Davy Asset Management DAVY

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Davy Defensive Equity Income Fund

Class M Euro accumulating shares of Davy Defensive Equity Income Fund ("the Fund") a sub fund of the Davy Funds Plc (the "Company"). (ISIN IE00BD608W27)

Objectives and Investment Policy

Investment Objective:
The Fund's investment objective is to achieve stable long-term growth in both capital and income by investing directly and/or indirectly (via financial derivative instruments ("FDIs") and exchange traded funds ("ETFs")) in a diversified portfolio of global equity securities. There is no guarantee or assurance that the investment objective of the Fund will actually be achieved.

Investment Policy:
The Fund Manager invests in large global companies which it believes likely to have reasonable dividend yields and that are also likely to increase their dividend payouts each year. Each quarter the Fund Manager sells call options on some stocks within the Fund. A call option on a stock gives the buyer the right (but not the obligation) to purchase that stock at a specified price within a set time period. The seller of the call option (the Fund) receives a sum of money called a premium. The Fund then uses this premium each quarter to buy put options on some of the leading equity indices. A put option on an equity index gives the buyer the right (but not the obligation) to sell that index at a specified price on a certain date.
The Fund expects this strategy to reduce the risk of significant losses for investors in the Fund.

Risk and Reward Profile

Lower risk — Higher risk

Potentially lower reward — Potentially higher reward

1	2	3	4	**5**	6	7

- Historical data may not be a reliable indication for the future.
- The Risk and Reward profile is not guaranteed and may change over time.
- The lowest category does not mean 'risk free'.
- The Fund is in category 5 (denoting medium to high risk, but with the potential for better reward) due to the implementation of its investment policy and process. The Fund is in category 5 because of the high range and frequency of price movement (volatility) of the underlying investments referenced by the Fund.

Other Information:

- The Fund may use FDIs for efficient portfolio management and currency hedging purposes. Such techniques and instruments include options and forwards.
- You can buy, exchange and sell shares in the Fund on a daily basis on any business day in Dublin.
- This class does not intend to pay a dividend. Any income generated by the Fund is reinvested to grow the value of your investment.
- The Fund may not be appropriate for investors who plan to withdraw their money in 2-3 years.

For full investment objectives and policy details please refer to the prospectus and the Fund's supplement which are available on www.davy.ie.

The indicator opposite does not take account of the following risks of investing in the Fund:

- Investing overseas can bring additional returns and spread risk to different markets. There are risks, however, that changes in currency rates may reduce the value of your investment.
- General Investment and Market Risks of the CIS: The Fund's activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of the CIS and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's returns or result in losses.
- Currency Risk: There is a risk of loss arising from exchange rate fluctuations or exchange control regulations.
- Use of derivatives for currency hedging purposes involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investment.

For a complete description of such risk factors, please see the section entitled "Risk Factors" in the Company's prospectus which is available on www.davy.ie.

Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
Entry charge	5%
Exit charge	3%
These are the maximum charges that we might take out of your money before it is invested and before we pay out the sale proceeds of your investment. In some cases, you might pay less and you should speak to your financial adviser about this.	
Charges taken from the Fund over a year	
Ongoing charges	0.62 %
Charges taken from the Fund under certain specific conditions	
Performance fee	None

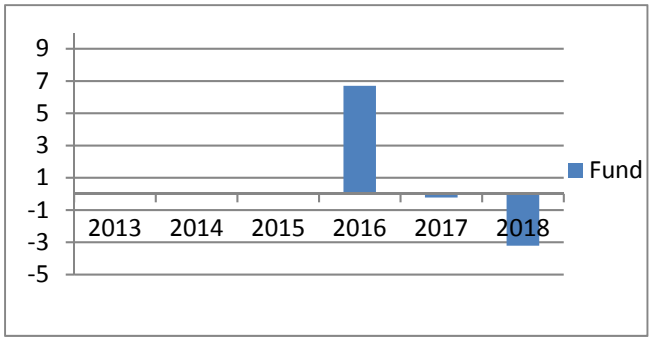
The Directors may impose an anti-dilution levy in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment on the value of the relevant subscriptions or repurchases to reflect the impact of other dealing costs and to preserve the value of the underlying assets.

A maximum exchange charge of 2% may apply.

The ongoing charges figure shown here is based on the expense for the year ending 31 December 2018. The ongoing charges figure may vary from year to year and excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another fund).

For more information about charges, please refer to prospectus and the Fund's supplement which are available on www.davy.ie.

Past Performance



Please be aware that past performance is not a reliable indicator of future results.
The share class was launched on May 2015.
Past Performance has been calculated in Sterling.

The ongoing charges are included in the calculation of past performance and the entry/exit figures are excluded from the calculation of past performance.

Practical Information

- The base currency of the Fund is EUR. The available share classes of the Fund are Class A Accumulating Shares, Class B Accumulating Shares, the Class C Accumulating Shares, the Class D Accumulating Shares, the Class E Accumulating Shares, the Class F Accumulating Shares, the Class G Accumulating Shares, the Class H Accumulating Shares, the Class I Accumulating Shares, the Class J Accumulating Shares, Class M Accumulating (the "Accumulating Share Classes") and the Class A Distributing Shares, the Class B Distributing Shares, the Class C Distributing Shares, the Class D Distributing Shares, the Class E Distributing Shares, the Class F Distributing Shares, the Class G Distributing Shares, the Class H Distributing Shares, the Class I Distributing Shares, the Class J, Class M (the "Distributing Share Classes").
- Further information in respect of these other classes is set out in the Fund's supplement. It is possible to exchange your shares in the Fund for shares of another class in the Fund. Details of exchange of shares are provided in the supplement.
- Information on how to buy and sell shares is available by contacting us at Davy Funds Plc, c/o Northern Trust Securities Services (Ireland) Limited, Georges Court, 54-62 Townsend Street, Dublin 2, Ireland. Tel: 353 (0)1 434 5122. Email: dublin_ops_team@ntrs.com. Website: www.davyassetmanagement.ie.
- Further detailed information about the Fund, including its prospectus, supplement and latest annual and half-yearly reports, is available free of charge from www.davy.ie. The documents are available in English only.
- Other practical information, including current share prices for the Fund, may be obtained from our website or by contacting us and may also be published in the Irish financial press. The prices of shares will be published weekly on our website www.davyassetmanagement.ie.
- The Fund's Depositary is Northern Trust Fiduciary Services (Ireland) Limited.
- You should be aware that the tax legislation in Ireland (where the Fund is authorised) may have an impact on your personal tax position.
- Davy Funds Plc may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the prospectus for this Fund.
- The Company is an umbrella fund with segregated liability between sub-funds. This means that the holdings of the Fund are maintained separately under Irish law from the holdings of other sub-funds of the Company and your investment in the Fund will not be affected by any claims against any other sub-fund of the Company.
- Details of the Company's remuneration policy are available at the following website: www.davy.ie. The remuneration policy may be obtained free of charge on request from the Company.
- The Fund is authorised in Ireland and is regulated by the Central Bank of Ireland. This information is accurate as at date of publication 19/02/2019