GemCap Investment Funds (Ireland) Plc

Investment Report

GSI Global Aware Value Fund

HALF YEAR REPORT – ENDING JUNE 2025

Market highlights

In the first quarter of 2025, markets reacted negatively to the reintroduction of US trade tariffs, triggering a dip in global equities and raising concerns about inflation and disrupted supply chains. However, sentiment recovered in the second quarter as investors looked past the initial shock, focusing instead on resilient economic data and continued optimism around technological innovation, particularly in artificial intelligence. Despite this rebound, the US dollar declined against major currencies, reflecting concerns about fiscal imbalances and widening trade deficits. In Sterling, therefore, global developed equities ended the half-year period at a similar level to where they began, despite the interim volatility.

In fixed income markets, short-term interest rates, such as the 2-year Treasury yield, declined in line with expectations of policy easing. However, longer-term rates, including the 30-year yield, rose modestly, reflecting market concerns over inflation risks and higher anticipated government borrowing. The Federal Reserve maintained its target rate at the same level throughout the period, monitoring the economy for signs of inflation following recent fiscal stimulus and the imposition of trade tariffs. However, the Bank of England and the ECB reduced rates over the period, in line with inflation expectations.

The first half of 2025 saw positive returns in all regions. Sterling increased against the US dollar by 9.6%. Therefore, over the first 6-month period, global developed markets posted a modest return of 0.29% in GBP. The most significant factors in the period were the size and value factors. Value stocks outperformed growth stocks in North America and Europe, although growth fared better than value in the Asia Pacific. Smaller cap stocks generally outperformed larger stocks. Companies with higher ESG scores (lower ESG risk ratings) underperformed relative to those with lower scores in North America but outperformed in Asia Pacific. In contrast to prior years, the aggregate return of the Magnificent Seven stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla), which have recently dominated in the news, was lower than the broad market. However, publicity surrounding innovations in artificial intelligence, especially interactive systems such as ChatGPT, has continued to lead to markets pricing in high expectations for companies that may benefit from this technology. Across sectors, Financials and Industrials had the highest returns and Consumer Discretionary and Health Care had the lowest returns.

Fund performance review (in GBP)

For the 6 months to 30 June 2025.	
GSI Global Aware Value Fund (Class A):	**-0.81%**
Solactive Developed Markets Large & Mid Cap Index (Net):	**0.29%**

Sources: FactSet, GSI, Solactive, StyleAnalytics, as at June 2025.

The GSI Global Aware Value Fund has two key features that, in the longer term, we expect to generate higher returns compared to market-weighted broad global equity indices: (i) it tilts by approximately 20% towards value stocks based on a blend of value metrics and (ii) it tilts by approximately 10% towards smaller companies based on market capitalisation. In addition to its value and size tilts, the Fund also tilts by approximately 20% towards stocks with higher ESG ratings (i.e., lower ESG risk ratings) as provided by Sustainalytics, a leading provider of ESG ratings.

Over the 6 months to end June 2025, value stocks outperformed growth stocks in North America and Europe, whereas growth outperformed value in the Asia Pacific. The tilt of the Fund towards value stocks contributed 1.22% of excess return over the period. Small companies outperformed large companies over the period in North America and Europe. Overall, the tilt of the Fund towards smaller stocks contributed approximately 0.50% excess return over the period. The tilt of the Fund towards higher ESG scoring stocks contributed approximately -0.16% of excess return over the period. The sector positioning of the Fund relative to the benchmark led to a negative return contribution of -0.23% over the period. The underweight of the Fund in the Magnificent Seven stocks led to a positive return contribution of 0.51%. However, some underweight positions compared to the benchmark in stocks with high returns led to negative return contributions.

Outlook

Looking ahead, markets are likely to focus on the pace of global economic growth and the trajectory of inflation. While central banks appear cautious about further rate cuts, expectations remain for a gradual loosening of policy, provided inflation remains contained. The OECD forecasts global GDP growth of around 2.9% in 2025, compared to 3.3% in 2024. However, regional disparities persist, with growth in the US and UK projected to be 1.6% and 1.3%, respectively. Investors remain attentive to geopolitical risks such as a potential widening of the conflict in the Middle East and the ongoing war in Ukraine; policy uncertainty, especially around the imposition of trade tariffs; and the evolving balance between supporting growth and managing inflation.

At GSI, we believe that investors should take a disciplined, long-term view and employ a well-diversified, low-turnover investment strategy, with a view to capturing well-researched factor premia related to the broad equity market, smaller companies and companies trading at low prices compared to those trading at high prices.

As responsible investors, we also believe that it is important to consider how companies manage the risks and opportunities related to those environmental, social, and governance (ESG) issues that are relevant to them. We position our Funds so that, in aggregate, we overweight companies that we believe better manage those risks and opportunities.

The Fund remains well diversified across markets, sectors, and stocks and we remain confident that it is well positioned to perform in line with expectations.

Sustainable Finance

The fund promotes, among other characteristics, environmental and social characteristics pursuant to Article 8 of the SFDR.

We bias the portfolio towards companies that are assessed to have higher scores with respect to environmental, social, and governance (ESG) criteria when determining the weight of each company in the portfolio.

The ESG criteria cover companies' exposure to and management of the following:

Environmental issues: such as climate change and carbon emissions, air and water pollution, and energy efficiency;

Social issues: such as gender and diversity, human rights, and labour standards;

Governance issues, such as board composition, executive compensation, and audit committee structure.

Furthermore, we will exclude companies from the portfolio that fail to comply with the United Nations Global Compact principles (UNGC) for business or derive a significant portion of their revenues from activities that are not aligned with the United Nations Sustainable Development Goals (UN SDGs).

The ESG scoring process addresses environmental, social and governance issues across a range of topics selected for their relevance from a business and sustainability perspective. The ESG rating from 0-100 is based on a set of underlying cross-industry and industry-specific indicators. Each indicator is scored on a scale of 0-100 and weighted according to an industry-specific weight matrix. These include 60-80 cross-industry and industry-specific indicators covering different ESG topics across four pillars:

- Preparedness: Each company's management systems and policies are assessed to determine how they are designed to mitigate material ESG risks.
  Examples include health and safety programmes and targets for hazardous waste.
- Disclosure: Assessment of the degree of company transparency on material ESG issues towards investors and other stakeholders.
  Examples include tax transparency per country and the scope of greenhouse gas emissions.
- Quantitative Performance: A company's ESG performance is evaluated based on targets and quantitative commitments.
  Examples include employee turnover rate, carbon intensity and number of fatalities.
- Qualitative Performance: Monitoring and assessing a company's involvement in incidents and controversies, which may highlight inadequate company preparedness to manage its ESG risks.

Where a comprehensive range of ESG indicators is not available, ESG ratings will be derived from the information available. Not all information is equally valid, so ratings will be based on the information that best represents a company's ability to manage key ESG issues.

Raw ESG ratings are adjusted for regional, sector and size effects. This way, after ESG scores have been integrated with companies' value characteristics, the fund retains its target exposures to regions, sectors, and smaller companies. ESG data and scores will be sourced from one or more specialist third-party ESG data providers and may be supplemented by internal research. From time to time, events concerning a specific company may occur more rapidly than can be incorporated and delivered by a third-party provider. In these circumstances, we may modify the ESG scores to reflect current events that have not yet been reflected in the externally provided data.

Sustainability risks

While the fund takes account of sustainability risks (as set out in the Supplement of the Fund), we have determined that the Sustainability Risk (being the risk that the value of the fund could be materially negatively impacted by an ESG Event) faced by the fund is low.

Taxonomy

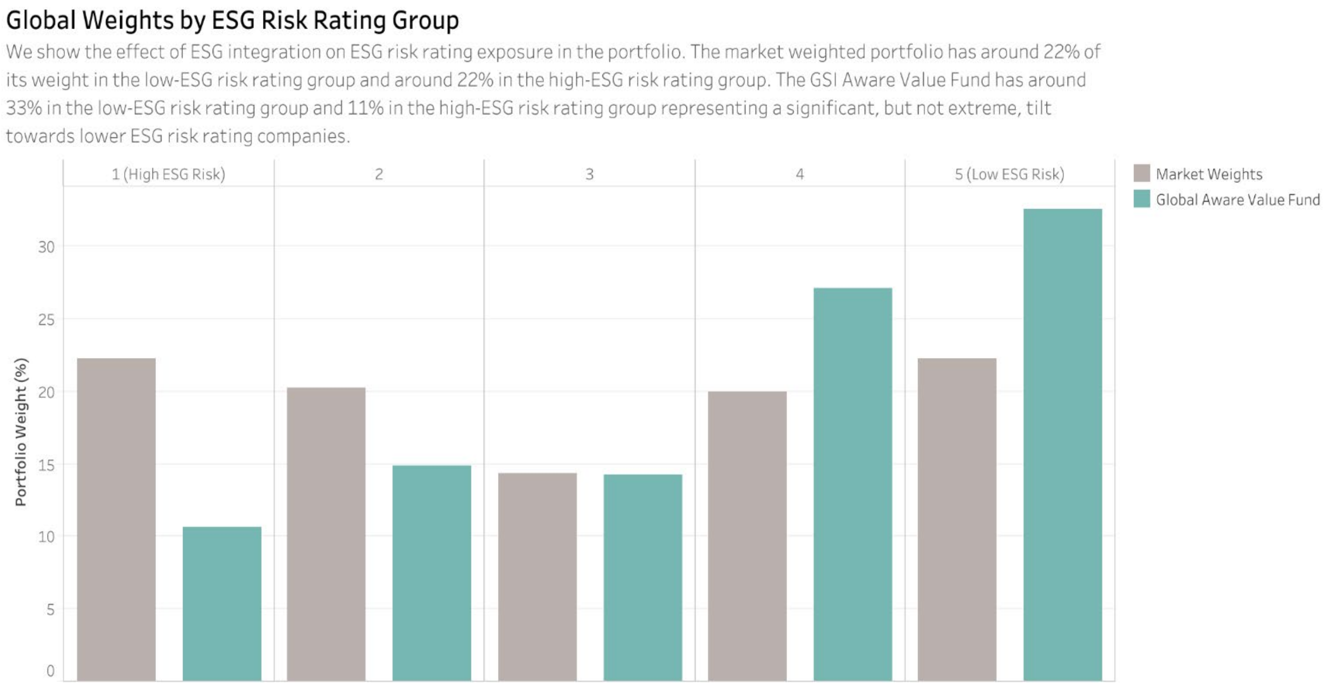
While the fund promotes environmental characteristics in the manner described above, it does not currently commit to investing in "sustainable investments" with an environmental objective, as defined by SFDR. Accordingly, the investments underlying the fund do not take into account the EU criteria for environmentally sustainable economic activities.

The fund is a regulated investment vehicle incorporated in the Republic of Ireland, so it is outside the scope of the UK's Sustainability Disclosure Requirements **(SDR).**

ESG Metrics

The chart below shows the proportion of the fund allocated to five groups based on ESG risk rating. This indicates that the fund is tilted away from companies with high ESG risk ratings and towards companies with lower ESG risk ratings, according to Sustainalytics, compared to the Solactive Developed Markets Large & Mid Cap Index.

ESG Risk Rating Distribution as of 30 June 2025



Source: GSI LLP using data from Solactive and Sustainalytics as of 30 June 2025.

Portfolio Level Statistics

The table below shows portfolio-level statistics for the Fund:

- Weighted Average ESG Risk Rating - the weighted average ESG risk rating based on the weights of each portfolio or index (a lower risk rating is better)

- Weighted Average Carbon Intensity - the weighted average carbon intensity based on the weights of each portfolio or index. Carbon intensity per company is defined as the sum of Scope 1 and Scope 2 carbon emissions divided by annual revenues. This is the standard as defined by the Task Force on Climate-related Financial Disclosures (TCFD)

- Fossil Fuel Exposure - companies are classified as having fossil fuel exposure if they are in the Energy sector; in the Utilities sector (except water utilities or companies involved in renewable power generation); or companies involved in thermal coal (at a level of greater than 10% of annual revenues)

- Exposure to Arctic Energy - the percentage of the portfolio exposed to firms with >10% of their revenues from involvement in Arctic energy

- Exposure to Palm Oil - the percentage of the portfolio exposed to firms with >10% of their revenues from involvement in palm oil

- Exposure to Controversial Weapons - the percentage of the portfolio exposed to firms with >10% of their revenues from involvement in controversial weapons

- Exposure to UNGC violating firms - the percentage of the portfolio exposed to firms that are in violation of the United Nations Global Compact principles

Portfolio Level Statistics for Global Aware Value Fund

Name of Fund	Wtd Avg ESG Risk Rating	Wtd Avg Carbon Intensity	Fossil Fuel Exposure	Arctic Energy Exposure	Palm Oil Exposure	UNGC Violating Firms Exposure	Controversial Weapons Exposure
GSI Global Aware Value Fund	18.2	41.5	2.3%	0%	0%	0%	0%

Sources: FactSet, GSI, Solactive, StyleAnalytics, Sustainalytics, Morningstar Data as at December 2024.

Further information

For further insights or additional information regarding our investment strategies and recommendations, please do not hesitate to contact our team at inquiries@gsillp.com or visit www.gsillp.com

Important Information

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GSI Funds are regulated investment vehicles incorporated in the Republic of Ireland and so outside the scope of the UK's Sustainability Disclosure Requirements (SDR) and are not seeking an SDR label. The fund does not claim compliance with the SDR requirements. Investors should consider the fund's stated objectives and approach in determining suitability for their needs.

This document should be read in conjunction with the Fund's Prospectus, key investor information document (KIID), or offering memorandum.

GSI does not provide investment advice. Potential investors should seek independent advice regarding the suitability of the fund for their investment needs. Investors should be aware that past performance is not indicative of future performance. Returns can be volatile, reflecting rises and falls in the value of underlying investments. Investors may not get back the full amount initially invested.

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The GSI Global Sustainable Value Fund and the GSI Global Sustainable Focused Value Fund are funds of GemCap Investment Funds (Ireland) plc, an umbrella-type open-ended investment company with variable capital, incorporated on 1 June 2010 with limited liability under the laws of Ireland, with segregated liability between funds.

GemCap Investment Funds (Ireland) plc is authorised in Ireland by the Central Bank of Ireland under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (the "UCITS Regulations"), as amended. Gemini Capital Management (Ireland) Limited, trading as GemCap, is a limited liability company registered under the registered number 579677 under Irish law, pursuant to the Companies Act 2014, which is regulated by the Central Bank of Ireland. Its registered office is at GemCap Investment Funds (Ireland) plc 7th Floor, Block A, One Park Place, Hatch Street, Dublin 2. GemCap acts as both a management company and global distributor to GemCap Investment Funds (Ireland) plc.

Global Systematic Investors LLP is registered as a limited liability partnership in England & Wales with the number OC370686). Its registered office is at 75 King William Street, London, EC4N 7BE. Authorised and regulated in the United Kingdom by the Financial Conduct Authority (FRN 572537).

The Prospectus and KIID can be viewed at www.gsillp.com and at www.geminicapital.ie