

February 2026

**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

The Fund's NAV increased by +6.3% in February 2026.

[Read more below](#)

### March 2026

We provide an update on the current market environment.

[Read more below](#)

### Toyota Industries

In early March we exited our largest position following a revised bid.

[Read more below](#)

## THE FUND

Fund Launch Date

17/04/24

A GBP NAV per share

£109.17

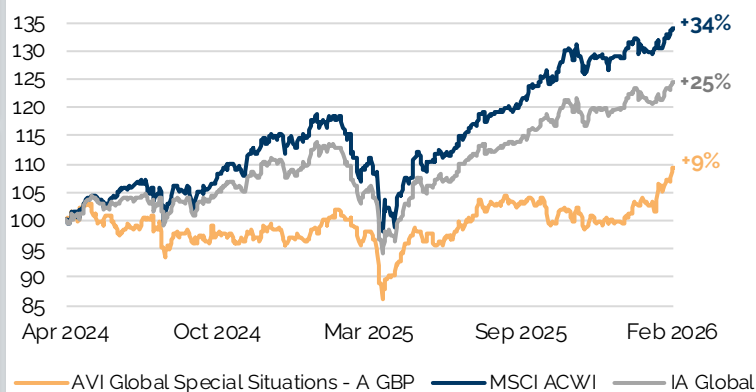
Cash

3.8%

### Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI <sup>1</sup>
A GBP Share Class	6.3	8.4	9.2	9.2
MSCI ACWI	3.4	3.9	4.3	34.1
IA Global	3.2	3.9	4.3	24.6

### 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 28/02/2026. 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>
Exor	7.0
Toyota Industries	6.9
D'leteren	6.3
Mitsubishi Logistics	6.2
News Corp A	6.0
Jardine Matheson	5.0
Samsung C&T	4.4
Vivendi	4.4
Kyocera Corp	3.4
Chrysalis Investments	3.3
<b>TOTAL</b>	<b>52.9</b>
No of Holdings	33

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

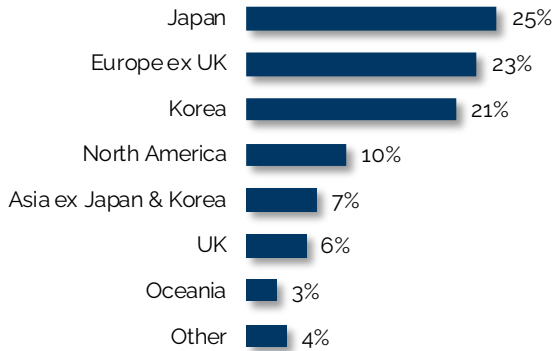
Largest Contributors	1M Contrib. bps	% <sup>2</sup>
Samsung C&T	87	4.4
Jardine Matheson	81	5.0
HD Hyundai	66	2.3
Kyocera Corp	64	3.4
Exor	58	7.0

Largest Detractors	1M Contrib. bps	% <sup>2</sup>
News Corp A	-51	6.0
Chrysalis Investments	-49	3.3
Vivendi	-26	4.4
D'leteren	-20	6.3
DTS	-18	1.7

<sup>2</sup>Shown as % of Net Asset Value. <sup>3</sup>Contributors and detractors from Factset

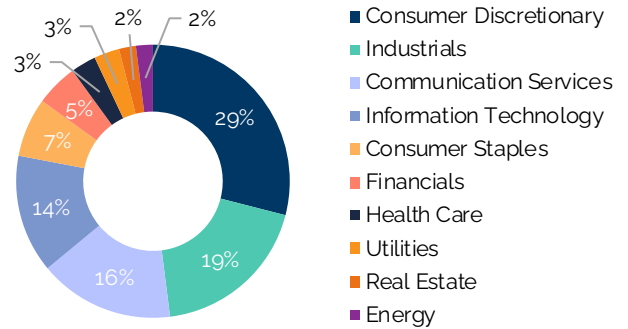
## PORTFOLIO (continued)

### 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	£109.17	6.3	8.4	9.2	9.2
	MSCI ACWI	-	3.4	3.9	4.3	34.1
EUR	B EUR	€106.71	5.0	8.1	8.6	6.7
	MSCI ACWI	-	2.1	3.6	3.7	30.5
GBP	B GBP	£109.70	6.3	8.4	9.3	9.7
	MSCI ACWI	-	3.4	3.9	4.3	34.1
USD	B USD	\$116.88	4.2	10.0	9.2	16.9
	MSCI ACWI	-	1.3	5.4	4.3	44.8
GBP	B1 GBP <sup>5</sup>	£109.83	6.4	8.5	9.3	9.8
	MSCI ACWI	-	3.4	3.9	4.3	34.1

Past performance does not predict future returns. All performance is shown, net of fees and including net dividends as at 28/02/2026. 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

The Fund has continued the strong start to 2026, with a +6.3% return in February 2026, versus +3.4% for the Fund's benchmark, the MSCI AC World Index (£). This brings year-to-date returns to +9.3% against +4.3% for the benchmark.

Performance was broad-based with Samsung C&T (+87bps) the standout performer, followed by Jardine Matheson (+81bps) and HD Hyundai (+66bps). Indeed, it is interesting to observe that nine of the top ten largest contributors, were all listed in Asia and delivered returns between +9% and +25%.

At the bottom of the table was New Corp (-51bps), Chrysalis (-49bps) which saw a share price decline of -13% over the month and Vivendi (-26bps) also detracted.

Over the month we took some profit in Samsung C&T and HD Hyundai as discounts narrowed and underlying valuations rose. We have also continued to clean up the tail: we sold the last of

our shares in Gerresheimer, which had been a heavily loss making and bruising investment where the original investment thesis was no longer valid, whilst also fully exiting Entain. We have continued to add to EXOR – on close to its widest ever discount – and added to News Corp on weakness.

### March Market Commentary

Writing on the 9<sup>th</sup> of March, February already feels but a distant memory, as geopolitical tension in the Middle East has moved beyond rhetoric, following coordinated joint attacks on Iran from the US and Israel. This has led to considerable volatility in global equity markets, with emerging market equities and currencies suffering their worst week since the pandemic.

Korea – which accounted for 19% of NAV at the end of February, has been at the centre of this, with the Kospi down -16% so far in March.

## MANAGER'S COMMENT (continued)

In many ways this doesn't surprise us – it had been the best performing stock market of the last year, up +72% - and was likely to suffer from profit taking and risk appetite reduction in a market correction. That said, the extent of some share price declines and discount moves have been quite staggering.

Despite this we remain relatively sanguine: in Korea we have assembled a collection of ten diverse holdings, with strong earnings growth prospects, trading on very wide discounts, and set to benefit from improved governance reform. On the latter, progress continues with the third amendment to the Commercial Act having passed at the end of February 2026, which will see all existing treasury shares cancelled within 18 months and newly bought back shares cancelled within one year. Although an imperfect analogy, our experience from Japan – looking through the noise, focussing on the fundamentals and the prize on offer through governance reform – helps navigate such an environment.

Whether the war in the Middle East transpires into a longer and more protracted conflict remains to be seen. The economic impact will depend upon the extent of disruption to energy markets and shipping routes, which have the potential to lower growth and increase inflation. In the last few days, the market has started to price more severe energy disruption as a more meaningful possibility, with sharp declines in equities and oil breaching \$110 per barrel.

As is common in times of market stress, discounts have widened serving as an additional headwind to NAV weakness. At the time of writing the portfolio weighted average discount stands just

north of 40% - a level previously observed during the 2008 financial crisis, the Eurozone crisis and Covid-2020.

Whilst discounts can move wider, such levels do not typically persist for long periods of time. Such volatility is painful in the short-term, however, in the long-run, it gives rise to great opportunity. As we will come onto below, following the sale of Toyota Industries, the Fund has a large cash position (10% of NAV) of available fire power. This leaves us well positioned to take advantage of exaggerated share price and discount moves.

**Toyota Industries**

In [last month's newsletter](#) we discussed how we had recently made Toyota Industries the largest position, reflecting what we perceived to be an asymmetric set up.

After month end it was announced that Toyota Group had raised its offer for Toyota Industries by +10% to 20,600 Yen per share, a 26% increase from its initial bid. This latest bid is in line with the Company's book value, and whilst undoubtedly an attractive price for the acquirers, represents a much fairer outcome for minority shareholders. It also represents an important milestone for Japanese corporate governance reform, and the power of activism in Japan.

Having initiated a position in Toyota at the Fund's launch, over the course of the investment it generated an IRR of +28% (in Yen), compared to -14% for the TOPIX and +14% for the MSCI AC World Index (also in Yen).

## 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.

<sup>1</sup>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	USD44m / GBP32.7m
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	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) <sup>5</sup>	0.65	IE000U617E11	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

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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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