

# Percy Irish Property Fund

3 months to 30th June 2025

Welcome to the Quarterly Report for the Percy Irish Property Fund (“PIPF” or “the Fund”).

## Overview and key fund metrics

- The Fund’s total return for Q2 was +0.41%
- The Fund’s Gross Asset Value (GAV) as at 30th June 2025 was €92m compared with €95m as at 31st March 2025
- Q2 dividend per unit was €150.33 (2.41%) giving an annualised income distribution for the quarter of 9.6%
- Rent collection for the quarter was 90%

**-1.30%**  
Total Return YTD  
2025

**€92m**  
Gross Asset Value

**-5.81%**  
Capital Return  
YTD 2025

**€51.25m**  
Net Asset Value

**4.50%**  
Income Return  
YTD 2025

**€6,230**  
NAV per Unit

Fund Performance – Unit Class D	Capital	Income	Total
QoQ	-1.96%	2.37%	+0.41%
YTD	-5.81%	4.50%	-1.30%
1 yr p.a.	-12.73%	8.32%	-4.41%
3 yrs p.a.	-16.00%	5.36%	-10.63%
5 yrs p.a.	-10.26%	4.96%	-5.30%
10 yrs p.a.	-5.48%	5.55%	0.07%

Values have been rounded where appropriate for presentation Gross Asset Value means the Net Asset Value of the Fund plus borrowings All data refers to Unit Class D

(Distributing) - Sedol Number 9795233 All performance figures are for the period ending 31 December 2024 3, 5 and 10 year figures show the annual average performance for those periods These figures are net of fees. Capital return represents Net Asset Value (NAV) excluding dividends Income return represents dividends distributed

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## Market and fund update

### Outcome for Q2 2025

The Net Asset Value (NAV) per unit of the Fund reduced by 1.96% in Q2 2025 compared with 3.93% in Q1, 3.30% in Q4 2024, 19.06% in 2024 and 24% in 2023. The reduction in NAV was offset by an income distribution of 2.37% (Q1: 2.23%, Q4: 2.34%) for the quarter resulting in a net positive return of 0.41% (Q1: -1.70%).

This is the first net positive quarterly return since Q2 2022 as the distribution return was higher than the reduction in capital value as valuations continue to stabilise. In the Fund's valuation there was some impact from new vacancy in the office portfolio, however, the fund is working on this and hopes to be able to report progress over the next couple of quarters.

Investment activity picked up in Q2 with a number of assets coming to the market and this is discussed in more detail below. Any impact from US trade policy was muted as extensions to the tariff deadlines pushed any potential impact from these into H2.

### Name Change

Following the Davy Real Estate Team's move to Lanthorn, it was requested that the name of the Fund would be changed. As a result, during Q1 the name of the Fund was changed to Percy Irish Property Fund.

### Commentary on Valuations

For the assets remaining in the Fund their valuations performed as follows over the course of 2025 and 2024 (by sector): of Q1 2025 and 2024 (by sector):

	Q2 2025	Q1 2025	Outcome for 2024
Office assets	-2.42%	-4.51%	-11.16%
Retail assets	-0.44%	-1.78%	-10.01%
<b>Total</b>	<b>-1.14%</b>	<b>-2.45%</b>	<b>-10.42%</b>

There were two factors driving the valuation of the office assets in the portfolio lower.

1. Additional vacancy: Some additional vacancy has been created with three floors now handed back in Newmount House and one floor being handed back in Percy Exchange. In both cases we have seen interest already in the space. The Newmount vacancy will allow the Fund to refit the space and implement some of the recommendations in a report commissioned last year to bring the BER on the building up to A3.
2. The comparatives generated by the sales completed in 2024 were weak and have resulted in office values being revised down as a result. The yields achieved by Connaught House (8.9%), One Warrington (7%) and the Fund's sale of 20 On Hatch are still all weighing on market valuations.

A number of large office buildings came to the market in Q1/Q2 with, so far, mixed results.

20 Kildare Street and 10 Hanover Quay were brought in Q1 and in very quick processes completed in Q2 at yields between 4.85% and 5.15%. These provide good evidence for any buildings considered fully prime as they underpinned target prime yields issued by agents. They were relatively newly built, fully let and well located (particularly 20 Kildare St).

However, the buildings at 24-26 City Quay and 1-3 Shelbourne buildings were also launched in Q2 at yields of between 7.0% and 7.50% and have not yet traded.

Traditionally, the yield gap between prime and next to prime assets has been 1.00%. More recently this has widened to 3.00% and may move wider. This is causing the valuations for anything other than prime office buildings to continue to reduce.

The vacancy in the portfolio should be dealt with over the coming quarters. Improving market evidence will depend on sales activity. The yields at which the assets on the market finally trade

at will be the key drivers of valuations for the second half of 2025.

Nutgrove remains almost 50% of the retail portfolio by value (48.7%). Its valuation yield was held steady at the end of Q2. As commented previously, Nutgrove has very little vacancy and should benefit from the opening of a cinema which is expected in Q3. The shopping centre sector overall continues to suffer from a lack of positive investor sentiment. Jervis Shopping Centre was launched to the market in Q2 and initial offers on the property look positive from an investor interest standpoint.

The treatment of the other retail assets was mixed with the yield on some being moved out by 10bps and for others ERV being reduced slightly. However, the portfolio was more stable than the office portfolio. There are a small number of units on the market in Grafton Street and Henry Street and some of the city centre shopping centres are likely to come to the market over the course of 2025.

## Portfolio updates

The portfolio is almost fully leased and income producing. In terms of further progress during Q2:

We reported in previous reports that the leasing of a floor in M50 to Homestore and More has been held up by a planning issue. The Fund made a planning application to South Dublin County Council to address the issue and a grant of change of user was received. The Fund is currently finalizing the plans and terms of the lease and expect to have this completed in the coming weeks.

The lease extension with Swarovski for 3 GPO Buildings on Henry Street was executed adding 3 years to the term of the lease.

Footlocker continue to express an interest in renewing or extending their lease in 44 Grafton Street ahead of their lease expiry in March 2025 and these discussions will likely progress over the course of Q3. They have been complicated for now by the appointment of an examiner to the Captain America's entity.

The subtenant at 50 Nassau Street (Claddagh) has expressed an interest in signing a new lease on that property when the current lease expires later in 2025. Heads of terms have been circulated to Claddagh.

Omniplex continue their works in advance of opening a cinema in Nutgrove in Q3 2025. This will be a great addition to the centre providing new leisure use and additional footfall. This should provide more customers for the food and beverage and other units and lengthen the day for the retailers in the centre.

The works at 68 O'Connell Street have been completed and the tenant has begun their fit out.

Following the sales completed in 2024 and the Q1 valuations the portfolio is 35% office and 65% retail. The portfolio is now 100% located in Dublin and its suburbs.

Sales proceeds from completed sales are being used to fund redemptions, reduce debt and possibly provide some capital for identified value add projects. We saw a significant increase in redemptions in Q2 2023 given the market uncertainty. The plan to fund these is the same as in previous cycles—a combination of finding new equity and where necessary selectively selling properties. There have been discussions with two potential investors interested in making an investment in the Fund. This is likely to result in an offer from one or both over the course of 2025.

From time to time, the Manager receives approaches from prospective investors who may be interested in investing significant sums into the Fund. This may result in the Manager receiving offers to buy units in the Fund which, in turn, may provide an opportunity for investors who seek liquidity to exit the Fund. These offers will be at a discount to NAV. These offers are likely to be circulated to investors as received but if any investor would like their interest in receiving these offers noted they can contact either Davy or IQEQ.

Fund performance 2020-2024	2020	2021	2022	2023	2024
Capital return	-15.30%	-4.40%	-9.93%	-24.19%	-19.07%
Income return	4.60%	5.90%	5.89%	6.23%	7.28%
Total return	-10.80%	1.50%	-4.04%	-17.96%	-11.79%

These figures are net of fees and represent calendar year performance for unit class D. Capital Return represents Net Asset Value (NAV) excluding dividends. Income Return represents dividends distributed.

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## Distributions

The distribution of net Q2 income was declared at the end of the quarter and will be distributed during July. This distribution equates to €150.33 per unit, yield of 2.37% for the quarter and 9.48% annualised.

The Fund is established as an open-ended fund with limited liquidity. The Manager will endeavour to redeem a redemption request as quickly as possible and it is expected that a redemption request will be fully dealt with within three years. Although it is intended that a certain number of units will be redeemed on each Redemption Date occurring during this three-year period, there is no guarantee that a minimum number of units will be redeemed on any given Redemption Date during this three-year period. The eventual redemption proceeds may differ from the redemption price at the date of redemption notification.

## Top three holdings

### Nutgrove Shopping Centre



<b>SIZE:</b>	111,000 sq ft
<b>OWNERSHIP:</b>	67%
<b>TENANTS:</b>	Multi anchored by Tesco, Dunnes, Penneys
<b>WAULT:</b>	2.13 yrs to break / 3.45 yrs to expiry

### Percy Place



<b>SIZE:</b>	36,000 sq ft
<b>OWNERSHIP:</b>	75.91%
<b>TENANTS:</b>	Multi-tenanted
<b>WAULT:</b>	3.75 yrs to break / 10.14 yrs to expiry

### Newmount House



<b>SIZE:</b>	18,530 sq ft
<b>OWNERSHIP:</b>	100%
<b>TENANTS:</b>	Multi-tenanted
<b>WAULT:</b>	2.5 yrs to break / 4 yrs to expiry

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\*Information correct as of July 2025

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Reference: IH\_8403\_240725\_1  
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