

Gresham House Commercial Property Fund

Quarterly Report
1 April 2025 to 30 June 2025



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 2025 to 30 June 2025.

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

Unit Price
(NAV per Unit)

€141.13

Portfolio of ten properties*

€52,290,000

Rental income

€4.1mn p.a.

The Fund produced a return of 1.15% during the quarter ended 30 June 2025.

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 7.9% per annum.

*Valued externally by Cushman & Wakefield

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 1.15% in the second quarter of 2025 thereby delivering a return for the twelve months to date of 6.56%.

Fund portfolio total return for the quarter to 30 June 2025 was 1.83% versus the MSCI All Ireland Property Index return of 1.19%. The Fund portfolio return over 12 months to end June 2025 was 8.77% versus the MSCI All Ireland Property Index return of 2.73%.

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 2025.

This valuation resulted in an overall increase over the corresponding figure for the end of March 2025 of €52,290,000, an increase in value of 0.38%.

The uplift in valuation during the quarter is mainly due to the following:

- 1 Yield movements in Fenward House, tightening yield from 9.5% to 9.25% to account for works carried out enhancing the Building Energy Rating for the Ground Floor to B1
- 2 Yield movements in Tuansgate, tightening yield from 9.45% to 9.23% to account for works paid to date in installing the new HVRF system

The portfolio now generates a rental income of €4,146,664 per annum, resulting in a running income yield of 7.93% based on the valuation. A number of properties in the portfolio are currently undergoing lease or rent reviews, negotiation, and BER (Building Energy Rating) improvements, which are expected to result in increased rental income for the Fund in the upcoming period.

Improving our sustainability credentials continues to be a of strong focus for the fund. A series of measures and improvements aimed at improving the Fund's GRESB score continue to be undertaken as the Fund enters its third year of GRESB scoring, with the goal of achieving a three-star rating in the 2025 application.

Market Background

Ireland, as a small open economy, is significantly affected by global trade shifts, especially from the US and EU. Rising tariffs and changing US trade policies have led to short-term export boosts. Manufacturing activity surged in June to its highest in over three years. This reflects strong export orders and restocking efforts.

GDP remains strong, with Q1 showing 1% year-on-year growth. Full year GDP growth is expected to be between 3% and 4%, while Modified Domestic Demand (MDD) is more modest at 2.0%. Inflation also remains stable at around 1.9%, in line with the ECB's 2% target.

The economy is holding up well, but geopolitical uncertainty and weaker export demand are starting to affect confidence especially in services.

Office sector

Dublin's office market continued to recover in the second quarter of this year with increased space being let in the city centre. Preliminary results for Q2 show 61,000m² was leased. This strong quarterly performance was driven largely by two major deals. Workday signed a deal to locate its new European headquarters at College Square and Vodafone signed for 5,900m² at 70 St Stephen's Green. The 15-year average for Dublin office take up is 193,000m² (2.078 million sq. ft), meaning current demand exceeds long-term trends. This brought the office take-up over the past 12 months to 206,800m² (or c.2.2 million sq. ft) which is around the highest level seen since 2022.

Office vacancy rate fell to 15.5% in the second quarter. Only 165,000m² (1.78 million sq. ft) of office space is under construction for 2025–2027. 76% of that space is already pre let or reserved, signalling limited future supply. Office rents projected to increase to €70/sq. ft for Grade A+ buildings in prime locations.

Industrial Sector

The Dublin industrial property sector in Q2 2025 experienced a mixed but ultimately positive outlook. While there was a decrease in take-up compared to previous years, supply remains limited, leading to continued strong rental growth for prime industrial spaces. The overall sentiment is that the sector will remain robust, with potential for further growth in the coming quarters.

Retail Sector

Dublin's retail property market has shown a mixed outlook year to date. Prime high street rents are expected to rise modestly by around 2%, supported by limited supply. Cushman & Wakefield forecast rents on Grafton Street reaching €5,380m² and Henry Street €3,100m². Despite challenges from rising costs, shifting consumer sentiment, and supply chain issues, demand remains healthy, especially from new and expanding retailers in urban areas.

Investment Market

In Q2 2025, €394 million was invested in Irish commercial property, bringing the year-to-date total to over €940 million, less than half the 10-year average of €1.9 billion. A gradual recovery is fuelled by ECB interest rate cuts since mid-2024.

The largest deal this quarter was Realty Income Corporation's €123.5 million purchase of three retail parks known as the Trinity Collection, comprising Belgard Retail Park in Tallaght, Dublin 24; the M1 Retail Park in Drogheda, Co Louth; and Poppyfield Retail Park in Clonmel, Co Tipperary.

The office sector accounted for nearly 50% of total investment, with major purchases including 20 Kildare Street (€74.5 million) by Deka Immobilien and Ten Hanover Quay (€69 million) by Pontegadea.

There have been no major residential deals to close, although significant sales are underway. Prime office transactions are a strong sign of growing investor confidence in the Irish Market.

Market Outlook

The overall outlook for Dublin's commercial property market in 2025 remains positive, with expectations of sustained growth across multiple sectors including office, retail, and industrial. The market continues to demonstrate resilience despite recent global economic uncertainties, reflecting a renewed sense of optimism among both investors and occupiers.

Several key factors contribute to this favourable environment. The strength and stability of the domestic economy provide a solid foundation for demand, while evolving supply and demand dynamics are gradually rebalancing the market. Additionally, ongoing inward investment from international and domestic sources is helping to fuel market activity and confidence.

This positive momentum is also reflected in increased take-up levels, competitive investment transactions, and improving rental growth prospects across prime locations. Collectively, these factors suggest that Dublin's commercial property market is well-positioned to maintain its upward trajectory throughout 2025.

Fund Outlook

The Fund continues to demonstrate resilience and strong relative performance against the MSCI Irish Property Index, maintaining its top ranking over the three and five-year periods. Despite ongoing market challenges, the Fund delivered another quarter of steady income returns, underpinned by its focus on quality, income-generating assets.

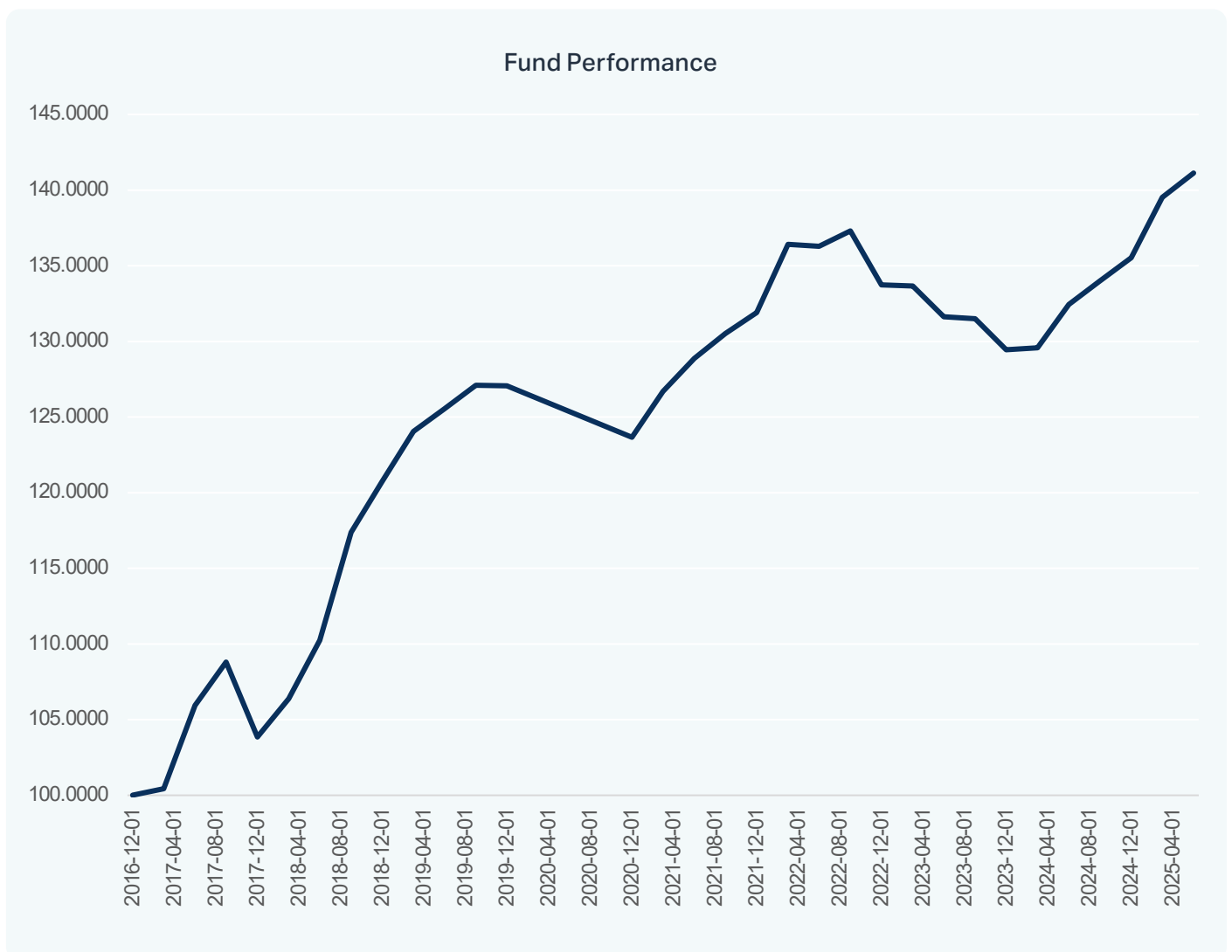
While overall capital values across the market remain under pressure, the Fund's diversified exposure across the office, retail, and industrial sectors has helped cushion the impact. Asset-level performance continues to validate our strategy, with select properties delivering rental growth and improved occupancy levels. This reflects both the quality of the portfolio and proactive asset management.

Our emphasis on long-term, sustainable income generation continues to serve investors well, particularly in the current environment of modest capital growth. We believe the market has now broadly stabilised, with signs of improved investor sentiment.

Looking ahead, we remain focused on preserving capital, maximising income, and selectively identifying value opportunities that align with our core strategy.

Cumulative Performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since Launch
Gresham House Commercial Property Fund	4.14%	1.15%	4.14%	6.56%	3.56%	14.12%	-	41.13%

Annualised Performance	3 Years PA	5 Years PA	10 Years PA	Since Launch
Gresham House Commercial Property Fund	1.17%	2.68%	0.00%	4.13%





Fenward House
Sandyford



**73 & 74/75
Patrick Street**
Cork



Tuansgate
Tallaght



Westland House
Dublin 12



**Boromih
Shopping Centre**
Swords



Beaver House
Clonskeagh



Damastown Way
Mulhuddart



Magna Park
Citywest



Applegreen
Celbridge

The Team

Board of Directors of the Gresham House Investments ICAV



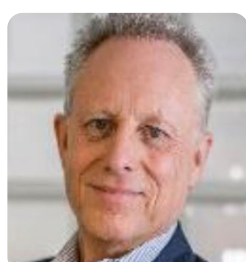
Michael Moriarty
Chairman



Patrick J Lawless
Executive Chair,
Gresham House, Ireland



Elaine Hanly
Independent Non-
Executive Director



Greg Lawless
Non-Executive Director

Gresham House Team



Patrick J Lawless
Executive Chair,
Gresham House, Ireland

E: p.lawless@greshamhouse.ie



Ian Naughton
Head of Client
Relationship Management

E: i.naughton@greshamhouse.ie



Steven Fagan
Managing Director, Gresham
House Ireland Real Estate

E: s.fagan@greshamhouse.ie



John O'Driscoll
Sales and Business
Development Manager

E: j.odriscoll@greshamhouse.ie

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