Gresham House Global Equity Fund

Quarterly Report
1 April 2025 to 30 June 2025

Gresham House
Specialist investment

Highlights

The Gresham House Global Equity Fund is an actively managed, concentrated global equity fund that invests in large cap value companies with strong quality characteristics.

This unaudited quarterly update provides an overview of Gresham House Global Equity Fund (the Fund) performance between 1 April 2025 to 30 June 2025.

The Fund launched in 2010 with a target return of 6% to 8% per annum.

Unit Price

(NAV per Unit)

€309.8581

Year to date performance

6.23%

Long-term ten-year annualised return

6.55%

The Gresham House Global Equity Fund gained 2.47% over the quarter.

The Fund is focused on cash generative, value creating companies trading on a valuation with a margin of safety with the expectation for them to deliver superior returns over the longer-term.

The Investment Manager, Gresham House Asset Management Ireland Limited (Gresham House Ireland, Investment Manager or the Manager), is a leading Irish based asset manager, managing a range of funds, which invest globally, to grow and protect our clients' assets while generating sustainable income.

For more information visit

www.greshamhouse.ie

Investment Manager's Report

Market Commentary

The second quarter of 2025 was one of the most extreme quarters in terms of market volatility we have seen in many years.

In early April, the S&P 500 fell into bear market territory having declined more than 20% from its highs on worries about the "Liberation Day" tariff announcement. President Trump designated 2nd April as "Liberation Day," invoking emergency trade powers to tackle the U.S. trade deficit. He introduced a universal 10% baseline tariff on all imports effective 5th April and imposed additional "reciprocal" tariffs ranging from 11% to 50% on 57 countries with which the U.S. had large trade deficits. These were scheduled for 9th April.

After the announcement triggered a stock market crash, the implementation of most reciprocal tariffs was suspended until 8th July. After the tariff plan was put on "pause" stocks began to recover. By the end of the quarter both US and European markets were up over 11%, the best quarterly performance since 2020. The rally became known as the TACO trade. TACO (i.e. Trump Always Chickens Out) was a phrase coined by Financial Times columnist Robert Armstrong in early May. The fact that President Trump seemed to bend when market pressure was applied explains in significant part the stock market's willingness to bet on the continuing U-turn on tariffs.

Outside of self-inflicted tariff volatility, geopolitics returned to the world's attention in the quarter. Israel initiated its surprise attack on Iran and the US opted to join them in a direct military intervention. After the attacks and a small retaliatory effort, markets concluded that Iran's options are limited, and we wouldn't see a meaningful deterioration. This view seems well placed and we concur.

With all the geopolitical and tariff noise many investors may have expected the US dollar, traditionally seen as a safe haven, to rally. However, our belief since inauguration has been that President Trump is a weak dollar president and this is playing out. The call has now become consensus which means we could see a temporary dollar rally. However, given the fundamental backdrop of reckless fiscal spending and isolationism we find it difficult to envision a sustained dollar rally.

In our equity funds we continue to find significant pockets of value outside the US and down the market capitalisation spectrum.

In our multi-asset funds we are becoming more positive on risk assets particularly in light of fiscal and monetary loosening.

Fund Performance

The Gresham House Equity Fund gained 2.47% over the quarter.

The final performance number does not tell the full story of the volatility that we saw post President Trump's Liberation Day. In early April the S&P 500 fell into bear market territory having declined more than 20% from its highs on worries about the Liberation Day tariff announcement. After the administration backed down and paused tariffs, stocks began to recover. By the end of the quarter investors had begun to believe that the administration will always roll over when faced with market turbulence.

When we analysed the exposure of the companies in the fund to the increased levels of tariffs post Liberation Day, we were largely immune, save a couple of companies that had a manufacturing presence in Mexico. Deglobalisation will likely be a secular trend, and we will continue to incorporate these operating risks as we analyse potential investment for the funds.

Our overall portfolio positioning view in terms of geographies still holds. We think the narrative around US exceptionalism has further to unwind here. The US reached an all-time peak of 67.2% of the MSCI All Country World Index on December 24th last year amidst the hype about American exceptionalism. To be clear, we do not expect an imminent collapse in US equities. Our long-standing point is that accounting for 67% share of global markets makes no sense when the US accounts for about 5% of the world's population and only 25% of global GDP. We also believe the US dollar to be in a downward trend, which, in our view, makes US assets even less attractive for overseas investors.

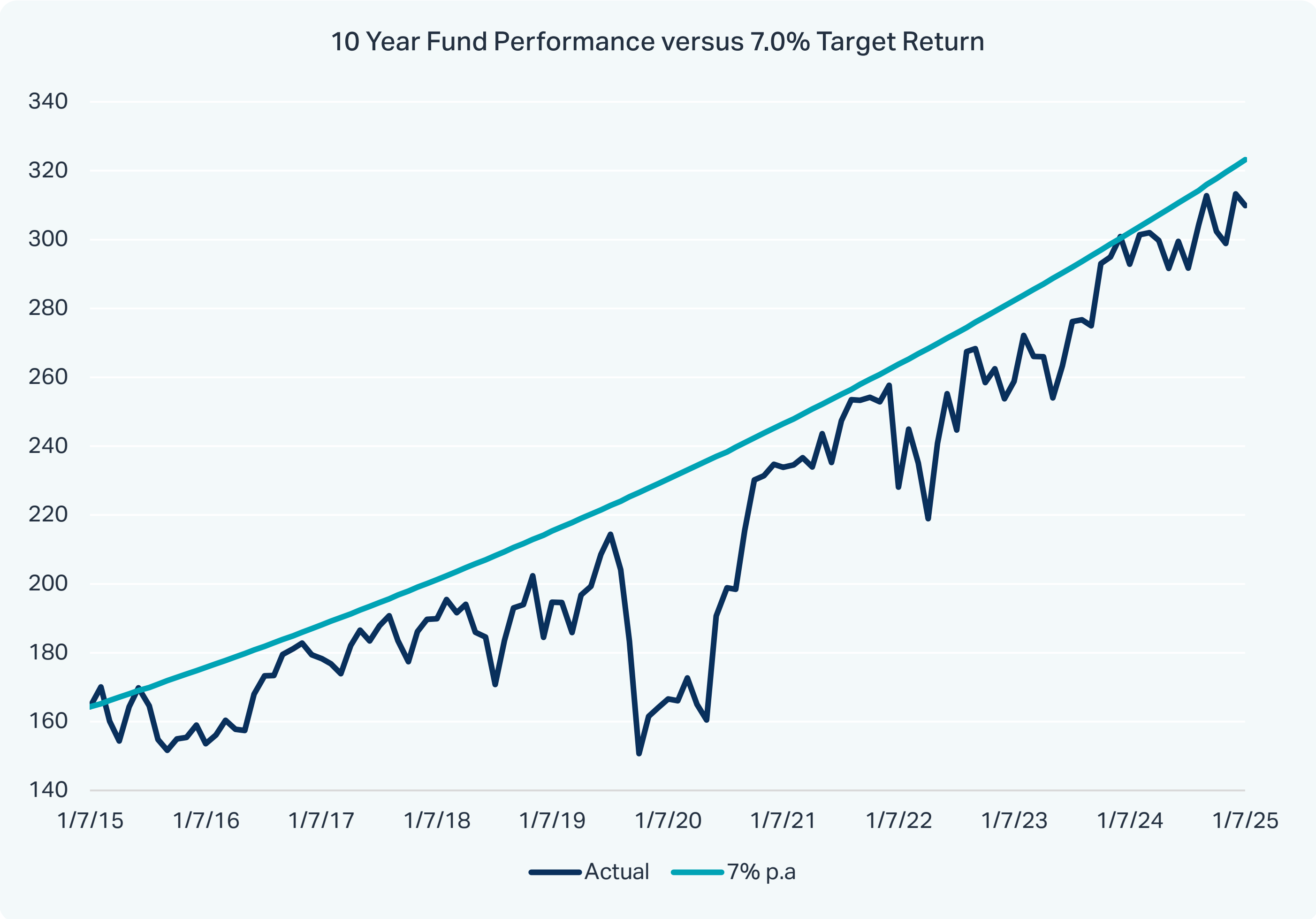
Ryanair delivered a return of over 27% in the quarter. Load factors remained strong and the cost base which investors feared was drifting last year is again very much under control. Aercap, a relatively new position in the Fund gained over 20%. Aercap's management team, based in Dublin, exhibit the quality that we most desire in management teams – conscientious and value creating capital allocation - this will continue to be rewarded over time.

DCC fell -7.5% over the quarter. We believe that the company's strategic moves in refocusing on their energy business make complete sense given the organic and inorganic opportunities in that market and we used the weakness to add to our position.

The coming quarters are likely to be volatile from both a geopolitical and policy point of view. However, given current valuations, the fantastic shape of corporate balance sheets and loose fiscal policy we remain confident that our companies can continue to generate strong earnings and compound value for shareholders. The valuation of the Fund remains compelling. Buying good quality companies at bargain prices and holding them until the market realises their inherent value has delivered superior investment performance over the long term. We believe the situation today to be no different.

	YTD	1 month	3 months	6 months	1 year	3 years	5 years	10 years	Since Inception
Net Return	6.23%	-1.09%	2.47%	6.23%	5.81%	35.83%	86.03%	88.60%	209.86%
Annualised Return	6.23%	-1.09%	2.47%	6.23%	5.81%	10.75%	13.22%	6.55%	7.74%
Best Month	18.83%	Nov-20							
Worst Month	-17.79%	Mar-20							
Current Month	-1.09%								

Regional Split	%	Top Holdings	%	Sector Weighting	%
Europe	50.19	DCC PLC	4.95	Industrials	22.06
UK	32.34	CRH PLC	4.39	Materials	14.97
US	17.47	ELIS SA	4.21	Financials	14.15
		HCA Healthcare Inc	4.15	Health Care	10.65
		AIB Group PLC	4.08	Consumer Discretionary	10.63



The Team

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