

European Asset Value Fund

The objective of the Fund is long term capital growth from investment in European equity markets mainly in property backed European asset situations which are considered by the Manager to be undervalued.

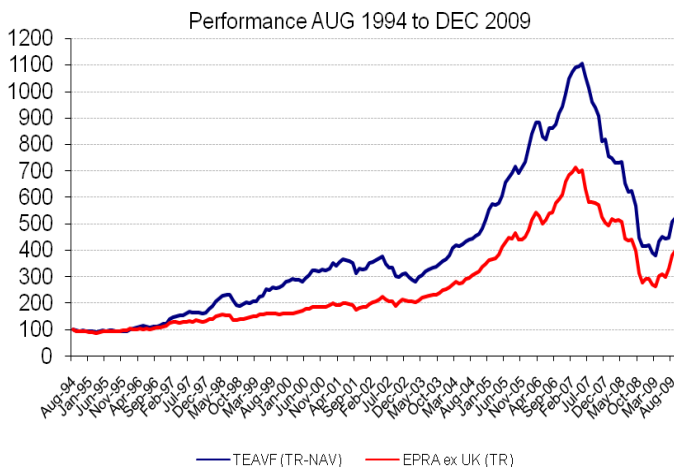
Performance

This investment management report relates to performance figures to 31 December 2009.

	Month	Financial Yr to date*	Calendar Yr to date
EAVF¹	3.5%	47.6%	35.6%
Benchmark²	3.7%	54.1%	38.2%
S&P Europe³	5.0%	63.1%	39.7%

Top Ten Equity Holdings

	%
ANF	9.56
Eurocommercial Properties	7.21
TAG Immobilien	6.14
VIB Vermögen	5.47
Vinci	5.25
Wereldhave	5.13
Nymphenburg Immobilien	5.00
Foncière Paris France	4.63
CLS Holdings	4.23
USI Group	3.77
TOTAL	56.39



Source: Fundamental Data, EPRA Index ex UK

Statistics

	1 month %	1 year %	3 years %	5 years %
Fund Price ¹ (euros)	3.5	35.6	-42.9	11.0
EPRA Index ² (euros)	3.7	38.2	-38.5	15.8
Fund Price ¹ (\$)	-1.1	39.9	-37.9	17.1
EPRA Index ² (\$)	-0.9	44.7	-30.9	28.5

Annual Returns (%)	2009	2008	2007	2006
Price ¹	35.6	-48.9	-17.7	34.6
EPRA Index ²	38.2	-41.9	-23.4	46.6

1 Source: Fundamental Data.

2 REXUK(€), RUXUK(\$) - EPRA ex UK. Official Fund Benchmark Index. Source: European Public Real Estate Association/Bloomberg

3 S&P/Citigroup European Property TR. Source Fundamental Data. Previously the Citigroup Property index

4 Source: Pictet & Cie (Europe)

* The European Asset Value Fund financial year commences on 1st April.

Major Movers

Largest Risers	Percent change	Percent of Assets
Norwegian Property	20.00%	3.00%
Development Securities	13.82%	1.10%

Largest Fallers	Percent change	Percent of Assets
Estavis	-14.90%	1.33%
Züblin Immobiliere France	-11.55%	1.26%

Capital Structure

Ordinary Shares ⁴	1,908,471
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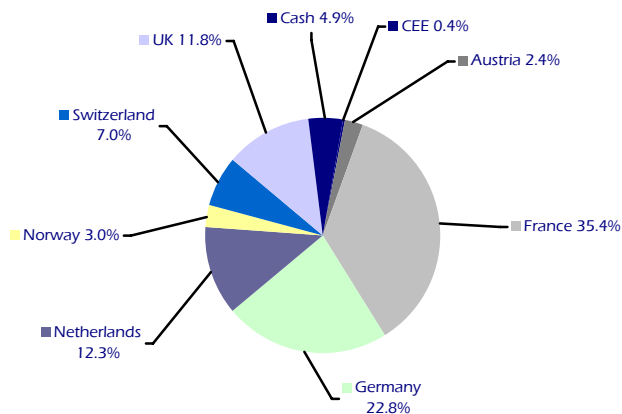
Assets

Gross Assets as at 31 December 2009 ⁴	€82m
Net Asset Value as at 31 December 2009 ⁴	€43.02

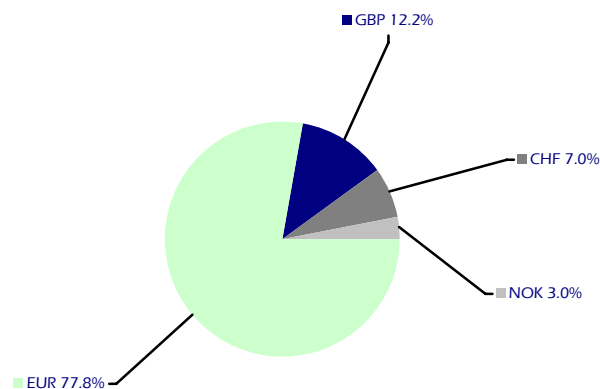
Fund Codes

Bloomberg	EURAVFI LX
Reuters (monitor page)	PICTET04
Reuters Ticker	LU0054601074

Geographic Breakdown (% of total assets)



Currency Exposure (% of total assets)



Further Information

The European Asset Value Fund (the "Fund") is an open-ended investment company organized as a Société d'Investissement à Capital Variable ("SICAV").

Asset Value Investors Limited ("AVI") is the investment manager of the Fund. Contact: Mark Townsend: +44 20 7647 2900 or info@assetvalueinvestors.com.

The NAV figure can be found in the FT "MANAGED FUNDS SERVICE" section under the heading Asset Value Investors Ltd. Information may be found on The European Asset Value Fund website. www.europeanassetvalue.com or www.europeanassetvalue.co.uk

The Fund is recognized for sale in the United Kingdom, Belgium, Luxembourg and Switzerland. The Fund is not offered or sold in the United States or to US persons other than to Accredited Investors under Regulation D, a "safe harbor" from the general requirement that offerings of securities be registered with the SEC. The Fund's charges are more fully described in the Prospectus. For a copy of the Prospectus, please contact AVI using the e-mail address or telephone number above.

Risk Factors you should consider before investing

Investment in the Fund carries risks, which are more fully described in the Prospectus. Listed below are some of the key risks:

Investors are reminded that past performance is not a guide to future performance and that their capital will be at risk and they may therefore lose some or all of the amounts that they choose to invest in the Trust.

Movements in exchange rates can impact the capital value of your investment. If the currency of your residence strengthens against the currency in which the underlying investments of the fund are made, the value of your investment will reduce and vice versa.

Where investments are made in smaller companies, their potential volatility may increase the risk to the value of and the income from the investment.

Source: Asset Value Investors Limited ("AVI") unless otherwise stated. All figures as at the period under review unless otherwise stated. AVI is authorised and regulated by the Financial Services Authority ("FSA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. This document does not constitute an offer to buy or sell shares in the Fund. The prospectus of the Fund is the only authorised document for offering of shares of the Fund. The prospectus may only be distributed in accordance with the laws and regulations of each appropriate jurisdiction in which any potential investor resides. Investors in the UK are reminded that they will not benefit from the UK investors compensation scheme. The Fund is only suitable for sophisticated investors. 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 nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FSA's rules.