REPORT

AVI Global Special Situations Fund

AGSS

This is a marketing communication. Please refer to the Prospectus and the Key Investor Information Document (KIID).

March 2025

Investment Objective:
The investment objective of the Fund is to generate long-term returns through investment in a portfolio of global companies whose share prices stand at a significant discount to estimated underlying net asset value.

Share Price

Fund Information

Share Classes		
Share Class	ISIN	Price
A (GBP)	IE000JIDJD84	£94.78
B (EUR)	IE0005EAPTK6	€97.05
B (GBP)	IE0008Q72UI9	£95.07
B (USD)	IE000DG5O9L7	$98.35
B1 (GBP)*	IE000U617EI1	£94.98

As per regulations, until the fund has a complete 12-month history, performance cannot be shown.

Fund Attributes

- High-conviction concentrated portfolio
- Actively managed with emphasis on Sum of the Parts (SOTP) valuations and exploiting discounts
- Global portfolio diversified across a range of sectors and geographies

Fund Risk

As a focused equity portfolio of between 35 and 45 investments, the fund can involve higher risk and higher volatility. The value of an investment can fall as well as rise as a result of market and currency movement; you may not get back the amount originally invested. You should therefore regard your investment as long term. Details on the risk factors are included in the fund's prospectus, available on our website.

Fund Facts

Top Ten Holdings*

	%
D'Ieteren	7.6
News Corp A	7.5
Chrysalis Investments	6.3
Gerresheimer	6.3
Exor	5.0
Aker	4.2
Christian Dior	4.1
Dai Nippon Printing	3.7
Vivendi	3.7
Entain	3.6
TOTAL	**52.0**

Contributors & Detractors (GBP)**

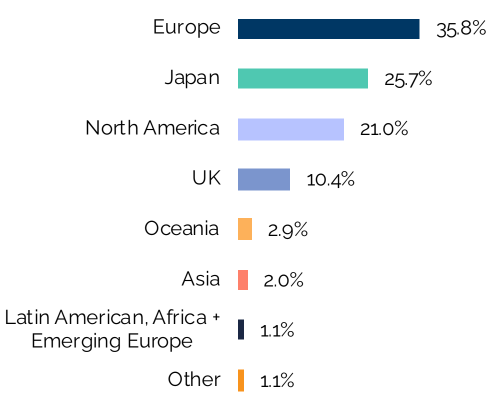
Largest Contributors	Monthly Con bps	% Weight
Aker	26	4.2
Rohto Pharmaceutical	6	3.2
D'Ieteren	6	7.6

Largest Detractors	Monthly Con bps	% Weight
Entain	-84	3.6
Gerresheimer	-74	6.3
Christian Dior	-69	4.1

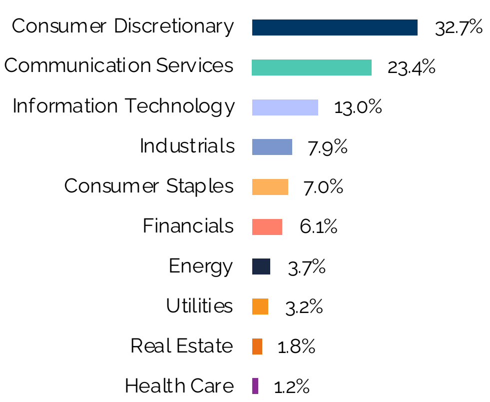
**Contributors and detractors from Facstet

Portfolio

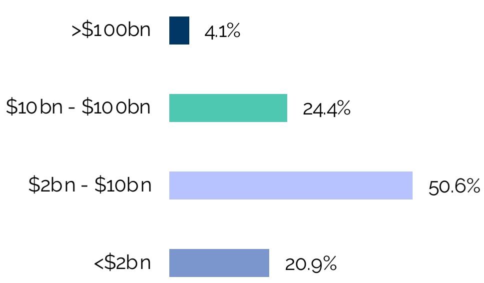
Look-through Geographic Exposure*



Look-through Sector Exposure*



Market Cap Breakdown*



*All figures shown as % of Portfolio

MANAGER'S COMMENT

Introduction:

For the first 12 months of the vehicle's life, we are limited by regulations from directly discussing performance.

For the time being, we intend to give you some insight into how we think about companies, opportunities that are arising in our universe and our more general outlook for the strategy.

We remain optimistic for the outlook for the strategy. Valuations, as indicated by the 40% portfolio weighted average discount, are wide by historical standards.

Brief Market Commentary:

The old idiom *"When America sneezes, the world catches a cold"* doesn't quite capture the current environment of increased tariffs and increasingly antagonistic trade policy. A more suitable summation might be: "*When America punches, the world reels*".

Exactly how this plays out remains to be seen but risk assets are currently united in a downward movement and fears of some form of economic shock and stagflationary malaise are rising.

Discounts remain historically wide, as indicated by the 40% portfolio weighted average discount.

Whilst we do not expect this to provide protection in the event of near-term market weakness, it makes us optimistic for prospective returns over the medium term. We continue to believe that hard work, activism, and events will be crucial to unlocking value from the concentrated-yet-diverse portfolio of durable growing businesses we have assembled. As such, whilst the near-term is hazy, we are confident that we have the right ingredients to deliver strong returns into the future.

Entain:

Entain was the most significant detractor over the month declining -21% without any material company-specific news flow. The shares have now declined some -30% from the Dec-2024 high.

We originally came across the company via our investment in IAC (3.2% of AGSS NAV), which owns a stake in MGM; in turn MGM and Entain are JV partners in BetMGM and in 2021 MGM unsuccessfully tried to acquire Entain.

The company trades at a 52% discount to our estimated NAV, which is comprised of Online Operations (76% of portfolio), Retail Operations (11%) and BetMGM (13%).

The treaty (or tightrope?) that active fund managers traverse with the market is one of sufficient efficiency. Markets must be inefficient enough to misprice stocks; but efficient enough in the long run for fair values to be recognised. We are always mindful that the market is often right, not every discount is an inefficiency to be exploited, and that many investors are too loose-lipped in decrying the market as being wrong.

With this caveat in place, we find the recent share price performance of Entain to be in stark contrast to the fundamentals.

As we see it, there are two reasons behind the weakness.

Firstly, in December 2024, it was announced that the Australian anti-money laundering regulator (AUSTRAC) had commenced civil proceedings against Entain's Australian subsidiary. The investigation began in 2022 and relates to 17 accounts, out of over 1 million, and alleges that Entain did not have the right systems in place. As our industry is fond of saying, past performance is not indicative of future results, however we note AUSTRAC's largest ever fine equates to c.£225m, equivalent to c.4% of Entain's pre-announcement market cap. We don't claim any great insight beyond this, but that is the ballpark we are in.

Secondly, in February it was announced that Entain's CEO, Gavin Isaacs, would step down with immediate effect. Here we have more sympathy with the market's despondence. A CEO departing after only five months in the job announced via a vague press release is hardly confidence inspiring. With that said, with a competent and experienced (temporary) replacement waiting in the wings in the form of Stella David (who had previously been interim CEO before Mr. Isaacs appointment) there is no great disruption. Moreover, our investment case is (largely) centred on the potential to unlock value from the BetMGM JV, and we believe a strong board (and capital allocation committee) is of central importance from a governance perspective.

Turning to the fundamentals, during February, both Entain and BetMGM reported FY results. For the first time in our ownership period, both engines, the Online Operations & BetMGM, are performing well.

Starting with Entain's wholly-owned operations, the recovery has continued. Q4 marked the first time in almost three years that the online business saw double-digit organic sales growth, slightly aided by favourable results in the UK. Importantly, playing retention is back above the ~85% level which sits at the heart of the growth algorithm, as a levelling of the regulatory environment through the Voluntary Code took effect. It is our expectation that from here, growth should at least match that of the underlying markets (c.5% on a weighted average basis) with potential upside to this as share shifts back away from third-tier operators. As we look further ahead, we see a long runway for continued growth, as well as margin expansion from the online operations.

Moving to BetMGM, it was around this time last year, that management outlined 2024 was to be a *"year of investment"*, after a difficult 2023. It was pleasing to see that these investments were not in vain, as BetMGM exited 2024 as a fundamentally stronger business.

MANAGER'S COMMENT

Almost every KPI saw significant improvement, gaining momentum over the course of the year, which has continued into 2025.

In 2025, management expects EBITDA to be positive. This is materially ahead of consensus which was expecting another negative year. We believe that this earlier than anticipated inflection point adds credence to management's medium-term aspiration of $500m in annual EBITDA.

Taking a step back, the acquisition of Angstrom has significantly improved the business's product offering, and the Nevada single wallet acts as a key differentiator. As such, we believe BetMGM holds a credible and durable #3 position in the largest and fastest-growing online gaming market in the world.

However, in the current structure, the value is being entirely discounted, with BetMGM trading at a negative implied valuation. Alternatively, stripping out our (conservative) carrying value for BetMGM, the stub of Entain trades at 5x NTM EBITDA, versus peers closer to 10x and historic M&A transactions north of this level.

We believe this to be an unduly low valuation, for a company operating in a structurally growing industry with significant barriers to entry.

ESG

ESG Integration

ESG is integrated into each stage of our investment process. AVI has eschewed a box-ticking approach to ESG and developed a proprietary ESG monitoring system.

Engagement is central to our strategy. Our ESG monitoring system helps to highlight areas where we can actively engage with portfolio companies to build resilience to sustainability risks, promote responsible attitudes, and enhance sustainable corporate value.

For more information, **AVI's ESG Report** can be accessed on its website **here**

Article 6

This Fund has an Article 6 classification within the meaning of the Sustainable Finance Disclosure Regulation (SFDR). Engagement is central to delivering long term returns, and we integrate environmental, social and governance (ESG) factors into our risk management on an ongoing basis. As part of our engagement process, we monitor the climate-related risks of our portfolio companies within a bespoke system developed for AVI. However, the Fund does not have a sustainability objective.

Fund Details

AVI Global Special Situations Fund	
Launch Date	17th April 2024
Net Assets	USD 37.3m / GBP 28.9m
Cash	9.1%
Fund Structure	UCITS
IA Sector	Global
Fund Domicile	Ireland
Investment Manager	Asset Value Investors
Manager	Gateway Fund Services
Administrator/ Transfer Agent	Société Générale
Dealing	Daily
Subscription Deadline	1 Business Day prior by 12PM
Dealing Information*	info@assetvalueinvestors.com
Website	AGSS Fund Page

*Also available on all major platforms.

Share Classes

Share Class	OCF** (%)	ISIN	Ticker	Price
A (GBP)	1	IE000JIDJD84	AVIGLSA ID	£94.78
B (EUR)	0.8	IE0005EAPTK6	AVIGLSB ID	€97.05
B (GBP)	0.8	IE0008Q72UI9	AVIGLBG ID	£95.07
B (USD)	0.8	IE000DG5O9L7	AVIGLBU ID	$98.35
B1 (GBP)*	0.65	IE000U617EI1	AVIGLB1 ID	£94.98

All performance shown in GBP Total Return and as at 31/03/2025
Benchmark: MSCI All County World Total Return Index.
*Performance fee share class - 0.40% management fee + 10% outperformance of benchmark.
**Ongoing Charges Figure.

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The share price can be found in *AGSS - Asset Value Investors*

Further information may be found on the following websites:
https://www.assetvalueinvestors.com/agss
www.assetvalueinvestors.com