

On 29-Apr-21, AVI launched a [public campaign calling for shareholder support to remove and replace the Board of Directors of Symphony International Limited \('SIHL'\)](#).

The public letter accessible from our dedicated website, www.savesymphony.com, analysed key interconnected areas that require urgent action:

1. Disastrous NAV and Share Price Performance
2. Misrepresented Performance and Material Non-Disclosure
3. Persistently Wide Discount to NAV
4. Manager Compensation dwarfing Shareholder Returns
5. Conflicted Board
6. The 2017 Wind-Up Vote That Wasn't: Shareholder Exit Frustrated
7. Forced Partial Sale of Minor International investment at Distressed Prices

AVI notes the response from Anil Thadani, Chairman and Founder of the Investment Manager, published on 6-May-21:

[Symphony International Holdings Limited \("Symphony" or "SIHL"\) Response in relation to Asset Value Investors Limited](#)

It is telling that it is *Mr Thadani* responding, when the core of our grievances made public last week rests on the independent directors seemingly being complicit in the way the company appears to be managed (i.e. in the best interests of the Manager rather than shareholders)?

Why is the "Independent" Chairman, Georges Gagnebin, silent?

Why are shareholders asked to contact *Mr Thadani* with their concerns?

Yet again, we see Mr Thadani appear to stand sentry between shareholders and the "independent" directors.

The last letter from our BVI counsel to the Board dated 28-Jul-20 made clear what our next steps would be were our proposals not accepted. These proposals were for the appointment of new directors; for an independent investigation of our allegations by a non-conflicted leading law firm; and for the development, adoption, and communication to shareholders of a clear strategy for improving returns to shareholders and narrowing the discount of the share price to NAV.

As such, the launch of our public campaign should not be a surprise to the Board. **And yet still Mr Thadani's response fails to address any of our specific and substantive allegations.**

Our public letter highlighted the Board's likely defence to our charges, and Mr Thadani's letter has not disappointed in its predictability. We said in our public letter:

"The Board will claim that AVI is seeking to "extract value" and in some way pursuing our own short-term narrow agenda, and that our interests are not aligned with other shareholders. To be clear, AVI's interests are firmly and 100% aligned with other (non-Management) shareholders. We have been a shareholder for over eight years. It is our view that it is the Management team/Board whose interests are at odds with the interests of independent shareholders."

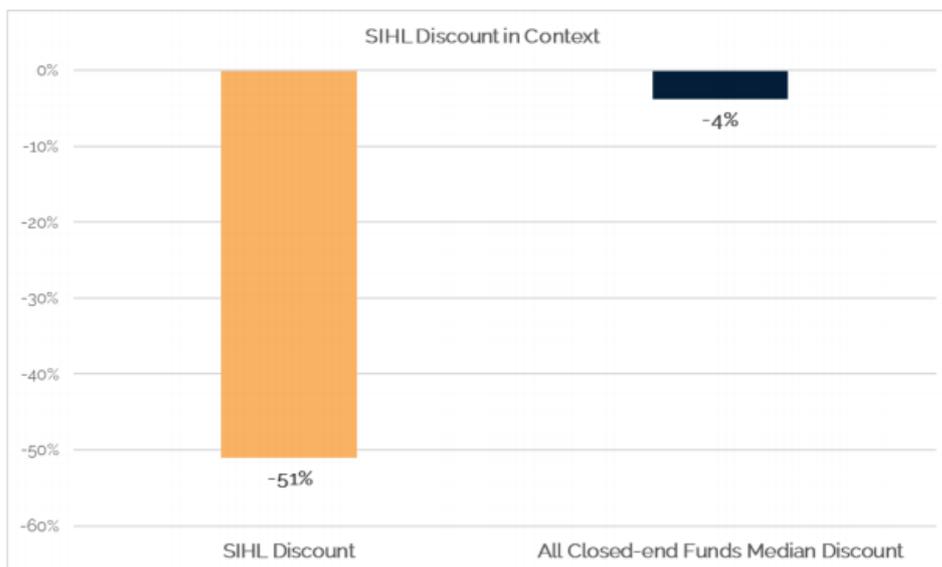
We stand by that comment, and by our intention to replace the Board with new directors willing and able to properly represent the interests of shareholders. Following their appointment, these new directors would have a mandate to then **consult widely with shareholders to build a consensus** for the optimal path forward to maximise value for long-suffering shareholders.

In our correspondence with the Board, we have suggested new approaches that include modifying the investment policy to focus on realising value from existing investments and returning capital to shareholders. This would not equate to a fire-sale. But, to re-iterate, a focus on realising investments is **just one possible option** that would be pursued under a new Board **only if approved by a majority of shareholders**. We do not believe that any meaningful consultation or dialogue has ever taken place between the Company's independent directors and its independent shareholders. A new Board would address that issue as its top priority.

We note Mr Thadani's comment that the Company has "limited control...over its market-determined share price". We repeat again the point from our letter that while discounts can prove volatile or can widen out sharply over short-term periods, it is simply not credible or sustainable to blame "the market" for a discount as persistent and extreme as that of SIHL's.

We believe the discount at which SIHL trades represents the market's view as to the Company's performance track record, investment proposition, its governance, its Manager, and its Board.

Compared to 284 of its peers*, SIHL has the third widest discount.



*London-listed closed-end funds with a market capitalisation greater or equal to £100m

As for the absurd contention that our publicity campaign would "destroy shareholder value", the company's performance record and ~50% trading discount to NAV tell their own story as to who appears to have been doing exactly that for the last 14 years.

In the short time since we made our concerns public, we have received a deluge of supportive messages from long-suffering shareholders who have shared our concerns regarding the company's

stewardship for some time. We are yet to meet or speak with a single non-management shareholder who is anything other than deeply unhappy with the *status quo*.

The extensive support received from other shareholders has put us in a position where we are increasingly confident that we will soon be able to begin the next steps towards requisitioning an Extraordinary General Meeting at which we will seek the removal of the current Board and their replacement with new directors willing and able to properly represent the interests of shareholders for the first time since the company's inception.

While the incumbent Board of Directors awaits this, they should be advised that we have either written or are in the process of writing to four financial regulators (The UK's Financial Conduct Authority; The Monetary Authority of Singapore; The BVI's Financial Services Commission; and Hong Kong's Securities and Futures Commission) regarding what we believe to be serious regulatory breaches by the Board of Directors as detailed in our public letters.

While the decision of these regulatory bodies is pending, we repeat our call for the Board to appoint a non-conflicted, leading law firm to conduct an independent investigation of the allegations made in our public letter. Such an independent investigation must, *inter alia*, include disclosure and review of all emails, messages and other communications made at the time of the relevant actions and involve interviews with all relevant individuals. The Board has twice refused our request for them to do this. What have they got to hide?

Tom Treanor, Executive Director, Asset Value Investors