

IQ EQ Strategic: Global Quality Equity Fund

For Investment Professionals Only

Performance	1 month (%)	Q4 2025 (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)
IQ EQ Strategic: Global Quality Equity Fund ¹ (net of fees)	-0.78	2.29	0.62	14.59	10.95
MSCI World Index ²	-0.38	3.17	6.77	17.36	13.07

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Strategic: Global Quality Equity Fund Class A Acc EUR) as at 31 December 2025.

¹Investment Management of the IQ EQ Strategic Global Equity Fund was assumed by Davy Asset Management in September 2018 and subsequently by Davy Global Fund Management in November 2019. On 31 May 2019 the IQ EQ Strategic Global Equity Fund implemented its current investment strategy. For more information, please contact IQ EQ Fund Management (Ireland) Limited. On 10 July 2020 the name of the Davy Strategic Global Equity Fund was changed to the Davy Strategic: Global Quality Equity Fund. On 1 May 2024 the name was changed to the IQ EQ Strategic: Global Quality Equity Fund.

²The 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 investment objective of the **IQ EQ Strategic: Global Quality Equity Fund** (the "Fund") is to provide long-term capital growth by investing in global quality equities with consideration given to ESG criteria. The Fund adopts a Quantamental (quantitative and fundamental) approach to select and manage the investments.

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

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Warning: Past performance is not a reliable guide to future performance. The value of your investment may go down as well as up. This product may be affected by changes in currency exchange rates. The Strategy is actively managed. SFDR disclosures and fund documents are available 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>

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 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 Strategic: Global Quality Equity Fund** returned 2.29% during the quarter, underperforming the MSCI World Index, which rose by 3.2%. Stock Selection contributed negatively to relative performance, while Asset Allocation contributed positively and Currency Effects had negligible impact. The negative contribution from Stock Selection was due to the poor performance of held stocks such as Veeva Systems and REA Group. The strongest performer for the fund during the period was Alphabet Inc. The positive Asset Allocation outturn was driven primarily by sector overweight positioning in Health Care.

The **top five contributors** to relative performance during the quarter were: : Alphabet, Eli Lilly, Lam Research, Apple, Broadcom

The **bottom five detractors** from relative performance during the quarter were: Microsoft, Veeva Systems, Home Depot, REA Group, Fastenal

Alphabet Inc. (GOOGL) is composed of Google and a collection of subsidiaries through which it provides web-based search, advertisements, mapping, software applications, mobile operating systems, consumer content, enterprise solutions, commerce, and hardware products. The company performed strongly in Q4 after releasing earnings that showed broad-based strength in revenues across all divisions. Growth in its Search business was an impressive 14.5%. Investors noted that the

company ascribed the acceleration in search to the adoption of AI – a development that investors had seen as a potential threat to GOOGL as competitors, such as Microsoft, closed the gap in search. According to the company, AI is driving more search activity as users input more complicated searches confident in the knowledge that Google’s AI systems can produce accurate results. Alphabet followed that performance with strong reviews of its latest version of Gemini, the company’s AI model.

Eli Lilly & Co (LLY) develops and markets pharmaceuticals, focusing on four therapeutic areas: diabetes and obesity, oncology, immunology, and neuroscience. On the sustainability front, some quality assurance concerns are offset against peer-leading business ethics. LLY reported strong 3Q25 earnings and the company raised full-year guidance signalling continuing momentum in demand for GLP-1s Zepbound & Mounjaro. The company is well positioned for upside in 2026 for two core reasons. First, the FDA submission for its new GLP-1 Orforglipron pill is due to be fast-track approved in Q1. Secondly, with US Medicare formally changing its stance on obesity as a covered condition, the number of potential customers for GLP-1 drugs is set to substantially increase.

Microsoft Corporation (MSFT), one of the world’s largest producers of enterprise and consumer software, continued to demonstrate resilience and innovation in 2025. On the sustainability front, the company supports initiatives in carbon, water, and waste management while corporate governance is rated as peer-average. Q1 earnings were released in October, while strong, growth was a disappointment versus the market’s elevated expectations. This was notable in the Azure cloud segment which was constrained by infrastructure supply. As a knock-on effect, company guidance for the forthcoming quarter was also tempered. Investors also worried about the significant AI-related capex and its potential for near-term returns. That said, MSFT continues to integrate AI across its tech stack, enhancing productivity tools like Microsoft 365 Copilot, Power BI, and Azure AI services.

Veeva Systems Inc. (VEEV) provides cloud-based software catering to the health industry. The Company offers enterprise application, multichannel platform, customer relationship, and content management solutions. Veeva Systems serves customers worldwide. The company maintains peer-leading data security practices. At its second quarter results announcement in November, the company raised its guidance for Q3. Nevertheless, investors were disappointed with the performance of Vault CRM, its customer relationship management tool. Veeva said that the tool had been accepted by 14 of the 20 largest biopharma companies, which was fewer than investors had expected.

Calendar year performance

Fund / Index / Stocks	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
IQ EQ Strategic: Global Quality Equity Fund (net of fees)	0.62	23.26	21.3	-18.0	36.3
MSCI World Index Net (EUR)	6.77	26.6	19.6	-12.8	31.1
Alphabet Inc.	66.0	36.0	58.3	-39.1	65.3
Apple Inc.	9.0	30.7	49.0	-26.4	34.6
Broadcom Inc	50.6	110.4	104.2	-13.3	56.4
Eli Lilly & Co	40.2	33.3	60.9	34.2	66.1
Fastenal Co	14.0	13.5	41.3	-24.3	34.0
Home Depot Inc.	-9.3	15.0	12.8	-22.0	59.5
Lam Research	139.1	-6.9	88.6	-40.7	53.7
Microsoft Corp	15.6	12.9	58.2	-28.0	52.5
Rea Group Ltd	-20.3	30.0	65.3	-33.1	13.6
Veeva Systems-A	6.2	9.2	19.3	-36.8	-6.2

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Strategic: Global Quality Equity Fund Class A Acc EUR) and Bloomberg as at 31 Decembr 2025. Performance is 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 Strategic: Global Quality Equity Fund (formerly the Davy Strategic: Global Quality Equity Fund – name change 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.

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*Information correct as of September 2025

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