AVI JAPANESE SPECIAL SITUATIONS

AVI Asset Value Investors

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

AJSS

July 2026

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.

HEADLINES

Sanyo Shokai — Steady earnings

Sanyo Shokai disclosed steady earnings and is scheduled to expand its shareholder benefits programme.

Read more below

Mitsubishi Logistics — Corporate value enhancement

Mitsubishi Logistics is now focusing on its ROE and PBR targets for 2030.

Read more below

Eiken Chemical — Margin decline

Eiken Chemical released quarterly earnings, with EBIT declining year-on-year.

Read more below

THE FUND

Fund Launch Date	A GBP NAV per share	Cash
22/04/24	£131.81	4.1%

NAV Total Return Since Inception (GBP)

Net Performance (GBP)

Total Returns (%)	Month	3 Month	YTD	SI[1]
A GBP Share Class	1.3	-0.9	3.2	31.8
MSCI Japan Small Cap	-0.7	6.4	17.2	44.1
IA Japan	-0.6	7.2	16.8	41.5

Past performance does not predict future returns. All performance is shown in GBP, net of fees and including net dividends as at 31/07/2026. Returns may increase or decrease as a result of currency fluctuations. Source: Morningstar. Benchmark: MSCI ® Japan Small Cap Net Total Return Index. The Fund is actively managed with reference to the MSCI ® Japan Small Cap Index Net Total Return 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 Japan sector by The IA. The IA Japan sector consists of The IA member UK based funds which invest at least 80% of their assets in Japanese equities. The use of the IA Japan sector is purely indicative and should not be used as a benchmark. For further information on The IA and its sectors, visit www.theia.org. [1]Share Class Launch Date 22nd April 2024.

PORTFOLIO

Top Ten Holdings

	%[2]
Mitsubishi Logistics	8.5
Sharingtechnology	6.0
Eiken Chemical	5.4
Kurabo Industries	5.0
Dai Nippon Printing	4.8
Maruzen Showa Unyu	4.2
Atsugi	4.0
Wacom	4.0
Tokyo Gas	4.0
Ines Corp	3.9
TOTAL	**49.8**
No. of Holdings	32

Contributors & Detractors (GBP)[3]

Largest Contributors	1M Contrib. bps	%[2]
Sanyo Shokai	64	3.9
Ship Healthcare Holdings	53	3.3
Mitsui OSK Lines	39	3.2
Mitsubishi Logistics	37	8.5
Toho	37	2.4

Largest Detractors	1M Contrib. bps	%[2]
Eiken Chemical	-92	5.4
Rohm	-75	2.9
Foster Electric	-23	3.4
Sharingtechnology	-21	6.0
Senshu Electric	-18	0.8

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

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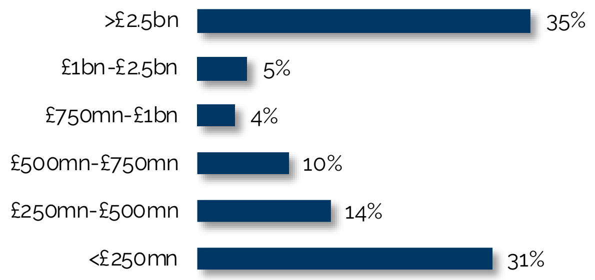
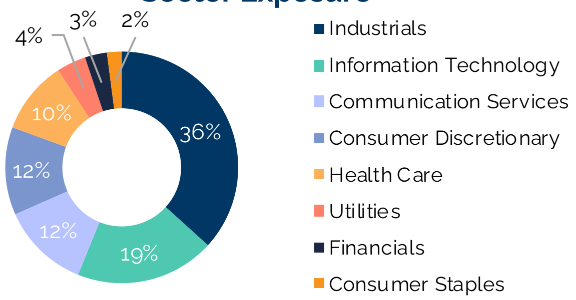
PORTFOLIO (continued)

Market Cap Breakdown[4]



Figures may not total to 100 due to rounding.

Sector Exposure[4]



Figures may not total to 100 due to rounding. [4]Shown as % of Portfolio. Source: Capital IQ

PERFORMANCE SUMMARY

%	Share Class	NAV per share	Month	3 Month	YTD	SI[1]
GBP	A GBP	£131.81	1.3	-0.9	3.2	31.8
	MSCI Japan Small Cap	-	-0.7	6.4	17.2	44.1
JPY	A JPY	¥14,826.47	1.4	0.3	5.5	48.3
	MSCI Japan Small Cap	-	-1.3	7.0	19.1	61.8
EUR	B EUR	€133.65	2.0	0.4	5.3	33.7
	MSCI Japan Small Cap	-	0.1	7.4	19.7	45.5
GBP	B GBP	£132.47	1.3	-0.8	3.4	32.5
	MSCI Japan Small Cap	-	-0.7	6.4	17.2	44.1
JPY	B JPY	¥13,909.71	1.4	0.4	5.6	39.1
	MSCI Japan Small Cap	-	-1.3	7.0	19.1	57.3
USD	B USD	$144.50	2.9	-1.4	2.9	44.5
	MSCI Japan Small Cap	-	0.7	5.3	17.2	57.2
GBP	B1 GBP[5]	£130.15	1.3	-0.7	3.5	30.2
	MSCI Japan Small Cap	-	-0.7	6.4	17.2	44.1
USD	B1 USD[5]	*Performance to be shown after 12 months*				
	MSCI Japan Small Cap					

Past performance does not predict future returns. All performance is shown net of fees and including net dividends as at 31/07/2026. Source: Morningstar. Benchmark: MSCI® Japan Small Cap Index Net Total Return . The Fund is actively managed with reference to the MSCI® Japan Small Cap 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. [1]Share Classes Launch Date was 22nd April 2024 except for the B JPY Share Class which launched on 28th June 2024 and B1 USD Share Class which launched on 25th November 2025. Performance data for the B1 USD Share Class will be presented once a minimum track record of 12 months has been established. [5]Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark.

MANAGER'S COMMENT

AJSS's NAV returned +1.3% over the month, while the benchmark returned -0.7%, both in GBP.

In July, AI and semiconductor-related stocks came under pressure, despite having been a major driver of market performance earlier in the year. The sell-off reflected growing concerns around stretched valuations, the financing burden of AI infrastructure investment and rising competition, and highlighted the risk of market leadership being concentrated in a narrow group of momentum-driven stocks.

At the same time, Japan's policy agenda continued to focus on capital allocation and the effective use of corporate balance sheets. On 21 July 2026, the Financial Services Agency ("FSA") and Tokyo Stock Exchange ("TSE") jointly published the revised Corporate Governance Code. The revision should be viewed alongside the TSE's April 2026 update to its "request for management to be conscious of the cost of capital and stock price", which placed particular emphasis on the appropriate allocation of management resources. The scale of Japan's "idle cash" issue has also been highlighted by Nomura, who recently estimated that listed Japanese companies would need to deploy JPY 30–40 trillion into areas such as capital expenditures, mergers and acquisitions, and shareholder returns for cash ratios to converge with those in the US and Europe.

These developments may gradually broaden investor attention beyond a narrow group of growth stocks. The policy direction in Japan is increasingly focused not only on shareholder returns, but also on whether companies can explain how they intend to use capital to improve profitability, growth and corporate value.

MANAGER'S COMMENT (continued)

If investors become more selective about crowded growth themes while Japanese companies face greater pressure to put capital to work, this could create a more supportive backdrop for value stocks with strong balance sheets, underutilised assets and credible scope for capital allocation improvement.

Across client funds, AVI controls more than 5% of the voting rights in 15 AJSS portfolio names, which account for 55% of NAV. AJSS is a major shareholder involved in AVI's constructive engagement strategy, building meaningful stakes to unlock value by driving improvements in business operations alongside traditional themes of capital efficiency, governance, and investor relations.

Sanyo Shokai (8011) — Steady earnings

Sanyo Shokai was the largest contributor over the month, following its strong performance in June, adding +64bps to performance as its shares returned +19.6%.

Sanyo Shokai is a well-established Japanese apparel manufacturer and retailer, specialising in high-quality men's and women's fashion. The company has a long history in Japan's apparel market and continues to benefit from strong brand recognition, a loyal customer base and a portfolio of well-known domestic and licensed brands. Following a period of restructuring, the company has made progress in improving profitability and strengthening its balance sheet.

On 30 June, the company announced its quarterly results for the March–May 2026 period. EBIT margin improved by 0.6% year-on-year during the quarter, reflecting the company's efforts to control costs, including SG&A. The company also announced a new 5% Dividend on Equity ("DOE") policy, representing a positive step towards improved capital allocation. The market reacted positively to the announcement, with the share price rising by +3.4% on the day.

In addition, the company is scheduled to conduct a three-for-one stock split on 31 August 2026 and expand its shareholder benefits programme, including limited sales events for shareholders. These measures may help attract individual investors and contribute to improved liquidity.

Added to the portfolio in August 2025, the company accounted for 3.9% of AJSS's NAV at month-end. The investment has so far generated an IRR of +63% and an ROI of +39% in JPY.
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Mitsubishi Logistics Corporation (9301) — Corporate value enhancement

Mitsubishi Logistics Corporation ("Mitsubishi") was one of the large contributors over the month, adding +37bps to performance as its shares returned +4.6%.

Mitsubishi is a major Japanese logistics and real estate company headquartered in Tokyo. It provides global port transportation, warehousing and real estate leasing services.

In June, the company announced an updated plan regarding initiatives to enhance corporate value. Given its relatively low ROE and PBR, Mitsubishi set targets of 10% ROE and 1.5x PBR by FY2030. In addition to business growth through investment, the company intends to reduce its cost of equity, enhance disclosure and improve shareholder returns.

As the company holds a significant real estate portfolio, investors are focused on whether management can improve capital efficiency by making better use of these assets. One area of interest is the company's plan to establish an asset management company for a real estate fund, which could help realise value from its real estate holdings while improving asset turnover.

Mitsubishi was added to the portfolio in January 2025 and accounted for 8.5% of NAV at month-end. To date, the investment has delivered an ROI of +23% and an IRR of +35% in JPY.

Eiken Chemical (4549) — Margin decline

Eiken Chemical was the largest detractor over the month, reducing performance by -92bps as its share price returned -15.0%.

Eiken is a clinical diagnostics manufacturer with strengths in faecal immunochemical testing (FIT), gastrointestinal diagnostics and molecular diagnostic technologies. The company has a solid position in niche diagnostic markets and owns valuable technology.

Earlier this year an engagement fund submitted shareholder proposals to nominate two director candidates for election to the board at the Annual General Meeting (AGM) in June 2026. At the AGM held on 23 June 2026, the proposals were rejected, despite receiving 45.75% support. The result led to a sharp share price decline following the AGM, particularly as investors who may have expected the proposals to pass, or to lead to more immediate governance change, reduced their positions.

Following the disappointment around the AGM result, Eiken's underlying business also showed some weakness in its April–June 2026 results, released on 30 July. EBIT declined by 16.7% year-on-year, with the EBIT margin falling to 6.2%, as higher raw material and logistics costs, together with an adverse sales mix, outweighed revenue growth. However, revenue increased by 5.2% year-on-year, driven by overseas FIT reagents and medical instruments, and management maintained its full-year guidance, implying an expected margin recovery supported by new products and logistics optimisation.

Added to the portfolio in April 2024, Eiken now represents 5.4% of NAV. The investment has generated an ROI of +2% and an IRR of +3% in JPY.

Asset Value Investors

In early August it was announced that AJSS's investment manager – Asset Value Investors ("AVI") – is to be acquired by Pacific Asset Management ("Pacific"), the London-based multi-boutique asset manager and part of the Pinnacle Investment Management group, subject to certain conditions including regulatory approval. The transaction represents the next stage in AVI's development, providing the business with an enhanced platform from which to grow while preserving everything that has made the firm successful.

AVI will continue to operate under its own brand as an independent investment boutique, with no changes to its investment teams, philosophy, decision-making or the management of its investment trusts and funds.

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AJSS

RISK & REWARD

Fund Attributes

- High-conviction concentrated portfolio
- Actively managed with specialist experience in constructive engagement
- Sector agnostic, bottom-up approach
- Capitalising on corporate governance reform in Japan

Fund Risks

As a focused equity portfolio of between 25 and 35 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 Japanese Special Situations Fund

Fund Launch Date	22nd April 2024
Base Currency	JPY
Net Assets Value	JPY 19.8bn / GBP 92.2m
IA Sector	Japan
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[6] (%)	ISIN	Ticker
A (GBP)	1.35	IE0000B7RI69	AVIJASA ID
A (JPY)	1.35	IE000SRLWUF2	AVIJAAJ ID
B (EUR)	1.15	IE000Z7QO7O0	AVIJASB ID
B (GBP)	1.15	IE000STVDBB6	AVIJABG ID
B (JPY)	1.15	IE000BBWIQL4	AVIJPSB ID
B (USD)	1.15	IE000UIN5KK5	AVIJABU ID
B1 (GBP)[5]	0.85	IE000OPWA0E7	AVIJAB1 ID
B1 (USD)[5]	0.85	IE0001QXC6O7	AVIJSFB ID

Benchmark: MSCI® Japan Small Cap Total Return Index
[5]Performance fee share class - 0.50% management fee + 15% of outperformance of benchmark
[6]Ongoing Charges Figure - figure shown reflects maximum charge. The actual OCF may be lower and may fluctuate over time. See KIID for details

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The share price can be found in *AJSS - Asset Value Investors*
Further information may be found 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") 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 Japanese 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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