

Davy Funds plc

SFDR Disclosures

Post-prospectus documents update

17 December 2021

Draft Article 10 SFDR Website Disclosures for:

- Davy ESG Equity Fund

(a) A description of the environmental or social characteristics of the Fund:

The Fund seeks to promote environmental and social responsibility in the companies in which it invests by committing to invest primarily in equities of companies whose environmental, social and governance ("**ESG**") profiles rank at the higher end of a scale provided by an external third-party data provider. These ratings are used to indicate the ESG performance of companies in the Fund's investment universe. The Fund will invest at least 65% of its equity holdings in equities of companies which score in the top three gradings of a seven-point rating system (AAA, AA and A). The Fund will not invest in any asset eligible for such a rating which scores in the bottom grading (CCC) and will dispose of any investment it may hold that is downgraded to this level within a time period which ensures that such disposal occurs in the best interests of the Fund.

The Fund also seeks to promote environmental, social and ethical corporate responsibility in the companies in which it invests by operating a portfolio exclusion in respect of companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles or violate human rights;
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal;

(the "**Exclusionary Screen**").

(b) Information on the methodologies used to assess, measure and monitor these environmental or social characteristics:

a. Data sources

In order to ensure that the Fund invests at least 65% of its Net Asset Value in equities of companies which score in the top three gradings of the seven-point ESG profile rating system of an external third-party data provider (i.e. AAA, AA and A) and does not invest in any asset eligible for such a rating which scores in the bottom grading (CCC), the Investment Manager assesses the ESG profile rating assigned to the relevant issuer by that external third-party data provider.

In order to implement the Exclusionary Screen, the Investment Manager will use MSCI ESG Research.

b. Screening criteria for the underlying assets

The Fund analyses the ESG profile rating assigned to any asset eligible for such a rating by an external third-party data provider which uses a seven-point rating system for this purpose. In line with the Fund's commitment to environmental and social corporate responsibility, the Fund will not invest in such asset which scores in the bottom grading (CCC).

The investment screening undertaken by the Fund also involves analysing relevant issuers, using data from the above-mentioned sources, to identify companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles or violate human rights;

- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal.

In line with the Fund's commitment to environmental, social and ethical corporate responsibility, companies falling into any of these categories are excluded from the portfolio of the Fund.

c. The relevant sustainability indicators used to measure the environmental or social characteristics

The Fund refers to the ESG profile rating assigned to relevant issuers by an external third-party data provider to identify the rating achieved by the equities in which it intends to invest. The Fund commits to invest at least 65% of its equity holdings in equities of companies which score in the top three gradings of the seven-point ESG profile rating system (AAA, AA and A) of that third-party data provider. Additionally, for any asset eligible for such a rating in which the Fund is considering investment, the Fund checks the rating and excludes any such asset which scores in the bottom grading (CCC) from its portfolio.

Additionally, as part of its ongoing investment due diligence, the Fund monitors the above-mentioned data sources for indications of companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles or violate human rights;
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal.

Companies which are highlighted as having breached these exclusionary criteria, which are based on revenue contribution as determined by MSCI ESG Research, are precluded from the investment universe.

(c) Information referred to in Article 8 SFDR

The Fund intends to invest primarily in equities of high-quality companies whose ESG profiles rank at the higher end of a scale provided by an external third-party data provider. These ratings are used to indicate the ESG performance of companies in the Fund's investment universe. The Fund will invest at least 65% of its equity holdings in equities of companies which score in the top three gradings of a seven-point rating system (AAA, AA and A). The Fund will not invest in any asset eligible for such a rating which scores in the bottom grading (CCC) and will dispose of any investment it may hold that is downgraded to this level within a time period which ensures that such disposal occurs in the best interests of the Fund.

In selecting companies for investment by the Fund, the Investment Manager will also apply an exclusionary screen (based on ethical criteria set by the Investment Manager in consultation with the Ethical Advisory Committee described below) in order to avoid investing in any companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles or violate human rights;
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal;

(the "**Exclusionary Screen**").

Where any equity investment held by the Fund, which at the time of acquisition is consistent with the ethical criteria underpinning the Exclusionary Screen, subsequently, in the Investment Manager's

opinion, is not consistent with these ethical criteria, the Investment Manager will dispose of such investment within a time period which ensures that such disposal occurs in the best interests of the Fund.

The Investment Manager meets with an ethical advisory committee which consists of externally appointed and appropriately qualified personnel (the "**Ethical Advisory Committee**") on a semi-annual basis to discuss whether updates are required to the ethical criteria underpinning the Exclusionary Screen in order to take account of evolving ESG and ethical issues.

Draft Article 10 SFDR Website Disclosures for:

- Davy Low Carbon Equity Fund

(a) A description of the environmental or social characteristics of the Fund:

1. The Fund intends to achieve its investment objective by investing primarily in the Equity and/or Equity Related Securities (as those terms are defined in the Fund's supplement) of companies that have a sufficient exposure to technologies and businesses which stand to benefit from climate change mitigation and/or adaptation. The Fund aims to invest in companies that reflect major transformative themes such as low carbon leadership, clean technology, renewable energy and energy efficiency.
2. The Fund also seeks to promote environmental, social and ethical corporate responsibility in the companies in which it invests by operating a portfolio exclusion in respect of companies that:
 - are primarily involved in the following activities: fossil fuels, armaments, alcohol, gambling, tobacco, pornography; and/or
 - contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles, violate human rights, or make use of child labour.

(b) Information on the methodologies used to assess, measure and monitor these environmental or social characteristics:

a. Data sources

The Investment Manager will use MSCI ESG Research to measure these characteristics.

b. Screening criteria for the underlying assets

The investment screening undertaken by the Fund involves analysing companies, using data from the above-mentioned sources, to identify contributions to unethical acts or omissions, such as violations of fundamental humanitarian principles or violations of human rights or engagement in activities related to fossil fuels, armaments, alcohol, gambling, tobacco and pornography. In line with the Fund's commitment to environmental, social and ethical corporate responsibility, companies guilty of such violations or which engage in such activities are excluded from the portfolio of the Fund.

c. The relevant sustainability indicators used to measure the environmental or social characteristics

The Investment Manager will use MSCI ESG Research's Business Involvement Screening Research metrics.

As part of its ongoing investment due diligence, the Fund monitors the above-mentioned data sources for indications of portfolio companies': engagement in activities related to fossil fuels, armaments, alcohol, gambling, tobacco and pornography; and violation of fundamental humanitarian principles or violation of human rights. Companies which are highlighted as having breached these exclusionary criteria, which are based on revenue contribution as determined by MSCI ESG Research, are precluded from the investment universe.

(c) Information referred to in Article 8 SFDR

The Fund intends to achieve its investment objective by investing primarily in the Equity and/or Equity Related Securities of companies that meet the climate change-related criteria described below.

In determining the Fund's asset allocation, the Investment Manager takes an investment approach which utilises a combination of both quantitative and fundamental analysis. The initial stage of the investment process involves identifying companies that have a sufficient exposure to technologies and businesses which stand to benefit from climate change mitigation and/or adaptation. The Fund aims to invest in companies that reflect major transformative themes such as low carbon leadership, clean technology, renewable energy and energy efficiency.

Additionally, in selecting equities for investment by the Fund, the Investment Manager will also apply an exclusionary screen in order to avoid investing in any companies that:

- are primarily involved in the following activities: fossil fuels, armaments, alcohol, gambling, tobacco, pornography; and/or
- contribute to unethical acts or omissions, such as companies that violate fundamental humanitarian principles, violate human rights, or make use of child labour.

Where any investment by the Fund, which at the time of acquisition is consistent with the foregoing criteria, subsequently, in the Investment Manager's opinion, is not consistent with the foregoing criteria, the Investment Manager will dispose of such investment within a time period which ensures that such disposal occurs in the best interests of the Fund.

- Davy ESG Multi Asset Fund

(a) A description of the environmental or social characteristics of the Fund:

The Fund seeks to promote environmental and social responsibility in the issuers in which it invests by committing to invest primarily in equities and fixed income securities issued by companies whose environmental, social and governance ("**ESG**") profiles rank in the higher end of a scale provided by an external third-party data provider. These ratings are used to indicate the ESG performance of companies in the Fund's investment universe. The Fund will invest at least 65% of the combined weighting of its investments in equities and corporate bonds in securities which score in the top three gradings of a seven-point rating system (AAA, AA and A). The Fund will not invest in any asset eligible for such a rating which scores in the bottom grading (CCC) and will dispose of any investment it may hold that is downgraded to this level within a time period which ensures that such disposal occurs in the best interests of the Fund.

The Fund also seeks to promote environmental, social and ethical corporate responsibility in the issuers in which it invests by operating a portfolio exclusion in respect of equities and corporate bonds issued by companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover a particular issuer, the Investment Manager will establish on a best-efforts basis whether the issuer is in violation of these principles);
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal;

(the "**Exclusionary Screen**").

(b) Information on the methodologies used to assess, measure and monitor these environmental or social characteristics:

a. Data sources

In order to ensure that the Fund invests at least 65% of the combined weighting of its investments in equities and corporate bonds in securities which score in the top three gradings of the seven-point ESG profile rating system of an external third-party data provider (i.e. AAA, AA and A) and does not invest in any asset eligible for such a rating which scores in the bottom grading (CCC), the Investment Manager assesses the ESG profile rating assigned to the relevant issuer by that external third-party data provider.

In order to implement the Exclusionary Screen, the Investment Manager will use MSCI ESG Research.

b. Screening criteria for the underlying assets

The Fund analyses the ESG profile rating assigned to any asset eligible for such a rating by an external third-party data provider which uses a seven-point rating system for this purpose. In line with the Fund's commitment to environmental and social corporate responsibility, the Fund will not invest in such asset which scores in the bottom grading (CCC).

The investment screening undertaken by the Fund also involves analysing relevant issuers, using data from the above-mentioned sources, to identify companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;

- are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover a particular issuer, the Investment Manager will establish on a best-efforts basis whether the issuer is in violation of these principles);
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal.

In line with the Fund's commitment to environmental, social and ethical corporate responsibility, companies falling into any of these categories are excluded from the portfolio of the Fund.

c. The relevant sustainability indicators used to measure the environmental or social characteristics

The Fund refers to the ESG profile rating assigned to relevant issuers by an external third-party data provider to identify the rating achieved by the equities in which it intends to invest. The Fund commits to invest at least 65% of the combined weighting of its investments in equities and corporate bonds in securities which score in the top three gradings of the seven-point ESG profile rating system (AAA, AA and A) of that third-party data provider. Additionally, for any asset eligible for such a rating in which the Fund is considering investment, the Fund checks the rating and excludes any such asset which scores in the bottom grading (CCC) from its portfolio.

Additionally, as part of its ongoing investment due diligence, the Fund monitors the above-mentioned data sources for indications of companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover a particular issuer, the Investment Manager will establish on a best-efforts basis whether the issuer is in violation of these principles);
- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal.

Companies which are highlighted as having breached these exclusionary criteria, which are based on revenue contribution as determined by MSCI ESG Research, are precluded from the investment universe.

(c) Information referred to in Article 8 SFDR

The Fund intends to achieve its investment objective by investing in fixed income securities (i.e. bonds) and securities (i.e. shares) issued by high quality companies whose ESG profiles rank in the higher end of a scale provided by an external third party data provider. These ratings are used to indicate the ESG performance of companies in the Fund's investment universe. The Fund will invest at least 65% of the combined weighting of its investments in equities and corporate bonds in securities which score in the top three gradings of a seven-point rating system (AAA, AA, A). The Fund will not invest in any asset eligible for such a rating which scores in the bottom grading (CCC) and will dispose of any investment it may hold that is downgraded to this level within a time period which ensures that such disposal occurs in the best interests of the Fund.

In selecting equities and corporate bonds for investment by the Fund, the Investment Manager will also apply an exclusionary screen in order to avoid investing in any companies that:

- are primarily involved in the following activities: armaments, alcohol, gambling, tobacco, the manufacturing of abortifacients and pornography;
- are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover

a particular issuer, the Investment Manager will establish on a best-efforts basis whether the issuer is in violation of these principles);

- conduct or commission animal testing for cosmetic or toiletry purposes or make use of child labour; and/or
- derive more than 10% of their revenue from the production of thermal coal;

(the "**Exclusionary Screen**").

Where any equity or corporate bond invested in by the Fund, which at the time of acquisition is consistent with the ethical criteria underpinning the Exclusionary Screen, subsequently, in the Investment Manager's opinion, is not consistent with this ethical criteria, the Investment Manager will dispose of such investment within a time period which ensures that such disposal occurs in the best interests of the Fund.

Article 10 SFDR Website Disclosures for:

- Davy Strategic: Global Quality Equity Fund
- Davy Discovery Equity Fund
- Davy Defensive Equity Income Fund
- Global Equity Income Fund
- Davy Global Focus Fund
- Davy Global Bond Fund

(a) *A description of the environmental or social characteristics of the Fund:*

The Fund seeks to promote environmental, social and ethical corporate responsibility in the issuers in which it invests by operating a portfolio exclusion in respect of issuers which are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover a particular issuer, the Investment Manager will establish on a best-efforts basis whether the issuer is in violation of these principles). Additionally, the Fund will seek to avoid investment in securities of issuers that manufacture cluster munitions or landmines or issuers that derive more than 10% of their revenue from the production of thermal coal.

(b) *Information on the methodologies used to assess, measure and monitor these environmental or social characteristics:*

a. Data sources

In order to implement the exclusionary screen described above, the Fund relies on information provided by MSCI ESG Research to identify violations of fundamental humanitarian principles or human rights. Where MSCI ESG Research's assessment does not cover a particular issuer, the Investment Manager will use alternative data sources to establish on a best-efforts basis whether the issuer is in violation of these principles.

Additionally, the Investment Manager will use MSCI ESG Research. in order to identify issuers that manufacture cluster munitions or landmines or issuers that derive more than 10% of their revenue from the production of thermal coal.

b. Screening criteria for the underlying assets

The investment screening undertaken by the Fund involves analysing issuers, using data from the above-mentioned sources, to identify issuers which violate fundamental humanitarian principles or human rights, issuers which are involved in the manufacturing of cluster munitions or landmines or issuers that derive more than 10% of their revenue from the production of thermal coal. In line with the Fund's commitment to environmental, social and ethical corporate responsibility, companies guilty of such violations or which engage in such activities are excluded from the portfolio of the Fund.

c. The relevant sustainability indicators used to measure the environmental or social characteristics

As part of its ongoing investment due diligence, the Fund monitors the above-mentioned data sources for indications of portfolio issuers' violation of fundamental humanitarian principles or violation of human rights or their engagement in cluster munition or land mine production or (to the extent that it gives rise to 10% of their revenue or more) thermal coal production. Issuers which are highlighted as having breached these exclusionary criteria, which are based on revenue contribution as determined by MSCI ESG, are precluded from the investment universe.

(c) *Information referred to in Article 8 SFDR*

The Fund will seek to avoid investment in securities of issuers which are considered by a third-party data provider to be violating fundamental humanitarian principles or violating human rights (and where the third-party data provider's assessment does not cover a particular issuer, the Investment

Manager will establish on a best-efforts basis whether the issuer is in violation of these principles). Additionally, the Fund will seek to avoid investment in securities of issuers that manufacture cluster munitions or landmines or issuers that derive more than 10% of their revenue from the production of thermal coal.