Q2 2026 Update

IQ EQ Global Equity Income Fund

For Investment Professionals Only

Performance	1 month (%)	Q2 2026 (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)
IQ EQ Global Equity Income Fund[1] (net of fees)	4.15	15.76	33.84	18.23	13.69
MSCI World Index Net[2]	1.34	14.64	24.58	17.40	12.29

Source: IQ EQ Fund Management (Ireland) limited (IQ EQ Global Equity Income Fund Class A Acc EUR) and RIMES as at 30 June 2026.

[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

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 as 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.

Fund performance

The Fund returned +15.76% during the quarter, compared with the MSCI World Index, which rose by 14.64%. Stock Selection was a positive contributor to relative performance during the quarter, while Sector Selection was a slight negative. Currency Effects were minimal during the quarter. The Sector Selection outcome was driven by an underweight position in the Information Technology sector and an overweight position in Utilities, Industrials and an underweight in the Consumer Discretionary sector. The underweight position in the Energy sector was a positive contributor to relative performance. Corning and TSMC were among the strongest contributors to equity performance during the quarter, while Zoetis and Telus were laggards.

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

The **bottom five equity detractors** from relative performance during the quarter were: Zoetis, Telus, Waste Management, Pepsico, and Swisscom.

Corning Inc. (GLW) is a global technology-based company producing optical fibre, cable, and photonic components for the telecommunications industry, as well as manufacturing glass panels, liquid crystal display glass, and projection video lens assemblies for the information display industry. GLW has several secular opportunities which outweigh the cyclical exposures that many manufacturing companies face. The company has also noted strong demand more generally for US made components and equipment in light of the new US tariff regime. Meanwhile, the company is executing on its strategic plan ("Springboard"), which had aimed to get operating margins to 20%, well ahead of schedule. GLW has been citing strong demand in its Optical division from AI-related business in recent quarters and announced in January that it had signed a deal to supply $6bn worth for optical products to Facebook parent Meta. The shares rose strongly on the news. Despite releasing an earnings update that disappointed some investors in May, the company is benefiting hugely from AI infrastructure investment. The shares rose sharply in early May after Nvidia announced a $500 million investment and a multiyear partnership to expand US optical connectivity manufacturing capacity tenfold. The company was among the best performers in the portfolio during the quarter.

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 making chips that other companies design. TSM has become the primary chip supplier to the "Magnificent 7". Despite ongoing concerns about tariffs and American relations with China, the company has confirmed that it will increase investment in the current year. TSM has excellent sustainability credentials, operating with an exceptionally strong competitive moat, allowing them to pay 70% of free cash flow in dividends 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.

Zoetis Inc (ZTS) is a global leader in animal health, developing and manufacturing medicines, vaccines, and diagnostic products for livestock and companion animals. The company operates across multiple therapeutic areas including parasiticides, dermatology, pain management, and diagnostics. Zoetis experienced a sharp deterioration in its outlook in the second quarter following disappointing Q1 results. On May 7, the company reported Q1 2026 revenue of $2.26 billion, up 3% YoY but below the $2.30 billion that investors had expected. The company cut its full-year 2026 guidance, lowering its adjusted EPS expectations to $6.85-$7.00 from $7.00-$7.10 and reducing revenue outlook to $9.68 billion. The reason for the downbeat outlook was intensifying competition in companion animal franchises. Zoetis has a significant range of products in development, which should drive growth in the future. However, the near-term EPS downgrades drove sentiment during the second quarter.

Telus (T) is a Canadian telecommunications company providing wireless and wireline connectivity, internet, and television services, alongside healthcare and digital solutions through its Telus Health and Telus Digital divisions. In 2026, the company entered the year facing intensifying competitive pressures in the Canadian wireless market, with shares declining approximately 16% year-to-date by the close of the second quarter. On May 8th, Telus released Q1 2026 results, reporting adjusted EPS of C$0.23, beating the consensus estimate of C$0.22, though operating revenues of C$5.01 billion fell 0.9% YoY and missed expectations, with elevated churn remaining a concern; the company also announced a CFO transition, with Gopi Chande named as successor to Doug French. Despite the EPS beat and improving credit outlook, persistent investor concern over competitive intensity, elevated leverage, and dividend sustainability weighed on the shares.

Calendar year performance

Fund / Index / Holdings	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**
Corning Inc	87.8	60.6	-1.2	-11.6	5.9
Cummins Inc	49.4	48.9	1.7	14.1	-1.7
Intel	84.0	-59.6	94.6	-46.7	6.0
Pepsico	-1.9	-7.6	-3.3	6.8	20.5
Samsung Electronics Co Ltd	130.8	-37.9	38.3	-31.3	-8.0
Swisscom	19.0	3.9	3.7	2.5	12.8
Telus	0.5	-11.3	-4.4	-8.3	23.6
TSMC	55.9	92.6	42.3	-36.8	12.1
Waste Management	10.5	14.3	16.2	-4.5	43.8
Zoetis	-21.8	-16.6	35.9	-39.5	48.3

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Global Equity Income Fund Class A Acc EUR) and RIMES as at 30 June 2026. 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.

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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

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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.

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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