

# IQ EQ Strategic: Global Quality Equity Fund

## For Investment Professionals Only

Performance	1 month (%)	Q1 2026 (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)
IQ EQ Strategic: Global Quality Equity Fund <sup>1</sup> (net of fees)	-4.77	-3.23	5.05	10.55	8.67
MSCI World Index <sup>2</sup>	-4.05	-1.71	11.47	14.51	10.71

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Strategic: Global Quality Equity Fund Class A Acc EUR) and RIMes as at 31 March 2026.

<sup>1</sup>Investment 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.

<sup>2</sup>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 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 fell by 1.7% in the first quarter of 2026 as measured by the MSCI World Index (net) in euro terms. After gaining 2.4% during January and February, the surprise attack by the US and Israel on the Iranian leadership and its military infrastructure, and the subsequent closure of the Strait of Hormuz caused global energy prices to

spike and risk assets to fall steadily during March. Conflicting statements from the US and Iran about background negotiations added to the uncertainty. The outcome for the quarter might have been worse had President Trump not indicated on the last day of the quarter that an end to the conflict could come within weeks, causing the US market to rally by 2.2%.

The Energy sector was the standout performer during the quarter, rising by 40% as oil prices breached \$100 per barrel for the first time since the Russian invasion of Ukraine in 2022. The price of a barrel of Brent crude had risen from \$60 to \$70 per barrel in the run-up to the start of the US/Israel bombings on Feb 28th. On a number of occasions during March the price came close to \$120. As at quarter-end, US gasoline prices had breached \$4 per gallon for the first time since 2022 putting pressure on the US administration

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for a quick resolution to the situation. The Utilities sector was also a relatively strong performer as rising European power prices are expected to boost profits in the region and the ongoing robust Artificial Intelligence ("AI")-related demand for power in the US boosted Utilities companies there. The Consumer Discretionary and Information Technology sectors were laggards during the quarter. These sectors house mega-cap stocks such as Microsoft, Nvidia and Apple, which underperformed during the quarter as investors reduced risk

## Fund performance

The IQ EQ Strategic: Global Quality Equity Fund returned -3.23% over the quarter, compared with the MSCI World Index, which returned -1.71%. The Fund's underperformance was driven by Sector Allocation and Stock Selection, while Currency Effects provided a positive contribution. The negative Sector Allocation outturn was driven primarily by sector underweight positioning in Energy and overweight positioning in Information Technology. The Fund's bestperforming sector allocation was underweight positioning in Financials. The negative contribution from Stock Selection was due to the poor performance of stocks such as Novo Nordisk and Adobe. The currency outcome was mainly driven by a rise in USD versus EUR during the quarter.

The **top five contributors** to relative performance during the quarter were: ASML Holdings, KLA Corp, Lam Research Corp, Monolithic Power Systems Inc. and Applied Materials Inc.

The **bottom five detractors** from relative performance during the quarter were: Novo Nordisk, Adobe Inc, Johnson & Johnson, Visa Inc, and Intuit Inc.

**ASML Holdings NV (ASML)** develops, produces and markets semiconductor manufacturing equipment; specifically, machines to produce semiconductors through lithography. Lithography is the process through which design patterns for chips (mainly CPUs and GPUs) can be physically etched onto the silicone. ASML's market share in the lithography segment exceeds 80% as they are the sole supplier of Extreme Ultraviolet (EUV) lithography, which can print circuits at 7nm and

smaller. An earnings update in January showed that Q4 2025 bookings were significantly above the market's expectation, rising €7bn QoQ to nearly €39bn. Revenue also saw a slight beat at €9.7bn. Memory drove 56% of this surge, with Logic making up the other 44%. The industry environment in the past few quarters has witnessed a significant increase in DRAM memory prices. ASML, with its exposure to all the major memory companies, will be a significant beneficiary of this memory up-cycle

**KLA Corp (KLAC)** is the global leader in process control equipment for semiconductor manufacturing. The company offers surface profilers, nanomechanical testers, chips, and semiconductor assembly solutions. Semiconductor Process Control, including wafer inspection, is the top revenue generating product line. The company's equipment is essential for manufacturing advanced semiconductors at 2-nanometer and 1-nanometer nodes. Q2 fiscal 2026 earnings delivered revenues of \$3.3 billion and record FCF. This was driven by continued investment in foundry/logic and strength in DRAM/HBM. Management projects high-teens percentage YoY revenue growth in calendar 2026. Near-term challenges include supply constraints for optical components until mid-2026 and geopolitical tensions with China. KLA remains well-positioned to achieve its long-term revenue and operating margin targets, driven by increasing chip complexity and its leading market share in process-control equipment for AI chips.

**Novo Nordisk A/S-B (NOVOB)** is a high-quality pharmaceutical company, specialising in diabetes and obesity. This addresses two of the largest markets in the pharmaceutical space, which are driven by the increased consumption of high fat foods and the sedentary nature of many forms of work. NOVOB's growth is largely underpinned by its GLP-1 drugs for diabetes and obesity. In 1Q26 the company began selling its new GLP-1 pill in the US after receiving approval from the FDA. At the start of February, the company forecast a decline in sales for FY26 due to stronger competition in its key obesity and diabetes drugs in the U.S. market. The company also released disappointing results for a head-to-head study of its next-generation, dual antagonist, weight-loss drug CagriSema versus Eli Lilly's blockbuster Zepbound. While the results showed that the drug was well tolerated, it failed to show non-inferiority to Zepbound. The company responded by intensifying the price war against rival drugs by dropping US prices of Wegovy and

Ozempic by up to half starting next year. The company has also begun offering a unique subscription program through its telehealth partners such as Hims & Hers. Novo's future growth is supported by a strong pipeline including advancement of trials for Amycretin (weight loss) and Ziltivekimab (cardiovascular) this year.

**Adobe Inc (ADBE)** is a leading global provider of digital imaging and print publishing products, with its flagship Creative Cloud product line serving as the primary revenue driver. The company operates two main segments: Digital Media which includes Creative Cloud and Document Cloud, and Digital Experience which provides marketing and analytics solutions to enterprises. The company is best known for its Photoshop, PDF and Flash platforms. Q1 earnings were a solid beat for revenue and EPS, while the Q2 outlook remained in-line. The future remains uncertain for Adobe as creative software companies face among the highest risk of disruption from AI. Increasing AI capability is expected to slow seat-based revenue growth. Adobe's share price decline over the period reflects this significant investor concern and has led to the departure of CEO Shantanu Narayen. However, opportunities exist to monetise its vast content libraries in AI model training. Management have highlighted encouraging early indicators along with improving ARR across Express, Acrobat AI Assistant and Firefly.

## Calendar year performance

Fund / Index / Holdings	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
<b>IQ EQ Strategic Global Quality Equity Fund (Net of Fees) (Eur)*</b>	0.6	23.3	21.3	-18.0	36.3
<b>MSCI World Index Net (Eur)</b>	6.8	26.6	19.6	-12.8	31.1
Adobe Inc.	-21.3	-25.5	77.3	-40.7	13.4
ASML Holdings NV	37.1	0.4	36.7	-27.8	78.7
Applied Materials Inc.	59.6	1.1	68.0	-37.5	83.6
Intuit Inc.	6.1	1.2	61.7	-39.1	70.3
Johnson & Johnson	47.5	-4.8	-8.6	6.0	11.4
KLA Corporation	94.5	9.3	56.0	-11.2	68.0
LAM Research Corp	139.1	-6.9	88.6	-40.7	53.7
Monolithic Power Systems Inc	54.4	-5.6	79.8	-27.8	35.5
Novo Nordisk A/S	-46.4	-9.6	50.7	29.6	75.6
Visa Inc	11.8	22.3	26.3	-3.4	-0.3

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Strategic: Global Quality Equity Fund Class A Acc EUR) and Rimes as at 31 March 2026. 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.**

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[www.iqeq.com/davy-funds-plc](http://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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