Q2 2026 Update

IQ EQ Global Focus Fund

For Investment Professionals Only

Performance	1 month (%)	Q2 2026 (%)	1 year (%)	3 years p.a. (%)	5 years p.a. (%)
IQ EQ Global Focus Fund[1] (net of fees)	3.57	10.50	16.07	8.57	4.63
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 Focus Fund Class A Acc EUR) and RIMES as at 30 June 2026

[1] The IQ EQ Global Focus Fund is a UCITS fund and was launched on 28 February 2001. On 1 May 2024 the Fund name was changed from Davy Global Focus Fund to IQ EQ Global Focus Fund.

[1]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 Focus Fund** (the 'Fund') is to generate absolute returns over the medium term. Absolute returns are specific, consistent positive returns which are not necessarily dependent upon specific asset class exposure or upon continuous rising markets.

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 IQEQ Global Focus Fund returned 10.50% during the quarter. The equity portfolio returned 15.7%, while the bond portfolio returned +1.0%. Within the equity book, TSMC and Cummins were among the best performers, while the biggest detractors from performance included Adobe and ADP. An overweight position in Industrials contributed positively to returns within the equity book.

The ***top five equity contributors*** to relative performance during the quarter were: TSMC, Cummins Inc, ABB Ltd, Corning Inc, and Fanuc Corp.

The ***bottom five equity detractors*** from relative performance during the quarter were: Zoetis Inc, Tractor Supply Co, Broadcom Inc, Verizon Inc, and Swisscom AG.

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.

Cummins Inc. (CMI) is a global power solutions provider that designs, manufactures, distributes, and services a range of engines, powertrain components, power generation systems, and electrified power systems, with operations in approximately 190 countries and territories. The company reports across five segments: Engine, Components, Distribution, Power Systems, and Accelera. In 2026, CMI entered the year with strong momentum, underpinned by record Power Systems profitability and robust data-centre demand, though initial guidance implied margin headwinds across several segments. CMI shares advanced 32.6% over Q2 2026, rising from $538 to $713, supported by a strong earnings beat and a series of positive catalysts throughout the quarter. On May 5th, CMI reported Q1 2026 adjusted EPS of $6.15, beating consensus by approximately 10%, with net sales of $8.40 billion up 2.7% YoY; the company simultaneously raised its FY2026 revenue guidance to growth of 8%-11%.

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.

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.

Calendar year performance

Fund / Index / Holdings	2025 (%)	2024 (%)	2023 (%)	2022 (%)	2021 (%)
IQ EQ Global Focus Fund (Net of Fees) (Eur)*	**-1.5**	**16.2**	**14.6**	**-18.0**	**23.5**
MSCI World Index Net (Eur)	**6.8**	**26.6**	**19.6**	**-12.8**	**31.1**
ABB Ltd.	23.1	34.3	36.7	-14.4	45.2
Broadcom Inc	50.6	110.4	104.2	-13.3	56.4
Corning Inc	87.8	60.6	-1.2	-11.6	5.9
Cummins Inc	49.4	48.9	1.7	14.1	-1.7
Fanuc Corp	49.2	2.7	6.8	-16.7	-2.2
Swisscom AG.	19.0	3.9	3.7	2.5	12.8
TSMC	55.9	92.6	42.3	-36.8	12.1
Tractor Supply Co	-4.1	25.4	-2.6	-4.0	71.6
Verizon Inc	8.9	13.2	2.8	-20.0	-7.5
Zoetis Inc	-21.7	-16.6	35.9	-39.5	48.3

Source: IQ EQ Fund Management (Ireland) Limited (IQ EQ Global Focus Fund Class A Acc EUR) and Rimes as at 30 June 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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The IQ EQ Global Focus Fund (formerly the Davy Global Focus Fund – name change effective 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.

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

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