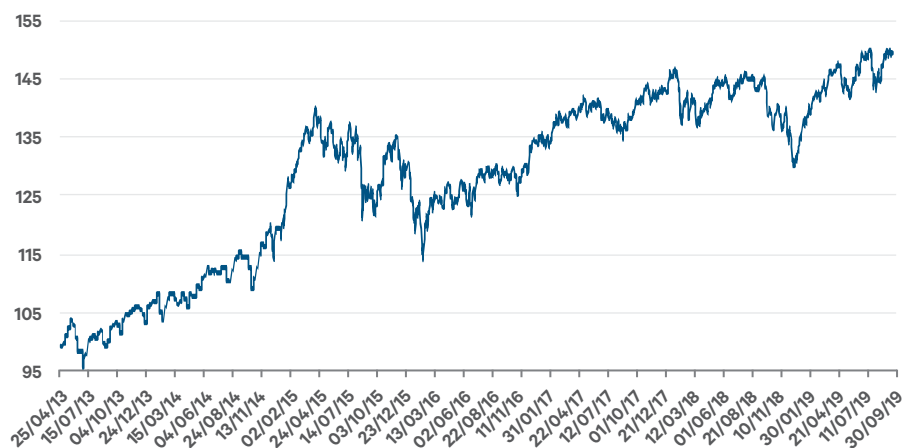
Our Alternatives book had a mixed performance. The top performer in quarter three has been Ruffer Total Return Fund which has benefited from a rally in the FTSE All-Share Index and UK government bonds to return 2.4% in Q3.

Looking to Q4, of course Brexit will be foremost in investors' minds but a number of other issues will likely also play a part in the performance of the fund. Pressure is mounting both internally and externally on Germany to drop its "Black Zero" budget rules and release fiscal stimulus to their flagging economy which will play a large part in the performance of European Equities. Global markets are also now pricing in a better than 50-50 chance of a further US Fed rate cut in October and there will be a focus on GDP (Gross Domestic Product), jobs and CPI (Consumer Price Index) numbers in Q4 in setting expectations for 2020 on where capital markets will be.

| Performance                              | 1 month (%) | Q3 2019 (%) | YTD (%) | Since launch (%) |
|--|-------------|-------------|---------|------------------|
| Davy Long Term Growth Fund (Net of Fees) | 1.72        | 2.15        | 13.55   | 50.26            |

Source: Davy and Bloomberg as at 30th September 2019.

Figure 1: Performance of Davy Long Term Growth Fund at 30th September 2019



Source: Davy & Bloomberg, net of fees

## Current asset allocation and investment committee commentary

### Equities

MSCI World (EUR) 5.0% (Q3 '19) total return masks an eventful quarter for global equities. The trade war merry-go-round of talks, break down in talks, increased tariffs and promise of new talks presented itself early in Q3. Equities reacted to the symbolism of the Renminbi/USD depreciating to above the 7 level and the US labelling China a currency manipulator but the key fallout of increased trade tensions has been a further deterioration of German manufacturing and the likely technical recession it is due to slip into. The result has been the DAX Index returning just 0.24% in the quarter. Germany's weakness contributed to the European Central Banks (ECB)'s decision to cut the deposit rate by 10 basis points to -0.5% and restarting quantitative easing (QE) with €30bn of monthly asset purchases. In the UK the decreased likelihood of a no-deal Brexit has been supportive of sterling and the FTSE 250 (Q3 '19: 3.3%, GBP) was one of the best performing developed market indices, albeit having lagged significantly in H1 2019.

### Fixed Income

The asset class of focus in Q3 was bonds. August saw the biggest monthly rally in the US 10-year yields since 2011 leading to the 2-10 year yield spread (a key indicator of recession concerns) to invert. There are however a number of technical reasons for the 10 year US yield to fall from 2.0% to 1.5% due to hedging requirements of big banks and the suppressed yields of long maturity bonds via pension funds, insurers and central banks. In September, the spread between the 2-year and 10-year US Treasury bonds returned into positive territory.

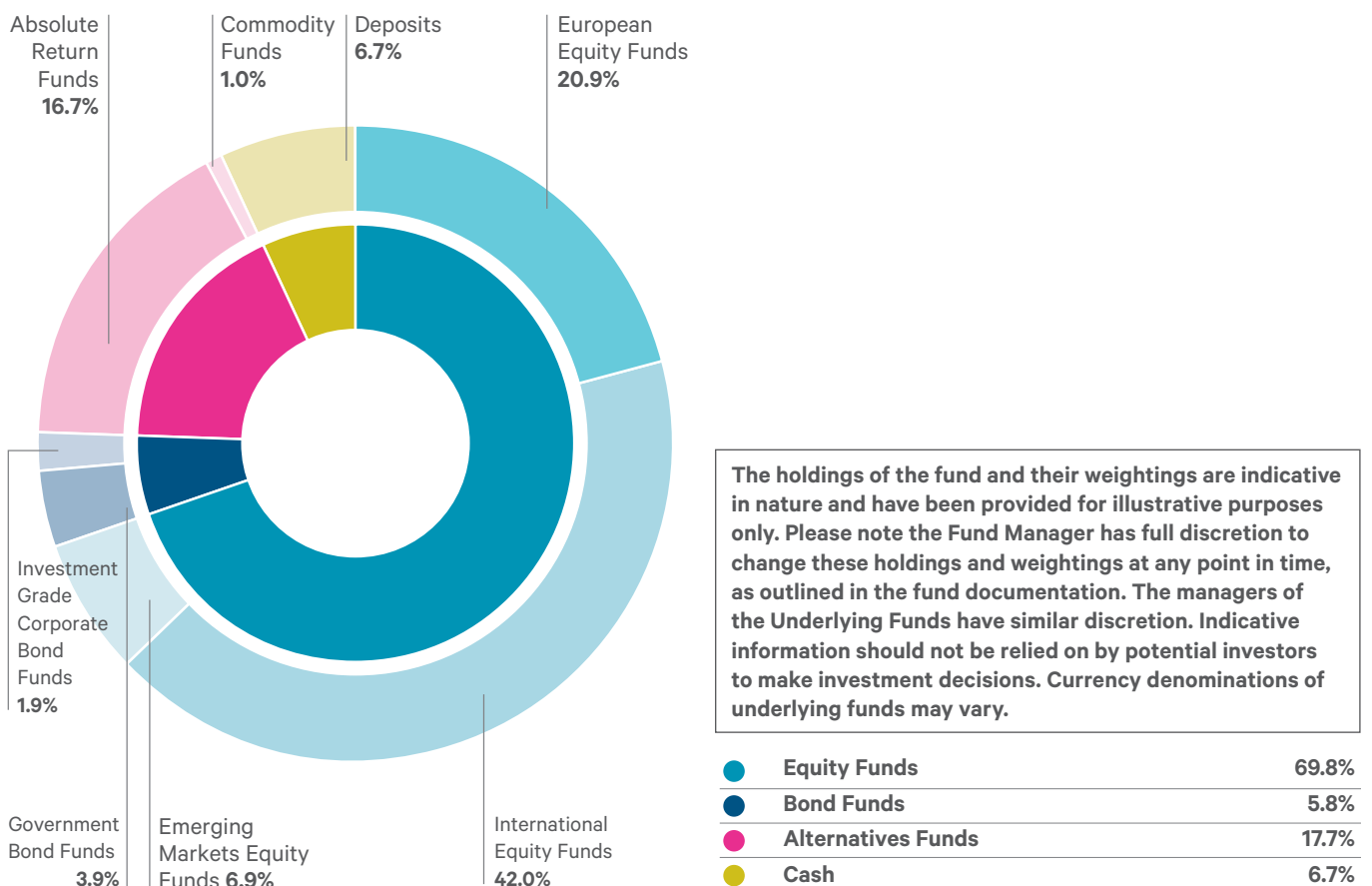
### Alternatives

Q3 proved another challenging quarter for absolute return strategies with systematic strategies struggling with volatile markets. Returns for macro discretionary managers were more varied with some finding themselves on the right side of rallying bonds markets and falling equities in early August and then its partial reversal in the last six weeks of the quarter.

### Cash

The ECB cut rates by 10bps to a new record low of -0.50% in Q3. The ECB forward rate curve currently forecasts we will return to positive rates in 2027. We continue to monitor opportunities for deploying cash in the market to ensure we are protecting investors' purchasing power over the long term. The cash that we do hold is available to deploy at any given opportunity and the committee feels this provides us with valuable flexibility given the volatility in recent years.

**Figure 2:** Asset Allocation at 30th September 2019



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## Underlying fund commentary

|  |   |
|--|---|
| <b>Vanguard US Opportunities Fund</b><br>-4.3% (USD) | In the US, the Vanguard US Opportunities fund has returned 9.0% (USD) in the year to date, but it still has underperformed its benchmark by 11.1%. The fund's overweight position in Healthcare relative to the Russell 3000 Index was one of its largest detractors. The fund has a high conviction, active approach and continues to be ahead of its benchmark on a 5-year basis.   |
| <b>DBX World Healthcare ETF</b><br>+3.2% (EUR)       | In 2018 the Healthcare ETF (Exchange Traded Fund) posted a 6.6% absolute return against a backdrop of -4.1% for the MSCI World Total Return (EUR). Following such an impressive relative performance, the sector has lagged the broader market in 2019 with a performance of 3.2% for Q3 '19, bringing its total for 2019 to 13.8% (MSCI World Total Return EUR: 23.3%).  |
| <b>SGA Global Equity Growth</b><br>+3.4% (EUR)       | The SGA Global Equity Growth fund has been a very strong performer in the year to date returning 29.2% compared with 21.8% for the MSCI ACWI Index (EUR). The fund has added value through good stock selection that has contributed over and above the fund's quality, growth bias benefiting performance. Whilst the fund lagged the MSCI World slightly over Q3 due to value outperforming growth, the fund still added 3.4% to its return for the year. |
| <b>Lazard Emerging Markets Funds</b><br>-3.6% (USD)  | In Emerging Markets, Lazard Emerging Markets Core has a strong September and increased its outperformance over its benchmark to 2.7% in USD terms. Their performance has been driven by stock selection such as New Oriental Education (Q3 2019: 19.5% return) which seeks to capture the increase in Chinese private education spending.   |
| <b>Ruffer Total Return Fund</b><br>+2.4% (EUR)       | Ruffer has gained 2.4% in Q3. The fund has been defensively positioned and its exposures in UK index-linked bonds and gold have been strong contributors, along with risk-on positions in UK, US and Japanese equities.   |

## Changes to the fund

No changes to the fund were made during Q3 2019.

| Calendar year performance                | 2018 (%) | 2017 (%) | 2016 (%) | 2015 (%) | 2014 (%) |
|--|----------|----------|----------|----------|----------|
| Davy Long Term Growth Fund (Net of fees) | -7.61%   | 6.55     | 2.42     | 9.06     | 11.96    |

Source: Davy, Bloomberg and Northern Trust.

Performance displays net total returns in Euro Terms.

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## Underlying fund allocations and performance\*

|  | Average weighting<br>for quarter | Quarterly<br>performance | YTD<br>performance |
|--|----------------------------------|--------------------------|--------------------|
| <b>Equities</b>                            | <b>70.1%</b>                     |                          |                    |
| <b>European Equities</b>                   | <b>20.3%</b>                     |                          |                    |
| Baillie Gifford European Equities          | 1.9%                             | -2.4%                    | 18.8%              |
| Acadian European Equities                  | 2.0%                             | 1.7%                     | 14.2%              |
| iShares Euro STOXX ETF                     | 15.5%                            | 2.4%                     | 20.8%              |
| Brandes European Value Fund                | 1.0%                             | 2.6%                     | 10.9%              |
| <b>International Equities</b>              | <b>42.2%</b>                     |                          |                    |
| iShares Core MSCI World Etf                | 16.8%                            | 5.2%                     | 23.5%              |
| UBS MSCI World ETF                         | 9.5%                             | 5.0%                     | 23.9%              |
| Vanguard US Opportunities Fund             | 1.5%                             | -0.3%                    | 14.5%              |
| Harding Loevner Global Equity              | 2.8%                             | 2.8%                     | 22.2%              |
| SGA Global Equity Growth                   | 2.7%                             | 3.4%                     | 29.2%              |
| Blackrock Global Equity Income Fund        | 1.5%                             | 4.4%                     | 19.3%              |
| Goldman Sachs Global Core Equity           | 2.7%                             | 3.9%                     | 19.4%              |
| DBX World Healthcare ETF                   | 3.1%                             | 3.2%                     | 13.8%              |
| Acadian Managed Volatility Fund            | 1.5%                             | 6.5%                     | 20.8%              |
| <b>Emerging Market Equities</b>            | <b>7.6%</b>                      |                          |                    |
| iShares Core MSCI Emerging Markets ETF     | 2.5%                             | -0.6%                    | 9.3%               |
| Vanguard Emerging Markets Stock Index Fund | 0.5%                             | 0.0%                     | 10.9%              |
| Wellington Emerging Markets                | 2.3%                             | -0.4%                    | 14.1%              |
| Lazard Emerging Markets Fund               | 2.3%                             | 0.4%                     | 14.3%              |
| <b>Fixed Income</b>                        | <b>5.8%</b>                      |                          |                    |
| <b>Government Bonds</b>                    | <b>3.9%</b>                      |                          |                    |
| Vanguard European Bond Fund                | 1.2%                             | 3.5%                     | 9.3%               |
| SSgA Global Government Bond Fund           | 0.8%                             | 2.2%                     | 6.0%               |
| PIMCO Global Low Duration Real Return Fund | 1.9%                             | -0.5%                    | 1.8%               |
| <b>Corporate Bonds</b>                     | <b>1.9%</b>                      |                          |                    |
| iShares Core Euro Corporate Bond ETF       | 1.9%                             | 1.2%                     | 6.7%               |
| <b>Alternatives</b>                        | <b>17.9%</b>                     |                          |                    |
| <b>Commodities</b>                         | <b>1.1%</b>                      |                          |                    |
| iShares Physical Gold ETC                  | 1.1%                             | 8.2%                     | 19.9%              |
| <b>Absolute Return</b>                     | <b>16.7%</b>                     |                          |                    |
| Invesco Targeted Returns Fund              | 1.4%                             | 0.2%                     | 2.1%               |
| JP Morgan Global Macro Opportunities Fund  | 3.7%                             | -0.3%                    | 2.5%               |
| JP Morgan Systematic Alpha Fund            | 1.4%                             | 1.2%                     | 0.0%               |
| GMO Major Markets Fund                     | 0.9%                             | -1.0%                    | -0.1%              |
| Putnam Multi Asset Absolute Return         | 1.9%                             | 1.1%                     | 6.5%               |
| Ruffer Total Return Fund                   | 3.7%                             | 2.4%                     | 5.4%               |
| AQR Systematic Total Return                | 3.7%                             | 0.6%                     | -1.7%              |
| <b>Cash</b>                                | <b>6.3%</b>                      |                          |                    |
| <b>Cash</b>                                | <b>6.3%</b>                      |                          |                    |
| AIB DEPOSIT                                | 3.7%                             |                          |                    |
| BOI FIXED TERM EUR                         | 2.6%                             |                          |                    |
| <b>Total</b>                               | <b>100.0%</b>                    |                          |                    |

\* Performance figures are shown in Euro terms and are on a total return basis net of fees.

**Warning: Performance and attribution calculations are estimates only as they are not time weighted and are based on weekly performance data.**

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## Underlying funds performance

| ISIN         | Currency | Fund name  | 2014  | 2015   | 2016  | 2017  | 2018   | YTD   | Q3 2019 |
|--------------|----------|--|-------|--------|-------|-------|--------|-------|---------|
| IE0031574977 | EUR      | Brandes European Value   | 4.6%  | 18.9%  | 7.6%  | -0.8% | -10.4% | 10.9% | 2.6%    |
|              | EUR      | MSCI Europe Net TR USD Index                                   | 6.9%  | 8.2%   | 2.6%  | 10.1% | -10.6% | 19.4% | 2.3%    |
| DE000A0D8Q07 | EUR      | iShares Euro STOXX ETF   | 4.9%  | 11.7%  | 4.0%  | 13.6% | -13.0% | 20.8% | 2.4%    |
|              | EUR      | EURO STOXX Net Return  | 4.1%  | 10.3%  | 4.1%  | 12.6% | -12.7% | 19.7% | 2.5%    |
| IE00B4L5Y983 | EUR      | iShares Core MSCI World ETF                                    | 20.4% | 10.3%  | 10.9% | 7.5%  | -4.2%  | 23.5% | 5.2%    |
|              | EUR      | MSCI Daily TR Net World USD                                    | 19.6% | 10.4%  | 10.8% | 7.4%  | -4.2%  | 23.5% | 4.7%    |
| IE00B03HCY54 | USD      | Vanguard US Opportunities Fund                                 | 15.9% | 6.2%   | 12.7% | 31.4% | -5.2%  | 9.0%  | -4.3%   |
|              | USD      | RUSSELL 3000 INDEX   | 12.6% | 0.5%   | 12.7% | 21.1% | -5.2%  | 20.1% | 1.2%    |
| LU0545040395 | USD      | Blackrock Global Equity Income                                 | N/A   | 1.5%   | 5.2%  | 19.7% | -11.3% | 13.6% | 0.2%    |
|              | USD      | MSCI ACWI Index USD  | 4.2%  | -2.4%  | 7.9%  | 24.0% | -9.4%  | 16.2% | 0.0%    |
| LU0280841296 | EUR      | Goldman Sachs Global Core Equity                               | 25.2% | 16.1%  | 11.8% | 10.5% | -6.3%  | 19.4% | 3.9%    |
| IE00B3F81R35 | EUR      | iShares Barclays Euro Corporate Bond ETF                       | 8.2%  | -0.7%  | 4.6%  | 2.2%  | -1.5%  | 6.7%  | 1.2%    |
|              | EUR      | Bloomberg Barclays Euro Aggregate Corporate Total Return Index | 8.4%  | -0.6%  | 4.7%  | 2.4%  | -1.3%  | 6.8%  | 1.3%    |
| IE00B4ND3602 | USD      | iShares Physical Gold ETC                                      | -0.5% | -11.7% | 9.0%  | 11.7% | -1.3%  | 14.2% | 3.9%    |
|              | USD      | LBMA Gold Price PM USD   | 0.1%  | -12.1% | 8.1%  | 12.7% | -0.9%  | 16.1% | 5.4%    |
| LU0638558394 | EUR      | Ruffer Total Return  | 5.8%  | 0.1%   | 13.2% | 0.2%  | -7.4%  | 5.4%  | 2.4%    |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| IE00BVDPPC56 | USD      | Lazard Emerging Markets  | N/A   | N/A    | 3.6%  | 40.1% | -18.2% | 8.8%  | -3.6%   |
|              | USD      | MSCI EM USD  | -2.1% | -14.7% | 11.7% | 37.7% | -14.3% | 6.1%  | -4.2%   |
| IE00BKM4GZ66 | USD      | iShares Core MSCI Emerging Markets ETF                         | N/A   | -14.8% | 10.2% | 36.9% | -14.2% | 4.0%  | -4.6%   |
|              | USD      | MSCI EM IMI USD  | -1.8% | -13.9% | 9.9%  | 36.8% | -15.0% | 5.4%  | -4.3%   |
| LU0406668342 | EUR      | JP Morgan Systematic Alpha                                     | 1.9%  | 0.4%   | 1.8%  | -3.0% | -8.6%  | 0.0%  | 1.2%    |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| LU0095623541 | EUR      | JP Morgan Global Macro Opportunities                           | 13.7% | 10.4%  | -4.8% | 15.2% | -2.6%  | 2.5%  | -0.3%   |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| IE00B4T3NP37 | USD      | Acadian Manged Volatility                                      | 7.0%  | 6.5%   | 6.5%  | 19.4% | -8.3%  | 15.0% | 2.2%    |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| LU1532680458 | EUR      | AQR Systematic Total Return                                    | N/A   | N/A    | N/A   | N/A   | -19.0% | -1.7% | 0.6%    |
| IE00BW9HGN00 | EUR      | Putnam Multi Asset Absolute Return                             | N/A   | N/A    | 2.1%  | 7.3%  | -10.4% | 6.5%  | 1.1%    |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| LU1004133531 | EUR      | Invesco Targeted Returns Fund                                  | 8.8%  | 1.4%   | 2.2%  | 0.0%  | -5.0%  | 2.1%  | 0.2%    |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| IE00BDS6C378 | EUR      | GMO Major Markets Investment Fund                              | N/A   | N/A    | N/A   | N/A   | -3.8%  | -0.1% | -1.0%   |
|              | EUR      | Hedge Fund Research HFRX Abs Ret Index                         | 14.9% | 14.5%  | 3.3%  | -9.3% | 4.5%   | 7.9%  | 5.3%    |
| LU0340285161 | USD      | UBS MSCI World   | 5.8%  | -0.8%  | 6.4%  | 22.9% | -10.1% | 18.1% | 0.8%    |
|              | USD      | MSCI World Net Total Return Index                              | 4.9%  | -0.9%  | 7.5%  | 22.4% | -8.7%  | 17.6% | 0.5%    |
| IE00BHZKQB61 | EUR      | PIMCO Global Low Duration Real Return                          | N/A   | -1.4%  | 2.2%  | -0.3% | -2.5%  | 1.8%  | -0.5%   |
|              | USD      | Bloomberg Barclays Global Treasury Total Return Index          | -0.8% | -3.3%  | 1.7%  | 7.3%  | -0.4%  | 5.9%  | 0.8%    |
| LU0956451438 | EUR      | State Street Global Advisors Government Bond(SSGA)             | 7.9%  | 0.9%   | 2.1%  | -0.2% | -0.2%  | 6.0%  | 2.2%    |
|              | USD      | Bloomberg Barclays Global Treasury Total Return Index          | -0.8% | -3.3%  | 1.7%  | 7.3%  | -0.4%  | 5.9%  | 0.8%    |
| IE0007472990 | EUR      | Vanguard Euro Bond Fund  | 12.2% | 1.3%   | 3.0%  | -0.1% | 0.8%   | 9.3%  | 3.5%    |
|              | EUR      | Bloomberg Barclays GA EUR Govt Float Index                     | 12.4% | 1.5%   | 3.1%  | 0.2%  | 0.9%   | 9.4%  | 3.5%    |
| IE00BM67HK77 | EUR      | DBX World Health ETF   | N/A   | N/A    | N/A   | 5.4%  | 6.6%   | 13.8% | 3.2%    |
|              | EUR      | MSCI World Health Care Total Return Index                      | 34.6% | 18.7%  | -4.0% | 5.1%  | 7.6%   | 13.9% | 2.9%    |
| IE00BDR6MN80 | EUR      | SGA Global Equity  | N/A   | N/A    | N/A   | N/A   | 2.5%   | 29.2% | 3.4%    |
|              | EUR      | MSCI ACWI Index EUR  | 18.6% | 8.8%   | 11.1% | 8.9%  | -4.8%  | 21.8% | 4.4%    |
| GB0006058258 | GBP      | Baillie Gifford European Equities                              | -1.3% | 11.1%  | 23.7% | 23.4% | -12.4% | 18.8% | -2.4%   |
|              | N/A      | N/A  | N/A   | N/A    | N/A   | N/A   | N/A    | N/A   | N/A     |
| IE00B138F130 | EUR      | Acadian European Equities                                      | 10.6% | 17.6%  | 8.1%  | 17.6% | -9.4%  | 14.2% | 1.7%    |
|              | N/A      | N/A  | N/A   | N/A    | N/A   | N/A   | N/A    | N/A   | N/A     |
| IE00BFPM9J74 | EUR      | Vanguard Emerging Markets Stock Index Fund                     | 11.1% | -5.2%  | 14.2% | 20.6% | -10.5% | 10.9% | 0.0%    |
|              | EUR      | MSCI Emerging Markets Net EUR Index                            | 11.4% | -5.2%  | 14.5% | 20.6% | -10.3% | 11.0% | 0.0%    |
| LU1054168221 | USD      | Wellington Emerging Markets                                    | N/A   | -10.5% | 16.4% | 42.6% | -15.7% | 8.6%  | -4.4%   |
|              | USD      | MSCI EM USD  | -2.1% | -14.7% | 11.7% | 37.7% | -14.3% | 6.1%  | -4.2%   |
| IE00B1WL5K25 | EUR      | Harding Loevner Global Equity                                  | 20.4% | 13.3%  | 9.3%  | 15.9% | -6.0%  | 22.2% | 2.8%    |
|              | EUR      | MSCI ACWI Index EUR  | 18.6% | 8.8%   | 11.1% | 8.9%  | -4.8%  | 21.8% | 4.4%    |

Source: Bloomberg

Performance displays net total returns in local currency terms.

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## Market data

| Total Return %                | 2014   | 2015   | 2016   | 2017   | 2018   | YTD    | Q3 2019 |
|-------------------------------|--------|--------|--------|--------|--------|--------|---------|
| <b>Equities</b>               |        |        |        |        |        |        |         |
| MSCI All Country              | 9.6%   | 1.4%   | 9.2%   | 20.0%  | -7.5%  | 17.3%  | 1.1%    |
| MSCI World                    | 11.5%  | 3.4%   | 10.5%  | 20.0%  | -6.2%  | 19.7%  | 1.8%    |
| MSCI Emerging Markets         | 2.6%   | -8.0%  | 7.2%   | 27.8%  | -12.2% | 5.5%   | -2.9%   |
| MSCI World Total Return Euro  | 19.5%  | 10.4%  | 10.7%  | 7.5%   | -4.1%  | 23.3%  | 5.0%    |
| S&P 500                       | 13.7%  | 1.4%   | 12.0%  | 21.8%  | -4.4%  | 20.6%  | 1.7%    |
| Eurostoxx                     | 4.9%   | 11.1%  | 5.0%   | 13.3%  | -12.1% | 20.7%  | 2.6%    |
| FTSE 100                      | 0.7%   | -1.3%  | 19.2%  | 12.0%  | -8.8%  | 14.1%  | 0.9%    |
| FTSE 250                      | 3.7%   | 11.2%  | 6.7%   | 17.8%  | -13.3% | 16.7%  | 3.3%    |
| FTSE All-Share                | 1.2%   | 0.9%   | 16.8%  | 13.1%  | -9.5%  | 14.3%  | 1.2%    |
| Japan Topix                   | 10.3%  | 12.1%  | 0.3%   | 22.2%  | -16.0% | 8.7%   | 3.3%    |
| Iseq                          | 16.7%  | 33.0%  | -2.7%  | 9.4%   | -20.8% | 16.2%  | 2.0%    |
| DAX                           | 2.7%   | 9.6%   | 6.9%   | 12.5%  | -18.3% | 17.7%  | 0.2%    |
| Dow Jones Industrial Average  | 10.0%  | 0.2%   | 16.4%  | 28.1%  | -3.5%  | 17.5%  | 1.8%    |
| NASDAQ Composite Index        | 14.8%  | 7.1%   | 9.0%   | 29.7%  | -2.8%  | 21.6%  | 0.2%    |
| Hang Seng Index               | 5.2%   | -4.0%  | 4.2%   | 41.3%  | -10.6% | 4.3%   | -7.5%   |
| Nikkei 225                    | 9.0%   | 11.0%  | 2.4%   | 21.3%  | -10.3% | 10.8%  | 3.0%    |
| <b>Corporate Bonds</b>        |        |        |        |        |        |        |         |
| European Investment Grade     | 8.3%   | -0.5%  | 4.8%   | 2.5%   | -1.2%  | 6.8%   | 1.3%    |
| US Investment Grade           | 7.5%   | -0.6%  | 6.0%   | 6.5%   | -2.2%  | 12.9%  | 3.1%    |
| European High Yield           | 5.5%   | 0.8%   | 9.1%   | 6.7%   | -3.6%  | 9.1%   | 1.3%    |
| US High Yield                 | 2.5%   | -4.6%  | 17.5%  | 7.5%   | -2.3%  | 11.5%  | 1.2%    |
| <b>Government Bond Yields</b> |        |        |        |        |        |        |         |
| US 2YR                        | 0.7%   | 1.0%   | 1.2%   | 1.9%   | 2.5%   | 1.6%   | 1.6%    |
| US 10YR                       | 2.2%   | 2.3%   | 2.4%   | 2.4%   | 2.7%   | 1.7%   | 1.7%    |
| Germany 10YR                  | 0.5%   | 0.6%   | 0.2%   | 0.4%   | 0.2%   | -0.6%  | -0.6%   |
| UK 10YR                       | 1.8%   | 2.0%   | 1.2%   | 1.2%   | 1.3%   | 0.5%   | 0.5%    |
| Japan 10YR                    | 0.3%   | 0.3%   | 0.0%   | 0.0%   | 0.0%   | -0.2%  | -0.2%   |
| Ireland 10YR                  | 1.3%   | 1.2%   | 0.8%   | 0.7%   | 0.9%   | 0.0%   | 0.0%    |
| Italy 10YR                    | 1.9%   | 1.6%   | 1.8%   | 2.0%   | 2.7%   | 0.8%   | 0.8%    |
| Spain 10YR                    | 1.6%   | 1.8%   | 1.4%   | 1.6%   | 1.4%   | 0.1%   | 0.1%    |
| Portugal 10YR                 | 2.7%   | 2.5%   | 3.8%   | 1.9%   | 1.7%   | 0.2%   | 0.2%    |
| France 10YR                   | 0.8%   | 1.0%   | 0.7%   | 0.8%   | 0.7%   | -0.3%  | -0.3%   |
| <b>Commodities</b>            |        |        |        |        |        |        |         |
| Bloomberg Commodity Index     | -17.0% | -24.7% | 11.4%  | 0.7%   | -13.0% | 1.4%   | -2.4%   |
| Gold                          | -1.4%  | -10.4% | 8.1%   | 13.5%  | -1.6%  | 14.8%  | 4.5%    |
| Brent Crude Oil               | -48.3% | -35.0% | 52.4%  | 17.7%  | -19.5% | 13.0%  | -8.7%   |
| Natural Gas                   | -31.7% | -19.1% | 59.3%  | -20.7% | -0.4%  | -20.7% | 1.0%    |
| <b>Currency Return</b>        |        |        |        |        |        |        |         |
| EURUSD                        | -12.0% | -10.2% | -3.2%  | 14.1%  | -4.5%  | -5.0%  | -4.2%   |
| EURGBP                        | -6.5%  | -5.1%  | 15.8%  | 4.1%   | 1.2%   | -1.3%  | -1.0%   |
| EURJPY                        | 0.1%   | -9.8%  | -5.9%  | 10.0%  | -7.0%  | -6.4%  | -4.0%   |
| USDARS                        | 29.8%  | 52.8%  | 22.8%  | 17.3%  | 102.3% | 52.9%  | 35.6%   |
| USDTRL                        | 8.7%   | 24.9%  | 20.8%  | 7.8%   | 39.3%  | 6.8%   | -2.5%   |
| <b>Currency Rates</b>         |        |        |        |        |        |        |         |
| EURUSD                        | 1.21   | 1.09   | 1.05   | 1.20   | 1.15   | 1.09   | 1.09    |
| EURGBP                        | 0.78   | 0.74   | 0.85   | 0.89   | 0.90   | 0.89   | 0.89    |
| EURJPY                        | 144.85 | 130.64 | 122.97 | 135.28 | 125.83 | 117.80 | 117.80  |
| RMBUSD                        | 6.21   | 6.49   | 6.95   | 6.51   | 6.88   | 7.15   | 7.15    |
| <b>Interest Rates</b>         |        |        |        |        |        |        |         |
| Euribor 3 month               | 0.1%   | -0.1%  | -0.3%  | -0.3%  | -0.3%  | -0.4%  | -0.4%   |
| Libor GBP 3 month             | 0.6%   | 0.6%   | 0.4%   | 0.5%   | 0.9%   | 0.8%   | 0.8%    |
| Libor USD 3 month             | 0.3%   | 0.6%   | 1.0%   | 1.7%   | 2.8%   | 2.1%   | 2.1%    |
| <b>Central Bank Rates</b>     |        |        |        |        |        |        |         |
| European Central Bank         | 0.1%   | 0.1%   | 0.0%   | 0.0%   | 0.0%   | 0.0%   | 0.0%    |
| Bank of England               | 0.5%   | 0.5%   | 0.3%   | 0.5%   | 0.8%   | 0.8%   | 0.8%    |
| Federal Reserve               | 0.3%   | 0.5%   | 0.8%   | 1.5%   | 2.5%   | 2.0%   | 2.0%    |
| <b>Direct Equities</b>        |        |        |        |        |        |        |         |
| New Oriental Education        | -26.2% | 74.4%  | 38.3%  | 96.9%  | -38.8% | 112.3% | 19.5%   |

Source: Bloomberg

Performance displays net total returns in local currency terms.

**Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. These products may be affected by changes in currency exchange rates.**

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Further information in relation to the management of potential conflicts of interest is available upon request. Investors should also read the Prospectus, Supplement and Key Investor Information Document for the Fund, as well as the Information Memorandum prior to making a decision to invest, and for full information on the Fund including, fees, risks and conflicts of interest. These documents are available from Davy, Davy House, 49 Dawson Street, Dublin 2 or [www.davy.ie](http://www.davy.ie). Quarterly Supplement data as at 30th September 2019 unless otherwise stated.

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