

Gresham House Euro Liquidity Fund

Quarterly Report
1 January 2026 to 31 March 2026



Gresham House
Specialist investment

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)

€105.4374

Year to date performance

0.05%

Annualised return
since inception

0.31%

The yield to maturity of the
Fund at the end of
Q1 2026 was 2.43%.

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

Markets are pricing in a
scenario where rates may
begin to move upwards.

*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

The defining feature of the first quarter of 2026 was not tariffs, monetary policy, or even valuation extremes, but rather war.

Most Gresham House Funds delivered positive returns over the quarter, despite the geopolitical shock.

Fund	Q1 2026 Performance
Gresham House Global Multi-Asset Fund	3.50%
Gresham House Global Thematic Multi-Asset Fund	2.46%
Gresham House Global Equity Fund	2.78%
Gresham House Global Small Company Fund	-6.30%
Gresham House Euro Liquidity Fund	0.05%

What began as a market environment shaped by policy volatility and late-cycle dynamics in early Q1 was abruptly disrupted by a geopolitical shock that, at least temporarily, derailed the prevailing narrative as the quarter ended. The escalation in the Middle East and subsequent direct US involvement forced a rapid reassessment of risk across asset classes.

Prior to the escalation, markets were operating within a familiar framework: resilient growth, easing monetary policy, supportive fiscal conditions in several major economies, elevated but contained geopolitical risk. This combination had sustained a 'goldilocks' environment for risk assets. Our portfolios were performing well, and our 2026 outlook was looking solid.

The outbreak of conflict disrupted this balance. It introduced tail risks that are difficult to hedge efficiently, and uncertainty around energy markets and supply chains. Crucially, it challenged the assumption that geopolitical risks would remain peripheral.

In normal conditions approximately 20mb/d of oil (around 20% of global supply) and approximately 25% of global LNG trade transits the Strait of Hormuz. The system however has very limited redundancy with pipeline bypass capacity of just 6–7mb/d based on industry estimates. This implies that 12–14mb/d of flows are structurally at risk in a disruption. This is a very serious situation for global energy markets.



Derek Heffernan
Chief Investment Officer

We do not know when and how the war will end and are not making investments based on news flow. We remain aligned to the discipline that has served our investors over time. In our multi-asset portfolios we are focused on buying effective hedges at reasonable valuations. In our equity funds we are focused on buying resilient companies with strong through the cycle free cash flow generation and rock-solid balance sheets.

Absent clear signs of de-escalation over the next one to two months, the risk of broader economic spillovers is likely to rise. The key uncertainty is whether markets will anchor on a deescalation in geopolitical tensions or on what is likely to be a gradual and uneven recovery from the disruptions to shipping and energy supply chains.

While downside risks cannot be ignored, the central case remains that the global expansion re-establishes momentum in the second half of the year, which should be supportive of risk assets.

Since the Covid shocks of 2020, long-duration developed market bonds have often provided less reliable diversification during inflation-led drawdowns. Therefore, we have hedged ourselves with gold and energy. With Brent crude oil jumping in price from c.\$72/bbl just before the Iran war to over \$118/bbl at the end of the quarter as a backdrop, energy was a supportive hedge in the portfolios. We took profits from our gold position in the middle of the first quarter, reducing the position significantly as we saw signs of speculative excess with gold reaching record highs. With gold selling off in the later part of the quarter, overbought conditions have reduced which may provide a return to gold being an effective portfolio hedge.

While the current situation is difficult, we believe the conditions that existed before the war will begin to reassert themselves, namely, underperformance of US assets versus the rest of the world, OECD long duration bonds failing to provide protection and equities that produce abundant cash flows at cheap valuations outperforming. We remain optimistic over a longer-term horizon but concede 2026 could be a year of elevated volatility.

Fund Performance

The Gresham House Euro Liquidity Fund delivered a return of 0.05% in Q1, reflecting an evolving rate environment. The Fund remains invested in short-dated European government bonds, which continue to provide attractive risk-adjusted yields across developed European markets. As at the end of the period, the Fund's yield to maturity increased to 2.43%, while duration was maintained at 0.75 years, consistent with the Fund's capital-preservation objective. While the European Central Bank (ECB) had previously paused its easing cycle following a series of cuts through 2024 and into 2025, the policy outlook has shifted meaningfully over the quarter.

At a macro level, the euro area outlook is increasingly being shaped by heightened geopolitical tensions, particularly in the Middle East, and the associated risk of a renewed energy price shock. This has led to a re-pricing of inflation expectations, with markets now factoring in the potential for more persistent price pressures alongside weaker growth dynamics. While inflation had previously shown signs of moderating, the recent rise in oil and energy prices introduces upside risks, complicating the ECB's policy path. Political uncertainty across parts of Europe remains a consideration, though this is now accompanied by a more challenging external backdrop, where energy security and supply dynamics are once again in focus.

Against this backdrop, markets have moved away from pricing further easing and are increasingly reflecting the possibility that the cutting cycle has reached its conclusion, with the risk of a renewed tightening phase emerging. This shift has driven short-dated yields higher across the euro curve. In this environment, the Fund remains well positioned.

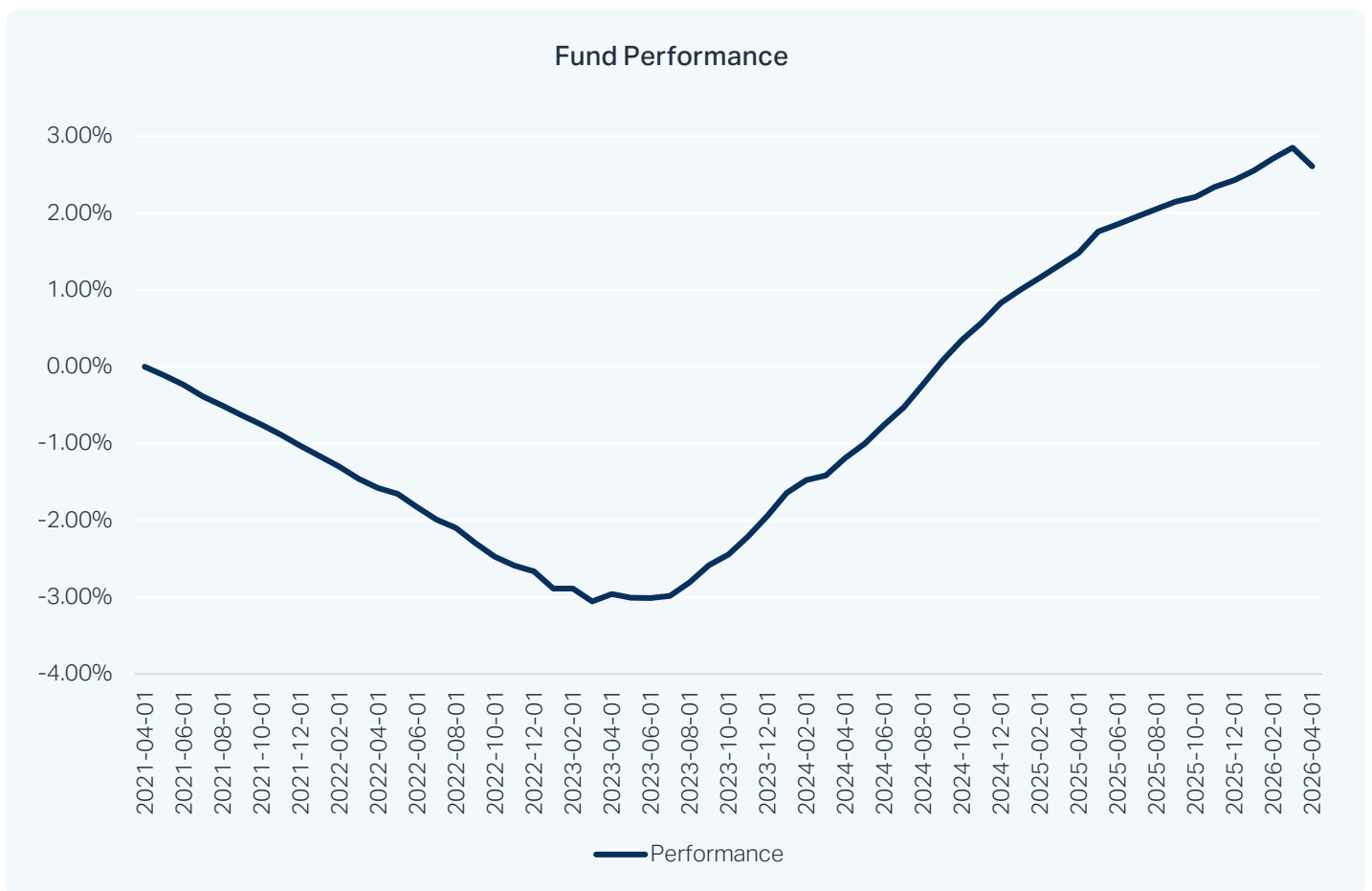
Elevated front-end yields continue to offer attractive value, and the portfolio benefits from a broad and diversified opportunity set. Our active approach across issuers, maturities and regions allows us to selectively capture opportunities arising from this repricing, while maintaining a strong emphasis on liquidity and capital preservation.



Cumulative performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
	0.05%	0.05%	0.39%	1.11%	5.74%	2.61%	-0.89%	5.44%

Annualised performance	3 years PA	5 years PA	10 years PA	Since launch
	1.88%	0.52%	-0.09%	0.31%

Asset positioning	%	Top holdings	%
Bonds	97.89	Dutch Bond	6.40
Cash	2.11	Austrian Bond	5.83
		Irish Bond	5.42
		Spanish Bond	5.25
		Italian Bond	4.75



The Team

Investment Team



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