GemCap Investment Funds (Ireland) Plc

Investment Report

GSI Global Aware Focused Value Fund

FULL YEAR REPORT – ENDING DECEMBER 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. In the second half of 2025, global equities advanced despite continued policy uncertainty around trade and ongoing geopolitical risks. Markets were supported by resilient growth and the ongoing leadership of technology-related sectors while investor attention increasingly shifted back to the outlook for monetary policy as inflation moderated unevenly across regions. The US dollar declined against major currencies, reflecting concerns about fiscal imbalances and widening trade deficits.

In fixed income markets, short-dated yields such as the 2-year US Treasury yield declined in line with policy easing expectations. However, longer-term rates, including the 30-year US Treasury yield, rose modestly, reflecting market concerns over inflation risks and higher anticipated government borrowing. The Federal Reserve lowered its target range during the year by 75bps, ending the year in the range 3.50%-3.75%. The Bank of England and the ECB reduced rates over the period, as inflation pressures eased.

Over 2025, equities in developed markets posted returns of 21.9% in USD, with higher returns in Europe and Asia Pacific, compared to North America. Sterling increased against the US dollar by 7.7%. Therefore, over the year, global developed markets posted a return of 13.24% in sterling. Value stocks outperformed growth stocks in all regions. Small cap stocks underperformed large cap in North America but outperformed large cap stocks in Europe and Asia Pacific. Companies with higher ESG scores (lower ESG risk ratings) underperformed relative to those with lower scores across all regions. The aggregate return of the Magnificent Seven stocks (Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia, and Tesla), which have recently dominated the news, was only slightly higher over the year compared to the broad market. However, publicity surrounding innovations in artificial intelligence, especially interactive systems such as ChatGPT, has continued to lead markets to price in high expectations for companies that may benefit from this technology. Across sectors, Materials and Communication Services had the highest returns and Consumer Discretionary and Real Estate had the lowest returns.

Fund performance review (in GBP)

For the 6 months to 30 June 2025.	
GSI Global Sustainable Focused Value Fund (Class A):	0.45%
Solactive Developed Markets Large & Mid Cap Index (Net):	0.29%
For the 6 months to 31 December 2025.	
GSI Global Sustainable Focused Value Fund (Class A):	12.63%
Solactive Developed Markets Large & Mid Cap Index (Net):	12.91%
For the 12 months to 31 December 2025.	
GSI Global Sustainable Focused Value Fund (Class A):	13.13%
Solactive Developed Markets Large & Mid Cap Index (Net):	13.24%

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

The GSI Global Aware Focused 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 50% towards value stocks based on a blend of value metrics and (ii) it tilts by approximately 20% towards smaller companies based on market capitalisation. In addition to its value and size tilts, the Sub-Fund also tilts by approximately 15-20% towards stocks with higher ESG ratings (i.e., lower ESG risk ratings) as provided by Sustainalytics, a leading provider of ESG ratings.

Over the 12-month period to end December 2025, value stocks outperformed growth stocks in all developed market regions. The tilt of the Sub-Fund towards value stocks contributed 9.41% of excess return over the period. Small companies underperformed large companies over the period in North America but outperformed large companies in Europe and Asia Pacific. Overall, the tilt of the Sub-Fund towards smaller stocks contributed -0.18% of excess return over the period. The tilt of the Sub-Fund towards higher ESG scoring stocks contributed 0.18% of excess return over the period. The sector positioning of the Sub-Fund relative to the benchmark led to a negative return contribution of 0.29% over the period. The Magnificent Seven group of mega-cap stocks in the US slightly outperformed the global benchmark by 0.89% in aggregate during the period. While the fund was, on average, underweight these stocks overall (at 0.65% vs 23.47% for the benchmark), there was nonetheless a positive allocation contribution of 0.39%. In particular, the underweight positions in Amazon and Apple contributed 0.53% and 0.79%, respectively.

Outlook

Looking ahead, markets are likely to remain sensitive to the balance between slowing growth and the trajectory of inflation, as this will determine the scope for further policy easing. The OECD forecasts global GDP growth of around 2.9% in 2026, compared to 3.2% in 2025, though regional disparities persist with growth in the US and UK projected to be 1.7% and 1.2% respectively. Central banks have begun to loosen policy in parts of the developed world, but the pace of any further moves is likely to be gradual and data-dependent. Key risks include renewed trade frictions and policy uncertainty, geopolitical escalation (notably in the Middle East and Ukraine), and the potential unwinding of elevated valuations in areas of the market most closely linked to artificial intelligence.

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.

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.

Sustainability

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 the Fund so that in aggregate we overweight companies that we believe better manage those risks and opportunities.

We bias the portfolio towards companies that are assessed to have higher scores with respect to environmental, social and governance (ESG) criteria in determining the weight of that 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 exclude from the portfolio companies that fail to comply with the United Nations Global Compact principles for business or derive a significant part of their revenues from activities that are not aligned with the United Nations Sustainable Development Goals.

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 from 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:** An assessment is made of how each company's management systems and policies 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 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 useful, 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.

Sustainability risks

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

ESG Metrics

The chart below shows the proportion of the Fund allocated to five groups based on ESG risk rating. This shows 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 31 December 2025

Source: GSI LLP using data from Solactive and Sustainalytics as of 31 December 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 Scope I 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 generally 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 Sustainable Value Fund

ESG Metric	Value
Weighted Average ESG Risk Rating	17.6%
Weighted Average Carbon Intensity	45.8%
Fossil Fuel Exposure	2.5%
Exposure to Arctic Energy	0%
Exposure to Palm Oil	0%
Exposure to Controversial Weapons	0%
Exposure to UNGC violating firms	0%

Sources: FactSet, GSI, StyleAnalytics, Sustainalytics. Data as at 31 December 2025

Important Information

This document is issued by Global Systematic Investors LLP (GSI) and is not intended for general distribution or for any person or entity in any jurisdiction or country where such distribution would be contrary to law or regulation. It does not constitute or form part of any offer or invitation to buy or sell shares.

GSI Funds are regulated investment vehicles incorporated in the Republic of Ireland and therefore, 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 pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) (the "UCITS Regulations"), as amended. Ascender Fund Partners (Ireland) Limited, trading as Ascender Fund Partners, 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. Ascender Fund Partners 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 http://www.geminicapital.ie