AVI GLOBAL SPECIAL SITUATIONS

AVI Asset Value Investors

AGSS

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

July 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.

HEADLINES

Introduction

In July the fund returned +3.9%.

Read more below

Vivendi

Vivendi shares rose +14% as the AMF declared that Bollore is obligated to make an offer for the company.

Read more below

Korea

We continued to add to new and existing holdings in Korea, such that they now make up 6% of the fund.

Read more below

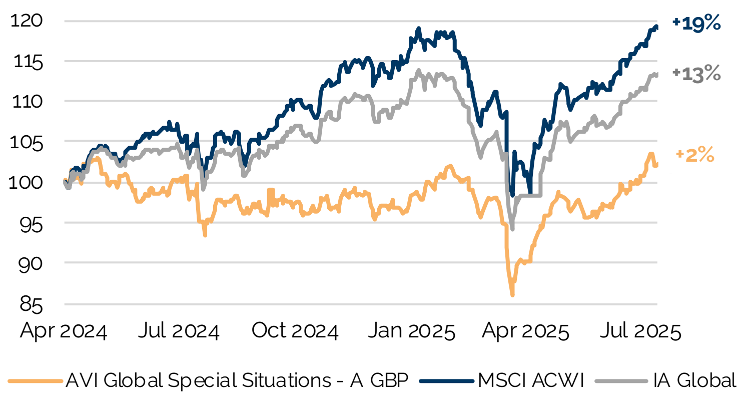
THE FUND

Fund Launch Date	A GBP NAV per share	Cash
17/04/24	£102.29	1.3%

Net Performance (GBP)

	Month	3 Month	YTD	SI[1]
A GBP Share Class	3.9%	8.0%	5.4%	2.3%
MSCI ACWI	5.0%	13.0%	5.6%	19.1%
IA Global	4.5%	12.4%	5.2%	13.5%

NAV Total Return Since Inception (GBP)



Past performance does not predict future returns. All performance is shown in GBP, net of fees and including net dividends as at 31/07/2025. Returns may increase or decrease as a result of currency fluctuations. Source: Morningstar. Benchmark: MSCI® All Country World Net Total Return Index. The Fund is actively managed with reference to the MSCI® All Country World Net Total Return Index for performance comparison purposes. The portfolio is unconstrained by the benchmark and holdings may deviate significantly from those in the benchmark index. The fund was attributed the IA Global sector by The IA. The IA Global sector consists of The IA member UK based funds which invest at least 80% of their assets globally in equities. The use of the IA Global sector is purely indicative and should not be used as a benchmark. For further information on the The IA and its sectors, visit www.theia.org. [1]Share Class Launch Date 17th April 2024.

PORTFOLIO

Top Ten Holdings

	%[2]
Vivendi	7.3
D'Ieteren	6.9
News Corp A	6.9
Exor	4.9
Gerresheimer	4.5
Chrysalis Investments	4.4
Entain	4.1
Christian Dior	3.9
Aker	3.8
Dai Nippon Printing	3.6
TOTAL	**50.3**
No of Holdings	37

Contributors & Detractors (GBP)[3]

Largest Contributors	1M Contrib. bps	%[2]
Vivendi	107	7.3
Entain	52	4.1
Jardine Matheson	50	3.2
Chrysalis Investments	45	4.4
Aker	37	3.8

Largest Detractors	1M Contrib. bps	%[2]
Gerresheimer	-41	4.5
D'Ieteren	-26	6.9
Eurazeo	-23	1.5
Keisei Electric	-12	2.0
Wacom	-10	1.9

[2]Shown as % of Net Asset Value. [3]Contributors and detractors from Factset

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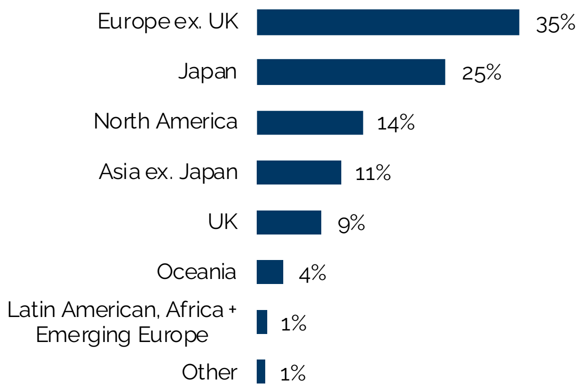
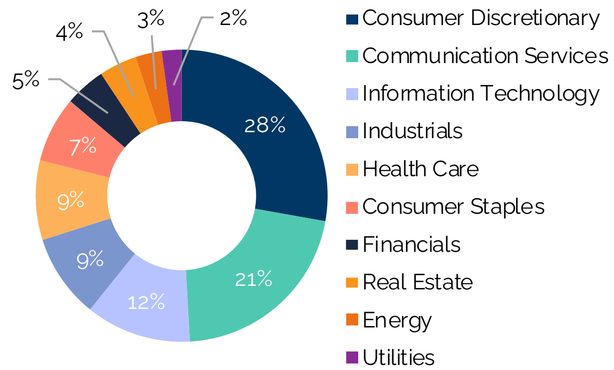
PORTFOLIO (continued)

Look-through Geographic Exposure²



Look-through Sector Exposure²



²All figures shown as % of Portfolio

PERFORMANCE SUMMARY

%	Share Class	NAV per share	Month	3 Month	YTD	SI[1]
GBP	A GBP	£102.29	3.9	8.0	5.4	2.3
	MSCI ACWI	-	5.0	13.0	5.6	19.1
EUR	B EUR	€101.41	3.0	6.4	0.9	1.4
	MSCI ACWI	-	4.0	11.2	0.9	17.7
GBP	B GBP	£102.67	4.0	8.1	5.5	2.7
	MSCI ACWI	-	5.0	13.0	5.6	19.1
USD	B USD	$108.89	0.4	7.1	11.5	8.9
	MSCI ACWI	-	1.4	12.0	11.5	26.6
GBP	B1 GBP[4]	£102.62	4.0	8.1	5.6	2.6
	MSCI ACWI	-	5.0	13.0	5.6	19.1

Past performance does not predict future returns. All performance is shown, net of fees and including net dividends as at 31/07/2025. Source: Morningstar. Benchmark: MSCI® All Country World Net Total Return Index. The Fund is actively managed with reference to the MSCI® All Country World Net Total Return Index for performance comparison purposes as well as for the purposes of calculating the performance fee. The performance of each share class is stated in the share class relevant currency as specified in the table. The performance of the benchmark has been converted into the currency of the relevant share class for comparison purposes. Returns may increase or decrease as a result of currency fluctuations. The portfolio is unconstrained by the benchmark and holdings may deviate significantly from those in the benchmark index. ¹Share Class Launch Date 17th April 2024. ⁴Performance fee share class - 0.40% management fee + 10% outperformance of benchmark.

MANAGER'S COMMENT

Introduction:

In July, the fund returned +3.9% vs. +5.0% for the benchmark, the MSCI AC World Index (£).

Vivendi (+107bps) was the top contributor over the month as the French financial markets authority, AMF, declared that Bollore is obligated to make an offer for the company at a "fair price". This helped push the shares +15% over the month and we discuss the situation further below. Other strong performers over the month Entain (+52bps), where BetMGM (32% of NAV) raised guidance for the second time this year and Jardine Matheson (+50bps).

On the other side of the ledger, Gerresheimer (-41bps) was the most significant detractor as it was announced that talks with potential private equity bidders have ceased. Post month-end, the company announced the conclusion of the strategic review of its Moulded Glass business, with a stated intention to sell the asset. We are pleased to see management take accelerated steps to unlock value (indeed, this was one of the central suggestions in our public letter). We continue to engage privately with both management and the Supervisory Board. D'Ieteren (-26bps) was the other notable detractor.

Vivendi:

In December 2024 Vivendi - historic sprawling media conglomerate - split itself into four separately listed business: Canal+, Havas, Louis Hachette and Vivendi. The fund had owned a small position in Vivendi, on the premise that the proposed split had the potential to unlock value, however this excitement was tempered by our lack of enthusiasm for the Canal+, Havas and Louis Hachette.

The last piece – Vivendi – remained home to a 10% listed stake in Universal Music Group ("UMG"), which accounted for c.90% of NAV, as well as a small collection of other (almost entirely) listed assets, and net debt.

MANAGER'S COMMENT (continued)

We started to increase the position in Vivendi in December 2024 on the day of the split and continued to add to the position throughout 2025 such that at the start of July, Vivendi was the second largest position and a 6.9% weight.

In many ways, Vivendi can be thought of as a quintessential AVI stock: 1) through UMG it offered exposure to a high quality and growing business, where we thought the prospects for NAV growth were appealing; 2) it traded at an inordinately wide discount of close to 50%; 3) although uncertain, there were potential catalysts for the discount to narrow.

In July 2025 the AMF ruled that Bollore is deemed to have effective control of Vivendi and as such is obligated to make a mandatory offer within 6 months. This follows an April 2025 court ruling that asked the AMF to revisit the case and the circumstances of the Vivendi split in 2024. In turn Vivendi and Bollore are currently appealing the Court of Cassation, and Bollore has also appealed the AMF ruling itself. It is our understanding that the appeals processes should run until December 2025 and that a dual-track process of cooperation with the AMF will occur in the interim.

The AMF ruling states that, in the event of an offer, Bollore must offer a "fair price". Since December 2024 Vivendi has published its own NAV - although – rather comically – we note no such figure was reported in their half year results published at the end of July 2025. The asset value is fairly indisputable, with the NAV being nearly entirely listed, and Gameloft being the only unlisted asset, for which they report(ed) a carrying value of €234m / 5% of NAV).

There are, however, two areas of uncertainty: **1)** how to treat the central corporate costs (which run at ~€85m annually), **2)** whether or not a "fair price" should incorporate a fair/holding company discount.

We do not intend to profess any great precision into exactly how these two issues will be treated, but instead highlight the 2017 at-NAV offer from the Arnault family for Christian Dior SE as a case study for the AMF ensuring fair value is offered.

Nonetheless, the prospects for a buyout offer are meaningfully higher than they were a month ago. This has been in part at least reflected in the narrowing of the discount – with the shares now trading at an a low 30s - discount to our pre-corp cost NAV. At this level we continue to see meaningful upside in the discount.

Turning to the NAV side of the equation, UMG shares have been weak of late following the publication of results at the end of July and the announcement that Cyrille Bollore is to step down from the board. This has pushed the stock -14% since from a recent late July peak to the time of writing (4th August).

In terms of Q2 results these were something of a mixed bag. On the positive side, UMG has demonstrated 8.9% Subscription growth in H1, with only a modest tailwind from price rises. We continue to believe that the market is underestimating the extent to which this will further accelerate in 2026 under so-called Streaming 2.0 – with a guaranteed step-up in minimum per subscriber fees, and increased tiering of pricing allowing for greater stratification in spending between average consumers and those with propensity to spend more. All told, we believe UMG is well positioned to benefit from the continued (re) monetisation of music supporting strong long-term topline growth.

On the other hand, how this translates into margins and free cash flow is causing more debate. Margins have not expanded as much as one would have expected with 2025 adjusted EBITDA margins likely to be ~22.8% vs. consensus expectations of ~25.0% at the time of the IPO. As demonstrated in the most recent results, incremental margins have remained subdued in the high 20s and operational leverage has been held back. Part of this is mix effect, but there is also some investor scepticism as to how creative and capitalist traditions of UMG and financial markets meld, and the extent to which management are disciplined on cost and focus on the share price (which wasn't helped by Lucien Grainge's post prospectus compensation package).

The free cash flow picture also remains muddied, both in terms of Royalty Advances and Catalogue Investments. In H1 we with an exceptionally large (€377m) Royalty Advance Net of Recoupments outflow in H1 and guidance that this will not normalise to a lower FY figure (as was the case last year). The bears would argue that this is indicative of the pendulum of power swinging in the favour of artists, who are negotiating a harder and better settlement in what is a relatively zero-sum game. The more bullish interpretation is that UMG is simply fuelling future growth and higher advances today result in higher recoupments / earnings / free cash flow in the future. The truth probably lies somewhere between the two and we believe management can do a better job explaining this, as well as more generally improving communication and disclosure with the market. Indeed, we some analogies between UMG - still earlier in its life as a listed company, leading in a nascent asset class - and how the Alternative Asset Managers were misunderstood a decade ago.

UMG shares are currently only a little above where they closed following the September 2021 IPO (whilst the MSCI Europe has returned >50% and Spotify >200%). Indeed, the current enterprise value (€44bn) is only ~25% higher than the one (€35bn) at which Pershing Square invested in 2021, despite sales and EBITDA being ~44% and ~77% higher. Net of its €4.5bn in Spotify and other listed equities, UMG has a core equity value of just €22 per share, or a just under 20x 2026 earnings. We believe this to be good value for approximately a 30% share of global music, at a time when the industry is being transformed, with better monetisation and improving earnings quality.

The combination of UMG's attractiveness, and the near-term potential catalyst in Vivendi's discount, make us optimistic for prospective returns.

Korea

In last month's newsletter we wrote about Korea, the changing corporate governance landscape, and the excitement we have for this "theme" in the portfolio.

In July we continued to add to new and existing holdings in Korea, such that they now make up 6.1% of NAV, with a weighted average discount of -53%, spread across 7 names. We would expect this exposure to keep rising in the coming months and see it as indicative of AVI's agile and bold approach to capturing opportunities. Sometimes this can be reflected by taking large positions in single names, or alternatively, as is the case with Korea and before that Japan, by spreading our exposure to a bet across several names but in such size that they collectively move the needle.

MANAGER'S COMMENT (continued)

The governance reform agenda is continuing with rapid pace. During the month, a second set of amendments to South Korea's Commercial Act passed the National Assembly's Legislation and Judiciary Committee subcommittee overnight, this time mandating cumulative voting and expanding separate election of audit committee members for large, listed companies with assets over KRW2tn (c. $1.5bn). If this amendment passes the full National Assembly plenary session and is brought into law, at least two audit committee members will need to be separately elected and cumulative voting would be mandated to strengthen minority shareholder influence.

As we have learnt from Japan, progress is never linear. In this sense, poorly received news on the Securities Transaction Tax is not entirely surprising given the government's on-going fiscal challenges and trade-offs that must be made. We continue to focus on the broader picture and the potential for further legislation, such as rules on mandatory treasury stock cancellation and corporate governance protections, which remain under review at this time.

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RISK & REWARD

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.

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	
Fund Launch Date	17th April 2024
Base Currency	USD
Net Assets Value	USD43.1m / GBP32.6m
IA Sector	Global
Fund Structure	UCITS
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

*Also available on all major platforms.

Share Classes

Share Class	OCF[5] (%)	ISIN	Ticker
A (GBP)	1	IE000JIDJD84	AVIGLSA ID
B (EUR)	0.8	IE0005EAPTK6	AVIGLSB ID
B (GBP)	0.8	IE0008Q72UI9	AVIGLBG ID
B (USD)	0.8	IE000DG5O9L7	AVIGLBU ID
B1 (GBP)[4]	0.65	IE000U617EI1	AVIGLB1 ID

Benchmark: MSCI® All Country World Net Total Return Index
[4]Performance fee share class - 0.40% management fee + 10% outperformance of benchmark.
[5]Ongoing Charges Figure

Investment Manager – Joe Bauernfreund
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The share price can be found in AGSS - Asset Value Investors
Further information may be found on www.assetvalueinvestors.com