

The AVI Family Holding Companies (“FHC”) fund was launched in December 2019.

The fund invests in listed holding companies controlled by long-term orientated capital allocators with records of value creation. In turn these companies own diversified portfolios of attractive quality assets. Markets are typically inefficient at pricing holding companies, meaning they often trade at discounts to their Net Asset Value (NAV).

The fund seeks to benefit from both NAV growth – that is, growth in the value of the underlying companies – and discount narrowing (a reduction in the gap between share price and NAV). The combined effect of the two should lead to attractive long-term returns.

The original plan had been to write quarterly updates, however market events mean it seems appropriate to write earlier. February was a miserable month for equity markets, as concerns about covid-19 spread. The MSCI AC World ex-US (in Euros) declined -7.1% over the month, and the *FT* reported that the S&P 500 endured its quickest 10% correction since the Great Depression.

The FHC portfolio returned -7.7% in February. As we would expect in times of heightened market stress and volatility, discounts widened. At a portfolio level, the weighted average discount widened from 32.3% to 37.0% - a level comparable with what we observed during the global financial crisis and the Eurozone crisis.

Such moves in discounts are painful in the short term, but also provide opportunities to add to positions at what we consider to be attractive levels, as we did with Aker, Pasona and Investor AB toward the end of the month. As well as this we also initiated a new position in Softbank Group, the technology-focused holding company founded and chaired by Masayoshi Son. Softbank trades at close to a 60% discount, something we do not believe will endure given Mr Son’s publicly stated desire to reduce the discount, and the presence of activist investor Elliott Advisors.

Of course, we do not profess to know what will come next: how serious the Coronavirus will become, and the extent of its impact on the economy and corporate earnings. On the other hand, central banks are becoming more accommodative, which should be a boon for risk assets. As such we remain both cautious and optimistic. Comfort is sought from the valuations we see – as indicated by the portfolio’s weighted average discount - the attractive nature of the underlying assets, and generally low levels of leverage. With over 7% cash we are positioned well to take advantage of opportunities, both from within the current portfolio and wider universe.

Investment Objective: To achieve long-term capital appreciation. The Fund will aim to exceed the returns of the MSCI All Country World (ex U.S.) Index through the active management of a focussed portfolio of listed equity investments in family-backed holding companies.

Performance Total Return

This investment management report relates to performance figures to 29 February 2020.

	Month
AVI Family Holding Companies Fund	-7.7%
MSCI ACWI Ex US	-7.1%

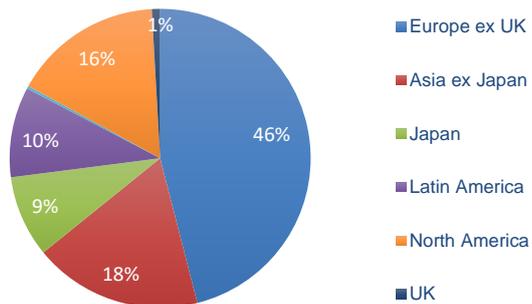
Portfolio Weighted Average Discount: 37.0%

Fund Facts	
Launch Date	01 December 2019
NAV as at 29 February 2020	€7,310,381
Investment Advisor	Asset Value Investors Limited
Shareholder Services	SEI Investments – Global Fund Services Ltd
Fund Structure	Limited Liability Investment Company
Minimum Investment	€100,000
Charges	Annual management charge 1.0%
Website	www.assetvalueinvestors.com

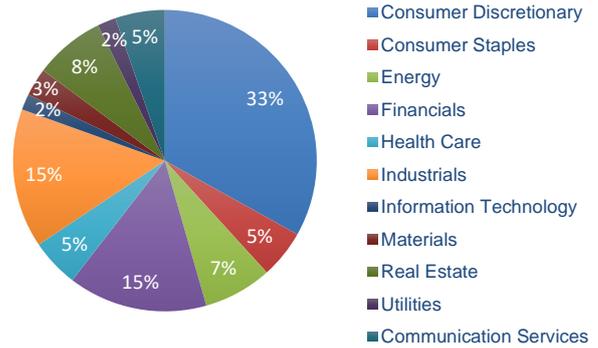
Top Ten Equity Holdings

Holding	%
Pershing Square Holdings	8.6
Promotora De Informaciones	6.9
Jardine Strategic	6.3
Investor AB	6.0
Kinnevik	5.5
Softbank	5.5
Tetragon Financial	5.4
Exor	5.2
Aker	5.0
Pargesa Holdings	5.0
TOTAL	59.4

Look-through country Exposure (% of net assets estimated by AVI)



Look-through Sector Exposure (% of net assets estimated by AVI)



Contributors / Detractors (in Euro €)

Largest Risers	1 month contribution bps	Percent of Assets
ITALMOBILIARE	14	4.5
SWIRE PACIFIC	3	2.8
VIETNAM PHOENIX FUND	2	0.3

Largest Fallers	1 month contribution bps	Percent of Assets
PERSHING SQUARE HOLDINGS	-100	8.6
KINNEVIK	-98	5.5
AKER	-92	5.0
PASONA	-61	3.0

Further Information

Investment Manager – Joe Bauernfreund, AVI Ltd.

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Information may be found on the following website.

www.assetvalueinvestors.com

IMPORTANT INFORMATION

All figures as at the period under review unless otherwise stated. All sources Asset Value Investors Limited unless otherwise stated. Asset Value Investors Limited ("AVI") is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While the Investment Manager is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. The investment products and services of AVI are only available to persons who are professional clients and eligible counterparties for the purposes of the FCA's rules. They are not available to retail clients. To the extent that this message concerns such products and services, then this message is communicated only to and/or directed only at professional clients and eligible counterparties and the information in this message about such products and services should not be relied on by any other person. This document does not constitute an offer to buy or sell shares in the Fund. The prospectus of the Fund is the only authorised document for offering of shares of the Fund. The prospectus may only be distributed in accordance with the laws and regulations of each appropriate jurisdiction in which any potential investor resides. Investors are also reminded that past performance is not a guide to future performance and that their capital will be at risk and they may therefore lose some or all of the amounts that they choose to invest in the Fund. Comparison to the index where shown is for information only and should not be interpreted to mean that there is a correlation between the portfolio and the index. Investors in the UK are reminded that they will not benefit from the UK investors compensation scheme. Investment in the Fund carries risks, which are more fully described in the prospectus. The Fund is only suitable for sophisticated investors. The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Fund should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.