Gresham House Global Equity Fund

Quarterly Report
1 July 2026 to 30 September 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 July 2026 to 30 September 2026.

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

Unit Price

(NAV per Unit)

€380.4987

Year to date performance

11.35%

Long-term ten-year annualised return

9.20%

The Gresham House Global Equity Fund gained 0.23% 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

In the third quarter markets looked calm on the surface, with the S&P 500 only about 2% off its all-time high, but the real story was in the bond markets of developed countries. UK 30-year gilts briefly broke above 6%, a level last seen in the late 1990s. French borrowing costs versus Germany widened to levels close to the depths of the 2012 euro crisis. In the US, 10-year yields jumped to 5.3% and 30-year yields hit 5.6%, their highest since 2002.

We have been negative on long duration OECD bonds for a considerable amount of time due to our concerns about pro-cyclical government deficits. But the move this quarter wasn't really a story about government deficits (outside of France). It was a central bank story. Investors went from pricing interest rate cuts to pricing hikes, as persistent inflation and firmer growth forced a rethink. Oil pushing back above $100 a barrel on the back of renewed Middle East tension added to the pressure. The Fed hiked for the first time this cycle under its new Chair and the Bank of Japan continued raising its own policy rate. Developed market government bonds, the part of a portfolio that is supposed to be safe and boring, lost money for people holding them.

Stock markets got narrower under the surface too. Gains kept piling into a small group of AI-related mega-caps, most of them American, while cyclical stocks, financials and smaller companies went backwards almost everywhere. This fits with something we have been saying for a while: the sheer amount of money being poured into AI infrastructure with so little proof yet of the payoff is the biggest risk hanging over this market. We have deliberately stayed away from the most expensive names in that group and continue to prefer markets outside the US including Europe, Japan and emerging markets, where valuations remain far more reasonable.

Despite all that, our funds had a respectable quarter. The Multi-Asset Fund returned 1.69% (9.71% for the year so far). The Global Equity Fund was up a more modest 0.23% (11.35% year to date). Our large underweight to US mega-cap tech cost us some of the market's headline gains, but it is also why we are carrying a lot less concentration risk than most. The real highlight was the Small Company Fund, up 7.85% in the quarter and 11.99% for the year, as cheap smaller companies, many of them outside the US, finally started getting some attention again. The one fund that was down during the quarter was the Thematic Multi-Asset Fund, down 0.91% (9.52% year to date). The Euro Liquidity Fund did what it is supposed to do, returning 0.73% for the year to date.

In terms of asset allocation, as valuations have changed so has our thinking. Bond yields have now moved so far that they are starting to look like an opportunity rather than just a risk.



Short-dated government and corporate bonds in the US, Europe, and beyond now yield well above where they started the year with comparatively little risk of further price falls. We have kept our bond holdings deliberately short through this whole rate-hiking cycle and that has paid off. But we are now spending real time looking at more fixed income opportunities in government and corporate bonds across our markets because the extra yield on offer is becoming genuinely attractive. We are not rushing to buy long-dated bonds, as yields could rise further in several markets. Even so, the valuation discipline we apply to stocks is beginning to identify opportunities in bonds.

Elsewhere, nothing has really changed in how we are positioned. We still prefer cheaper markets outside the US and smaller companies, we are staying clear of the priciest AI names, and we are holding onto energy and gold as insurance. US mid-term elections in November will get plenty of attention, but they are one event among several we are watching into year end, alongside central bank decisions in Europe, the UK and Japan. The plan stays the same: buy good businesses with real cash flow, at sensible prices, wherever in the world we find them, and be patient.

Fund Performance

The Gresham House Global Equity Fund gained 0.23% over the quarter, bringing year-to-date performance to 11.35%.

The number undersells how volatile the quarter was beneath the surface. On the face of it, equity markets looked calm, the S&P 500 finished within roughly 2% of its all-time high.

The real story was in developed market government bonds with the higher rates starting to ripple in to equity markets. UK 30-year gilts briefly broke above 6% and US 10-year yields jumped to 5.3%. Investors went from pricing rate cuts to pricing hikes as persistent inflation and firmer growth forced a rethink. Oil pushing back above $100 a barrel on renewed Middle East tension added to the pressure. The Fed hiked for the first time this cycle under its new Chair.

Underneath that the equity market got narrower. Gains kept concentrating into a small handful of AI-related mega-caps (almost all US based) while cyclicals, financials and smaller companies went backwards nearly everywhere. This is the same imbalance we have been flagging for several quarters now: the scale of capital being committed to AI infrastructure, against still-limited proof of payoff, remains the single biggest risk hanging over this market. We have deliberately stayed away from the most expensive names in that cohort. Our underweight to US mega-cap tech cost us some of the index's headline gain this quarter, but it is also why the Fund is carrying materially less concentration risk than the broader market indices.

The portfolio remains tilted toward where we think the market is still mispricing risk and reward. Financials are the largest sector weight in the book at just under 22%, concentrated in retail-franchise banks with disciplined underwriting. Bank of Ireland, Santander, Bank of America, BNP Paribas, HSBC, and Barclays are among the financials we hold. These names will benefit directly from a higher-for-longer rate backdrop rather than being threatened by it. Our high energy weighting, close to 17%, reflects our view that portfolios needed to be protected against an inflationary shock and no other sector can provide the protection that energy has given since the Covid era.

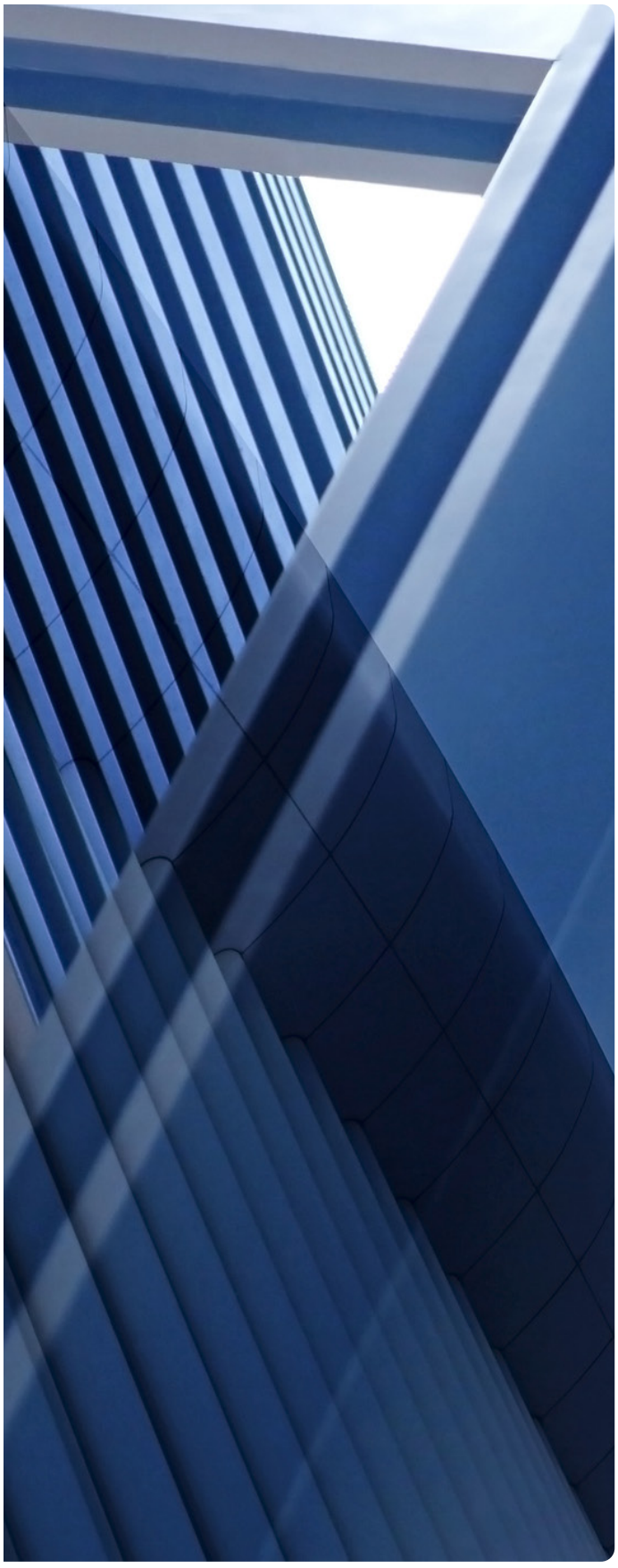
Amongst the gainers over the quarter were the Energy names who benefited on the back of an increase in crude oil. Our banks were also beneficiaries of higher rates.

Buzzi Unicem was a material underperformer. The stock, along with European cement peers, fell as rising European carbon-allowance costs outside Italy compressed the offset expected from a German infrastructure recovery. A broker-note downgrading the stock compounded the misery. Given the current valuation and the new buyback initiated we believe the price will recover in time but are monitoring operational performance particularly in the south of the US.

Elsewhere, nothing in our thinking has changed. We remain underweight the most expensive parts of the AI trade and we continue to prefer markets outside the US. We hold energy as a form of insurance against the geopolitical risk that reasserted itself this quarter.

US mid-term elections in November, and central bank decisions in Europe, the UK and Japan, will get attention into year end, but the discipline stays the same: buy good businesses with real cash flow, at sensible prices, wherever in the world we find them, monitor closely and think long term.

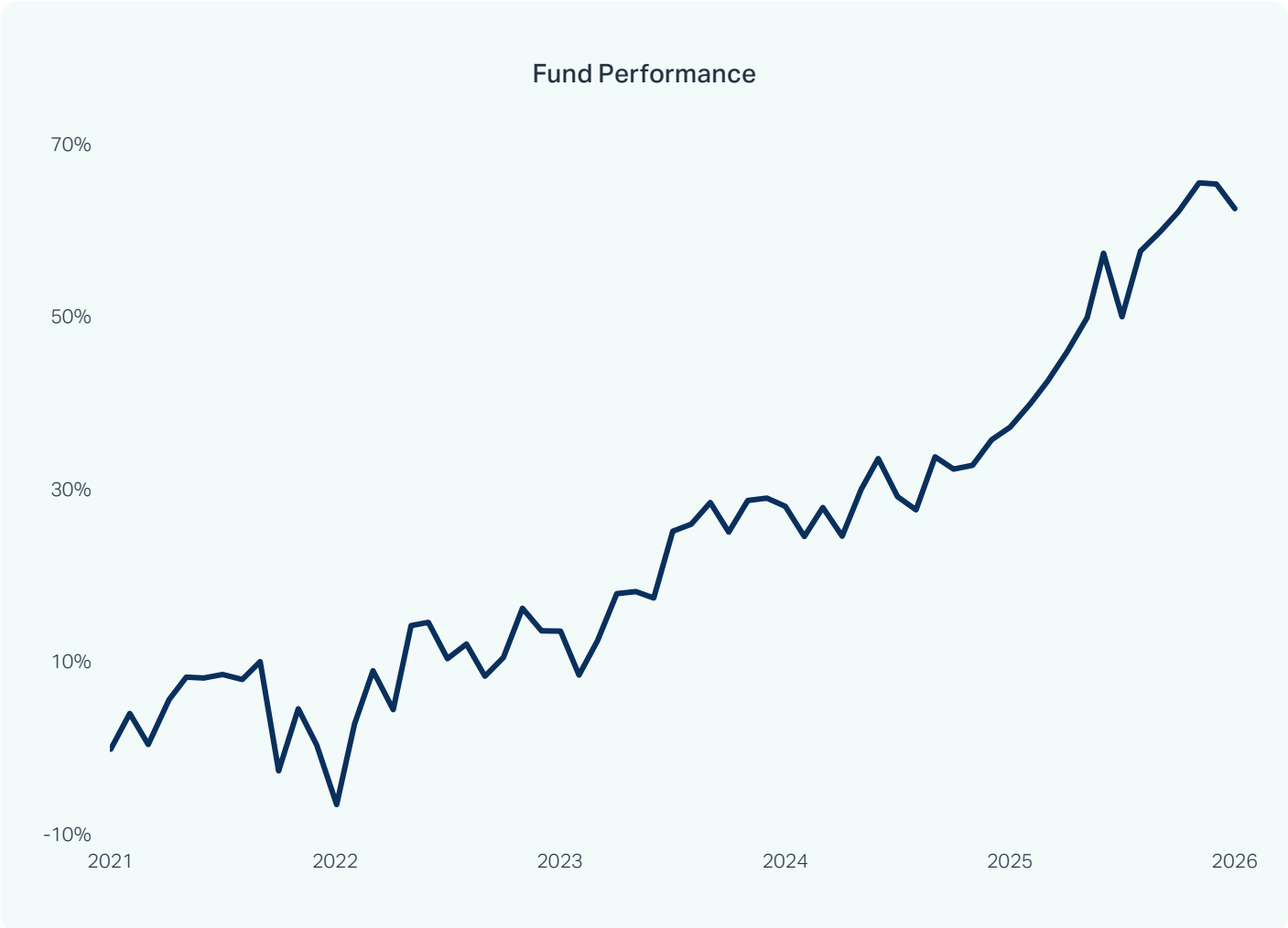
The valuation gap between what we own and what the market is paying for AI-adjacent mega-caps has, if anything, widened further this quarter which makes us excited for future performance.



Cumulative performance	YTD	3 months	6 months	1 year	3 years	5 years	10 years	Since launch
	11.35%	0.23%	8.34%	18.46%	43.06%	62.64%	141.18%	280.50%

Annualised performance	3 years PA	5 years PA	10 years PA	Since launch
	12.68%	10.22%	9.20%	8.48%

Regional split	%	Top holdings	%	Sector weighting	%
Europe	41.47	Shell PLC	4.82	Financials	21.46
North America	31.88	Bank of Ireland	4.78	Industrials	16.76
UK	22.58	Rio Tinto PLC	4.42	Energy	16.19
Japan	4.07	Aercap Holdings NV	4.06	Health Care	11.79
		ELIS SA	3.94	Materials	10.85



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