

Davy Funds Plc

IQ EQ ESG Multi-Asset Fund

CLASS A Distributing Units

INVESTMENT OBJECTIVE

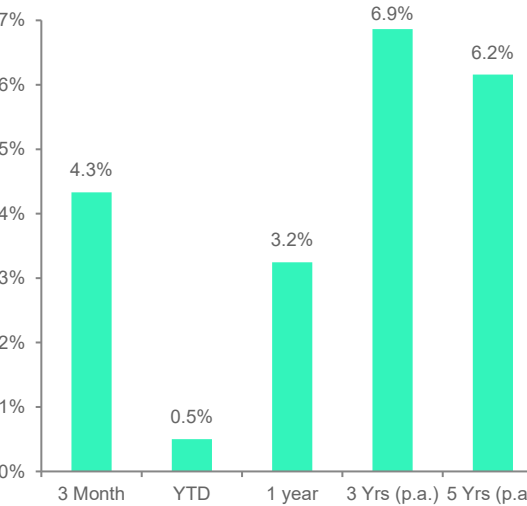
The primary investment objective of the IQ EQ ESG Multi-Asset Fund (‘the Fund’) is to seek, over time, to achieve capital appreciation in real terms. The Fund may, as a secondary objective, also seek to generate a moderate level of income, from year to year, consistent with the growth objective.

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 Manager’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.

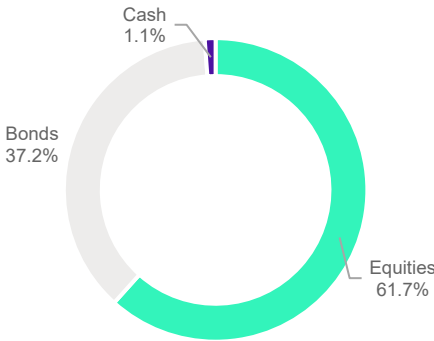
NOTE: All information below is provided as at 30.09.2025

INVESTMENT PERFORMANCE



Source: Northern Trust
Single Pricing, Net of Fees, Bi-Annual Income Distribution, Total Return in Euro.

ASSET ALLOCATION (% Fund)



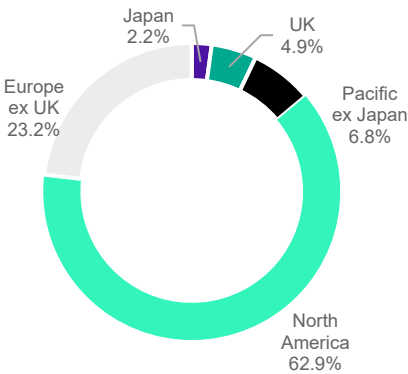
TOP 10 HOLDINGS (%)

10 Largest Equity Holdings (% of Total Fund)

Stock	Country	Weight
Microsoft Corp	USA	5.3%
Alphabet Inc	USA	4.3%
Oracle Corp	USA	3.9%
TSMC Ltd.	Taiwan	3.0%
SAP SE	Germany	1.8%
Siemens AG	Germany	1.8%
TJX Companies Inc.	USA	1.8%
Visa Inc.	USA	1.7%
Iberdrola SA	Spain	1.7%
American Express Co.	USA	1.6%
Total		27.0%

GEOGRAPHIC ALLOCATION (%)

Portfolio Geographic Allocation (% Equity)



IQ EQ Fund Management (Ireland) Limited

Quarter 3, 2025

ABOUT THE FUND

Base Currency:

Euro

Fund Size (EUR):

20.02m

No. of Equity Holdings:

49

Investment Manager:

IQ EQ Fund Management (Ireland) Limited

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

SFDR Classification

Article 8

Share Class

A

Ongoing Charges

1.03%

Structure:

UCITS*

* On 01 May 2024, the Fund was renamed the IQ EQ ESG Multi-Asset Fund.

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IQ EQ ESG Multi-Asset Fund Q3 2025

MARKET COMMENT

Equity markets continued to rally through the third quarter, recovering from the lows made in April following the US administration's "reciprocal tariffs" announcement. Progress was relatively steady and driven by the US market, which made new all-time highs in the quarter. After a torrid Q1, large-cap technology shares recovered through Q3 driving the main indices higher – the so-called "Magnificent 7" were responsible for 52% of the total return of the MSCI World Index (net), which rose by 7.17%. The move took the year-to-date return to 3.49%.

The Q2 earnings reporting season, which got underway in July, produced some impressive returns from companies associated with the development and implementation of artificial intelligence ("AI"), regardless of the large amounts of money that the companies are investing in this area. Companies such as Microsoft and Meta exceeded investor expectations during the quarter and announced significant increases in investment spending to capitalise on AI opportunities. In the Communications Services sector, Google parent Alphabet was responsible for the entire performance of that sector as the shares rose by over 40% during the period. Half of that move was attributed to a court decision which ruled that the company does not have to sell its Chrome web browser.

The Consumer Staples sector, which includes food, beverage and household goods makers, was the only sector to register a negative return during the quarter. The sector has been out of favour in recent years as investors have sought growth from sectors such as Information Technology and Consumer Discretionary, and as raw materials inflation has eroded margins.

FUND PERFORMANCE

The **IQ EQ ESG Multi-Asset Fund** returned 4.33% in Q3, net of management fees, in euro terms. Equities within the portfolio returned 7.47% (gross of management fees) for the quarter, while the bond component delivered a flat return of 0.0% (gross of management fees). At the end of the period, the asset breakdown was: 61.66% high-quality Equities; 37.19% Bonds, and 1.15% Cash.

Within the equity portfolio:

The equity component, which accounts for ca. 62% of the strategy, returned 7.5% gross in Q3. This compares to the MSCI World Index return of 7.2%. The equity relative performance was driven by strong Stock Selection, with Sector Allocation and Currency a small drag on returns. Stock Selection was particularly strong within certain sectors. Within Healthcare, returns were driven by IDEXX Laboratories Inc., EssilorLuxottica S.A., and Thermo Fisher Scientific Inc., all of which rose by between 18% and 19%. Within the Information Technology sector, Oracle Corp. (+28.9%), TSMC Ltd. (+23.6%) and TE Connectivity plc (+30.5%) were the largest contributors to return. The Financials sector was the weakest sector within Stock Selection. Deutsche Boerse Group (-17.6%) and Visa Inc. (-3.8%) were the primary drivers of the Financials sector outcome. The contribution from Sector Allocation was most negatively affected by being overweight the Healthcare sector which underperformed during the quarter on tariff fears and potential price curbs from the Trump administration. The overweight in Industrials was a minor positive contributor to Sector Allocation. The Foreign Currency effect was minor during the quarter as the main currency pairs were broadly unchanged during the quarter.

The **top five equity contributors** to relative performance during the quarter were: Oracle Corp., Alphabet Inc., Taiwan Semiconductor Manufacturing Co. Ltd., TE Connectivity plc, and TJX Companies Inc.

The **bottom five equity detractors** from relative performance during the quarter were: Deutsche Boerse Group, SAP SE, Vinci S.A., International Flavors & Fragrances Inc., and Visa Inc.

Alphabet Inc. ("Alphabet") is composed of Google and a collection of subsidiaries through which it provides web-based search, advertisements, maps, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products. Its BBB MSCI ESG rating reflects a mix of strong data security against an entrenched board and workplace controversies. The company's latest earnings report was supportive of EPS growth, as Search, Cloud Services and YouTube revenues all beat forecasts. As a result, investor concern about the costs of Alphabet's AI infrastructure build-out have dissipated to a degree. The next major question to be answered was the outcome of the US government's case against the company's monopolistic position in Search. The company will now not need to sell its Chrome browser, as had been feared, and this outcome has provided a tailwind for the stock.

Deutsche Boerse Group ("Deutsche Boerse"), headquartered in Frankfurt, is one of the world's largest providers of products and services supporting financial market infrastructure. The company's offerings enable trading, clearing, settlement, custody, liquidity and collateral management for securities and derivatives. The Trading and Clearing division, which includes securities, derivatives commodities and foreign exchange trading, is the largest, with 45% of group revenues. The stock was one of the larger detractors from relative performance during the quarter, falling by 19% compared with the Financials sector which rose by 5.5%. While the company's Trading and Services division outperformed expectations, other areas, such as Investment Management Services which covers Index products, fell short of estimates. ISS, the company's proxy voting business, has seen growth rates ease in recent quarters. We note that this business is likely to be floated in an IPO or sold within the next 12 months.

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IQ EQ ESG Multi-Asset Fund Q3 2025

Within the bond portfolio:

The bond portfolio delivered a flat return in the third quarter, outperforming its benchmark, the JP Morgan Global Bond Index (unhedged in euros), which declined by 0.09%.

Positive contributions to relative performance came from overweight positions in government agency and corporate bonds, supported by strong risk appetite and favourable technical factors. Additionally, curve positioning in Japan added value. These gains were partially offset by the underperformance of curve positioning in Eurozone Government Bonds.

Global Developed Market bonds delivered a mixed performance in the third quarter. The JP Morgan Global Bond Index (unhedged in euros) posted a modest decline of -0.09% for the period. US Treasuries outperformed, supported by unexpectedly weak hiring data, which prompted the US Federal Reserve to cut interest rates for the first time since December 2024. In addition, the Federal Reserve signalled that it was likely to cut interest rates again in the coming months.

In contrast, European bonds underperformed during the period, as European NATO members revealed plans to ramp up defence spending, following pressure from the Trump administration in the US. This is expected to lead to higher borrowing needs for those countries in the coming years, raising concerns about some of them which were already running large fiscal deficits.

French bonds were the weakest performers in the Euro Area. Prime Minister François Bayrou was ousted after losing a no-confidence vote related to the 2026 budget. This was swiftly followed by a credit rating downgrade from Fitch. Other rating agencies may follow suit if France fails to present a credible and fiscally responsible budget for 2026, along with a clear plan to reduce its deficit over the medium term.

UK Gilts also struggled. In addition to increased defence spending commitments, the UK continues to grapple with persistent inflation, which has complicated the Bank of England's ability to lower interest rates in the coming months.

POSITIONING AND OUTLOOK

There were no significant transactions in the **equity portfolio** during the quarter.

With regard to the **bond portfolio**, we are closely monitoring US economic data to see if it could slip into a shallow recession. Recent labour market indicators have been soft, with payroll data suggesting a slowdown in hiring. However, we remain cautiously optimistic. There is still limited evidence of widespread layoffs, and other areas of the economy, such as consumer spending and business investment, are strong. Additionally, tariff-related uncertainty is easing, and several supportive measures from President Trump's 'One Big Beautiful Bill' are set to take effect in January. The recent stock market rally may also bolster consumer confidence and spending through the 'Wealth Effect'. That said, we remain open-minded and vigilant in our outlook.

From a rates perspective, we view yield levels as broadly fair given the current macroeconomic backdrop. Therefore, the portfolio is positioned neutral duration. We continue to hold overweight positions in municipal, supranational, government agency and corporate bonds. However, during the quarter, we selectively reduced exposure to certain corporate bonds that we believe had rallied too far. One of the areas we are watching closely for a potential new position is France. Should French bonds continue to weaken, we may consider taking an overweight position. While the fiscal outlook remains challenging, we expect any deterioration to unfold gradually over several years. In the meantime, we believe that excessive selling pressure could present a compelling entry point.

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SFDR disclosures and fund documents can be found on our website at: www.iqeq.com/davy-funds-plc

Our Summary of Investor Rights can be found on our website at: <https://iqeq.com/wp-content/uploads/2024/12/November-2024-Update-IQ-EQ-Summary-of-Investor-Rights.pdf>

CALENDAR YEAR PERFORMANCE (%)

	2024	2023	2022	2021	2020
IQ EQ ESG Multi-Asset Fund A Distributing (Eur)*	11.9%	7.0%	-10.2%	20.6%	5.2%
MSCI World Index (Eur)	26.6%	19.6%	-12.8%	31.1%	6.3%
JP Morgan Global Bond Index (Eur)	-0.2%	3.5%	-14.0%	-3.1%	4.9%
Alphabet Inc.	36.0%	58.3%	-39.1%	65.3%	30.9%
Deutsche Boerse Group	21.8%	18.1%	11.9%	7.9%	1.3%
EssilorLuxottica S.A.	32.3%	9.3%	-8.1%	47.9%	-5.2%
IDEXX Laboratories Inc.	-25.5%	36.1%	-38.0%	31.7%	91.4%
International Flavors & Fragrances Inc.	6.3%	-19.5%	-28.4%	41.5%	-13.3%
Oracle Corp.	60.0%	30.9%	-4.6%	36.9%	24.2%
SAP SE	71.5%	47.2%	-20.7%	18.4%	-9.6%
Taiwan Semiconductor Manufacturing Co. Ltd.	92.6%	42.3%	-36.8%	12.1%	92.7%
TE Connectivity plc	3.5%	24.6%	-27.7%	35.1%	29.0%
Thermo Fisher Scientific Inc.	-1.7%	-3.4%	-17.3%	43.5%	43.7%
TJX Companies Inc.	30.6%	19.7%	6.7%	12.8%	12.2%
Vinci S.A.	-8.7%	26.5%	3.9%	17.7%	-16.6%
Visa Inc.	22.3%	26.3%	-3.4%	-0.3%	17.1%

Source: IQ EQ Fund Management (Ireland) Limited, Northern Trust, and Bloomberg as at 30 September 2025. Performance is quoted in local currency unless otherwise stated.
* IQ EQ ESG Multi-Asset Fund Class A Distributing (EUR) data are the total returns from single pricing and net of fees, with a bi-annual income distribution.

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The IQ EQ ESG Multi-Asset Fund is a sub-fund of Davy Funds plc, an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated with limited liability under the Companies Acts 2014, authorised by the Central Bank of Ireland as a UCITS pursuant to the Regulations. Davy Funds plc is authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferrable Securities (UCITS). The Prospectus, Supplement and Key Investor Document for the fund are available in English from IQ EQ Fund Management (Ireland) Limited, 5th Floor, 76 Sir John Rogerson's Quay, Dublin 2, Ireland D02 C9D0, or <https://www.iqeq.com/ucits>. Investors should be aware that some of the Directors of the Company (Davy Funds plc) are also employed by the Investment Manager, Promoter and Distributor. Further information in relation to the management of potential conflicts of interest is available upon request.

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IQ EQ Fund Management (Ireland) Limited

Quarter 3, 2025

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