

Davy Funds Plc

Davy ESG Multi-Asset Fund

CLASS "A Dist" UNITS

INVESTMENT OBJECTIVE

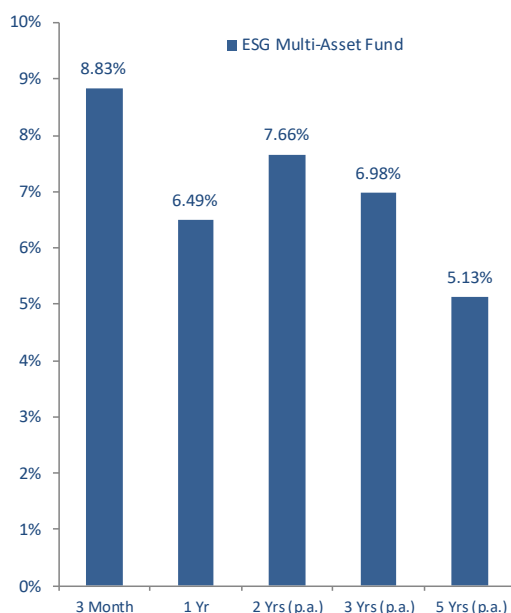
The primary investment objective of the Davy ESG Multi-Asset Fund ('the Fund') is to seek, over time, to achieve capital appreciation in real terms. The Fund may, as a secondary objective, also seek to generate a moderate level of income, from year to year, consistent with the growth objective.

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.

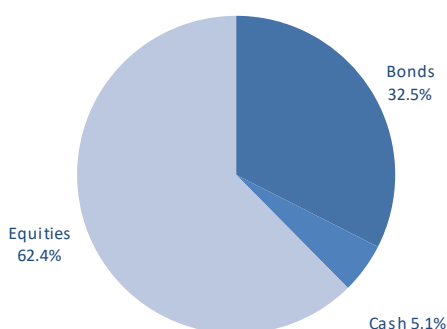
NOTE: All information below is provided as at 30.06.2020

INVESTMENT PERFORMANCE



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

ASSET ALLOCATION (% Fund)



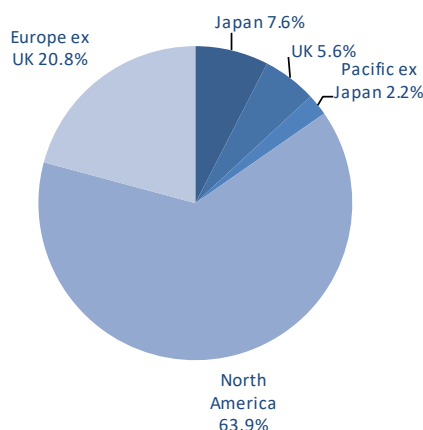
TOP 10 HOLDINGS (%)

10 Largest Equity Holdings (% of Total Fund)

Stock	Country	Weight
Microsoft Corp	USA	4.8%
Apple Inc	USA	3.9%
Alphabet Inc	USA	3.5%
Visa Inc	USA	2.4%
Iberdrola SA	Spain	1.9%
Deutsche Boerse	Germany	1.6%
Home Depot Inc	USA	1.5%
Thermo Fisher Scientific	USA	1.5%
Mondelez International	USA	1.3%
Oracle Corp	USA	1.3%
Total		23.8%

GEOGRAPHIC ALLOCATION (%)

Portfolio Geographic Allocation (% Equity)



Davy Global Fund Management

July 2020

ABOUT THE FUND

Base Currency:

Euro

Fund Size (EUR):

54.73 m

No. of Equity Holdings:

54

Investment Manager:

Davy Global Fund 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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Davy Funds Plc

Davy ESG Multi-Asset Fund

Q2 2020 MARKET REVIEW

The Davy ESG Multi-Asset Fund returned 8.83% for the second quarter of 2020. Global equity markets recovered much of the losses incurred in February and March during the second quarter. The MSCI World Index rose by 16.61% in euro terms taking the year-to-date return to -5.82%. The rally was sparked by unprecedented financial market support from governments and central banks around the world. The US Federal Reserve led the way, slashing its key interest rate towards zero and committing to buying as many securities as necessary to keep interest rates low and provide dollar liquidity to a range of markets. As unemployment levels soared in the US, the Fed also announced that it would buy corporate bonds, including in the secondary market. The announcement led to easier credit conditions for companies and consumers.

Closer to home, the ECB was also buying bonds through its Pandemic Emergency Purchase Programme to ease liquidity pressures within the euro area, while the EU Commission was formulating a rescue package for Europe's worst-hit countries.

All of this fiscal and monetary support halted the tail-spin in financial markets and allowed investors to look through the crisis as lockdown measures were eased through May and June. At one point in June, the MSCI World index was back to within 2% of the level at which it had started the year, with the Information Technology sector leading the way, closely followed by the Consumer Discretionary sector. The relatively defensive Utilities and Consumer Staples sectors recorded modest single-digit returns during the quarter.

Covid-19 understandably continued to dominate bond markets over the most recent quarter. Following the sell-off in risk markets in Q1, bond markets rebounded in Q2, supported by the fiscal and monetary stimulus and improved investor sentiment as governments gradually began to ease lockdown restrictions.

While a rally in risk assets might normally be a recipe for higher "risk-free" government bond yields (e.g. US Treasuries, German Bunds), they were easily contained by the enormous size of central bank bond buying. Within the bond market, the improved risk sentiment saw both sovereign credit and corporate credit outperform. The JP Morgan Global Bond Index was up 0.50% during the period.

The ECB reduced costs for commercial banks by up to 50bps below the deposit rate of -0.50%. So, the ECB is effectively paying the banks 1% to support lending activity to companies and households, although prudent lending and protecting their balance sheet remains the focus of the commercial banks. The ECB confirmed that it would accept some junk-rated debt as collateral for loans to banks, as long as the bonds were rated at least BBB- on April 7th.

In June the European Systemic Risk Board (ESRB) recommended that EU Banks should not pay dividends, bonuses, or buy back shares until the end of the year and potentially longer.

Source: Bloomberg

CALENDAR YEAR FUND PERFORMANCE (%)

	2019	2018	2017	2016	2015
ESG Multi-Asset Fund	21.3%	-1.0%	3.8%	3.2%	7.4%

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

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Davy Global Fund Management

July 2020

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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.