

December 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 December 2025, the fund returned -0.8%.

[Read more below](#)

## Chrysalis Investment

We provide an update on our investment in Chrysalis, following a successful period of constructive engagement with the Board.

[Read more below](#)

## Samsung C&amp;T

We introduce our largest Korean holding, Samsung C&T.

[Read more below](#)

## THE FUND

Fund Launch Date

17/04/24

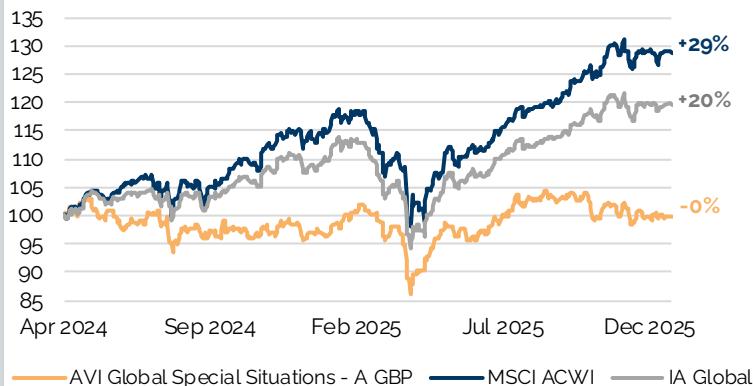
A GBP NAV per share

£99.93

Cash

3.3%

## 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 31/12/2025. 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](http://www.theia.org). <sup>1</sup>Share Class Launch Date 17th April 2024.

## PORTFOLIO

## Top Ten Holdings

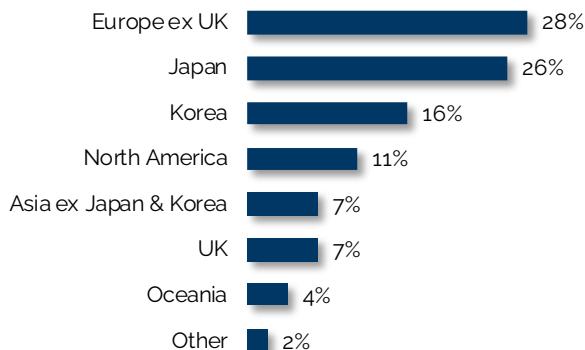
	% <sup>2</sup>
D'leteren	6.1
Vivendi	6.0
News Corp A	6.0
Exor	5.6
Mitsubishi Logistics	5.5
Jardine Matheson	5.3
Chrysalis Investments	4.2
Christian Dior	3.5
Dai Nippon Printing	3.1
Rohto Pharmaceutical	3.0
<b>TOTAL</b>	<b>48.3</b>
No of Holdings	39

Contributors & Detractors (GBP)<sup>3</sup>

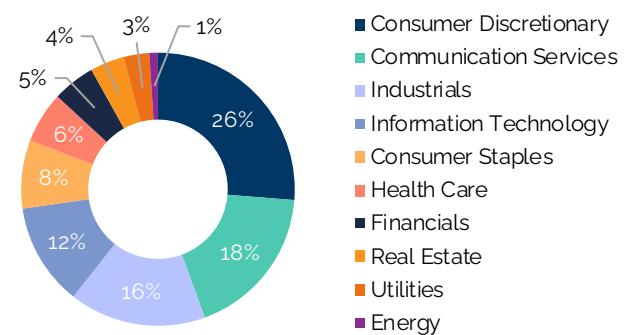
Largest Contributors	1M Contrib. bps	% <sup>2</sup>
Chrysalis Investments	21	4.2
Youngone Holdings	18	1.7
Samsung C&T	14	2.7
D'leteren	13	6.1
Jardine Matheson	11	5.3

Largest Detractors	1M Contrib. bps	% <sup>2</sup>
Vivendi	-40	6.0
Frasers Group	-27	1.9
Hyosung Corp	-27	1.9
Wacom	-13	1.9
Tokyo Gas	-12	2.9

## PORTFOLIO (continued)

Look-through Geographic Exposure<sup>4</sup>

Figures may not total to 100 due to rounding.

Look-through Sector Exposure<sup>4</sup>Figures may not total to 100 due to rounding. <sup>4</sup>Shown as % of Portfolio

## PERFORMANCE SUMMARY

%	Share Class	NAV per share	Month	3 Month	YTD	SI <sup>1</sup>
GBP	A GBP	£99.93	-0.8	-3.1	2.9	-0.1
	MSCI ACWI	-	-0.5	3.4	13.9	28.5
EUR	B EUR	€98.22	-0.5	-3.1	-2.3	-1.8
	MSCI ACWI	-	-0.2	3.3	7.9	25.8
GBP	B GBP	£100.39	-0.8	-3.0	3.2	0.4
	MSCI ACWI	-	-0.5	3.4	13.9	28.5
USD	B USD	\$107.00	0.7	-4.2	9.6	7.0
	MSCI ACWI	-	1.0	3.3	22.3	38.9
GBP	B1 GBP <sup>5</sup>	£100.48	-0.8	-3.0	3.4	0.5
	MSCI ACWI	-	-0.5	3.4	13.9	28.5

Past performance does not predict future returns. All performance is shown, net of fees and including net dividends as at 31/12/2025. 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. <sup>1</sup>Share Class Launch Date 17<sup>th</sup> April 2024. <sup>5</sup>Performance fee share class - 0.40% management fee + 10% outperformance of benchmark.

## MANAGER'S COMMENT

In December 2025, the fund returned -0.8% vs -0.5% for the benchmark, the MSCI AC World Index (£).

Chrysalis Investments was the largest contributor, adding +21bps to returns, which we discuss below. This was followed by Youngone Holdings and Samsung C&T, contributing +18bps and 14bps, respectively.

On the other side of the ledger, Vivendi detracted -40bps with Hyosung Corporation and Frasers Group also detracting from returns.

## Chrysalis Investments

Chrysalis Investments ("CHRY"), was the greatest contributor over the month, adding +21bps to returns. Its share price rallied on the news late in the month that the company will put forward proposals that would, if approved by shareholders, see it pursue

an orderly realisation of its assets. AVI, as the largest shareholder in CHRY with an 18% stake across its funds, welcomes the proposals which follow a period of constructive engagement with the board.

Work remains to be done on ensuring the right governance structure is in place for a vehicle in managed wind down, while experience tells us that a critical component of a successful run-off is appropriate incentive arrangements that optimise for a balance of value maximisation and speed of capital returns.

CHRY's shares trade on a 30% discount to NAV at the time of writing. We note that the lock-up on the company's ~1% stake in Klarna, which listed in September 2025, expires in March 2026 and that the position accounts for 11% of CHRY's NAV/16% of its market cap. The company's largest exposure is to Starling Bank, which represents almost half of NAV and 70% of market cap.

## MANAGER'S COMMENT (continued)

Operationally, Starling appears to be on a strong footing, with its banking-as-a-service platform, Engine, winning a deal with Scotiabank's digital bank in the fourth quarter of 2025. This is Engine's first North American client, and we believe the likely size of the deal is transformational in the context of the business's existing revenues.

Toward the end of last year, we attended a fintech conference at which Starling's management painted an optimistic picture for Engine's sales pipeline. Given the starkly different valuation frameworks applied to SaaS businesses vs those operating in core banking, with it not being uncommon to see the former valued at similar multiples of revenue to those applied to the earnings of the latter, further signs of traction would be well received. Turning to the core business, the recent launch of a new advertising campaign signalled the emergence of Starling from the regulatory purdah that had been limiting its growth over the last year or so.

While the bank's management have been vocal that they see Starling becoming a public company and that they are weighing up the merits of a New York vs a London listing, we would be surprised if this were to occur as early as 2026. We note, however, a Financial Times article in September 2025 reporting that there may be a secondary sales process run to allow existing investors to sell down their stakes and make room for new investors on the register.

We see considerable scope for further upside in what has already been a successful investment.

#### Samsung C&T

In the October newsletter, we talked about the developing opportunity set in Korea, accounting for 15% of AGSS' NAV at month end. We also explained how each individual position stands on its own two feet, with "typical" AVI traits. Samsung C&T is yet another example of this, and it is a position we have been adding to post month-end, such that Samsung C&T now accounts for over 4% of the funds NAV at the time of writing.

For those readers unfamiliar with the company, Samsung C&T is the de facto holding company through which the Lee family controls the wider Samsung Group. The company's NAV is effectively comprised of two crown-jewel businesses, Samsung Electronics (39% of NAV) and Samsung Biologics (37%), plus a few smaller listed stakes and an unlisted construction and trading business.

We first initiated our position in Samsung C&T in June 2025, believing that the company exhibited many of the traits that we at AVI look for: 1) a robust, listed NAV that we felt was both undervalued and set to benefit from strong earnings growth, 2) an unduly wide -57% discount, and 3) a potential catalyst to close that discount through corporate governance reform in South Korea.

Breaking down the NAV, Samsung Electronics is the leading global technology conglomerate with three main businesses – device solutions (semiconductor memory and foundry), consumer electronics (mobile phones, smart devices etc), and display (OLED panels for smartphones and TVs).

Our initial thesis for Samsung Electronics was predicated on the company's near all-time low valuation of just 0.9x Price to Book (PB), driven by the manufacturing problems in High-Bandwidth Memory semiconductor chips (HBM), at a time when close-peer SK Hynix was benefitting from a very favourable supply/demand dynamic as the sole supplier of HBM to Nvidia. For context, HBM chips are fundamental for AI servers due to their ability to transfer lots of information very quickly and efficiently.

Trading below book, we felt that the market was pricing Samsung Electronics like a legacy memory player while ignoring the company's sizable balance sheet firepower (23% net cash at time of investment), and long-term track-record of operational excellence.

In the period since investing, Samsung Electronics has made material progress in improving HBM competitiveness, with the company's latest HBM4 chips achieving top performance scores in Nvidia and Broadcom's recent testing. We believe this positions Samsung to capture 30%+ global HBM market share in 2026 versus mid-teens in 2025. The global supply shortage for both HBM and traditional memory chips is creating strong pricing power for Samsung and SK Hynix, with sell-side consensus estimating operating profit growth of +173%<sup>1</sup> for Samsung in 2026. Today, Samsung Electronics trades at 2.0x PB, a 55% discount to SK Hynix (4.5x) and we see a great deal of scope for further NAV growth.

Samsung Biologics manufactures antibodies on behalf of global pharmaceutical companies. These companies typically outsource production because building equivalent capacity would require billions in capital and years of regulatory approvals. In short, Biologics operates large-scale manufacturing facilities which produce antibodies used in the treatment of cancer, autoimmune disorders, chronic conditions, etc.

The company generates 90% of revenues from large-scale antibody production. Larger antibodies can be produced at immense scale, enabling Biologics to benefit from very strong economies of scale through operational excellence. As a result, Samsung Biologics generates EBIT margins of 50% vs. peers at 20-25%. Biologics also operates one of the world's largest biomanufacturing facilities and is expanding cumulative capacity which will make it approximately double the next largest competitor by 2032.

We believe Biologics is positioned to compound earnings at mid-teens rates through to 2032, supported by biologic drug demand outpacing industry supply growth.

Turning to the catalyst, we feel that South Korean governance reforms combined with the company's new capital allocation policy expected at the end of January 2026 should drive a closing of C&T's discount over time. Despite strong performance to date, generating an ROI of c. 30% to the end of December 2025 in local currency terms, we remain excited by our investment in Samsung C&T.

<sup>1</sup>FactSet as of 09/01/2025

## RISK &amp; 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	17 <sup>th</sup> April 2024
Base Currency	USD
Net Assets Value	USD41.7m / GBP31m
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*	<a href="mailto:info@assetvalueinvestors.com">info@assetvalueinvestors.com</a>

\*Also available on all major platforms.

## Share Classes

Share Class	OCF <sup>6</sup> (%)	ISIN	Ticker
A (GBP)	1.0	IEoooJIDJD84	AVIGLSA ID
B (EUR)	0.8	IEooo5EAPTK6	AVIGLSB ID
B (GBP)	0.8	IEooo8Q72Ul9	AVIGLBG ID
B (USD)	0.8	IEoooDG5O9L7	AVIGLBU ID
B1 (GBP) <sup>5</sup>	0.65	IEoooU617El1	AVIGLB1 ID

Benchmark: MSCI® All Country World Net Total Return Index

<sup>5</sup>Performance fee share class - 0.40% management fee + 10% outperformance of benchmark.

<sup>6</sup>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](http://www.assetvalueinvestors.com)



## IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA"), reference number 119270 and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI 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. This document does not constitute an offer to buy or sell shares in AVI Global Special Situations (the "Fund"). 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. Past performance is not an indicator of future results, and you may not get back the original amount invested.

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