



OAM European Value Fund

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20th January, 2026

Dear Fellow Shareholder,

Chairman's report

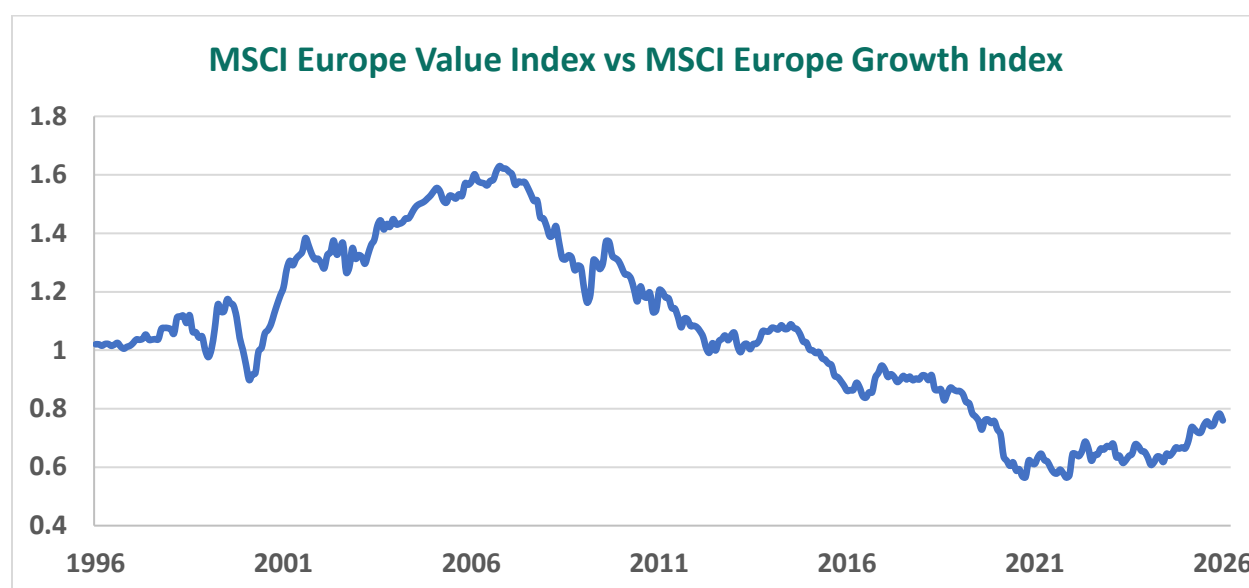
Last year, the Fund's NAV/share increased by 55.8% compared to a 35.3% increase in its benchmark, the MSCI Europe (US\$) index inclusive of dividends, net of withholding tax. Over the Fund's 23 years of existence, its NAV/share increased 975%, compounding at 10.9% per annum. By comparison, the Fund's benchmark increased by 193% or 4.8% per annum. The benchmark figure used for comparison does not include dividends. We estimate that if dividends, net of withholding taxes, are included in the benchmark returns, they would increase by around 2 ½ percentage points per annum. We added a second basis of comparison starting a few years ago: the Fund's investment return compared to the most comparable, highly liquid Exchange Traded Fund (ETF) with a long history as a passive alternative. We selected the iShares MSCI Eurozone ETF (EZU). Last year, EZU returned 38.7% inclusive of dividends, net of withholding tax.

Our Fund barely mirrors the benchmark index or EZU's composition, deliberately so, as our objective is to buy shares in decent operating businesses or investment holding companies at a significant discount to what we think they are worth, and wait patiently for the company's intrinsic value to grow and the share price discount to intrinsic value to shrink. If we do this well, the Fund should do better than the benchmark or passive alternative over the long-term. We think a decade is a suitable time over which to evaluate long-term performance. In our view, 5 years is too short. Take our Fund's performance from 2020-2024 when it returned 5.5%/annum. Roll it forward a year and the 5-year return is 14.9%/annum. In the shorter term, our Fund's performance may vary considerably from the benchmark and the ETF. For instance, 30% of the benchmark is comprised of German and Swiss companies, and 38% of the ETF is comprised of German and Spanish companies. Our Fund has no investment in these three markets for good reasons. Somewhat counterintuitively, our experience is that corporate governance at companies in Germany & Switzerland where we had investments in the past had poor corporate governance and weak protections for minority shareholders. Another notable difference is that our Fund has significant exposure to UK-listed companies, again somewhat counterintuitively given UK economic performance and politics, but because we think UK equities are undervalued. In contrast, the ETF has no exposure to the UK and the benchmark has 22% in the UK. Our geographic mix is much closer to the benchmark in this respect.

So how have we done? Considering that roughly 90% of managers and funds fail to beat the benchmark index or comparable ETF net of fees over a decade, we have done an exceptional job decade by decade. These are the returns for the Fund in terms of NAV/share which does not factor in annual investment management fees (estimated over the long-term at about 1.25% to include performance fees when earned) versus the passive alternative in terms of price return plus dividends net of withholding tax.

| Period since launch | OAM European Value Fund annualised return | EZU total annualised return |
|---------------------|---|-----------------------------|
| 2003-09 | 15.1% | 9.3% |
| 2010-19 | 7.0% | 3.1% |
| 2020-25 | 12.6% | 9.2% |

An important factor for our Fund is whether value stocks are outperforming growth stocks. Whilst this has been the case over the past century, the period of ultra-low interest rates from 2008-22 was a notable exception as shown in the chart below of the MSCI Europe Value Index relative to the MSCI Europe Growth Index. It was in fact the longest and deepest downturn for value stocks relative to growth stocks ever as illustrated in the chart below. It is in a way surprising that we were able to beat the passive alternative which is factor agnostic. We seem to be finally past that distortionary period and believe that value will once again outperform growth during the remainder of this decade. If we are right, the gap between our Fund's return and the passive alternative should widen further between now and the end of this decade.



Given the Fund's track record, it is therefore disappointing that the Fund experienced another year of net redemptions. Last year, the Fund had \$8.3 million in subscriptions and \$13.9 million in redemptions. We see three main reasons why the Fund has had more than a decade of steady net redemptions. Firstly, US equities have been the only game in town for the past 15 years, with crypto the other popular asset. There has been no interest in non-US equities from US-centric investors. Even domestic investors, both institutional and retail in Europe and the UK, have been more interested in investing in US equities than in their own equities. That seems to be finally changing. The second reason is that most of our clients are getting older and some are drawing down from their accounts with OAM. The third reason is that we have done little marketing in the past, relying almost solely on word-of-mouth referrals from existing

clients. We have started to market our funds to potential new clients and think that our long, distinguished track record should attract a few new clients this year. In spite of client withdrawals, the Fund ended the year with net assets of \$331 million due to its strong investment returns. I, along with other directors and employees at OAM, subscribed for more shares in the Fund early last year, and we were well rewarded! The directors and their spouses, employees of the Manager and their spouses, either directly or indirectly through holding companies or trusts, now own 28% of the Fund's shares.

Last year, I wrote:

"To put the past decade's sub-par returns in perspective, the Fund contended with a de-rating of European equities and currency devaluation against the dollar, neither of which we expect to recur over the next decade. The average P/E of the operating businesses in which the Fund owns shares is currently barely over 8x 2024 estimated earnings, which is cheap in absolute terms, relative to the Fund's history, and about 26% lower than it was 10 years ago. If we take a basket comprised of 60% euros, 20% sterling and 20% Norwegian krone as a crude approximation of the currency denomination of the Fund's investments, currency caused a 2.4% per annum drag to returns over the past decade. Without these two drags to returns, instead of the Fund's NAV appreciating by 88% or 6.5% per annum over the past decade, it would have roughly tripled and returned about 11.8% per annum, adjusted to remove these two factors (P/E de-rating & currency depreciation). This is a rough approximation of the contribution to returns over the past 10 years from earnings per share (EPS) growth plus dividends net of withholding tax. It is the first time we have estimated the effects of currency depreciation and portfolio P/E de-rated on the Fund's NAV return which I think is very illuminating. As a reminder, over the very long run, the return of equities should be very close to EPS growth plus reinvested dividends. P/E re-rating or de-rating and currency variation cause returns to drift, sometimes quite far, from this underlying return over shorter time periods, even as long as a decade.

Part of the US dollar return that our Fund delivers to shareholders is determined by currency rates. Historically, due to the importance of capital flows, a strong US dollar is highly correlated with US equity market returns versus European equities as shown in the chart on the following page. In other words, European equities perform well in both absolute terms and relative to US equities when the dollar is weak. The dollar moves in long cycles, and we think there is a decent likelihood of the dollar being weak against European currencies over the next 5-10 years. In 2007, sterling rose above 2:1 versus the US dollar when London was considered a leading global city and financial centre, but the UK and Europe were expensive places to visit then. The converse is true today."

Some of the P/E de-rating and currency devaluation reversed last year, but we think P/E re-rating and currency appreciation are likely to continue as a tailwind, enhancing the Fund's returns during the rest of this decade as Camilla will explain further in her Investment Manager's report. No one would have thought, given the news headlines, that our Fund would have had such a stellar result last year. We often tell clients that we have no way of predicting year-to-year returns, but we are confident that for the patient, long-term shareholder, they will have a happy result. All but one of the ten largest holdings in the Fund have been in the portfolio for 10 years or more, give or take a few months in one case. These holdings account for 53.5% of the Fund's assets and they were the principal driver of the Fund's returns last year. There is a "carry forward" effect from past investment decisions in a fund like ours where we do thorough research, buy, and sit patiently waiting for our investment thesis to play out. We have no idea when the gap between intrinsic value and the share price or between fair value (purchasing power

parity) and spot fx rates will close, but we feel that in both cases, we have the benefit of share prices of our investments and exchange rates remaining well below fair value.

The new holding in the top ten holdings is RTW Biotech. Camilla started buying this in August 2023 and continued to add to it until the latter part of last year. The genesis of this investment idea was when Camilla and I read *“The Code Breaker: Jennifer Doudna, Gene Editing, and the Future of the Human Race”* by Walter Isaacson (gifted to me a few Christmases ago by my mother-in-law). After reading it, Camilla and I agreed that gene splicing and editing are likely to be the “next big thing” over the coming generation, much like software coding and internet applications were to the last generation. Without sufficient knowledge and understanding of biotechnology, we searched for the best investors in the sector. Camilla settled on RTW Biotech given its track record and because they have offices in New York, London and Shanghai. The latter point is important because China is growing rapidly in the biotech sector and developing novel new therapies using its vast pool of engineers and scientists. We also had the opportunity to buy shares in one of the best funds in the sector at a 23% discount to NAV because it is a closed-end fund listed on the moribund London Stock Exchange where other high quality closed-end fund investments are to be found. So far, our investment in this fund has appreciated by more than 69% and we expect to hold these shares for many years and make a multiple of our original investment.

The Fund’s low portfolio turnover continued last year, in spite of its very high return. We view this as an indication that almost all the Fund’s investments are still priced well below our estimate of intrinsic value, and nothing has changed our view that they are likely to continue compounding intrinsic value in future years. The first of our three main sales last year was the sale of our remaining shares in Altamir, a well-run private equity fund listed in Paris, following a tender offer by Maurice Tchenio’s family for the shares they do not already own. Maurice was the founder of Apax France and I was immediately impressed by his business acumen after I met him about 15 years ago when I had the good fortune of being seated next to him at a Greenpark Capital dinner. We sold 60% of our Altamir shares in 2018 for \$5.9 million in the Tchenio’s previous tender offer and the remainder last year for \$6.7 million. Over a holding period of 13 years, we generated a 16.4% per annum IRR in USD terms on this investment. The tender offer last year was priced at 17% discount to NAV which we felt was an attractive offer relative to other investment opportunities in the listed private equity sector where the Fund has investments. We deployed some of the proceeds by adding other well-managed listed private equity funds that we already owned at circa 30% discounts to NAV. Given that these funds have compounded their NAV at around a low teens rate and would be considered top quartile by most private equity participants, this seems to us an excellent opportunity to deploy capital on excellent terms. Such a discount to NAV compares to a more typical 10% discount to NAV that is currently being paid for private equity funds of similar quality and vintage in the secondaries market.

The second main sale was the sale for \$6.6 million of our remaining operating companies in the car carrier sector. We still own shares in a family-controlled investment holding company whose assets are invested in the sector and which is trading at a 46% discount to NAV. Over a holding period spanning a bit more than 5 years, the Fund generated an astounding IRR of 110% per annum from these three operating companies which we have now fully exited. Although P/Es of the companies in which we sold shares are very low, we think that freight rates and secondhand ship values in the car carrier sector have peaked, and expect earnings for these companies to decline as new supply comes to market. We used part of the proceeds to invest in a Norwegian oil services business just prior to year end, and Camilla has completed her research on another Norwegian shipping-related business which is likely to be added to the portfolio

shortly. The oil services business is highly free cash flow generative and we expect it to pay dividends yielding in the 'teens based on our purchase price. Importantly, about 80% of the market capitalization can be returned to shareholders as capital distributions so we expect to get back most of our purchase price over the next few years with no withholding tax drag.

The third main sale was the sale of part of our holdings in three palm oil plantation businesses for \$8.1 million. Last year, these three companies generated a total return, inclusive of dividends, of 128% in USD. Our investment thesis was that these are well-run plantations; palm oil is the most efficient edible oil to grow; and these palm oil companies listed in London and Luxembourg were misunderstood by investors nor followed by any analysts which resulted in them being priced at massive discounts to the valuation of their Singapore and Indonesian listed counterparts. That discount has finally narrowed significantly but we continue to think they are good businesses, and they continue to trade at a discount to what we think they are worth. We deployed part of the proceeds into a well-known European luxury brand whose shares became available at a nearly 15% discount to book value and 11 times earnings. The only other time that this company's share price traded below book value during the past 25 years was for a month during the depths of the GFC in 2009. We did most of our homework on this company 2 ½ years ago and sat patiently waiting for the right opportunity to invest. This highlights our investment process which Camilla follows to a tee.

As I traditionally do in my annual Chairman's statements, I am providing an update on the Fund's Hard-To-Value Securities which now comprise less than 1% of its NAV. These are shares in companies where there is no active market in their securities. The Fund's Offering Memorandum gives the Fund's Directors discretion in how they are valued, but the analysis that leads to these decisions is documented. During the year, Better Capital 2009 sold mHance, its last remaining investment, and made a final distribution to the Fund of \$3 million. The story at Better Capital 2012 was disappointing as its last remaining investment, Everest Windows & Doors, filed for bankruptcy so that investment was written off. Ashmore Global Opportunities (AGOL) returned \$0.4 million to the Fund last year and we expect it to make a final distribution this year once its liquidation is completed. AGOL is valued at \$0.8 million which is a 25% discount to its most recently published NAV so we expect a small uplift this year. The Fund also owns shares in Management Consultancy Group, a previously listed company, which owns Alexander Proudfoot which is valued at its last rights issue price, giving a value to our holding of \$0.2 million. We anticipate Proudfoot being sold within the next year for a price which should result in our Fund getting a meaningful amount more than the investment's current carrying value, though there is a high level of uncertainty.

The remaining Hard-To-Value Securities are the Fund's Russian investments. One of our three remaining Russian investments is preferred shares in Raven Property which is the largest owner of modern logistics warehouses on the ring roads around Moscow. With interest rates in Russia in the high teens for the past three years, Raven's balance sheet and debt service ability is stretched. We are in the best part of the capital structure as all dividends in arrears need to be paid to the preferred shareholders before any dividends are paid to the ordinary shareholders, and the cumulative dividends in arrears carry penalty interest. This investment was carried at 10% of its par value of 100p with no accrual for past dividends and penalty interest, in line with the price of the most recent transaction in the shares in 2024. In early December, the company announced on its website that the Russian state confiscated its Russian subsidiaries that own the assets so the Fund's directors wrote the holding down to zero at year end. Raven is planning to appeal the decision to the Supreme Court of Russia but see little prospect of success, but they have been advised that they have a strong case to pursue the Russian state at an ITC tribunal.

The other two Russian investments are shares in Sberbank and GazpromNeft. These are both very well managed businesses. As with Raven, there is a risk of these shares being confiscated by the government, particularly if Russia's foreign exchange reserves held at Euroclear are seized by Western governments. The Russian government has said that if this happens, they will retaliate by confiscating Western assets in Russia. We continue to investigate any reasonable methods available to protect the Fund's holdings in Sberbank and GazpromNeft. To give an indication of how much these holdings might be worth to the Fund if the war ends, Western sanctions are removed, and the Russian government does not confiscate the assets and allows us to sell the two holdings and repatriate the sale proceeds and accumulated but currently inaccessible dividends, we keep careful track of their potential value based on the current ruble exchange rate and Moscow Stock Exchange prices. At year end, we estimated that amount at \$28 million. We are currently carrying these two holdings and the accumulated dividends at zero which is what they are currently worth, and in line with how large firms like Fidelity and JPMorgan are valuing them. The ultimate outcome for these two investments is binary and the current "blue sky" value cited above may well be conservative as the ruble would likely strengthen along with Moscow Exchange prices if the war ends.

The potential variable cited above could very meaningfully and positively impact the Fund's NAV at some point in the future. But we are not relying on that highly uncertain outcome in having a positive view of the Fund's prospects which I also outlined in last year's Chairman's statement. Camilla is to be congratulated for a job very well done. Her meetings on two trips to the UK and Europe last year with many of the companies in which the Fund is invested were both useful and insightful.

After a year like last year, shareholders are to be forgiven for thinking that the best may have passed. That was my kneejerk instinct too. At year end, one of our clients who is a very successful retired investment manager redeemed a large part of his family's investment in the Fund on concern over "high valuations, poor fiscal conditions and war risks". As far as poor fiscal conditions are concerned, these are certainly not as bad as Japan, or deteriorating as quickly as the US. In terms of the Ukraine War, that risk might diminish if peace is achieved. We don't spend much time trying to handicap that risk factor and prefer to focus instead on bottom-up research. Our main exposure to this risk, apart from our Russian holdings and accrued dividends which are carried at zero, is Vienna Insurance Group (VIG) which is an insurance market leader in many Central & Eastern European countries where we have a shareholding worth nearly \$20m. We think it is a well-run business so we did not sell it because of war risks. Thank goodness we didn't do so as it returned 158% last year in USD! That return was in part due to EPS estimates for 2025 increasing from €5.30 to €6.50. Even after generating such a stellar return, VIG is still only trading at 10x 2025 EPS and 9x this year's estimated EPS.

My wife & I are the largest shareholders in the Fund so after such a spectacular year, I wished to better gauge whether valuations had indeed appreciated to expensive levels. I therefore asked Camilla to do an attribution analysis to better understand how this return was generated. We attribute approximately 12 percentage points of the return to currency, & 3.4 percentage points of the return to dividends. The remaining roughly 35% contribution has been from a combination of EPS growth and P/E revaluation in the case of the Fund's investments in operating companies, and NAV growth and discount to NAV change in the case of the Fund's investments in investment trusts and family-controlled investment holding companies.

For the 52% of the Fund's net assets that are invested operating companies categorized as either market leaders or deep value, she calculated that market leaders generated a return of 59% last year. The biggest driver of returns for market leaders last year was EPS growth. Across the Fund's investments in market leaders, EPS growth was nearly 30%, with little contribution from P/E revaluation. The weighted average P/E ratio of this segment of the portfolio barely increased from 10.4x to 10.7x. Part of the surprisingly high EPS growth was due to Yara International increasing its EPS from \$1.75 in 2024 to around \$4.25 estimated for 2025 (vs \$2.65 expected for 2025 at the start of the year – please refer to my comments about Yara in last year's Chairman's statement). We expect Yara to again surpass analysts' earnings expectations over the next few years for various reasons related to tight new supply and the recently commenced Carbon Border Adjustment Mechanism (CBAM) in the EU. This is a very well managed business that we have owned for over 20 years that we think we understand well. Deep value investments, on the other hand, have seen a significant re-rating, but still do not look expensive or even fully valued. It just illustrates how extraordinarily cheap the portfolio was a year ago. The Fund's deep value investments generated a total return of 79% last year (VIG being an important contributor there). Whilst dividends contributed 7% to returns in that segment, the weighted average P/E ratio increased from 5.8x to 11x. This increase in the average P/E for this segment is partly because we exited the Fund's investments in the car carrier operating companies which were trading at very low P/Es.

NAV growth has been a significant contributor to returns generated in investment trusts and family investment holding companies. NAV growth contributed 22 percentage points to the return for investment trusts and 30 percentage points to the return of family investment holding companies. There has been some compression in the discount to NAV of these two segments of the Fund's portfolio. The weighted average discount of investments trusts narrowed during the year from 27% to 24%, whilst for family investment holding companies it narrowed from 48% to 44%. However, these are still very wide discounts, and in some cases, there are catalysts such as share buybacks, tender offers and continuation votes anticipated or scheduled this year. This analysis leads me to disagree with the assessment that equity valuations in Europe are high, certainly not the case in what we own.

The bigger picture issue is that in 2025, value stocks in Europe had their largest outperformance versus growth stocks in 30 years of history, beating them by 19 percentage points. Ordinarily, this might be a reason for caution. When you bear in mind the starting point as shown in the chart on P2, this suggests that European value investing, where we are one of the last surviving practitioners, is nearer the beginning than the end of what we think is likely to be a fabulous bull run lasting years.

Desmond Kinch, CFA
Chairman

Fund Manager's report

The strategy of weighting our highest conviction stocks paid off in 2025. The Fund's portfolio is concentrated with the top 10 holdings representing 53.5% of net assets. 76% of the Fund's total return was generated by the top 10 holdings, and 61% by the top 5 holdings.

Standard Chartered was the largest contributor to the Fund's performance in 2025. It contributed 8.5% to NAV. Inclusive of dividends, the shares doubled in value. We took some gains towards the end of the year, selling \$2mn worth of shares. We continue to trim the position as the shares rise. The success of Standard Chartered's turnaround became evident during the year. It is generating a decent return on equity. The bank is now well-placed to benefit from its strong position in high growth markets particularly leveraging its cross-border trade network in Corporate Banking as well as a compelling proposition in Wealth & Retail Banking. At the beginning of 2025, the shares traded at less than 0.7x book value. They now trade at 1.2x book value and 10.6x 2026 estimated earnings. The shares still trade below fair value and the company continues to buy back its own shares.

The Fund's investment in Wilh. Wilhelmsen Holding (WWI) is split between the A and B shares. On average, the shares increased 67% in USD during 2025, whilst the discount to NAV narrowed marginally from 52% to 48%, the return was generated predominantly through growth in NAV. During the course of the year, we sold our investments in Wallenius Wilhelmsen and Höegh Autoliners, which together with WWI comprised our exposure to the car carrier industry. Wallenius Wilhelmsen and Höegh Autoliners are operating companies in the industry, whilst WWI is the holding company of the Wilhelmsen family. Its main investments are a 38% stake in Wallenius Wilhelmsen and an 11% holding in Hyundai Glovis which make up 36% and 23% of WWI's net asset value respectively. Hyundai Glovis is a South Korean logistics company with a strong track record of consistent growth and resilient margins.

In aggregate, the Fund's investments in the car carrier industry have generated exceptional returns. In 2020 and early 2021, we invested \$5mn in three operating companies in the industry: Wallenius Wilhelmsen, Höegh Autoliners and Gram Car Carriers. Over the past five years the Fund has received \$4.2mn in dividends and sold the shares for a total of \$28.6mn. As Desmond mentioned, the IRR on these investments was 110% per annum.

Wallenius Wilhelmsen trades at a discount to the secondhand value of its vessels less net debt, a nearly 16% dividend yield and just 5.4x 2026 estimated earnings. High & Heavy cargo, which has higher margins than light vehicles, is at a cyclical low providing further potential upside as cargo volumes pick up. However, as the record high order book is absorbed by the global fleet, we expect charter rates and the value of car carriers vessels in the secondhand market to begin to fall. Passage through the Red Sea is resuming cautiously, but is likely to reduce voyage durations, essentially increasing capacity in the global fleet. We believe that the wide discount to NAV at which WWI trades provides a margin of safety whilst maintaining exposure to a high-quality operator with long-term contracts that remains highly cash generative. The Wilhelmsen family have been involved in the car carrier industry for five generations and understand the highs and the lows of the industry. Lunch with Thomas Wilhelmsen, the fifth generation CEO of WWI, at the company headquarters in Oslo, was a highlight of the year and reaffirmed our conviction in the investment thesis. WWI has been reinvesting the substantial dividends received from Wallenius Wilhelmsen in less cyclical maritime assets in order to reduce its exposure to the cyclical nature of the shipping industry. At a 48% discount to NAV, WWI remains a top holding for the Fund.

NN Group, a leading Dutch life and non-life insurance company and the Fund's third largest holding, generated a total return of 85% in USD terms last year. Despite this strong return, the shares continue to trade at a 10% discount to book value, and 8.5x 2026 estimated earnings. Management stands out as highly efficient capital allocators. I attended the company's Capital Markets Day in The Hague which fully demonstrated further potential for efficiency and growth.

Vienna Insurance Group (VIG) was the single best performing stock in the portfolio, generating a total return of 158% in USD. VIG is a leading insurance group in Central and Eastern Europe. The company announced the acquisition of Nürnberger, a German specialist insurance company. At first glance, this acquisition seemed outside of VIG's strategy to develop in Central and Eastern European countries, but also expensive. On further investigation, the Nürnberger business strengthens VIG's foundation with a stable, cash generative business that is a market leader in the niche biometric solutions sector. The performance of the company had been dragged down by losses in its Property & Casualty insurance portfolio. A restructuring plan is in place and already yielding results. The combination of VIG's existing market leader position in Austria and Nürnberger's German business, gives VIG a stronger foundation on which to continue its expansion in Central and Eastern Europe, as well as expertise in a niche business line that can also be extended east. Adjusting for the acquisition of Nürnberger, VIG trades at 1.3x book value and 9.3x 2026 estimated earnings. Whilst we have taken some gains for the Fund in early 2026, VIG offers plenty of potential – insurance penetration rates remain low in VIG's Eastern European markets - at an undemanding valuation.

Rounding off the top 5 holdings, is Danieli, a company based in Northern Italy that specializes in manufacturing steel plants, as well as producing specialist steels. The Fund owns the savings shares which trade at a 28% discount to the ordinary shares. The savings shares have generated a return of 119% for the Fund in 2025. Despite this strong performance, after stripping out the company's excess net cash position the shares trade at 7.5x 2026 estimated earnings. European Commission proposals to safeguard European steel production as well as carbon costs on imports to disadvantage steel produced from high-emission energy sources, has led to a surge in demand for Danieli's energy efficient and hydrogen-ready steel plants. This is demonstrated by Danieli's elevated order book and increasing profitability. Its specialist steelmaking division eyes a recovery from a cyclical low. An additional factor in the investment case is the eventual simplification of the dual class share structure.

Whilst these 5 companies generated excellent returns over a one-year period, it's important to consider their returns over a longer period. The Fund has been invested in Standard Chartered and WWI since 2015, in NN Group since 2014, VIG since 2016 and Danieli since 2013. Over their respective holding periods, accounting for additions, sales and dividends, the investments have compounded at the following annual rates: Standard Chartered 10.5%, WWI 17.4%, NN Group 16.5%, VIG 16.9% and Danieli 8.6%.

Yara, Hansa Investment Company, Baker Steel Resources Trust, Neurones and RTW Biotech are the next five largest holdings in the Fund. Yara's shares performed well on the back of EPS revisions. Hansa Investment Company had a transformational year. It simplified its convoluted structure. Ocean Wilsons sold its controlling stake in Wilson Sons. Following the sale, Hansa and Ocean Wilsons merged. This simplified Hansa's exposure from two overlapping investment portfolios and a significant exposure to a Brazilian maritime company to one investment portfolio and a substantial cash position. Hansa has long traded at an exceptionally wide discount to NAV. The discount is currently 45%. This seems unwarranted for a family-controlled investment company with a strong track record. The merged entity has a simpler

structure, substantial net assets, reduced management fees and increased liquidity in the shares. Hansa is buying back shares in the market, which at this wide discount is highly accretive to NAV per share. We see potential for a significant contraction in the discount once the market takes notice of these improvements.

Baker Steel Resources Trust's (BSRT) NAV increased 65% in USD due to its exposure to some of the best performing commodity prices during 2025, namely gold, silver, copper, tin and tungsten. However, the share price did not increase at the same rate as NAV. The discount to NAV at which the shares trade widened from 29% to 38%. BSRT invests in natural resource projects. Its main exposures are to cement, coking coal, and precious metals. Financing has been hard to secure in the junior mining sector, but with financing issues predominantly resolved, many of BSRT's projects are expected to enter into or significantly increase production in the near term and become cash generative. We see multiple ways for BSRT to generate significant value for shareholders. NAV growth should continue from exposure to a number of critical minerals and as projects enter or increase production. Cash generation from these projects will enable BSRT to return cash to shareholders by way of dividends or share buybacks. In recent months, we have discussed with the BSRT Board methods available to narrow the discount to NAV.

Neurones, a French IT specialist, has been a classic compounder investment for the Fund. Neurones has an excellent track record of organic growth and consistent profitability, a unique structure that incentivizes business managers, and exceptional leadership under Luc de Chammard. The shares trade at 13.7x 2026 estimated earnings (adjusted for the significant net cash position) which is undemanding for the IT services sector.

RTW Biotech, a relatively new investment for the Fund, makes up part of the Fund's recent exposure to selected investment trusts. We have taken advantage of the wide discounts in the sector to buy holdings in investment trusts with high quality underlying assets trading at undeserved discounts. This includes listed private equity names such as Pantheon International, HarbourVest Global Private Equity (HVPE) and Oakley Capital Investments, RIT Capital Partners with a portfolio of quoted equities, private equity and uncorrelated assets, and specialists in UK small caps and Biotech. Whilst these investment trusts performed well over the past two and a half years, we see strong potential for significant gains in each of these subcategories.

Biotech is at the early stages of emerging from a bear market; M&A activity has picked up substantially. RTW Biotech's portfolio has been a significant beneficiary of M&A but there is a long runway as Big Pharma, awash with cash, faces a patent cliff. RTW's team has the deep scientific expertise to cherry pick promising therapies, as well as the necessary development experience to appropriately-size investments through early- to late-stage. Further, RTW is opportunely positioned to invest globally, including China which has rapidly risen as a biotech innovator. In short, there is no shortage of catalysts. RTW Biotech's NAV increased over 40% in 2025, but the shares trade at a 16% discount to the last published NAV. Before the biotech bear market, RTW Biotech shares traded at a premium to NAV.

Following multiple years of muted activity, M&A has picked up in private equity markets, underscoring valuations. Although discounts have narrowed since we initially bought shares in Pantheon International and HVPE, there is still room for discounts to narrow from the current 26% discount to NAV. Both Pantheon International and HVPE are under pressure from shareholders to narrow their discounts. There are mechanisms in place that are expected to encourage this, including a continuation vote in July 2026 for HVPE. HVPE recently sold 8% of its portfolio in the secondary market at a 6% discount to NAV. This

transaction emphasizes HVPE's share price discount to NAV and provides liquidity for HVPE to continue buying back its own shares.

Individual small capitalization stocks can be volatile and illiquid. The investment trust structure is an opportune way to invest in a portfolio of UK small caps trading at low valuations on a historical and relative basis. Whilst increased M&A in the sector reflects this, many sales have eventually taken place at a premium to the initial price offered, underlining the low valuation. Recognising the potential on offer, we've added to the Fund's investments in investment trusts focused on UK small caps and listed private equity in particular.

During the year, the Fund sold its holdings in Altamir, Wallenius Wilhelmsen, Socfinasia and received a final distribution from Better Capital 2009 cell. We sold some shares in Standard Chartered, NN Group, WWI, AEP Plantations and Socfinaf to take some gains following strong performance. We added to existing holdings, most notably in the investment trust sector, as well as to a market leader in a niche retail sector with a strong track record trading at a bargain valuation. During the last quarter of 2025, we made two new investments in which we continue to build positions. New investment ideas at attractive valuations abound.

The Fund has a healthy cash position from selling down investments as they approach fair value to invest in attractive investment opportunities. The underlying valuation of the Fund appears inexpensive. The Fund's investments in the Market Leaders category trade at 10.7x 2026 estimated earnings and the Deep Value category at 9.1x 2026 estimated earnings. The Fund's exposure to Investment Trusts trade at an average discount to NAV of 23%, whilst the Family-controlled holding company category trades at an average discount to NAV of 45%.

The valuation of the Fund's investments, in combination with the return to value stocks outperforming growth stocks, currency tailwinds and increased appeal of global equity exposure point to strong returns over the medium term. My personal investment in shares of the Fund, a significant portion of my net wealth, reflects this view.

Camilla Anderson, CFA
Fund Manager