

Gresham House Euro Liquidity Fund

Quarterly Report
1 October 2025 to 31 December 2025

Highlights

The Gresham House Euro Liquidity Fund (the Fund) is an actively managed fund which is presently invested in short-dated government debt but may also invest in cash deposits, corporate debt and floating-rate notes (FRNs).

The Fund invests across a spread of instruments and institutions to diversify risk. This generates an appropriate level of return including income, achieving a low level of volatility and preserving capital over the long-term. This weighting could involve an increase in the short-term volatility profile of the Fund.

**Unit Price
(NAV per Unit)**

€105.3802

Year to date performance

1.54%

**Annualised return
since inception**

0.31%

**The yield to maturity of
the Fund at the end of Q4
2025 was 2.07%.**

**The Fund continued to benefit
from yields on short-dated
European government bonds.**

**Central Bank policy
expectations price in
limited further rate cuts
across the major central
banks during 2025.**

*All performance figures stated in this report are 'Net Performance'
(i.e. net of fees and charges)

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

2025 was a volatile year for markets, with animal spirits ultimately outweighing the trade concerns that emerged in the first half of the year following the United States raising tariffs to levels not seen since the 1930s. Developed market equities fell 16.5% in early April but ultimately shrugged off the shock and finished the year with healthy returns. As the year progressed, investor focus shifted toward the positive implications of very loose fiscal policy alongside a more accommodative monetary stance. Notably, 2025 was the first year since the Covid pandemic in which all major asset classes delivered positive returns.

The Gresham House Global Multi-Asset Fund gained 14.87% in 2025. The Gresham House Global Thematic Multi-Asset Fund returned 5.35%. On the equity side, the Gresham House Global Equity Fund delivered 17.15%, while the Gresham House Global Small Company Fund gained 7.12%, and the Gresham House Euro Liquidity Fund returned 1.54%.

Looking ahead to 2026, we expect continued growth in selected equities and commodities, while broader market indices may struggle. Valuations across major indices are now higher than those reached at the peak of the dot com bubble, and consensus earnings expectations for 2026 appear highly optimistic. The encouraging feature of the current environment is that excess valuation is not universal. While market conditions increasingly resemble the late 1990s, we believe a similar playbook is appropriate. The strategy is straightforward. Avoid areas where valuation risk dominates and target capital towards pockets where active judgement can add value.

Avoiding the most overvalued assets, particularly United States mega cap artificial intelligence beneficiaries, does not require stepping away from risk entirely. Our valuation framework continues to point toward non-United States large cap equities, deep value stocks, and smaller capitalisation companies as offering sensible, and in some cases attractive, expected returns. Portfolio construction can therefore tilt away from the artificial intelligence trade without sacrificing long run return potential, should markets ultimately revert toward fundamentals.

Markets also signalled growing concern around currency debasement during the year. Precious metals were the standout asset class of 2025, with the Bloomberg Precious Metals Index returning 80.2%. This materially benefited the Multi-Asset Fund, which maintained exposure to both gold and silver. While we retain exposure to precious metals, we have actively adjusted positioning as valuations in parts of the complex have become stretched.



Derek Heffernan
Chief Investment Officer

In an environment characterised by abundant liquidity and ongoing policy experimentation, the ability to distinguish enduring value from transient narrative is more important than ever. Our focus remains firmly on assets with durable cash flows, sensible valuations, and strong balance sheets. These remain the enduring foundations of compounding capital through periods of uncertainty.

Fund Performance

The Gresham House Euro Liquidity Fund delivered a return of 0.34% in Q4, bringing year-to-date performance to 1.54%. The Fund remains invested in short-dated European government bonds, which continued to offer attractive risk-adjusted yields across developed European markets, even as the European Central Bank (ECB) maintained a pause in its easing cycle. Having cut rates eight times since June 2024, the ECB left policy unchanged during the quarter, with the deposit facility rate remaining at 2%. As at the end of the period, the Fund's yield to maturity remained compelling at 2.07%, while duration increased marginally to 0.67 years, consistent with the Fund's capital-preservation objective.

At the macro level, the euro area outlook continues to be shaped by a combination of geopolitical uncertainty and uneven growth dynamics. Inflation pressures eased further over the quarter, with disinflationary forces gaining traction amid lower energy prices, particularly in oil and wholesale natural gas. Medium-term market expectations for inflation remain anchored around 2%, which aligns with ECB projections. Political uncertainty in France remains a headwind, though this is partly offset by a broadly supportive macro backdrop, boosted by growing expectations of German fiscal support and higher European defence spending, which should underpin medium-term growth prospects. Any progress towards a resolution of the conflict in Ukraine would represent an additional upside risk, though a timeline on this remains unclear.

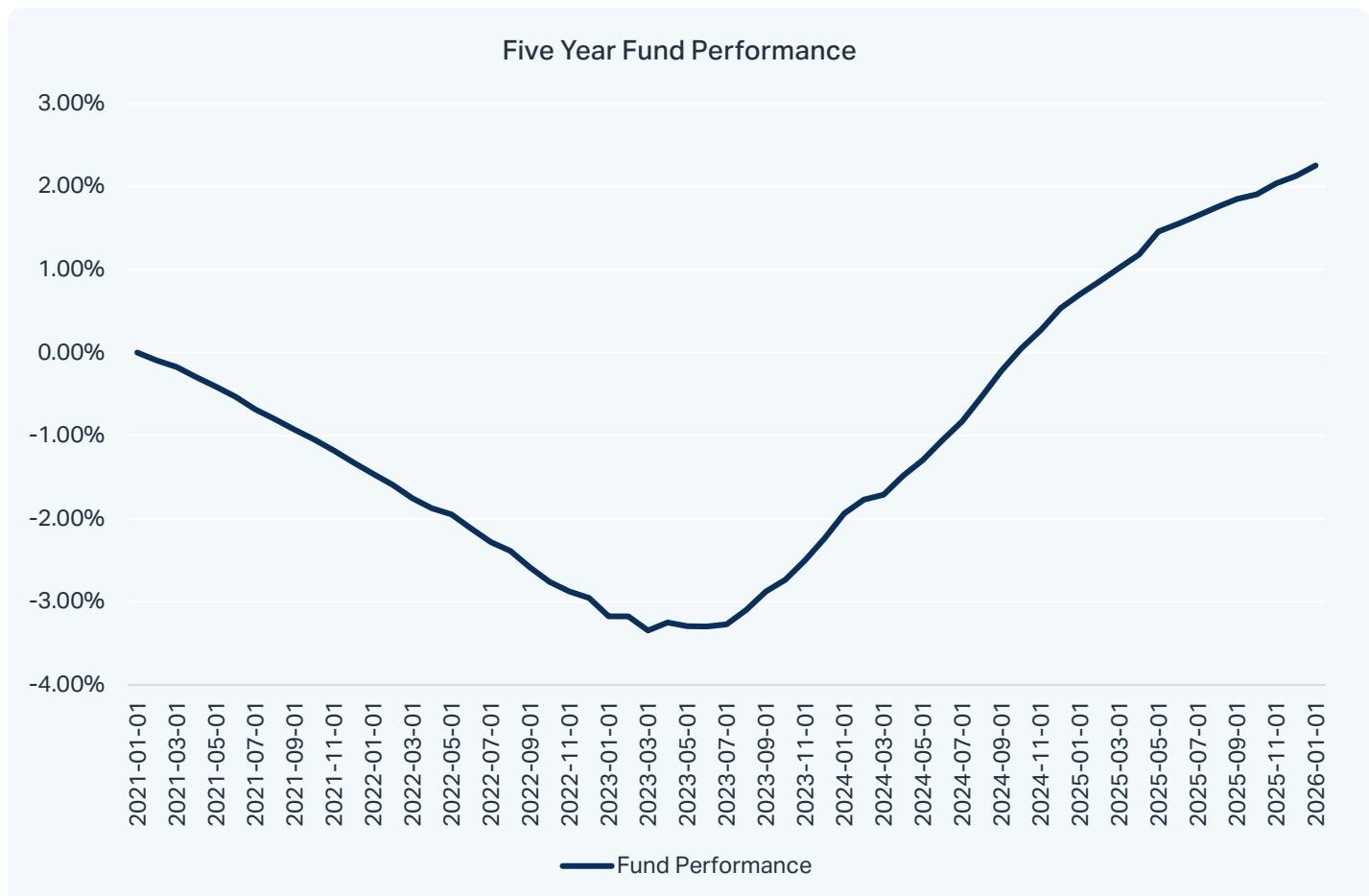
Against this backdrop, markets increasingly view the current policy stance as close to the terminal point of the easing cycle, with pricing implying limited scope for further rate cuts over the coming years. In this environment, the Fund remains well positioned. Short-dated yields continue to offer attractive value, while the bulk of monetary policy easing now appears to be behind us. The portfolio benefits from a broad and diversified opportunity set, and our active approach across issuers, maturities and regions enables us to selectively capture value as it arises, while maintaining a strong focus on liquidity and capital preservation.



Cumulative performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
	1.54%	0.34%	0.59%	1.54%	5.60%	2.25%	-1.00%	5.38%

Annualised performance	3 years PA	5 years PA	10 years PA	Since launch
	1.83%	0.45%	-0.10%	0.31%

Asset positioning	%	Top holdings	%
Bonds	98.60	Irish Bond	5.79
Cash	1.40	Spanish Bond	5.61
		Italian Bond	5.19
		Portuguese Bond	4.53
		Greek Bond	4.43



The Team

Investment Team



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