

DAVY

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Strategies

# Davy Cautious Growth Fund

Q3 2018 Update

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Share Class: B Accumulating  
ISIN: IE00BRJL4006  
SEDOL: BRJL400

Performance	1 Month (%)	Q3 2018 (%)	YTD (%)	Since Launch (%)
Davy Cautious Growth Fund (Net of Fees)	-0.36	0.03	-1.12	17.51

Source: Davy and Bloomberg as at 30th September 2018.

The Davy Cautious Growth Fund was launched on 23rd April 2013. Investors should note that as the Davy Cautious Growth Fund is newly established, the past performance reflects past performance data relating to the Davy Cautious Growth Fund (non UCITS) which merged with the Davy Cautious 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.

**1 Month:** 31/08/2018 - 30/09/2018  
**Q3 2018:** 30/06/2018 - 30/09/2018  
**YTD (Year to Date):** 31/12/2017 - 30/09/2018  
**Since Launch:** 23/04/2013 - 30/09/2018  
**ISIN:** International Securities Identification Number  
**SEDOL:** Stock Exchange Daily Official List

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## Summary of Objective

The investment objective of the Davy Cautious Growth Fund is to provide long term capital growth through diversification across major asset classes. Within each major asset class, allocations will be further diversified by factors including sector, geography and various strategies. There is no guarantee the fund will meet its objective.

## Quarterly Fund Commentary

The ongoing trade war can be viewed as a war between two distinct types of economies. On the one hand there are the exporters i.e. Germany (and the Eurozone as a whole), Japan, Emerging Markets (EM) and China and on the other hand, the large importing countries which are dominated by the United States (US). Since the US is the primary agitator in the battle so far, it is fair to assume that the US stands to benefit the most from revisiting global tariffs, with others set to lose out. The US runs a large and persistent current account deficit (which it funds by issuing debt) and this is not a sustainable model over the longer term. One could argue that President Trump is right to try and rewrite the rule book, although many would question his unconventional methods. There is no doubt that in terms of stock markets there has only been one winner, a fact that Trump almost certainly considers a validation of his policies. In addition to this, European growth has been slowing in recent months as confidence wanes and business sentiment declines, due to the uncertainty of Trump's policies. Meanwhile Brexit stumbles on with little or no sign of a resolution as Theresa May battles to shore up opinion and the Labour Party distance themselves from any Brexit, that does not involve a mandate from the people.

Given the back drop of the ongoing trade war, the story for the year so far continued in Quarter 3 (Q3) with the US equity market once again powering ahead of other major regions. The S&P 500 was up c. 8.1% (EUR) in comparison to Europe c. +0.5% (EUR) and EM c. -0.4% (EUR). Emerging markets suffered from rising interest rates in the US as the Federal Reserve (Fed) continued their rate hiking cycle – as US wage growth picks up - putting pressure on EM currencies. Argentina and Turkey bore the brunt of the impact with their currencies falling substantially as concerns rose regarding the sustainability of their borrowing. The contagion flowed into other EM countries hitting equity returns and raising concerns about the stability of EM stocks. Adding to these concerns are weakness around Chinese growth - which has long been a driver of EM growth – as the economy naturally slowed after years of strong growth and US tariffs started to bite, as President Trump continued to push for higher tariffs on Chinese goods being sold in the US. Our active managers fared well overall with Brandes European Value and Threadneedle European Select outpacing the broader European market. In the US the Vanguard US Opportunities Fund had another strong quarter adding to its gains for the year to date and our global healthcare call has performed very well up 12.2% (EUR) for the quarter. Fixed income had a weak quarter with Global Government bonds down c. 1.3% (EUR), European Government Bonds fared little better falling 1% (EUR). Corporate bonds held up well on the quarter with most bonds flat to slightly up.

In currencies the Euro/US Dollar (USD) pair has been relatively flat on the quarter with the Euro slightly stronger. Somewhat surprisingly the British Pound has also stayed relatively unchanged over the quarter, although the UK market has suffered from the uncertainty falling c. 1.5% (EUR) during the quarter.

The Davy Cautious Growth Fund suffered due to the high fixed income allocation that lower risk funds of this nature tend to hold, however our equity holdings offset this negating the weak bond performance. Overall the Davy Cautious Growth Fund was flat for Q3.

### Investment Committee Commentary

<b>Equities</b>	The committee retains a neutral stance on equities with our portfolio holdings at or close to their long-term weighting. While the current run in equities is now approaching 10 years, there doesn't appear to be anything on the immediate horizon that will derail the current momentum. The committee is keeping a close eye on key indicators as the underlying fundamentals remain robust, with global growth picking up and inflation remaining in check. In addition, US earnings growth has been particularly strong because of the recently enacted tax cuts supporting equity markets. Trump's rhetoric and actions on trade have caused pockets of weakness in Europe and EM, however it is unlikely to cause a recession without an additional catalyst.
<b>Fixed Income</b>	Bond yields (which move inversely to prices) have increased steadily over the year to date as inflation picks up, albeit to levels that the committee would consider to be sustainable and more in line with historic norms. We maintain a negative view on fixed income and hold shorter maturity bonds currently than we have done historically. As we near the end of the cycle we would expect to see our negative stance moderating, although we do not see this happening in the immediate future.
<b>Alternatives</b>	Alternatives are a fundamental part of our multi asset process and are designed to add uncorrelated returns to the more traditional portfolio e.g. stocks and bonds. While alternatives have struggled in the year to date, they are struggling against the backdrop of strong equity markets which offsets some of the underperformance. We continue to assess the role of absolute return in the portfolio and will make any changes that the committee feels are warranted, based on the detailed analysis and reviews that are constantly undertaken on this element of the portfolio.
<b>Cash</b>	Cash deposit rates remain negative and our outlook for cash is neutral with minimal levels held across portfolios. The cash that we do hold is available to deploy at any given opportunity and the committee likes the flexibility that this allows. Cash rates are likely to stay low until late summer 2019 based on comments from the European Central Bank (ECB) President Mario Draghi. Barring an unlikely spike in inflation in Europe we see no reason to doubt this time line and continue to monitor opportunities to deploy cash in the market.

### Changes to the fund

We added the Goldman Sachs Core Equity Fund at a 0.75% weighting, there was a corresponding reduction made to Blackrock Global Equity Income Fund with the new weight at 0.75%. The decision reflects the view of the investment committee that a core approach is more favorable at this stage in the cycle than an income focused approach.

Calendar Year Performance	2017 (%)	2016 (%)	2015 (%)	2014 (%)	2013 (%)
Davy Cautious Growth Fund (Net of fees)	2.01	1.29	3.54	8.78	N/A

Source: Davy, Bloomberg and Northern Trust.  
Performance displays total returns in Euro Terms.

**WARNING: Forecasts are not a reliable guide to future performance.**

**WARNING: If you invest in this product you may lose some or all of the money you invest. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates. Past performance is not a reliable guide to future performance.**

## Underlying Fund Commentary

<b>iShares Global Healthcare Exchange Traded Fund (ETF)</b> <b>+11.6% (USD)</b>	Healthcare stocks had a strong quarter as strong earnings fed through to share price performance, no doubt aided substantially by the tax cuts enacted in the US. Pfizer posted strong earnings with the stock making significant gains over the quarter, this fed through to big pharma stocks in general giving the sector as a whole a welcome boost.
<b>Threadneedle European Select</b> <b>+1.6% (EUR)</b>	Threadneedle generated a positive return over the quarter of 1.6% but lagged its broader European benchmark. Detractors from performance included the fund's holding in Anheuser Busch Inbev, which fell due to revenue declines from its main beer brands. Within the Health Care sector Threadneedle prefer more niche healthcare stocks and are underweight the large, diversified pharma stocks when compared to the broader market. This detracted over the quarter as large healthcare names performed strongly. Contributors to performance include stock selection within the IT sector.
<b>Vanguard US Opportunities</b> <b>+8.3% (USD)</b>	The Vanguard US Opportunities fund which is managed by Primecap continues to deliver strong returns and has now outperformed the broader S&P 500 index by c. 5.6% in the year to date. The team at Primecap has built up expertise in analysing healthcare stocks and have a long track record of adding value through stock selection in niche, specialist healthcare companies. In Q3 the fund also added value through its large position in the Airlines sector.
<b>PIMCO Global Low Duration Real Return Fund</b> <b>-0.3% (EUR)</b>	The fund performed relatively well in comparison to the broader global government bond market as inflation continues to rise globally. Higher inflation is a negative for most bonds and thus the inflation linked bonds held offer diversification and a hedge against higher inflation rates. Given that we are approaching low levels of unemployment in many areas of the economy thus increasing the potential for higher wage inflation, this fund will continue to provide protection to the fixed income portion of the portfolio.
<b>Ruffer Total Return Fund</b> <b>-0.6% (EUR)</b>	Ruffer fell for the quarter alongside absolute return funds in general as some specific stock picks went against them and the protection element of their portfolio weighed on performance, this element of the portfolio should protect in the event of a sharp selloff but in the absence of this it is a drag on performance. The fund has performed well in what has been a difficult environment for absolute return funds.
<b>JPMorgan Global Macro Opportunities</b> <b>-3.1% (EUR)</b>	JPMorgan struggled on the quarter due to some stock specific issues and due to the protection measures they hold in portfolios. JPMorgan invests in secular long-term trends and these tend to play out over a long period of time which can mean there are periods of underperformance in the shorter term.

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## Underlying Fund Allocations and Performance\*

	Average Weighting for Quarter	Quarterly Performance	YTD Performance
<b>Equities</b>	<b>25.1%</b>		
<b>European Equities</b>	<b>7.5%</b>		
Threadneedle European Select Fund	1.5%	1.6%	2.6%
iShares Euro STOXX ETF	5.3%	0.5%	0.4%
Brandes European Value Fund	0.7%	-0.3%	0.5%
<b>International Equities</b>	<b>15.2%</b>		
iShares Core MSCI World ETF	10.1%	5.2%	9.0%
Vanguard US Opportunities Fund	0.5%	8.9%	19.9%
Blackrock Global Equity Income Fund	1.1%	4.6%	0.3%
Goldman Sachs Global Core Equity	0.4%	5.3%	10.9%
Robeco US Select Opportunities Equities Fund	1.0%	4.2%	5.1%
iShares Global Healthcare ETF	1.0%	12.2%	16.9%
Uni-Global - Equities World Fund	0.5%	7.0%	5.9%
Acadian Managed Volatility Fund	0.5%	5.1%	6.6%
<b>Emerging Market Equities</b>	<b>2.5%</b>		
iShares Core MSCI Emerging Markets ETF	1.0%	-0.4%	-4.9%
Morgan Stanley Emerging Markets Fund	0.7%	-1.9%	-9.0%
Lazard Emerging Markets Fund	0.7%	-2.2%	-7.4%
<b>Fixed Income</b>	<b>48.8%</b>		
<b>Government Bonds</b>	<b>32.6%</b>		
Vanguard European Bond Fund	9.8%	-1.0%	-0.6%
Amundi Global Bond Fund	1.4%	-1.3%	-2.0%
SSgA Global Government Bond Fund	18.9%	-1.1%	-1.6%
PIMCO Global Low Duration Real Return Fund	2.5%	-0.3%	-1.1%
<b>Corporate Bonds</b>	<b>16.2%</b>		
iShares Core Euro Corporate Bond ETF	6.4%	0.1%	-0.8%
Muzinich Enhanced Short Term Yield Fund	4.4%	0.6%	-0.4%
Bluebay Investment Grade Corporate Bond Fund	5.5%	0.1%	-0.4%
<b>Alternatives</b>	<b>15.8%</b>		
<b>Absolute Return</b>	<b>15.8%</b>		
Invesco Targeted Returns Fund	1.2%	-1.0%	-2.2%
Fulcrum Diversified Absolute Return Fund	0.0%	1.2%	0.6%
JP Morgan Global Macro Opportunities Fund	3.4%	-3.1%	-4.2%
JP Morgan Systematic Alpha Fund	1.2%	-1.4%	-6.6%
Goldman Sachs Global Macro Bond Fund	0.8%	-1.2%	-4.4%
Ruffer Total Return Fund	3.3%	-0.6%	-1.3%
Putnam Multi Asset Absolute Return	1.7%	-0.7%	-4.5%
GMO Major Markets Fund	0.8%	-1.6%	-2.2%
AQR Systematic Total Return	3.4%	-1.6%	-14.6%
<b>Cash</b>	<b>10.3%</b>		
<b>Cash</b>	<b>10.3%</b>		
Deposit - Cash	1.5%		
AIB DEPOSIT	0.6%		
BOI FIXED TERM EUR	8.1%		
<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	2013	2014	2015	2016	2017	Q3
IE0031574977	EUR	Brandes European Value	26.7%	4.6%	18.9%	7.6%	-0.8%	-0.3%
	EUR	MSCI Europe Net TR USD Index	19.9%	6.9%	8.2%	2.6%	10.1%	1.3%
GB00B9MB3P97	EUR	Threadneedle European Select Fund	20.0%	11.8%	17.7%	-3.7%	15.7%	1.6%
	EUR	FTSE ALL-WORLD EUR EX UK	20.6%	5.5%	10.7%	4.4%	12.1%	2.5%
DE000A0D8Q07	EUR	iShares Euro STOXX ETF	24.5%	4.9%	11.7%	4.0%	13.6%	0.5%
	EUR	EURO STOXX Net Return	23.7%	4.1%	10.3%	4.1%	12.6%	0.6%
IE00B4L5Y983	EUR	iShares Core MSCI World ETF	22.8%	20.4%	10.3%	10.9%	7.5%	5.2%
	EUR	MSCI Daily TR Net World USD	21.2%	19.6%	10.4%	10.8%	7.4%	5.6%
IE00B03HCY54	USD	Vanguard US Opportunities Fund	49.8%	15.9%	6.2%	12.7%	31.4%	8.3%
	USD	RUSSELL 3000 INDEX	33.6%	12.6%	0.5%	12.7%	21.1%	7.1%
LU0545040395	USD	Blackrock Global Equity Income	N/A	N/A	1.5%	5.2%	19.7%	4.5%
	USD	MSCI ACWI Index	23.4%	4.7%	-1.9%	8.5%	24.6%	4.4%
LU0674140123	USD	Robeco US Select Opportunities Equities	39.3%	13.0%	2.7%	13.7%	15.4%	3.6%
	USD	MSCI ACWI Index	23.4%	4.7%	-1.9%	8.5%	24.6%	4.4%
IE00B4T3NP37	USD	Acadian Manged Volatility	19.4%	7.0%	6.5%	6.5%	19.4%	4.6%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
US4642873255	USD	iShares Global Healthcare ETF	35.8%	17.3%	6.0%	-6.0%	20.4%	11.6%
	USD	S&P Global 1200 Health Care Sector	36.4%	17.8%	6.0%	-6.2%	20.5%	11.9%
LU0280841296	EUR	Goldman Sachs Global Core Equity	26.6%	25.2%	16.1%	11.8%	10.5%	5.3%
IE00BHZZKQB61	EUR	PIMCO Global Low Duration Real Return	N/A	N/A	-1.4%	2.2%	-0.3%	-0.3%
	USD	Bloomberg Barclays Global Treasury Total Return Index	-4.3%	-0.8%	-3.3%	1.7%	7.3%	-1.7%
LU0956451438	EUR	State Street Global Advisors Government Bond (SSGA)	N/A	7.8%	0.9%	2.1%	-0.3%	-1.1%
	USD	Bloomberg Barclays Global Treasury Total Return Index	-4.3%	-0.8%	-3.3%	1.7%	7.3%	-1.7%
IE0007472990	EUR	Vanguard Euro Bond Fund	1.9%	12.2%	1.3%	3.0%	-0.1%	-1.0%
	EUR	Bloomberg Barclays GA EUR Govt Flaot Index	2.1%	12.4%	1.5%	3.1%	0.2%	-1.0%
IE0033758917	EUR	Muzinich Enhanced Yield	3.3%	1.4%	0.3%	4.0%	2.4%	0.6%
	USD	Bloomberg Barclays Global Treasury Total Return Index	-4.3%	-0.8%	-3.3%	1.7%	7.3%	-1.7%
IE00B3F81R35	EUR	iShares Barclays Euro Corporate Bond ETF	2.1%	8.2%	-0.7%	4.6%	2.2%	0.1%
	EUR	Bloomberg Barclays Euro Aggregate Corporate Total Return Index	2.4%	8.4%	-0.6%	4.7%	2.4%	0.0%
LU0225310266	EUR	Bluebay Corporate Bond Fund	3.5%	6.5%	-1.6%	3.3%	4.3%	0.1%
	EUR	IBOXX Euro Corporates Overall Total Return Index	2.2%	8.2%	-0.7%	4.7%	2.4%	0.0%
LU0638558394	EUR	Ruffer Total Return	9.4%	5.8%	0.1%	13.2%	0.2%	-0.6%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
IE00BVDPPC56	USD	Lazard Emerging Markets	N/A	N/A	N/A	3.6%	40.1%	-2.7%
	USD	MSCI EM USD	-2.4%	-2.1%	-14.7%	11.7%	37.7%	-1.0%
LU0971481477	EUR	Uni-Global Equities World	N/A	26.1%	12.5%	7.9%	5.5%	7.0%
	USD	MSCI World Index	27.3%	5.5%	-0.3%	8.1%	23.0%	5.1%
IE00BKM4GZ66	USD	iShares Core MSCI Emerging Markets ETF	N/A	N/A	-14.8%	10.2%	36.9%	-0.9%
	USD	MSCI EM IMI USD	-2.2%	-1.8%	-13.9%	9.9%	36.8%	-1.5%
LU0360480858	USD	Morgan Stanley Emerging Markets	0.4%	-4.3%	-10.6%	5.8%	35.3%	-2.5%
	USD	MSCI EM USD	-2.4%	-2.1%	-14.7%	11.7%	37.7%	-1.0%
LU0406668342	EUR	JP Morgan Systematic Alpha	8.8%	1.9%	0.4%	1.8%	-3.0%	-1.4%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU0095623541	EUR	JP Morgan Global Macro Opportunities	16.3%	13.7%	10.4%	-4.8%	15.2%	-3.1%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU1477619297	EUR	Goldman Sachs Global Macro Bond Fund	N/A	N/A	N/A	N/A	-1.1%	-1.2%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU1004133531	EUR	Invesco Targeted Returns Fund	N/A	8.8%	1.4%	2.2%	0.0%	-1.0%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU1532680458	EUR	AQR Systematic Total Return	N/A	N/A	N/A	N/A	N/A	-1.6%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
IE00BDS6C378	EUR	GMO Major Markets Investment Fund	N/A	N/A	N/A	N/A	N/A	-1.6%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU0389812693	EUR	Amundi Global Index	-0.8%	8.0%	0.6%	2.1%	0.1%	-1.3%
IE00BW9HGN00	EUR	Putnam Multi Asset Absolute Return	N/A	N/A	N/A	2.1%	7.3%	-0.7%
	EUR	Hedge Fund Research HFRX Abs Ret Index	-0.9%	14.9%	14.5%	3.3%	-9.3%	0.5%
LU1551069641	EUR	Fulcrum Diversified Absolute Return Fund	N/A	N/A	N/A	-0.6%	1.1%	1.2%

Source: Bloomberg

Performance displays net total returns in local currency terms.

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## Market Data

Fund Name	2012	2013	2014	2015	2016	2017	Q3
<b>Equities</b>							
MSCI All Country	16.3%	25.9%	9.6%	1.4%	9.2%	20.0%	4.7%
MSCI World	17.8%	30.9%	11.5%	3.4%	10.5%	20.0%	5.6%
MSCI Emerging Markets	14.0%	1.0%	2.6%	-8.0%	7.2%	27.8%	-1.0%
MSCI World Total Return Euro	14.0%	21.2%	19.5%	10.4%	10.7%	7.5%	5.5%
S&P 500	16.0%	32.4%	13.7%	1.4%	12.0%	21.8%	7.7%
Eurostoxx	20.4%	24.7%	4.9%	11.1%	5.0%	13.3%	0.6%
FTSE 100	10.0%	18.7%	0.7%	-1.4%	19.2%	12.0%	-0.7%
Japan Topix	20.9%	54.4%	10.3%	12.1%	0.3%	22.2%	5.7%
Iseq	20.4%	35.7%	16.7%	33.0%	-2.7%	9.4%	-6.2%
DAX	29.1%	25.5%	2.7%	9.6%	6.9%	12.5%	-0.5%
Dow Jones Industrial Average	10.2%	29.7%	10.0%	0.2%	16.5%	28.1%	9.6%
NASDAQ Composite Index	17.7%	40.2%	14.8%	7.1%	9.0%	29.7%	7.4%
Hang Seng Index	27.3%	6.4%	5.2%	-4.0%	4.2%	41.3%	-2.5%
Nikkei 225	25.6%	59.4%	9.0%	11.0%	2.4%	21.3%	8.8%
<b>Corporate Bonds</b>							
European Investment Grade	13.2%	2.3%	8.3%	-0.5%	4.8%	2.5%	0.0%
US Investment Grade	10.4%	-1.5%	7.5%	-0.6%	6.0%	6.5%	1.0%
European High Yield	27.2%	10.1%	5.5%	0.8%	9.1%	6.7%	1.7%
US High Yield	15.6%	7.4%	2.5%	-4.6%	17.5%	7.5%	2.4%
<b>Government Bond Yields</b>							
US	1.8%	3.0%	2.2%	2.3%	2.4%	2.4%	3.1%
Germany	1.3%	1.9%	0.5%	0.6%	0.2%	0.4%	0.5%
UK	1.8%	3.0%	1.8%	2.0%	1.2%	1.2%	1.6%
Italy	4.5%	4.1%	1.9%	1.6%	1.8%	2.0%	3.1%
Spain	5.3%	4.2%	1.6%	1.8%	1.4%	1.6%	1.5%
Japan	0.8%	0.7%	0.3%	0.3%	0.0%	0.0%	0.1%
Ireland	N/A	3.5%	1.3%	1.2%	0.8%	0.7%	1.0%
Italy	4.5%	4.1%	1.9%	1.6%	1.8%	2.0%	3.1%
France	2.0%	2.6%	0.8%	1.0%	0.7%	0.8%	0.8%
<b>Commodities</b>							
Bloomberg Commodity Index	-1.1%	-9.6%	-17.0%	-24.7%	11.4%	0.7%	-2.5%
Gold	7.1%	-28.3%	-1.4%	-10.4%	8.1%	13.5%	-4.9%
Brent Crude Oil	3.5%	-0.3%	-48.3%	-35.0%	52.4%	17.7%	4.1%
Natural Gas	12.1%	26.2%	-31.7%	-19.1%	59.3%	-20.7%	2.9%
<b>Currency Return</b>							
EURUSD	1.8%	4.2%	-12.0%	-10.2%	-3.2%	14.1%	-0.7%
EURGBP	-2.6%	2.3%	-6.5%	-5.1%	15.8%	4.1%	0.6%
EURJPY	14.9%	26.4%	0.1%	-9.8%	-5.9%	10.0%	2.0%
USDARS	14.3%	32.6%	29.8%	52.8%	22.8%	17.3%	42.8%
USDTRL	-5.7%	20.4%	8.7%	24.9%	20.8%	7.8%	31.9%
<b>Currency Rates</b>							
EURUSD	1.32	1.37	1.21	1.09	1.05	1.20	1.16
EURGBP	0.81	0.83	0.78	0.74	0.85	0.89	0.89
EURJPY	114.46	144.73	144.85	130.64	122.97	135.28	131.93
<b>Interest Rates</b>							
Euribor 3 month	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Libor GBP 3 month	0.01	0.01	0.01	0.01	0.00	0.01	0.01
Libor USD 3 month	0.00	0.00	0.00	0.01	0.01	0.02	0.02
<b>Central Bank Rates</b>							
European Central Bank	0.8%	0.3%	0.1%	0.1%	0.0%	0.0%	0.0%
Bank of England	0.5%	0.5%	0.5%	0.5%	0.3%	0.5%	0.8%
Federal Reserve	0.3%	0.3%	0.3%	0.5%	0.8%	1.5%	2.3%
<b>Direct Equities</b>							
Nektar Therapeutics	32.4%	53.2%	36.6%	8.7%	-27.2%	386.7%	24.8%
Pfizer	20.4%	26.2%	5.3%	7.1%	4.5%	15.9%	22.5%
Anheuser Busch Inbev	41.2%	20.3%	24.2%	24.9%	-9.4%	-4.0%	-13.0%

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.**

This document is not intended to be comprehensive and is designed to provide summary interim information to existing investors in the Davy Cautious Growth Fund for the relevant quarter noted. It should be read in conjunction with the Davy Cautious Growth Fund October Monthly Factsheet for the fund. It is not a recommendation or investment research and is classified as a marketing communication in accordance with the European Union (Markets in Financial Instruments) Regulations 2017. It assumes the investors have read the full Information Memorandum (IM). It does not constitute an offer or solicitation for the purchase or sale of any financial instrument, 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 Investment Intermediary as relevant or other legal or tax advisor before making an investment decision. Investors should be aware that some of the Directors of the Company (Davy Funds plc) are also employed by the Investment Manager, Promoter and the Distributor (J&E Davy).

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). Factsheet data as at 30th September 2018 unless otherwise stated.

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**Dublin Office** Davy House, 49 Dawson Street, Dublin 2, Ireland. T +353 1 679 7788 E [dublin@davy.ie](mailto: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](mailto:belfast@davy.ie)

**Cork Office** Hibernian House, 80A South Mall, Cork, Ireland. T +353 21 425 1420 E [cork@davy.ie](mailto:cork@davy.ie)

**Galway Office** 1 Dockgate, Dock Road, Galway, Ireland. T +353 91 530 520 E [galway@davy.ie](mailto: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](mailto:london@davy.ie)

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