Gresham House Global Equity Fund

Quarterly Report
1 April 2026 to 30 June 2026

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 2026 to 30 June 2026.

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

Unit Price

(NAV per Unit)

€379.6432

Year to date performance

11.10%

Long-term ten-year annualised return

9.47%

The Gresham House Global Equity Fund gained 8.09% 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

The second quarter of 2026 saw the unwind of the positions taken at the outbreak of the war in Iran in Q1. The Gresham House Global Multi-Asset Fund added 4.23%, the Gresham House Global Equity Fund gained 8.09%, the Gresham House Global Small Company Fund added 10.83% and the Gresham House Global Thematic Multi-Asset Fund increased 7.87%

Where Q1 was shaped by the outbreak of war in the Middle East and the disruption risk it posed to the Strait of Hormuz, Q2 was shaped by the market's gradual recognition that the acute phase of that disruption had passed. With the Memorandum of Understanding signed, oil retraced a substantial part of its Q1 spike. The risk premium that had been priced into energy, inflation expectations, and broader risk assets also unwound.

This reversal ran through our portfolios in a direct way. The energy related hedges that performed well in Q1 gave back a meaningful part of those gains as the war premium unwound. This was expected behaviour for a hedge that did its job during the acute phase of the shock.

At the same time, the parts of our portfolios that lagged in Q1; non-US equities, financials, and emerging markets did the bulk of the work in Q2. Every equity and multi-asset fund in the range posted a stronger quarter than Q1, and the small company and global equity strategies benefited from the breadth of the rotation. We see this as the pre-war environment reasserting itself, which was the central case we set out earlier: US assets underperforming the rest of the world, long-duration developed market bonds continuing to offer unreliable protection in inflation-sensitive drawdowns, and cash-generative equities trading at reasonable valuations outperforming.

We remain of the view that the conditions we described at the start of the year are the ones that matter over a full cycle: valuation discipline, balance sheet quality, and positioning away from crowded, expensive US mega-cap exposure. We remain increasingly optimistic about the prospects of our funds over the longer-term horizon.

Fund Performance

The Gresham House Global Equity Fund returned 8.09% in the quarter.

As with the Multi-Asset Fund, the return was driven by the unwind of the Q1 energy shock rather than a continuation of it. Financials contributed to performance, led by Banca Monte dei Paschi di Siena (+61%), Banco Santander (+29%), HSBC (+19%), and AIB Group (+14%).

Banca Monte dei Paschi di Siena stock was re-rated by a live bidding war for control of the bank. Two rival suitors emerged within about 24 hours in early June: Banco BPM proposed a "merger of equals," and Intesa Sanpaolo countered with an unsolicited €31 billion bid, which Intesa said would create the second-largest banking group in the eurozone by market value, offering MPS shareholders a 12.5% premium and 16 shares plus €1 cash for every 10 MPS shares held. Shares of MPS rose on the announcements as investors priced in the prospect that a competing bid could push the eventual price higher. This sits on top of MPS's ongoing integration of Mediobanca, acquired in 2025, with the bank committing to return roughly €16 billion to shareholders through 2030 as it captures synergies from that deal

Healthcare also contributed, with CVS Health (+46%) and ICON plc (+53%) doing the bulk of the work against a partial offset from HCA Healthcare (-17%).

The CVS share price move was on the back of a fundamental turnaround. CVS beat Q1 2026 estimates across every segment with adjusted EPS of $2.57 versus $2.21 consensus and revenue of $100.4 billion, up 6.2% year-on-year. Management raised full-year adjusted EPS guidance to $7.30–$7.50 from $7.00–$7.20 and lifted cash from operations guidance to at least $9.5 billion.

The portfolio remains heavily weighted to Western Europe versus North America, which is a deliberate expression of the valuation and our rotation thesis.

The Fund was held back by its underweight position in the US dollar. The Federal Reserve (Fed) held its target range at 3.50% to 3.75% at its June meeting, the first under new Chair Kevin Warsh. The meeting removed the prior bias toward rate cuts and the Fed's dot plot pushed expected reductions out to 2027 and 2028, with officials now flagging a hike as possible given the durability of the inflation spike caused by the Iran war. The Fed's own June projections put headline PCE inflation at 3.6% for 2026 and core PCE at 3.3%, both well above target. Market commentary since has characterised this as a "higher-for-longer" stance which has helped the dollar to rally. We think the dollar strength will be a temporary phenomenon; the currency is overvalued and the US fiscal position is dire.

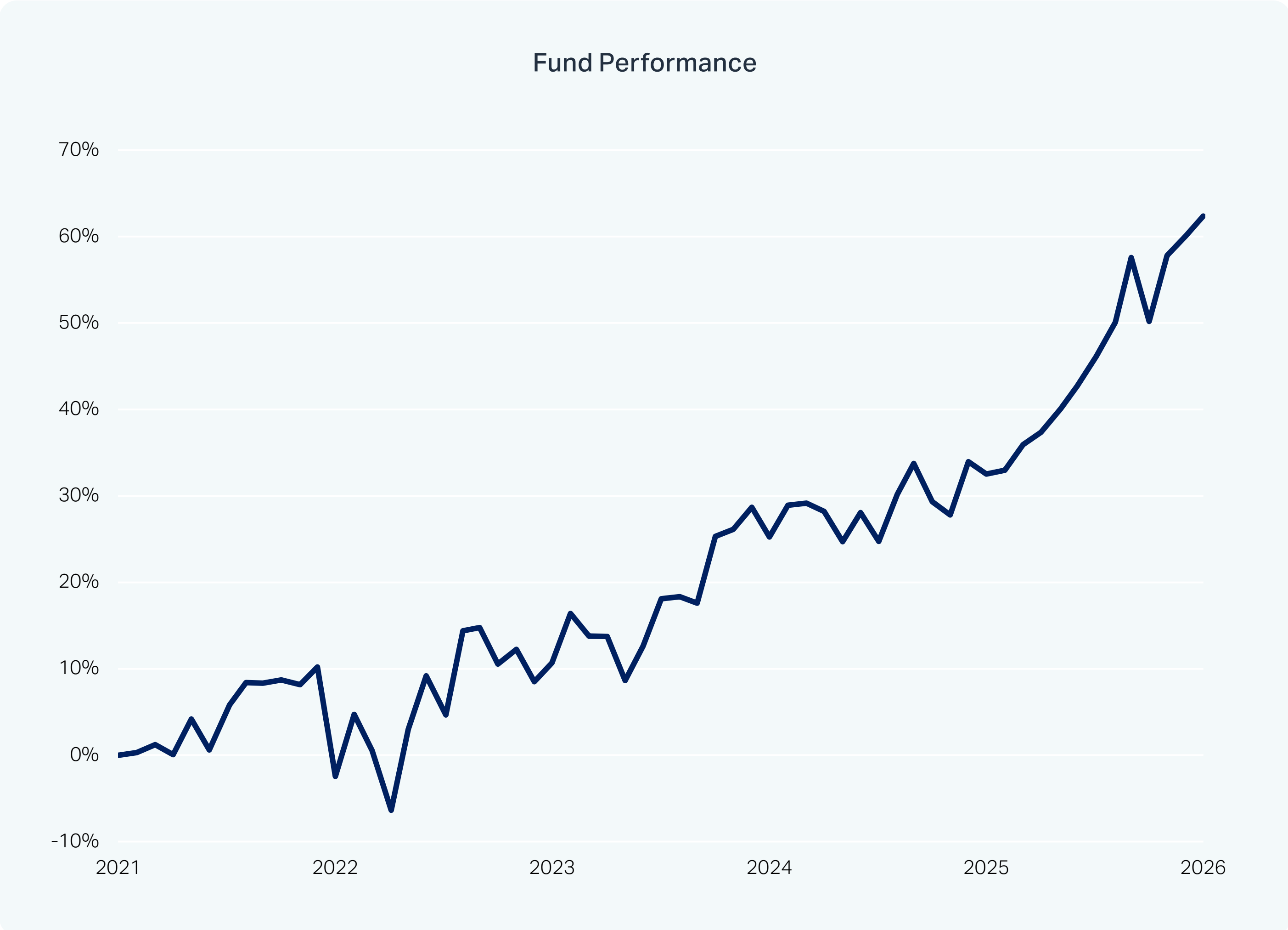
Our negativity toward the US hyperscalers has started to play out over the quarter. The four largest US hyperscalers plus Oracle are on track to spend close to $700 billion combined on AI infrastructure in 2026, an increase of roughly 81% on 2025 levels and 207% on 2024. Aggregate cash capex across the group is growing about 70% a year against operating cash flow growth of roughly 23%, and on current trends aggregate free cash flow across the hyperscalers reaches zero around the third quarter of this year. The financing consequence is the part we think is underappreciated. Alphabet, historically one of the most reliable cash generators in public markets, priced an upsized $84.75 billion equity and mandatory convertible offering on June 1, alongside a further $10 billion private placement from Berkshire Hathaway. Despite being such a large part of the index, until they return to cash generation and disciplined capital allocation they will not make it to our portfolio.

We continue to find better risk-adjusted value in the cash-generative, reasonably-valued franchises the fund already owns, concentrated in Europe and financials, and we see the widening gap between the AI capex narrative and the underlying cash economics as a source of risk to the broader market rather than a reason to participate in it.

Cumulative performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
	11.10%	8.09%	11.10%	22.52%	46.69%	62.36%	147.19%	279.64%

Annualised performance	3 years PA	5 years PA	10 years PA	Since launch
	13.62%	10.18%	9.47%	8.60%

Regional split	%	Top holdings	%	Sector weighting	%
Europe	42.37	Banca Monte Dei Paschi Siena	4.85	Financials	21.97
North America	33.01	Rio Tinto PLC	4.49	Energy	14.98
UK	21.90	Icon PLC	4.46	Health Care	14.62
Japan	2.61	Aercap Holdings NV	4.25	Materials	14.51
Asia ex-Japan	0.11	CVS Health Corp	4.21	Industrials	12.25



The Team

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