

Davy Low Carbon Equity Strategy

Strategy Information September 2020

This Strategy is provided and managed by Davy Global Fund Management

Davy Global Fund Management ('Firm')

About us	Davy Group Founded: 1926 Headquarters: Dublin, Ireland DGFM AUM: \$7.6bn
Investment Capabilities	Global Equity Strategies: <ul style="list-style-type: none"> ▪ ESG Equity ▪ Low Carbon Equity ▪ Smaller Companies Equity ▪ Custom strategies
Contact us	Name: James R. Grant Jr. Location: Chicago, IL Tel: +1 630 716 1719 Email: jim.grant@davygfm.com

Davy Low Carbon Equity

Inception	April 2018
Strategy AUM²	\$21.7mn
Benchmark	MSCI World Index

Portfolio Management Team



Des Flood: Portfolio Manager
Industry start: 1987
BA, MA, ASIP



Brian Kennedy: Portfolio Manager
Industry start: 2009
BA, MSc, CFA

Investment Strategy

- The Davy Low Carbon Equity strategy, invests in high QUALITY³ companies which demonstrate a combination of low carbon emissions and a high level of climate change mitigation, using a blend of quantitative and fundamental-based investment approaches which we call 'Quantamental' investing.
- We believe climate change represents the largest ESG business risk to companies in operation today and companies, which adapt to a low carbon future, while displaying high QUALITY fundamentals, represent superior long-term investments.
- In our opinion, stocks which exhibit the characteristic of QUALITY will deliver consistent superior risk adjusted performance over the long term. The strategy focuses on companies which offer a combination of high QUALITY and strong climate change mitigation to build a high conviction portfolio from the bottom up.

Investment Process

- Climate change considerations are integrated across the investment process, including; idea generation, fundamental research, valuation, engagement, portfolio construction, risk management and reporting.
- The team uses a proprietary research methodology to identify companies effectively mitigating climate change in their business while adapting their products and services for a low carbon future.
- The strategy does not invest in companies which are involved in the exploration, extraction or burning of fossil fuels for profit.
- Company engagement is used to support fundamental research and drive improved performance on key climate change issues. All engagements are investor-led.

Performance

Returns (%) as at September 30th, 2020

Equity Strategies – USD	3M	YTD	1Yrs	2Yrs	5Yrs	7Yrs	10Yrs	Since Inception (April 2018)	Inception Date
Low Carbon Equity (Gross)	11.99	8.97	17.10	11.76	-	-	-	12.11	04/25/2018
Low Carbon Equity (Net)	11.89	8.68	16.69	11.37	-	-	-	11.71	
MSCI World	7.93	1.70	10.41	6.03	-	-	-	7.35	

Source: Davy Global Fund Management and MSCI. Periods over 1 year are annualized
Net performance for the strategies shown is that of Davy Low Carbon Equity Class AA accumulating which is not available for investment in the United States, but the strategies are available through a segregated mandate. Fees for such segregated mandates may vary from the fees assessed by the UCITs funds. Please see the performance disclosures at the end of the document.

¹As at December 31st, 2019

²As at September 30th 2020

³"Quality Matters" White Paper – Chantal Brennan, Paraic Ryan, Hannah Cooney: 2016: Copy available on request from DGFM

Risk Metrics

2yr as at September 30th, 2020

Equity Strategies – USD	Strategy	Benchmark
Information Ratio	1.9	-
Sharpe Ratio ⁴	0.6	0.2
Sortino Ratio	0.8	0.3
Standard Deviation	18.2%	20.1%
Maximum Drawdown ⁵	18.1%	21.1%
Beta vs Benchmark	0.90	-
Upside Capture vs Benchmark	101.9%	-
Downside Capture vs Benchmark	83.2%	-
Batting Average	0.8	-

Source: Davy Global Fund Management and MSCI
Product risk metrics based on gross performance.

⁴Risk free instrument used in calculation – 3-month US Treasury Bill.

⁵Sourced Style Analytics based on 5 years.

Holdings

As at September 30th, 2020

Top 10 Holdings	Strategy ⁶	ESG
Microsoft Corp	5.5%	AAA
Apple Inc	5.5%	A
Alphabet Inc CL A	4.3%	AA
Thermo Fisher	3.1%	BBB
United Parcels Services	2.8%	BBB
Iberdrola SA	2.7%	AAA
VISA Inc	2.7%	A
Hologic Inc	2.5%	AA
Unilever NV	2.4%	A
Deutsche Boerse	2.4%	AAA
Total	33.8%	

⁶Absolute weights.

Portfolio Characteristics

As at September 30th, 2020

Characteristics	Strategy	Benchmark
P/E Trailing	26.0	28.6
P/E Forward	20.0	20.0
Dividend Yield	1.8%	2.1%
Price to Book	3.9	2.7
Price to Cash flow	13.4	11.98
Earnings Growth (last 3Yrs)	9.2%	8.3%
Market Cap - Mean (\$Bn)	176.1	33.7
Market Cap - Median (\$Bn)	54.8	13.8
Market Cap - Weighted Average (\$Bn)	328.3	308.7

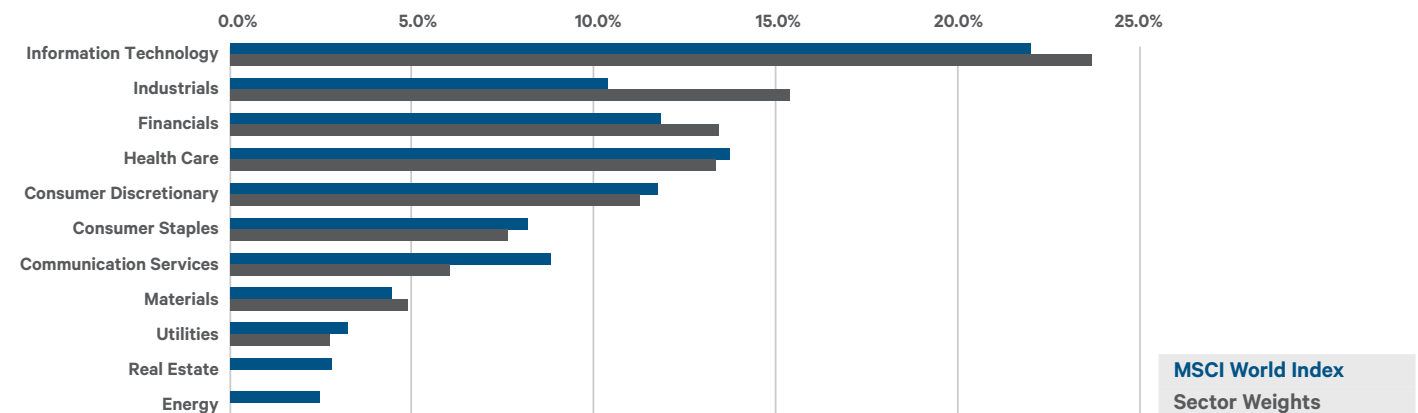
Regional Characteristics

As at September 30th, 2020

Region	Strategy	Relative
Asia Ex Japan	2.5%	-0.9%
Europe Ex UK	17.5%	2.3%
Japan	9.5%	1.6%
North America	64.6%	-5.2%
UK	4.6%	0.8%

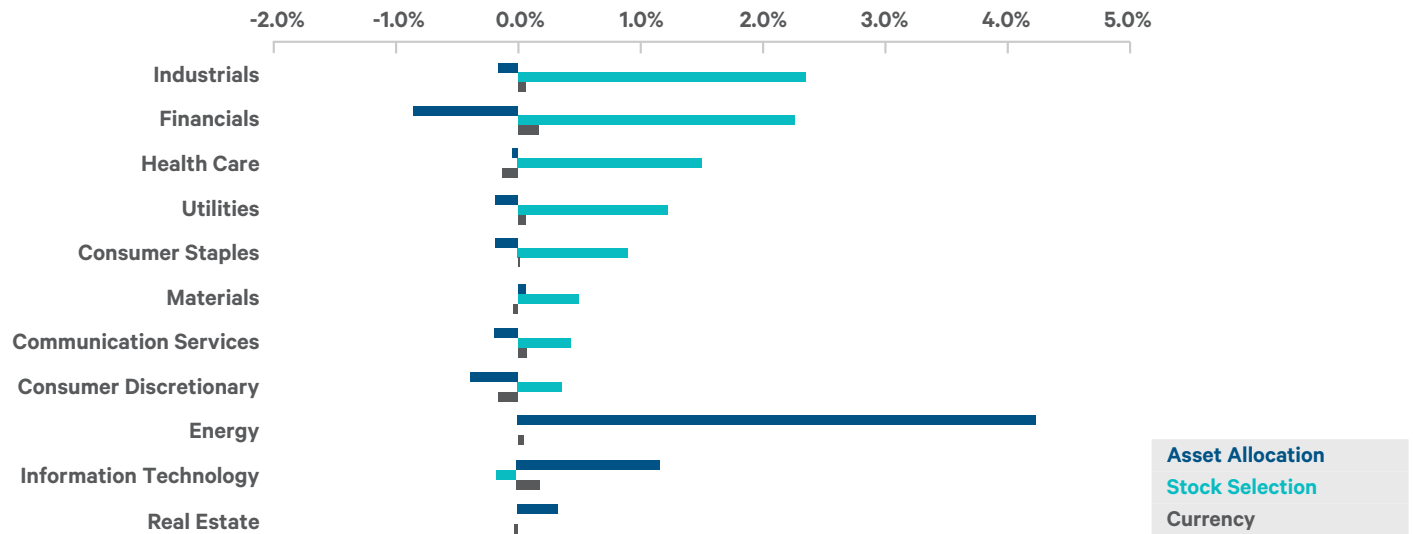
Sector Weights

Sector Weights versus MSCI World Index as at September 30th, 2020



Please note: Statistics extracted from the UCITS fund format are for illustrative purposes only and are not available for sale in the United States. However, the strategies are available for sale through a segregated mandate.

Active Return Attribution GICS Sector
September 30th 2018 - September 30th 2020



Source: Davy Global Fund Management, Low Carbon Fund, Bloomberg Port and MSCI as at 30th September 2020, gross returns in USD. Note attribution figures can be impacted by large flows

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.

The holdings of the Strategy and the breakdowns are indicative in nature and have been provided for illustrative purposes only. Please note the Portfolio Management Team has full discretion to change these holdings and weightings at any point in time, as outlined in the Strategy documentation. Indicative information should not be relied on by potential investors to make investment decisions.

Davy Low Carbon Equity Strategy: Product gross performance is sourced from monthly AA Accumulating share class NAV returns (gross of management fees) in US \$ terms. Product net performance is sourced from monthly AA Accumulating share class NAV returns and takes into account all charges taken from the Fund over a year. Base currency is Euro. Benchmark is MSCI World Index Net of Dividends (Code MSDEWIN Index in Bloomberg), in USD terms.

Warning: Past performance is not a reliable guide to future performance

Please note: Gross returns will be reduced by fees and expenses

Please note: Fees for such segregated mandates may vary from the fees assessed by the UCITs funds

The Strategy Information Sheet is not intended to be comprehensive and is designed to provide summary information to existing investors in the Davy Low Carbon Equity Strategy. 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 before making an investment decision.

No part of this document is to be reproduced without our written permission. This document has been prepared and issued by Davy Global Fund Management on the basis of publicly available information, internally developed data and other sources believed to be reliable. The information contained herein does not purport to be comprehensive and is strictly for information purposes only. It does not constitute an offer or an invitation to invest. No party should treat any of the contents herein as advice in relation to any investment. While all reasonable care has been given to the preparation of this information, no warranties or representation express or implied are given or liability accepted by Davy Global Fund Management or its affiliates or any directors or employees in relation to the accuracy fairness or completeness of the information contained herein. Any opinion expressed (including estimates and forecasts) may be subject to change without notice. We or any of our connected or affiliated companies or their employees may have a position in, or may have provided within the last twelve months, significant advice or investment services in relation to any of the securities or related investments referred to in this document.

MSCI Inc. (MSCI). Without prior written permission of MSCI, this information and any other MSCI intellectual property may not be reproduced, disseminated or used to create any financial products, including any indices. This information is provided on an 'as is' basis. The user assumes the entire risk of any use made of this information. MSCI, its affiliates and any third party involved in, or related to, computing or compiling the information hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of this information. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in, or related to, computing or compiling the information have any liability for any damages of any kind. MSCI and the MSCI indexes are services marks of MSCI and its affiliates.

Davy Global Fund Management Limited
Davy House, 49 Dawson Street, Dublin 2, D02 PY05, Ireland.
T +353 1 679 7788 E assetmanagement@davygfm.com

www.davygfm.com

Confidential © Davy 2020

As a valued client of Davy Global Fund Management, this communication has been sent to you as part of our service offering. If you are not a client of Davy Global Fund Management, you can opt out of further similar communications at any stage by emailing assetmanagement@davygfm.com. The Davy Group Privacy Notice can be found at www.davygfm.com.