

March 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

In March, the Fund returned -10.8%.

[Read more below](#)

### News Corp

Dow Jones held an impressive investor day during the month.

[Read more below](#)

### Vivendi

We provide an update on our investment in Vivendi.

[Read more below](#)

## THE FUND

Fund Launch Date

17/04/24

A GBP NAV per share

£97.39

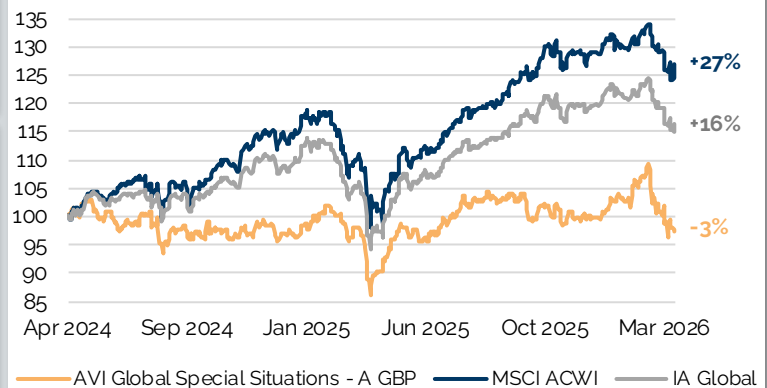
Cash

7.6%

### Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI <sup>1</sup>
A GBP Share Class	-10.8	-2.5	-2.5	-2.6
MSCI ACWI	-5.4	-1.3	-1.3	26.9
IA Global	-6.6	-2.7	-2.7	16.3

### 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 31/03/2026. 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	7.4
Mitsubishi Logistics	6.9
Jardine Matheson	6.9
News Corp A	6.9
D'leteren	6.1
Vivendi	4.3
Samsung C&T	4.2
Tokyo Gas	3.2
Chrysalis Investments	3.2
Dai Nippon Printing	3.1
<b>TOTAL</b>	<b>52.2</b>
No of Holdings	35

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

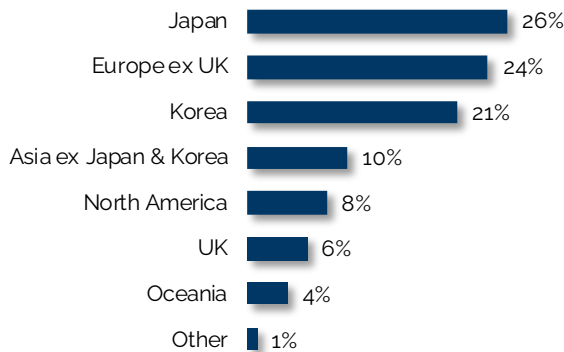
Largest Contributors	1M Contrib. bps	% <sup>2</sup>
News Corp A	33	6.9
Aker	23	1.9
Toyota Industries	9	Exited
Nelnet	3	2.1
Rohto Pharmaceutical	0	2.3

Largest Detractors	1M Contrib. bps	% <sup>2</sup>
Samsung C&T	-157	4.2
D'leteren	-92	6.1
Vivendi	-91	4.3
Exor	-79	7.4
Hyosung Corp	-78	2.5

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

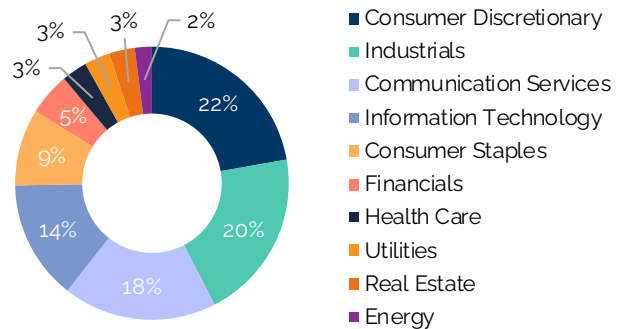
## PORTFOLIO (continued)

### 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	£97.39	-10.8	-2.5	-2.5	-2.6
	MSCI ACWI	-	-5.4	-1.3	-1.3	26.9
EUR	B EUR	€95.70	-10.3	-2.6	-2.6	-4.3
	MSCI ACWI	-	-4.9	-1.3	-1.3	24.1
GBP	B GBP	£97.88	-10.8	-2.5	-2.5	-2.1
	MSCI ACWI	-	-5.4	-1.3	-1.3	26.9
USD	B USD	\$102.29	-12.5	-4.4	-4.4	2.3
	MSCI ACWI	-	-7.2	-3.2	-3.2	34.4
GBP	B1 GBP <sup>5</sup>	£98.01	-10.8	-2.5	-2.5	-2.0
	MSCI ACWI	-	-5.4	-1.3	-1.3	26.9

Past performance does not predict future returns. All performance is shown, net of fees and including net dividends as at 31/03/2026 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's strong start to 2026 came to an abrupt halt, due to the war in Iran. Over the month of March, the fund returned -10.8% vs -5.4% for the Fund's benchmark, the MSCI AC World Index (£).

The war in Iran led to considerable volatility across global markets, as investors attempt to price the risks of further escalation and economic ramifications of arguably, the worst oil crisis in history. The portfolio behaved in line with our expectations and experience of such market conditions, with the portfolio weighted average discount widening to -42% from -38% over the course of the month, serving as a headwind to performance.

Asian and emerging markets bore the brunt of volatility, and with 26% and 21% of the Fund's portfolio in Japan and South Korea coming into the month this was a painful headwind to performance. Readers will well know that our portfolios are

constructed from the bottom-up, agnostic of benchmark considerations, but it is interesting to note, that when decomposing our monthly returns, the entire relative underperformance of the MSCI AC World Index was a function of Allocation (with Selection actually positive). Our large "overweight" to Korea - which represents c. 2% of the index - accounted for more than half of the underperformance.

In terms of companies, Samsung C&T was the standout detractor, costing us -157bps as the shares fell -28% and the discount widened to 59%. Having taken some profit in February, we added to the position in March. Other notable weak performers include D'Ieteren (-92bps), which we modestly added to over the month on weakness and Vivendi (-91bps), which we talk about below.

## MANAGER'S COMMENT (continued)

**News Corp**

At the other end News Corp (+33bps) was the only meaningful contributor. During the month Dow Jones (45% News Corp NAV) held a Capital Markets Day, which set out plans to grow EBITDA from \$558m in FY2025 to >\$1bn over the next five years (c.14% above consensus). We came away highly impressed, adding further fortitude to our belief in the value of the Professional Information Business the company has built. This comes after a period of significant market worry about the perceived threat of AI for data-related companies. We believe the effects of AI disruption will not be evenly distributed, and that proprietary data assets with high degrees of workflow integration and high switching costs (such as Risk & Compliance), or where trust and market standard setting is important (such as OPIS), will not only survive but prosper. The onus remains on News Corp management and the family to unlock latent value for shareholders.

**Vivendi**

Vivendi was a significant detractor in March and has been a thorn in our side since last summer. The shares topped out in late July 2025 and have subsequently declined -50%, as the NAV has declined -38% and the discount has gone from 36% to 49% (a return of -20%). As we discussed in the [November 2025 newsletter](#), the proximate cause of the widening discount was a court ruling in favour of Vincent Bollore, thereby largely eliminating the chance of him being forced to buy Vivendi minorities out in the near-term. Since this point however, there has also been considerable pain on the NAV side of the equation, as UMG shares have de-rated to a record low valuation and share price.

As we described in the [July 2025 newsletter](#), since IPO, UMG has performed poorly as a stock in both absolute terms but particularly in relative terms – where its market cap has gone from parity with that of Spotify to c.1/3rd. Whilst growth has exceeded expectations, there has been considerable debate and disappointment around margins, free cash flow and capital allocation, with a further distraction of Bollore and a perceived overhang.

The full year results, published in March, in many ways encapsulated this, with much stronger than anticipated revenue growth, offset by weaker margins, and €404m of Royalty Advances and €280m of catalogue investments. We do not believe management have done a good job of explaining capital allocation (particularly with regard to Advances – which we view as more akin to growth capex), and nor always done a good job at allocating capital itself (particularly with regard to catalogue

investments – which we believe should be the preserve of more specialist vehicles with more suitable structures and costs of capital).

Whilst we have sympathy for the bears' grievances and believe the company could be run in a much more shareholder friendly manner, we believe investors have become too despondent, with – at the end of March 2026 – the shares trading at c.13x 2026e earnings net of the stake in Spotify. We believe this value to simply be too cheap given UMG's structural position in the music value chain and the attractive tailwinds from the re-monetisation of music.

It would appear others agree. In late March the company launched an inaugural €500m buyback programme; and in early April Bill Ackman/Pershing Square ("PS") launched a proposed offer for the company at an ostensible +78% premium, by way of a proposed merger with Pershing Square SPARC Holdings, a blank cheque acquisition company.

The offer consists of 1) €5.05 per share of cash (equivalent to c.30% prior close price); and 2) 0.77 NYSE-listed New UMG shares – which PS "value" at €25. This latter value is predicated on New UMG trading at 25x 2027e EPS post accretion of cancelling 17% of shares outstanding as part of the proposed transaction. To state the obvious, the offer value is higher/lower if one assumes a higher/lower target PE multiple and as such, a certain degree of scepticism as to the value of this largely paper offer – as is reflected in UMG shares languishing <€20. Alternatively, investors can elect a cash offer of €22.

What happens next comes down to Bollore, who through Bollore SE and Vivendi controls c.28% of UMG. He is notoriously difficult to predict, and we will refrain from attempting to do so. Rather, what we can say, is that the Pershing Square proposal highlights UMG's deep undervaluation and the significant self-help measures the company has at its disposal to unlock and create shareholder value.

Vivendi has been a bruising investment but not one we would consider to be a mistake. When a stock is becoming demonstrably cheaper in discount terms and the NAV fundamentals are solid, whilst also becoming cheaper, one can afford to be patient. Exactly what happens next is hard to predict, but Vivendi at close to a 50% discount and UMG deeply undervalued, the ingredients for attractive long-term returns are in place. The most obvious risk, from the perspective of Vivendi shareholders, would be for Bollore to accept a €22 offer and retain or re-invest capital within Vivendi, however such a scenario seems reasonably well discounted in the price.

## 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	USD39.4m / GBP29.8m
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

## 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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