



Asset Value Investors

# Assessment of Value Report

## AVI Global Special Situations Fund

Period: Launched on 17 April 2024  
Issued on 27 March 2026

## AVI Japanese Special Situations Fund

Period: Launched on 22 April 2024  
Issued on 27 March 2026

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# Introduction

Asset Value Investors (“AVI”) is an investment management company established in 1985. AVI is authorised and regulated by the Financial Conduct Authority (“FCA”) and is registered as an investment advisor with the Securities & Exchange Commission.

AVI’s intention is to assess whether the funds reviewed are providing value to its investors. We do this through an assessment of value process that includes determining if the investment returns are consistent with the objective of the fund as well as a review of the quality of the service level and the transparency of the cost structures. The FCA’s new Consumer Duty regime also informs our assessment process to have a goal of delivering good outcomes for retail customers. We endeavour to include the four outcomes - products and services, price and value, consumer understanding, and consumer support - as defined by the Consumer Duty regime as part of our assessment of value.

The assessment of value process includes quantitative and qualitative metrics that are relevant in assessing whether the fund provides value to the investor. The assessment metrics employed are the six listed below.

1. Fund Performance
2. Product Costs
3. Comparable Market Rates
4. Quality of Service
5. Comparable Service
6. Economies of Scale
7. Classes of Units/Shares

In the assessment of value process there are two metrics which cannot be reviewed without a minimum period of time.

In the assessment of product costs, a newly launched fund can have a higher proportion of fixed costs which could make the cost assessment less instructive. Two years of activity would make this criteria more sensible.

Similarly, a metric that can be less useful for newly launched funds is the review of economies of scale. This criterion requires a two-year period of activity to be relevant.

In these cases, a grey rating would be given to indicate that it is too soon to rate on the particular criteria.

## Methodology and Governance

The report states the methodology and data that is used for quantitative and qualitative metrics. We have avoided the use of jargon and described each metric in understandable descriptive language. Each product report is laid out in a clear format with a clear ratings indicator.

The Board of Asset Value Investors (“AVI”) reviews the products managed by AVI annually. AVI aims to meet the FCA Consumer Duty requirements by establishing high and transparent standards of protection for retail customers. Ongoing oversight of the products managed by AVI is an important part of the governance of the company.





In preparing this year’s assessment, we have sourced data from various sources including but not limited to Morningstar, the IA, and industry reports. The approach and methodology have been reviewed by AVI’s Senior Leadership Team and approved by its Board of Directors.

**Asset Value Investors Limited Board of Directors**

- Joe Bauernfreund, CEO & CIO – Board Member since 2004
- Kimberly Lau, COO – Board Member since 2004
- Tom Treanor, Executive Director – Board Member since 2017
- John Kidd, CFO – Board Member since 2019
- Duncan Budge, Non-Executive Director – Board Member since 2015
- Alan Bartlett, Non-Executive Director- Board Member from 2016 – 2019 and since 2023

## Assessment of Value Ratings

A rating is given for each of the seven criteria which then results in an overall fund rating. The ratings are calculated based on the metrics described for each fund.

	Offers value to investors.
	Provides value in some areas but not all, continue monitoring for future action.
	Does not provide value, further action will be agreed and proposed.
	Too soon to measure. Fund has been live for less than two years (for costs assessment); one year (for performance assessment); and two years (for economies of scale).

## AVI Global Special Situations Fund (“AGSS”)

Overall Rating: 

Investment Manager:	Asset Value Investors Ltd
Assets Under Management:	USD 41,693,445 (31 December 2025)
Fund Launch Date:	17 April 2024
IA Sector:	Global
Comparator Benchmark:	MSCI AC World Index
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.



AGSS’s overall rating is that it does provide value. There are several metrics that are too soon to measure since the fund is only 20 months old. There are no metrics that are under review currently.

### Fund Performance

The AVI Global Special Situations Fund was launched on 17 April 2024 and does not yet have a long-term track record. The 20-month period from launch to 31 December 2025 was characterised by technology stocks dominating the market. The Nasdaq Index was up +48.2% during this period and the comparator benchmark, MSCI AC World Index, was up +28.5% while the Fund was flat. When assessing the Fund’s performance, the absolute performance and the relative performance are reviewed while considering the market characteristics during the period under review. The markets were driven by the technology sector which the Fund has minimal exposure to and therefore did not keep up with the index over the reporting period. Attention is paid to the fund’s objective and whether the performance is a result of adhering to its investment objective. AGSS performance should be considered over an appropriate timescale, three to five years, which is relevant to its investment objective. The assessment considers any significant change to its investment objective that may show in the performance.

The AGSS Fund return is in line with its investment objective to generate long-term returns.

	AGSS	IA Global
2025 Return	2.90%	10.80%

### Product Costs

We compared the ongoing charges figure (“OCF”) of the product against the relevant peer group. The IA Global Sector average OCF is 0.99%<sup>1</sup>. The following services are included within the OCF: investment management, marketing, advisory & professional fees, custodian fees, depositary fees, registrar fees, Directors’ emoluments, audit fees, regulatory fees, insurances, legal fees and printing. The IA Global Sector includes a variety of funds with investment objectives and strategies which may be more or less specialised resulting in additional costs associated with specific strategies. These are considered as part of our assessment. We then looked at the transaction costs (the costs incurred when buying and selling investments) for the products and assessed whether they were reasonable compared to peers with similar investment objectives.

The fund's short tenure means that cost-effectiveness cannot yet be assessed with sufficient confidence. This does not indicate any concern; rather, it reflects the need for a longer period of observable activity. The assessment will be revisited in future reporting cycles when adequate data becomes available.

## **Comparable Market Rates**

The OCF of all the share classes are comparable to the IA Global sector average. The strategy is an active engagement strategy which generally requires more resources. The OCF of the IA Global sector average OCF is 0.99%<sup>1</sup>. We note that the fund has an OCF cap that is applied to expenses excluding the annual management charge. This OCF cap is applied to all share classes and protects investors from higher costs. We compare our fees with those levied by similar funds offered by other investment managers and include all share classes.

	OCF
AGSS A	1.35%
AGSS B	1.15%
AGSS B1	0.85%

<sup>1</sup>Source: Morningstar data filtering for active strategies in the IA Global Sector.

## **Quality of Service**

We consider several factors which include looking across fund management, risk management, operations, client service and marketing and the levels of service provided to investors. The review includes looking at the quantity of complaints and whether complaints were made about any particular aspects of our service. We consider the level of service when handling telephone and email-based contact from investors. We also look at initiatives to reduce costs for investors through the growth of the product.

With respect to the quality of the investment team managing each product, we consider several factors, including relevant experience. AVI's investment team is properly resourced, with investment professionals that have the relevant expertise and experience necessary to manage the fund effectively for investors. Members of the investment team have significant industry experience and long tenure. The team has access to a broad range of sophisticated investment and financial analysis tools. These relevant resources generate quality, bottom-up research and achieve fund performance in line with the fund objective.

We also consider whether the materials made available to investors present fair, clear and easy to access information on the fund. This includes assessing whether investors are offered clear strategy outlines and other information that allows them to understand what they are buying and invested in, what the product's risk profile is, and what services are received in relation to the associated costs of investing. Monthly and/or quarterly communications are made available by email and on the websites to help investors understand changes in the portfolio throughout the year. The website also includes videos, podcasts and insight articles which are all designed to help educate the investor and aid them in understanding the investment strategy.

We distribute funds directly to professional clients as well as to retail investors via professional third parties, such as investment platforms. Our assessment considers the value of the service that we provide to these clients as well as the way we oversee relationships with third parties who distribute our funds.

The service providers to the fund have Service Level Agreements (SLA) in place that ensures that quality is maintained. The SLAs require that the service delivered exceeds or meets all regulatory requirements.

Based on this assessment we conclude that the quality of service represents good value to investors.

## **Comparable Service**

We do not currently provide any directly comparable services. As a result, no comparison of fees or service levels is applicable for this criterion

## **Economies of Scale**

AGSS benefits from the umbrella structure that it sits within through the Irish Management Company. Where applicable, we assess whether investors have benefited when product assets grow to a certain size. We look at whether cost efficiency is reflected in the cost of the product to the investor. In our review, we examine how the declining fee basis arrangement from service providers impact the OCF of the fund. Our assessment considers any expense caps in place for the share class. If there are expense caps in place, then we review when the fund size reaches the point that it no longer requires costs to be absorbed to maintain the fee cap. If there is no fee cap in place, then we review at what level of fund size do economies of scale reduce the overall cost for the share class.

Our objective is to maintain and increase economies of scale through growth in the fund size. We regularly review the asset size of our funds to determine if the investor is benefiting from economies of scale or if the expense cap, if applicable, is sufficient. All funds have a proportion of fixed costs and regular reviews with service providers ensure that the best pricing and quality of service is achieved as the fund size grows.

Due to the fund's early stage and relatively small scale, it is not yet possible to evaluate economies of scale. This area will be reviewed in future Assessment of Value cycles as the fund's asset base and cost structure evolve.

## **Classes of Units/Shares**

The share classes offered are appropriate for the investors that are targeted for them, and we regularly review our range of share classes to ensure they continue to fit the needs of our investors.

Based on this assessment we conclude that we continue to provide good value in terms of the classes of shares we provide.

## AVI Japanese Special Situations Fund (“AJSS”) Overall Rating:

Investment Manager:	Asset Value Investors Ltd
Assets Under Management:	JPY 19,873,888,241 (31 December 2025)
Fund Launch Date:	22 April 2024
IA Sector:	Japan (TBC)
Comparator Benchmark:	MSCI Japan Small Cap Index
Investment Objective:	The investment objective of the Fund is to generate long-term returns through investment in a focused portfolio of over-capitalised Japanese equities while engaging with company management to help unlock value.



AJSS’s overall rating is that it does provide value. There are several metrics that are too soon to measure since the fund is only 20 months old. There are no metrics that are under review currently.

### Fund Performance

The AVI Japanese Special Situations Fund was launched on 22 April 2024 and does not yet have a long-term track record. The 20-month period from launch to 31 December 2025 was characterised by the revolving door of Japanese leadership with four different prime ministers during the 20-month period. Despite the political volatility, Japanese equities performed positively.

When assessing the fund’s performance, the absolute performance and the relative performance are reviewed over various rolling time periods (when applicable). Attention is paid to the fund’s objective and whether the performance is a result of adhering to its investment objective. AJSS performance should be considered over an appropriate timescale, three to five years, which is relevant to its investment objective. The assessment considers any significant change to its investment objective that may show in the performance.

The AJSS Fund return is in line with its investment objective.

	AJSS	IA Japan
2025 Return	16.60%	17.50%

### Product Costs

We compared the ongoing charges figure (“OCF”) of the product against the relevant peer group. The OCF of the IA Japan Sector average OCF is 0.99%<sup>2</sup>. The following services are included within the OCF: investment management, marketing, advisory & professional fees, custodian fees, depositary fees, registrar fees, Directors’ emoluments, audit fees, regulatory fees, insurances, legal fees and printing.

The IA Japan Sector includes a variety of funds with investment objectives and strategies which may be more or less specialised resulting in additional costs associated with specific strategies. These are considered as part of our assessment. We then looked at the transaction costs (the costs incurred when buying and selling investments) for the products and assessed whether they were reasonable compared to peers with similar investment objectives.

The fund’s short tenure means that cost-effectiveness cannot yet be assessed with sufficient confidence. This does not indicate any concern; rather, it reflects the need for a longer period of observable activity. The assessment will be revisited in future reporting cycles when adequate data becomes available.

## **Comparable Market Rates**

The OCF of all the share classes are comparable to the IA Japan sector average. The strategy is an active engagement strategy which generally requires more resources. The OCF of the IA Japan sector average OCF is 0.99%<sup>2</sup>. We note that the fund has an OCF cap that is applied to expenses excluding the annual management charge. This OCF cap is applied to all share classes and protects investors from higher costs. We compare our fees with those levied by similar funds offered by other investment managers and include all share classes.

	OCF
AJSS A	1.00%
AJSS B	0.80%
AJSS B1	0.65%

<sup>2</sup>Source: Morningstar data filtering for active strategies in the IA Japan Sector.

## **Quality of Service**

We consider several factors which include looking across fund management, risk management, operations, client service and marketing and the levels of service provided to investors. The review includes looking at the quantity of complaints and whether complaints were made about any particular aspects of our service. We consider the level of service when handling telephone and email-based contact from investors. We also look at initiatives to reduce costs for investors through the growth of the product.

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We also consider whether the materials made available to investors present fair, clear and easy to access information on the fund. This includes assessing whether investors are offered clear strategy outlines and other information that allows them to understand what they are buying and invested in, what the product’s risk profile is, and what services are received in relation to the associated costs of investing. Monthly and/or quarterly communications are made available by email and on the websites to help investors understand changes in the portfolio throughout the year. The website also includes videos, podcasts and insight articles which are all designed to help educate the investor and aid them in understanding the investment strategy.

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Based on this assessment we conclude that the quality of service represents good value to investors.

## **Comparable Service**

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## **Economies of Scale**

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Due to the fund's early stage and relatively small scale, it is not yet possible to evaluate economies of scale. This area will be reviewed in future Assessment of Value cycles as the fund's asset base and cost structure evolve.

## **Classes of Units/Shares**

The share classes offered are appropriate for the investors that are targeted for them.

## Glossary

Annual Management Charge (AMC)	A charge which covers the costs for the operation and management of each share class.
Bottom-up Research	An investment approach that analyses the specific details and factors of a single company to determine its attractiveness for investment performance.
Comparator Benchmark	The benchmark chosen to act as a comparator to the fund's performance. The fund does not have to replicate its composition.
Consumer Duty	FCA regulation which came into effect in July 2023 with the aim of introducing higher standards of consumer care.
Financial Conduct Authority (FCA)	The government body that regulates the financial services industry in the UK.
IA Sector	The IA classifies funds under different sectors according to their investment strategy.
Investment Association (IA)	The UK trade body that represents the fund management community.
Ongoing Charges Figure (OCF)	The figure representing the operating costs investors can reasonably expect to pay under normal circumstances.
Ongoing Charges Figure (OCF) Capped	The OCF capped also referred to as expense cap or fee cap refers to the maximum percentage of fees per annual total market value of all the shares of the fund.
Performance	The profit or loss derived from an investment over a specified period.
Service Level Agreements (SLA)	An agreement that outlines the level of service that is expected as measured by key performance indicators.



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