Gresham House Commercial Property Fund

Quarterly Report

1 April 2026 to 30 June 2026

Gresham House
Specialist investment

Highlights

A long-term track record of positive risk-adjusted returns with lower volatility.

This unaudited quarterly update provides an overview of the Gresham House Commercial Property Fund (the Fund) performance between 1 April 2026 to 30 June 2026.

The Fund launched in 2016 with a target return of 8-10% per annum, inclusive of 5% income.

Unit Price

(NAV per Unit)

€153.92

Portfolio of 11 properties*

€57,450,000

Rental income

€4.84mn p.a.

The Fund produced a return of 4.2% during the quarter ended 30 June 2026.

The Fund has won the MSCI award for best performing Irish portfolio for the last five years.

Running rental income yield from the portfolio of 8.42% per annum.

* Valued externally by Cushman & Wakefield

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 Management 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.

For more information visit

www.greshamhouse.ie

Investment Manager's Report

Fund performance

The Fund produced a return of 4.2% in the second quarter of 2026.

Fund portfolio total return for the quarter to end June was 3.64% versus the MSCI All Ireland Property Index return of 2.09%. The Fund portfolio return over 12 months to end June 2026 was 10.04% versus market benchmark of 6.91%.

Fund portfolio

The Fund's independent valuers, Cushman and Wakefield (C&W), undertook their quarterly review of the properties in the Fund as at 30 June 2026.

This valuation resulted in an overall portfolio value of €53,625,000 (€57,450,000 with the inclusion of Block 8 Richview) representing an increase of €1,200,000 or 2.29% compared to 31 March 2026. The increase in valuation during the quarter is primarily driven by the following asset management strategies:

- Boroimhe SC – Regear of SuperValu lease allowing for a lease extension of 10 years. Regear of the Post Office lease allowing for a lease extension of 3 years.
- 73 Patrick Street, Cork – Regear of the Abra lease, allowing for a lease extension and new guarantor.
- Fenward House – Lease up of the remaining vacant space.

The portfolio continues to generate rental income of €4,836,365 per annum, resulting in a running income yield of approximately 8.42% based on the latest valuation. A number of assets remain subject to active lease and rent review negotiations, which are expected to support future income growth.

Sustainability remains a key focus. Ongoing initiatives aimed at improving the Fund's GRESB performance continue, with the Fund targeting a four-star rating in the upcoming submission.

Market background

The Irish economy remained resilient during Q2, but the outlook remained complicated as conflict in the Middle East pushed energy and other input costs higher. The Central Bank of Ireland revised its forecast for Modified Domestic Demand growth in 2026 upwards to 3.3%, reflecting exceptionally strong investment in artificial intelligence and data-centre related equipment. At the same time, it increased its HICP inflation forecast to 3.5% and warned that risks remained tilted to the downside for growth and to the upside for inflation[1].

1. Central Bank of Ireland Quarterly Bulletin 2 2026

Higher energy costs are reducing household real incomes, weakening consumer confidence and adding to construction and operating costs.

The labour market softened modestly, with unemployment reaching approx. 5.0% in June. Employment remains high, but job postings declined and wage growth is expected to lag inflation in the near term. Having held rates unchanged in April, the ECB increased its three policy rates by 25 basis points in June. The decision reversed the previous easing cycle and reduced expectations of steadily declining borrowing costs during 2026. Financing conditions are nonetheless stable, helping investor confidence and transactions.

Office sector

The Dublin office market continued to recover during Q2, with the performance gap between prime and secondary space widening. Demand remained focused on modern, energy-efficient buildings in Dublin 2 and 4, and to a lesser extent in Dublin 1. Public sector, financial services, professional services, aviation and technology occupiers remained active. Fitted-out space continued to attract a premium as occupiers sought to avoid high fit-out costs.

The Q1 take-up of c.396,000 sq. ft provided a positive opening to the year (almost 40% ahead of the five-year Q1 average). Vacancy across Dublin remained c.16%, but this disguises a two-speed market. Modern Grade A space in preferred central locations is being absorbed, while older buildings with poor energy performance face prolonged voids. Cantor Fitzgerald agreed a headline rent of €70 per sq. ft for the refurbished 35,000 sq. ft Bindery House in Dublin 2. Prime CBD rents overall were c.€67 per sq. ft in Q2 (forecast €70 per sq. ft by year end).

The office development pipeline is c.1 million sq. ft for the remainder of 2026, of which 80% is pre-let. The pipeline is just 400,000 sq. ft for 2027, of which almost 60% is pre-let. There is no development pipeline for 2028 or beyond, and no significant office developments commenced during the quarter. This indicates a supply crunch for new Grade A offices from 2027 onward as standing stock continues to be absorbed.

The economic rent for developers to underwrite new Grade A development is €75 per sq. ft. This is likely to be realised shortly; Mason Hayes & Curran have agreed terms with Irish Life to pre-let 135,000 sq. ft at St Stephens Court, Dublin 2 at rents ranging from €77 to €82 per sq. ft (Savills), and law firms including McCann Fitzgerald and Matheson are also seeking new headquarters.

Investment activity provided important evidence of renewed confidence with MEAG acquiring One Molesworth Street, Dublin 2 for c.€110 million. Other sales transactions included the refurbished One Haddington building in Dublin 4, and Blocks A & B at Lake Drive, Citywest.

Industrial sector

Industrial and logistics remained one of the strongest occupational sectors. Demand continued to be generated by logistics, pharmaceuticals, food production, manufacturing and data-centre related activity. Dublin vacancy remained low by historical standards, estimated at between 3.5% and 4.5%, although completions at Grange Castle, Northwest Business Park and along the northern M50 increased the choice available to larger occupiers. IPUT have stepped up delivery of Nexus business Park on the northern M50 during Q2 with funding from ISIF and CBREi.

Prime rents remained broadly stable at c.€14.00 to €14.50 per sq. ft.

The quarter was dominated by GIC and Valor Real Estate acquiring Horizon Logistics Park for c.€500 million (the largest Irish property deal of Q2). It demonstrated the continuing attraction of modern logistics assets with strong covenants. Construction and energy costs remain a constraint on speculative development, but the additional supply expected during 2026 should prevent the extreme rental growth seen when vacancy was at its lowest.

Retail sector

Retail trading conditions remained steady but became more challenging as higher energy prices affected household disposable income. Demand continued to favour Grafton Street, dominant shopping centres and established retail parks, while secondary locations remained more exposed to cautious consumer spending and high fit-out costs. International retailers continued their Irish expansion, although decisions lengthened as operators assessed inflation and the wider geopolitical outlook. Zara committed to tripling their store size on Henry Street in Dublin 1 and opening Ireland's first Zara Home store at Dundrum town centre. Danish retailer Normal continued their Irish expansion, negotiating several new deals.

Prime rents remained stable or modestly higher in the strongest locations. Investment activity remained selective, with retail accounting for c.6% of Q2 turnover.

Investment market

The investment market recorded its strongest quarter for more than a year. Turnover exceeded €1 billion in Q2, bringing first-half activity to c.€1.45 billion. Logistics & Industrial accounted for 50.8% of quarterly turnover, residential and PBSA 23.1%, offices 18.2%, retail 6.1% and other assets 1.8%.

The headline figure was heavily influenced by Horizon Logistics Park near Dublin Airport, which Henderson Park sold to GIC & Valor Real Estate for c.€500 million.

Excluding the Horizon deal, Q2 turnover was c.€508 million (c.€65 million higher than Q1); with residential and PBSA accounting for 45.8%, offices 36.1% and retail 12.2% of investment transactions. This broadening of activity is the quarter's most encouraging feature, indicating that investors are more comfortable with pricing whilst liquidity is improving beyond a single preferred sector.

Other major transactions included (i) One Molesworth Street, Dublin 2, offices bought by German insurer MEAG from Henderson Park for €110 million reflecting a 4.9% net initial yield, (ii) Lime social-housing portfolio sold by US fund TPG Angelo Gordon to Home For Life for €84 million, (iii) Dublin LIV student housing scheme sold by Valeo to Greystar for €37 million and (iv) a 50% interest in the Ilac Centre in Dublin 1 sold by Irish Life to Hammerson for €45 million. Overseas institutions were active in the largest deals, with domestic and value-add investors targeting smaller offices, retail assets and properties with refurbishment potential.

There were early signs of yield compression in offices and PRS residential despite the June interest-rate increase. Avison Young attributed this to expectations of prime office rental growth, competition for a limited number of residential opportunities and the availability of debt.

Commercial agents estimated prime yields at 5.25% for city-centre offices (transaction evidence suggests slightly below 5%), 5.0% for industrial, 5.0% for PRS (transaction evidence suggests 4.75 to 5.0%), prime high-street retail at 5.0%, and prime shopping centres at 7.0%. Pricing remains selective, but with signs the market has moved beyond the price-discovery phase that constrained activity during 2024 and 2025.

Market outlook

Ireland enters the second half of 2026 in a stronger position than appeared likely at the beginning of the year. Occupational markets remain supported by high employment, multinational investment and constrained development pipelines. The limited supply of new Grade A offices should support rental growth for the best buildings, while industrial and living assets continue to benefit from strong demand.

The principal risks remain geopolitical disruption, energy-driven inflation and the effect of higher rates on financing and development viability. Secondary offices and weaker retail assets will remain challenging where significant capital expenditure is required. Nevertheless, Q2 produced clear evidence of improving liquidity and the return of international capital.

Fund outlook

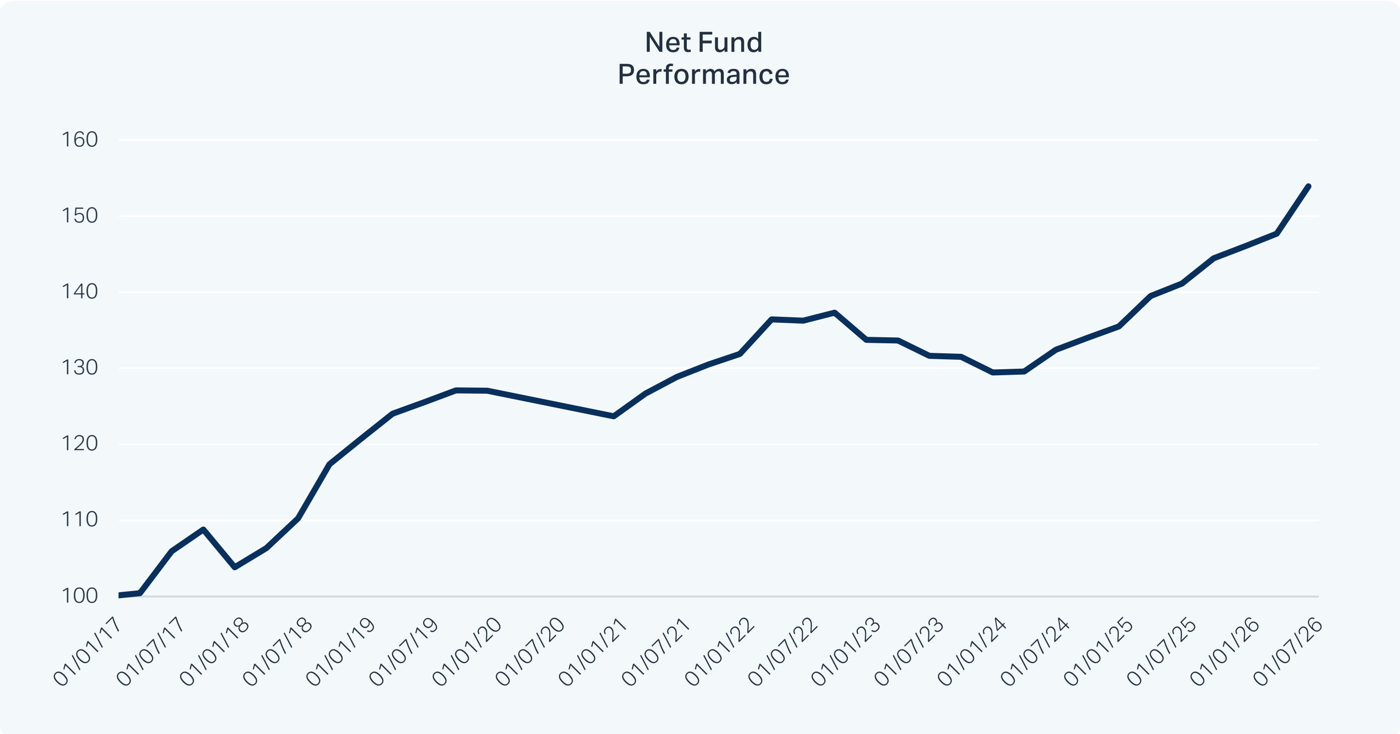
The conclusion of the in-specie investment transaction in respect of 8 Richview Office Park, Clonskeagh delivered new investment of €3.825 million as at 30 June 2026. This was the largest investment into the Fund since 2022 when the Applegreen property in Celbridge was acquired in a similar in-specie deal.

The Fund is being repositioned as a value add Irish commercial property investment strategy with a strong brown to green focus. New marketing materials and a supporting financial model have been developed to support capital raising, with active engagement underway with institutional investors.

Capital raising activity is being supported through the Irish broker network, targeted advertising and collaboration with the Gresham House Institutional sales team to access UK and European investors.

Net Cumulative Performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
Gresham House Commercial Property Fund	5.39%	4.20%	5.39%	9.06%	16.93%	19.43%	N/A	53.92%

Net Annualised Performance	3 Years PA	5 Years PA	10 Years PA	Since launch
Gresham House Commercial Property Fund	5.35%	3.61%	N/A	4.64%



Fenward House

Sandyford

**73 & 74/75
Patrick Street**

Cork

Tuansgate

Tallaght

Westland House

Dublin 12

**Boroimhe
Shopping Centre**

Swords

Beaver House

Clonskeagh

Damastown Way

Mulhuddart

Magna Park

Citywest

Applegreen

Celbridge

The Team

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