Davy Funds Plc
IQ EQ ESG Multi-Asset Fund

CLASS A Distributing Units

INVESTMENT OBJECTIVE

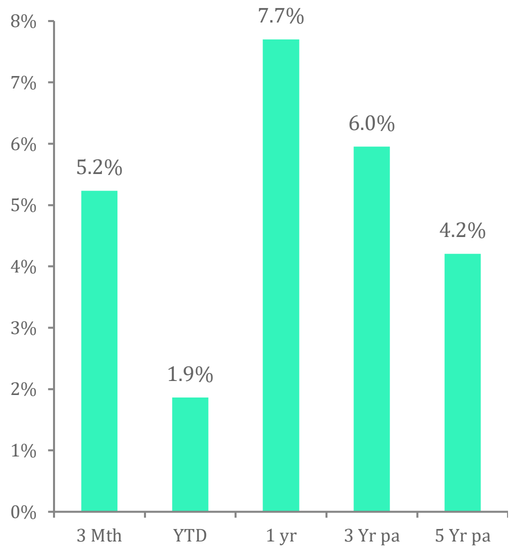
The primary investment objective of the IQ EQ ESG Multi-Asset Fund ('the Fund') is to seek, over time, to achieve capital appreciation in real terms. The Fund may, as a secondary objective, also seek to generate a moderate level of income, from year to year, consistent with the growth objective.

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 Adviser'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.

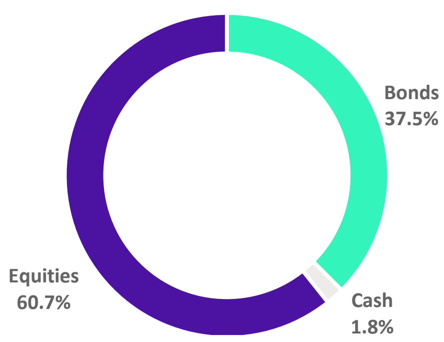
NOTE: All information below is provided as at 30.06.2026

INVESTMENT PERFORMANCE



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

ASSET ALLOCATION (% Fund)



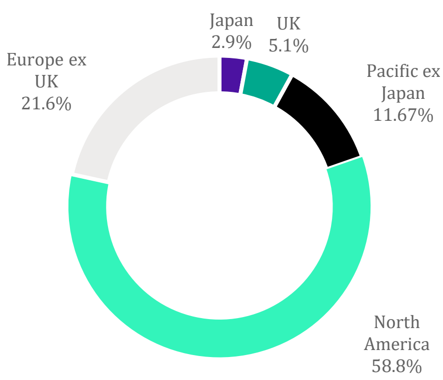
TOP 10 HOLDINGS (%)

10 Largest Equity Holdings (% of Total Fund)

Stock	Country	Weight
Alphabet Inc	USA	5.5%
TSMC Ltd.	Taiwan	5.3%
Microsoft Corp	USA	3.6%
Iberdrola SA	Spain	2.4%
Siemens AG	Germany	2.2%
Oracle Corp	USA	1.9%
TJX COS INC (THE)	USA	1.9%
Merck & Co Inc	USA	1.8%
Visa Inc.	USA	1.8%
Singapore Exchange Limited	Singapore	1.8%
Total		**28.2%**

GEOGRAPHIC ALLOCATION (%)

Equity Portfolio Geographic Allocation (% Equity portion)



IQ EQ Fund Management (Ireland) Limited

Quarter 2, 2026

ABOUT THE FUND

Base Currency:
Euro

Fund Size (EUR):
19.9m

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
0.92%

Structure:
UCITS*

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

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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. This is a marketing communication. This is not a contractually binding document. Please refer to the prospectus and to the KIID of the Fund and do not base any final investment decision on this communication alone. The Fund is actively managed. SFDR disclosures and fund documentation can be found on our website at: https://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

Davy Funds Plc
IQ EQ ESG Multi-Asset Fund Q2 2026

MARKET COMMENT

The second quarter of 2026 delivered a remarkable recovery in global equities, with the MSCI World Index returning +14.6% on a total return basis over the period. The quarter was defined by two dominant and at times competing forces: the escalating and then de-escalating military conflict between the US and Iran, and a powerful Artificial Intelligence (“AI”)-driven technology rally that ultimately proved resilient enough to carry global markets to their best quarterly performance since 2020. Regional equity benchmarks all posted strong gains, with the Nikkei 225 leading developed markets at +37.3%, the Euro Stoxx 50 at +15.6%, followed by the S&P 500 at +15.2%.

The conflict's trajectory through the quarter can be broadly divided into three phases: acute disruption (April–early May), partial restoration attempts (mid-May to mid-June), and de-escalation following the interim US–Iran peace deal announced on 14 June. By quarter-end, Brent had collapsed to $72.92/bbl — a decline of approximately 38% over the three months — as the Hormuz reopening and anticipated supply normalisation overwhelmed the market.

The Information Technology sector was the standout performer, driven higher by renewed enthusiasm for the AI trade. The sector was responsible for over 60% of the total equity return during the quarter, rising by 34.8% in euro terms. Shares in companies such as Micron, Nvidia, AMD, Apple and Intel drove the sector higher.

The MSCI World Industrials sector returned +14.5%, supported by a surge in defence-related spending commitments across NATO members and a broader rearmament theme, though individual defence names were mixed — traditional companies such as Lockheed Martin, Northrop Grumman and Rheinmetall underperformed, while newer entrants and drone-focused companies attracted significant investor interest.

The Energy sector was the only sector to post a negative return during the quarter, having peaked on March 31st, one month after the US and Israel bombed Iran, sparking the conflict. By quarter end the sector had lost all of those gains as the oil price fell back to pre-crisis levels on expectations of the reopening of the Strait of Hormuz.

Bond market returns were positive during the second quarter, with the JP Morgan Global Bond Index rising by 0.96%. This represented a partial recovery from the sharp sell-off seen in March, which was triggered by the outbreak of hostilities involving the US, Israel and Iran in late February. The conflict initially caused a sharp rise in energy and other commodity prices, leading to a fall in bond prices (and a corresponding rise in yields), as investors anticipated that central banks might need to raise interest rates to counter the resulting inflationary pressures.

However, as the second quarter progressed, prospects for a resolution improved. An interim peace agreement (the 'Memorandum of Understanding') between the US and Iran was reached in mid-June, paving the way for the gradual reopening of the Strait of Hormuz. Although the situation remains fluid, with negotiations ongoing, the easing of energy prices during the period helped to reduce inflationary pressures and support a rally in bond markets.

FUND PERFORMANCE

The IQ EQ ESG Multi Asset Fund returned 5.23%, net of fees, during the quarter.

Within the equity portfolio:

The equity component, which accounts for ca. 61% of the strategy, returned 8.55% gross. This compares with the MSCI World Index return of 14.64%. The relative performance of the equity book was driven mainly by negative Stock Selection. Currency Effects and Sector Allocation decisions were marginally negative. The Stock Selection outcome was almost entirely due to the Information Technology sector, particularly semiconductor makers such as Micron and Nvidia and AMD, which are not owned in the portfolio. Micron, alone, was responsible for 1.2% of the total underperformance. Sector Allocation was positively impacted by the underweight in Energy stocks, which counteracted the negative underweight position in Information Technology stocks.

The **top five equity contributors** to relative performance during the quarter were: TSMC, Alphabet, Siemens, Singapore Exchange, and State Street.

The **bottom five equity detractors** from relative performance during the quarter were: Tractor Supply, Zoetis, EssilorLuxottica, PepsiCo, and TJX Companies.

+ 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 global microchip manufacturer due to its adoption of the “pure-play foundry” model, allowing it to focus on Ds each year. On April 16th, TSM released Q1 2026 results, reporting net revenue of NT$1.13 trillion, up 35% YoY, and net income up 58% YoY, with Q2 revenue guidance of $39.0–$40.2 billion beating analyst consensus. TSM's entrenched position in leading-edge semiconductor manufacturing, underpinned by structural AI demand that continues to outstrip supply, supports a constructive long-term outlook for the stock.

- **Tractor Supply Company (TSCO)** is the largest rural lifestyle retailer in the United States, operating a network of farm and ranch stores serving recreational farmers, ranchers, and rural homeowners. The company offers a broad assortment of products spanning livestock and pet supplies, hardware, tools, seasonal merchandise, and clothing. In 2026, the shares have faced significant headwinds reflecting persistent weakness in the companion animal category and a challenging consumer backdrop. Early in the quarter, analyst downgrades and price target reductions ahead of earnings weighed on sentiment On April 21st, TSCO reported Q1 2026 results that missed expectations, with EPS of $0.31 against a $0.34 estimate and comparable sales growth of just 0.5% versus the 1.62% consensus, as pet segment softness and a multiyear-low operating margin of 6.5% drove the stock sharply lower on the day.

Within the bond portfolio:

The bond portfolio was up 1.04% (gross) during the first quarter, outperforming its benchmark, the JP Morgan Global Bond Index (unhedged in euros), which was up 0.96%. Regarding relative performance, the main positive contribution came from the portfolio's allocation to non-benchmark government, government agency and corporate bonds which outperformed as spreads tightened. This was offset somewhat by an overweight position in long-dated Japanese Government Bonds funded out of an underweight in long dated US Treasuries. This underperformed as the Japanese government surprised the market by announcing a long-term strategy to raise investment in key industries, which is likely to increase borrowing and bond issuance in future years.

POSITIONING AND OUTLOOK

We entered the year with a positive view on both the global economy and financial markets. Our expectation was that economic activity would continue to be supported by several key factors, including the positive wealth effect from strong financial market performance, sustained investment linked to the AI revolution, ongoing fiscal stimulus and the lagged benefits of interest rate cuts. Taken together, these factors provided a solid foundation for continued growth and corporate earnings.

However, as we highlighted in our first quarter update, the outbreak of war between the US (together with Israel) and Iran in late February had the potential to materially alter this outlook. Our primary concern was that a sustained escalation could lead to significantly higher energy and commodity prices, increasing costs for both consumers and businesses and potentially undermining global economic momentum.

Fortunately, energy prices have fallen markedly following the interim peace agreement reached in June, helping to alleviate these concerns. As a result, we believe the impact on our global outlook has, so far, been relatively minor. Nevertheless, we remain mindful that this was only a temporary agreement and that both sides appear to remain far apart in negotiations. Consequently, the risk of renewed hostilities, including the possibility of another closure of the Strait of Hormuz, cannot be ruled out. We therefore continue to monitor developments closely and remain alert to any implications for markets and portfolio positioning.

CALENDAR YEAR PERFORMANCE (%)

	2025	2024	2023	2022	2021
IQ EQ ESG Multi-Asset Fund A Dist (Net Eur)*	**1.9%**	**11.9%**	**7.0%**	**-10.2%**	**20.6%**
MSCI World Index (Net Eur)	**6.8%**	**26.6%**	**19.6%**	**-12.8%**	**31.1%**
JP Morgan Unhedged Global Bond Index (Eur	**-6.0%**	**2.8%**	**0.5%**	**-11.8%**	**0.6%**
Alphabet Inc-A	66.0%	36.0%	58.3%	-39.1%	65.3%
EssilorLuxottica S.A.	16.4%	32.3%	9.3%	-8.1%	47.9%
PepsiCo	-1.9%	-7.6%	-3.3%	6.8%	20.5%
Siemens	29.8%	14.1%	34.9%	-12.6%	33.3%
Singapore Exchange Ltd	36.5%	34.1%	13.7%	-0.3%	3.5%
State Street	35.5%	30.2%	3.5%	-13.7%	31.1%
TJX Companies	28.7%	30.6%	19.7%	6.7%	12.8%
Taiwan Semiconductor Manufacturing Co. Ltd.	55.9%	92.6%	42.3%	-36.8%	12.1%
Tractor Supply	-4.1%	25.4%	-2.6%	-4.0%	71.6%
Zoetis	-21.8%	-16.6%	35.9%	-39.5%	48.3%

Source: IQ EQ Fund Management (Ireland) Limited, Northern Trust, and Bloomberg as at 31 March 2026. 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.

 The J.P. Morgan GBI series provides a comprehensive measure of local currency denominated fixed rate government debt issued in developed markets. The global series tracks 13 countries and the broad series tracks 27 countries. The series is available in a number of different segments and breakouts including - maturity sectors and individual countries as well as hedged and unhedged in over twenty currencies.

IQ EQ Fund Management (Ireland) Limited

Quarter 2, 2026

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