

Gresham House Global Equity Fund

Quarterly Report

1 October 2025 to 31 December 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 October 2025 to 31 December 2025.

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

Unit Price
(NAV per Unit)

€341.7131

Year to date performance

17.15%

**Long-term ten-year
annualised return**

7.58%

The Gresham House Global Equity Fund gained 6.38% 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.

*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%. 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 Global Equity Fund gained 6.38% over the quarter, bringing performance for 2025 to 17.15%.

Equity markets continued their strong rebound during the fourth quarter. Investors have become increasingly comfortable with an environment characterised by very loose financial conditions. This is being driven by two forces working in the same direction: expansionary government spending and accommodative monetary policy.

On the fiscal side, large scale initiatives such as German infrastructure spending, tax cuts under the US One Big Beautiful Bill, and ongoing fiscal support in China point to a broad global shift towards higher government involvement in economic growth. On the monetary side, central banks have generally moved towards easing, and in the US there is growing expectation that future Federal Reserve leadership will favour lower interest rates. Together, these forces are providing strong support for asset prices.

While such conditions can store up risks over the longer term, particularly around inflation, market cycles typically end only when policy tightens meaningfully or a recession emerges. At present, neither appears imminent. Over the past six months, money supply has expanded, and global interest rate cuts have outnumbered rate increases. We continue to monitor inflation closely, but near-term liquidity conditions remain supportive.

One important area of risk we are watching carefully is the rapid rise in valuations of AI related equities. Our approach to this theme is deliberately conservative. We are avoiding the most expensive parts of the market, particularly US mega cap companies that are widely seen as the primary beneficiaries of AI. Our valuation work suggests that attractive long-term returns remain available elsewhere, especially in smaller companies, deep value stocks, and non-US markets. We believe it is possible to avoid the excesses of the AI trade without sacrificing long term return potential.

We do not expect the AI bubble to burst abruptly in the near term. As long as economic data remains stable and liquidity plentiful, investors often continue to support dominant market themes even as signs of excess begin to appear. That said, early cracks are emerging. During the quarter, credit spreads widened sharply for companies such as Oracle and CoreWeave, signalling growing caution in debt markets about the sustainability of expected returns.

At the stock level, Ryanair was a strong contributor, rising almost 20% over the quarter. After meeting with the company's CEO, we remain confident in our investment case. Ryanair is a structurally advantaged business with significant scale benefits in an industry that has historically been poorly run. Years of investment and competitive pressure are now giving way to rising free cash flow, improving margins, and the prospect of substantial cash returns to shareholders.

Rio Tinto also performed strongly, gaining 22% as metal prices recovered. We continue to have confidence in management's disciplined approach to capital allocation. We believe the company is well positioned for what could be a prolonged period of strength in metals demand, driven by the growth of India and Southeast Asia as they increasingly replace China as the marginal consumers of raw materials.

We believe the Fund is well positioned for the years ahead. Our focus remains on fundamentals, valuation discipline, and identifying high quality businesses that are underappreciated by the market. We remain patient, selective, and committed to protecting capital while seeking attractive long-term returns.

Cumulative performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
	17.15%	6.38%	10.28%	17.15%	39.64%	71.82%	107.64%	241.71%

Annualised performance	3 years PA	5 years PA	10 years PA	Since launch
	11.77%	11.43%	7.58%	8.15%

Regional split	%	Top holdings	%	Sector weighting	%
Europe	53.41	Airlines	5.73	Industrials	25.15
UK	28.83	Iron Mining	5.22	Financials	18.25
US	17.76	Commercial Finance	4.31	Materials	17.54
		Steel Producers	3.73	Health Care	10.27
		Technology, and Healthcare	3.60	Energy	9.19

Five Year Fund Performance



The Team

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