Q4 2025 Update

IQ EQ Global Equity Income Fund

For Investment Professionals Only

Performance	1 month (%)	Q4 2025 (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)
IQ EQ Global Equity Income Fund[1] (net of fees)	-0.51	3.25	10.88	13.01	12.34
MSCI World Index Net[2]	-0.38	3.17	6.77	17.36	13.07

Source: IQ EQ Fund Management (Ireland) limited (IQ EQ Global Equity Income Fund Class A Acc EUR) as at 31 December 2025

[1]The IQ EQ Global Equity Income Fund is a UCITS fund and was launched on 1 December 2010. On 1 May 2024 the Fund name was changed from Global Equity Income Fund to IQ EQ Global Equity Income Fund.

[2]The MSCI World Index shown above does not include fees or operating expenses and you cannot invest in it. The MSCI World Index captures large and mid-cap representation across 23 Developed Markets (DM) countries. With 1,650 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

Fund overview

The aim of the **IQ EQ Global Equity Income Fund** (the "Fund") is to achieve long-term capital growth through investment in companies which expect to generate a higher-than-average dividend yield. The Fund targets a dividend yield 1% greater than the market dividend yield. The concept is that dividends are the foundation of total returns over the long term.

Market comment

Equity markets rose by 3.2% during the fourth quarter as measured by the MSCI World Index (net), ending the period at the upper end of a 4% trading range and close to all-time highs. The index had reached those highs by the end of October and traded sideways for the rest of the quarter. A quarter percent cut in US interest rates in December – which was by no means a certainty earlier in the quarter – helped support equity markets. The gains took the full year 2025 return to 6.8% in euro terms.

October saw the start of the third-quarter earnings reporting season, which confirmed strong momentum in the earnings of technology related companies. However, after a positive start to the quarter, the Technology sector faded towards the end of the year as investors reconsidered the Artificial Intelligence ("AI") trade. Despite the pull-back, the sector retained its position as the largest contributor to equity returns in 2025, accounting for c.a.38% of the total global equity return.

Healthcare shares, which have underperformed the market in recent years, were the standout performers during the fourth quarter. The sector got a welcome boost early in October as Pfizer reached an agreement with the US government on drug pricing and tariffs. Investors, who were booking some profits on technology shares

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IQ EQ Fund Management (Ireland) Limited is an active fund manager.

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

during November and December, may have been enticed by the relatively attractive valuations available in the Health Care sector.

The Real Estate sector was the only group with a negative return for the quarter. The sector has been out of favour in recent years due to persistently high interest rates in the US and oversupply in certain sub-sectors, such as Healthcare and Self-Storage.

Fund performance

The IQ EQ Global Equity Income Fund returned 3.25% during the quarter, while the MSCI World Index rose by 3.2%. Stock Selection was a detractor from relative performance, while Currency and Sector Allocation were positive contributors during the period. Stock Selection was aided by strong performances from stocks such as Cummins and Merck. Within Asset Allocation, the main drivers of outperformance were the underweight positions in Consumer Discretionary and real Estate. The positive Foreign Currency effect was driven by an underweight position in the Japanese yen, which fell by c.a.6% versus the euro during the quarter.

The ***top five equity contributors*** to relative performance during the quarter were: Cummins, TSMC, Merck, Samsung, and Roche.

The ***bottom five equity detractors*** from relative performance during the quarter were: Fastenal, Nintendo, Relx, Mondelez, and Air Liquide.

Cummins Inc. (CMI) manufactures and sells a wide range of diesel, natural gas, and hybrid engines, power generators and alternators. Its ability to improve the efficiency of its power solutions enables it to deliver double digit margins. Innovation is also positioning the company for the transition to electric powertrains. This has resulted in strong ESG credentials, highlighting its role as a leader in low emissions technologies. The Engine division has been relatively weak since US Environmental Protection Agency ("EPA") announced earlier this year that it might row back on legislation tightening emissions, which is due to come into effect in 2027. The laws were expected to result in a strong market for trucks in the run-up to the introduction of the legislation. This is now at risk due to the EPA review. However, the company reported strong performance in its Data Centre backup power business, which it gets from the deployment of AI-related services. Meanwhile, the company's Accelera unit, which is focused on zero-emissions vehicles and technologies, is experiencing good revenue growth and a strong backlog in its hydrogen technologies.

Taiwan Semiconductor Manufacturing Company (TSM) is a multinational semiconductor production and development company headquartered in Hsinchu, Taiwan. TSM manufactures semiconductors for corporations such as Apple, Nvidia, AMD and Qualcomm. The company has become the dominant microchip manufacturer due to its adoption of the "pure-play foundry" model, allowing it to focus on making chips that other companies design. The company has become the primary chip supplier to the "Magnificent 7". After a pullback in November as investors took some profit on many of the AI-winners, the shares rallied into the year end, ending the year with near all-time highs. Despite ongoing concerns about tariffs and American relations with China, the company has confirmed that its investment plans remain unchanged. The company has excellent sustainability credentials operating with an exceptionally strong competitive moat, allowing them to put 70% of free cash flow into investors dividends each year

Fastenal Company (FAST) sells industrial and construction supplies products, such as fasteners, cutting tools, metal working, lifting, hardware, plumbing, lubricants, and other related products. FAST has strong sustainability credentials, reflecting its strong corporate governance with room to improve on green technology adoption. Despite a return to double-digit growth and a solid gross margin, the company's latest results lagged expectations as FAST recovered increases in costs within the supply chain with price increases. Weaker pricing was also a feature of the Q2 earnings earlier this year. Management is not raising prices at a faster rate than the cost increases it faces, preferring to maintain revenue growth rates instead. FAST continues to execute on its plan to close physical branches which should deliver cost savings as it better develops its digital strategy. The company may benefit from any improvement in US industrial activity, which has been sluggish for a number of years.

Nintendo develops, manufactures and sells video games hardware and software to a global market. The company has seen very strong demand for its Switch 2 device, which was launched in June 2025. Nintendo's share price performed very strongly in the first three quarters of 2025 as the success of Switch 2 became apparent. In early November the shares rallied towards an all-time high as management revealed that the company had sold over 10m copies of the Switch 2 console in the three months to end September 2025. However, a severe shortage of DRAM memory and associated components drove the price of DRAM up threefold in the fourth quarter. Demand is currently being driven by activity in the AI industry. The vast quantities of memory required for AI in datacentres is displacing consumer-focused memory modules such as DRAM, thereby creating a shortage in the market. DRAM is a critical component in Nintendo's console products and investors are concerned that, if current component prices are sustained, Nintendo's unit shipments and margins may come under pressure. However, the company has indicated that it has sufficient stocks to meet demand in the near term.

Calendar year performance

Index / Stocks	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
IQ EQ Global Equity Income Fund (Net of fees) (EUR)	10.9	**19.1**	9.3	**-2.8**	**27.5**
MSCI World Index Net (EUR)	6.8	**26.6**	**19.6**	-12.8	31.1
Air Liquide SA	3.9	-0.3	35.5	-3.3	16.5
Cummins Inc.	49.4	48.9	1.7	14.1	-1.7
Fastenal Co	14.0	13.5	41.3	-24.3	34.0
Merck & Co	9.8	-6.3	1.0	49.4	1.8
Mondelez Inter-A	-7.0	-15.3	11.2	2.9	15.9
Nintendo Co Ltd.	15.6	28.4	38.0	6.5	-15.7
Relx plc	-15.4	18.8	38.9	-2.7	37.3
Roche Hldg-Genus	32.7	8.8	-12.8	-21.4	26.3
Samsung Electron	131.2	-31.2	44.9	-27.6	-1.6
Taiwan Semic-Adr	55.9	92.6	42.3	- 36.8	12.1

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Global Equity Income Fund Class A Acc EUR) and Bloomberg as at 31 December 2025. Performance quoted in local currency unless otherwise stated.

Warning: Past performance is not a reliable guide to future performance. The value of the investment can reduce as well as increase and, therefore, the return on the investment will also be variable. Changes in exchange rates may have an adverse effect on the value price or income of the product.

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 at our website at: https://iqeq.com/wp-content/uploads/2024/12/November-2024-Update-IQ-EQ-Summary-of-Investor-Rights.pdf

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The IQ EQ Global Equity Income Fund (formerly the Global Equity Income Fund – the name change is effective from 1 May 2024) 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 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 Docklands, Dublin 2, D02 C9D0, Ireland or https://www.iqeq.com/davy-funds-plc/. 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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The MSCI World Quality Index is based on MSCI World, its parent index, which includes large and mid cap stocks across 23 Developed Market (DM) countries*. The index aims to capture the performance of quality growth stocks by identifying stocks with high quality scores based on three main fundamental variables: high return on equity (ROE), stable year-over-year earnings growth and low financial leverage. The MSCI Quality Indexes complement existing MSCI Factor Indexes and can provide an effective diversification role in a portfolio of factor strategies.

About us*

We are IQ-EQ, a leading investor services group employing over 5,900 people across 25 jurisdictions worldwide. We bring together that rare combination of global expertise with a deep understanding of the needs of our clients. We have the know how and the know you to support fund managers, global companies, family offices and private clients.

*Information correct as of September 2025

Reference: NC_24022024_1

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