

Percy Irish Property Fund

3 months to 30th September

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 Q3 was -0.07%
- The Fund’s Gross Asset Value (GAV) as at 30th September 2025 was €91m compared with €92m as at 30th June 2025
- Q2 dividend per unit was €142.15 (2.28%) giving an annualised income distribution for the quarter of 9.12%
- Rent collection for the quarter was 90%

-1.37%
Total Return YTD
2025

€91m
Gross Asset Value

-8.02%
Capital Return
YTD 2025

€50.50m
Net Asset Value

6.65%
Income Return
YTD 2025

€6,084
NAV per Unit

Fund Performance – Unit Class D	Capital	Income	Total
QoQ	-2.35%	2.28%	-0.07%
YTD	-8.02%	6.65%	-1.37%
1 yr p.a.	-11.05%	8.77%	-2.28%
3 yrs p.a.	-15.88%	5.42%	-10.45%
5 yrs p.a.	-9.70%	5.06%	-4.65%
10 yrs p.a.	-5.75%	5.29%	-0.45%

All data refers to Unit Class D (Distributing) - Sedol Number 9795233
 All performance figures are for the period ending 30 September 2025
 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.
 Sources: Northern Trust and Lanthorn

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Market and fund update

Outcome for Q2 2025

The Net Asset Value (NAV) per unit of the Fund reduced by 2.35% in Q3 2025 compared with 1.96% in Q2 and, 3.93% in Q1. Year to date NAV per unit has reduced by 8.02% compared with 19.06% in 2024 and 24% in 2023.

The reduction in NAV was offset by an income distribution of 2.28% (Q2: 2.37%, Q1: 2.23%) for the quarter resulting in a net return of -0.07% (Q2: +0.41%, Q1: -1.70%). The total return for the quarter was slightly negative as the portfolio's office assets continued to see outward movement in yields due to a combination of recent vacancy in a couple of assets combined with further sales evidence from the market.

Investment activity in the Irish market was reasonably strong in Q3 and the figures for the quarter and year to date are ahead of the 2024 levels. They continue to lag the five-year averages but a continued increase will be good for liquidity and should allow prices to stabilize and eventually improve.

Commentary on Valuations and the Market

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

	Q3 2025	Q2 2025	Q1 2025	Outcome for 2024
Office assets	-3.16%	-2.42%	-4.51%	-11.16%
Retail assets	-0.97%	-0.44%	-1.78%	-10.01%
Total	-1.73%	-1.14%	-2.45%	-10.42%

In the Q2 report, we commented on the two factors driving the valuation of the office assets in the portfolio lower.

- i. 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 works have been identified and will be completed in Percy over the coming weeks. Interested parties have already toured this space and that's in advance of a big marketing push. In Newmount we are due to start works but have been told by Dublin City Council that we need planning permission to change the windows. This will postpone the start by about three months. Despite this we have had an offer for lower ground floor space at €32 per sq ft compared to an estimated rental value

("ERV") of €25 per sq ft.

- ii. Sales evidence: 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, 1-3 Shelbourne Buildings, 30 Herbert Street and One Haddington were also launched in Q2 at yields of between 7.0% and 7.50%. Some have traded in this band and at least one has traded outside of this range. So, this evidence is mixed and not yet showing a maintained improvement.

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 office 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 Q3.

The treatment of the other retail assets was mixed with the yield on most remaining the same but yields moved out on a couple and on one by 25bps. ERV's were stable in the quarter. However, the retail 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 there may be some more investment activity in the shopping centre sector but this will now be in 2026.

Portfolio Updates

In terms of progress made during Q3:

In Nutgrove, the cinema opened in early Q3 and we have seen a strong rise in footfall which has been maintained. Also, in the last couple of weeks indicative terms have been agreed with new occupiers in relation

to two recently vacated units and a third unit where we have been keeping a poor performing tenant in place pending agreement of a better deal. The Fund is targeting having all three agreed and in place by Q1 2026. The combined improvement to net operating income from all three would be €300k. The shopping centre sector overall continues to suffer from a lack of positive investor sentiment. The Jervis Shopping Centre process saw a lot of interest in that asset and should provide more positive evidence

The leasing of a floor (50% of the building) in M50 Business Park to Homestore and More has completed and the lease started in October. This has seen a significant increase in the value of this property as the rent was ahead of the ERV set by the valuers.

At 44 Grafton Street, Footlocker changed its stance due to a change in leasing strategy from its new owner based in the US. They are due to vacate the property and discussions in relation to dilapidations are ongoing. Savills will be engaged to find a new occupier and Grafton Street is seeing strong interest at the moment.

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 agreed and this is now at legals.

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 34% office and 66% 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. Given where we are now in relation to the redemptions on the list the longest we are looking to selectively sell a couple of buildings to help redeem these investors.

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 probably 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 management continue discussions with potential investors interested in making an investment in the Fund. This may lead to further offers over the course of 2025 and 2026.

Fund performance 2020 - 2024

	2020	2021	2022	2023	2024
Capital return	-15.30%	-4.40%	-9.93%	-24.19%	-19.70%
Income return	4.60%	5.90%	-1.78%	6.23%	-7.28%
Total return		1.50%	-2.45%	-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.

Source: Northern Trust and Lanthorn

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Distributions

The distribution of net Q3 income was declared at the end of the quarter and will be distributed during October. This distribution equates to €142.15 per unit, yield of 2.28% for the quarter and 9.12% 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



SIZE:	111,000 sq ft
OWNERSHIP:	67%
TENANTS:	Multi anchored by Tesco, Dunnes, Penneys
WAULT:	3.74 yrs to break/ 5.29 yrs to expiry

Percy Place



SIZE:	36,000 sq ft
OWNERSHIP:	75.91%
TENANTS:	Multi-tenanted
WAULT:	3.50 yrs to break/ 9.89 yrs to expiry

Newmount House



SIZE:	18,530 sq ft
OWNERSHIP:	100%
TENANTS:	Multi-tenanted
WAULT:	2.25 yrs to break/ 3.75 yrs to expiry

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Reference: IH0497_October2025_01
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