Annual Report / Welcome

Annual Report 2024

AVI Global Trust plc (AGT or the Company) was established in 1889. The Company's investment objective is to achieve capital growth through a focused portfolio of investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

Net assets†:
£1.1 billion*

Launch date:
1 July 1889

Annualised NAV total return since 1985†:
11.6%**

Ongoing Charges Ratio†:
0.87%***

Awards

AIC Shareholder Communication Awards 2024 • Winner
Best Report and Accounts (Generalist)

Citywire Investment Trust Awards 2023 • Winner
Global Equities

Investment Week Investment Company of the Year Awards 2023 • Winner
Global

Retail Investors Advised by IFAs

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers (IFAs) in the UK to ordinary retail investors in accordance with the Financial Conduct Authority rules in relation to non-mainstream investment products and intends to continue to do so. The shares are excluded from the Financial Conduct Authority's restrictions which apply to non-mainstream investment products because they are shares in an authorised investment trust. The Company is an Alternative Investment Fund (AIF) under the European Union's Alternative Investment Fund Managers' Directive (AIFMD). Its Alternative Investment Fund Manager (AIFM) is Asset Value Investors Limited (AVI, or the Investment Manager). Further disclosures required under the AIFMD can be found on the Company's website: www.aviglobal.co.uk.

ISA Status

The Company's shares are eligible for Stocks & Shares ISAs.

* As at 30 September 2024.

** Source: Morningstar, performance period 30 June 1985 to 30 September 2024, total return net of fees, GBP. The current approach to investment was adopted in 1985.

*** As at 30 September 2024, includes: management fee, marketing and administration costs. Formerly disclosed as the Expense Ratio.

† For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 101 to 105.

Overview of the Year

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We maintain a corporate website containing a wide range of information of interest to investors and stakeholders: www.aviglobal.co.uk

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Strategic Report / Company Performance

Financial Highlights

PERFORMANCE SUMMARY

- Net asset value (NAV) per share total return was +13.7%
- Share price total return of +16.3%
- Final ordinary dividend of 2.55p, and total dividend increased to 3.75p

	30 September 2024	30 September 2023
Net asset value per share (total return) for the year[1]*	+13.7%	+15.3%
Share price total return for the year*	+16.3%	+14.8%
Comparator Benchmark		
MSCI All Country World Index (£ adjusted total return†)	+19.9%	+10.5%
Discount*		
Share price discount (difference between share price and net asset value)[2]*	9.0%	10.9%
Share price discount:		
High	12.3%	12.9%
Low	6.3%	7.0%
	Year to 30 September 2024	**Year to 30 September 2023**
Earnings and Dividends		
Investment income	£26.60m	£24.45m
Revenue earnings per share*	4.20p	4.19p
Capital earnings per share*	27.45p	23.83p
Total earnings per share	31.65p	28.02p
Ordinary dividends per share	3.75p	3.50p
Special dividends per share	–	0.20p
Ongoing Charges Ratio*		
Management, marketing and other expenses (as a percentage of average shareholders' funds)	0.87%	0.86%
2024 Year's Highs/Lows	**High**	**Low**
Net asset value per share*	264.40p	207.84p
Net asset value per share (debt at fair value)*	267.39p	211.81p
Share price* (mid market)	248.00p	187.80p

Buybacks

During the year, the Company purchased and cancelled 20,112,011 Ordinary Shares (2023: 29,277,886 purchased).

1 As per guidelines issued by the AIC, performance is calculated using net asset values per share inclusive of accrued income and debt marked to fair value.

2 As per guidelines issued by the AIC, the discount is calculated using the net asset value per share inclusive of accrued income and debt marked to fair value.

† The Company uses the net version of the index, which accounts for withholding taxes incurred. If the gross version of the Index had been used, the comparative figures for the years ending 30 September 2024 and 30 September 2023 would have been 20.2% and 11.0%, respectively.

* Alternative Performance Measures

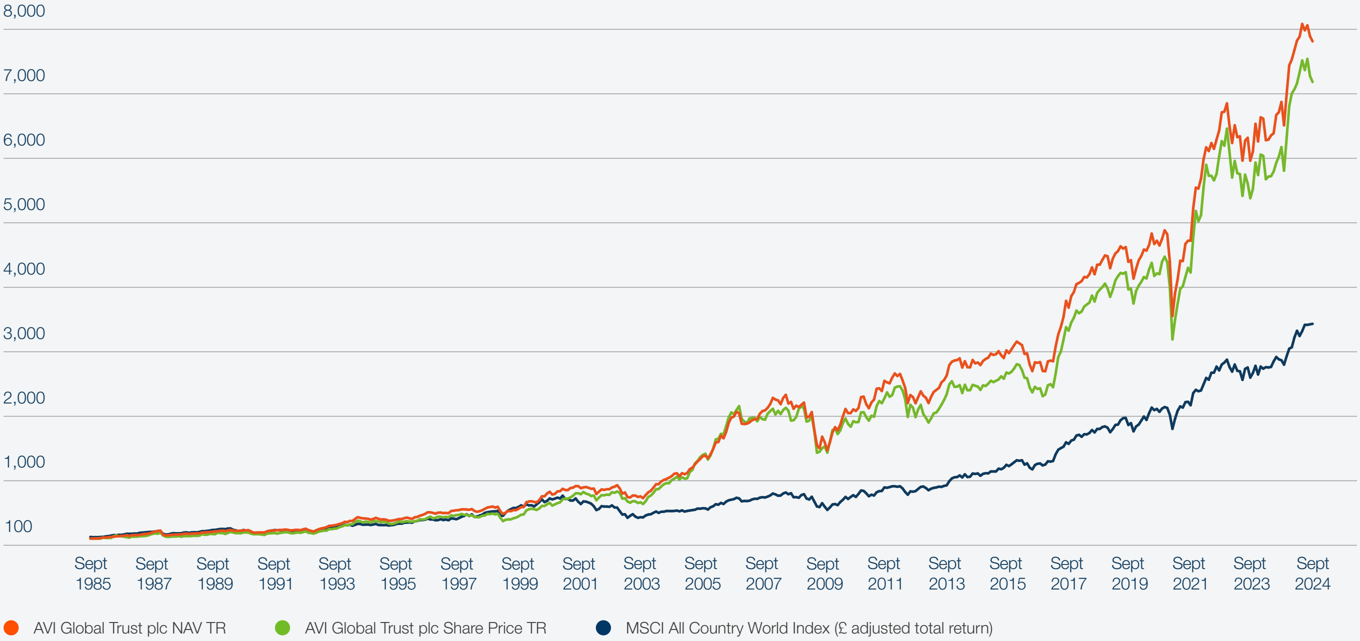
For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 101 to 105.

Historical record

Year ended 30 September	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue profit for the year £'000	18,942	20,041	16,302	14,289	10,134	21,169	16,933	12,603	18,747	16,268
Revenue earnings per share (p)†	4.20	4.19	3.24	2.74	1.87	3.82	2.97	2.09	2.86	2.35
Ordinary dividends per share (p)†	3.75	3.50	3.30	3.30	3.30	3.30	2.60	2.40	2.34	2.34
Special dividend per share (p)†	–	0.20	–	–	–	–	–	–	0.56	–
Net assets £'000	1,112,725	1,031,018	969,508	1,133,222	883,605	938,941	941,680	903,229	843,973	697,542
Basic net asset value per share (p)†	251.71	223.08	197.27	221.95	167.43	170.52	168.39	155.52	134.10	103.91

† The figures where appropriate have been restated for the share split, which took effect on 17 January 2022, when each existing 10p share was replaced by five new 2p shares, in order to be comparable on a like-for-like basis.

The Company's net asset value and share price compared to the MSCI All Country World (£ adjusted total return)*



* The current approach to investment was adopted in June 1985.

Strategic Report / Company Overview

Finding compelling opportunities

OUR PURPOSE

The Company is an investment trust. Its investment objective is to achieve capital growth through a focused portfolio of mainly listed investments, particularly in companies whose shares stand at a discount to estimated underlying net asset value.

OUR CORE VALUES

Unique
A unique portfolio investing in holding companies, closed-ended funds and asset-backed special situations unlikely to be found in other funds.

Diversified
A select portfolio of 40 stocks, but with broad diversification of sectors and companies as a result of the holding structures which give exposure to multiple underlying companies.

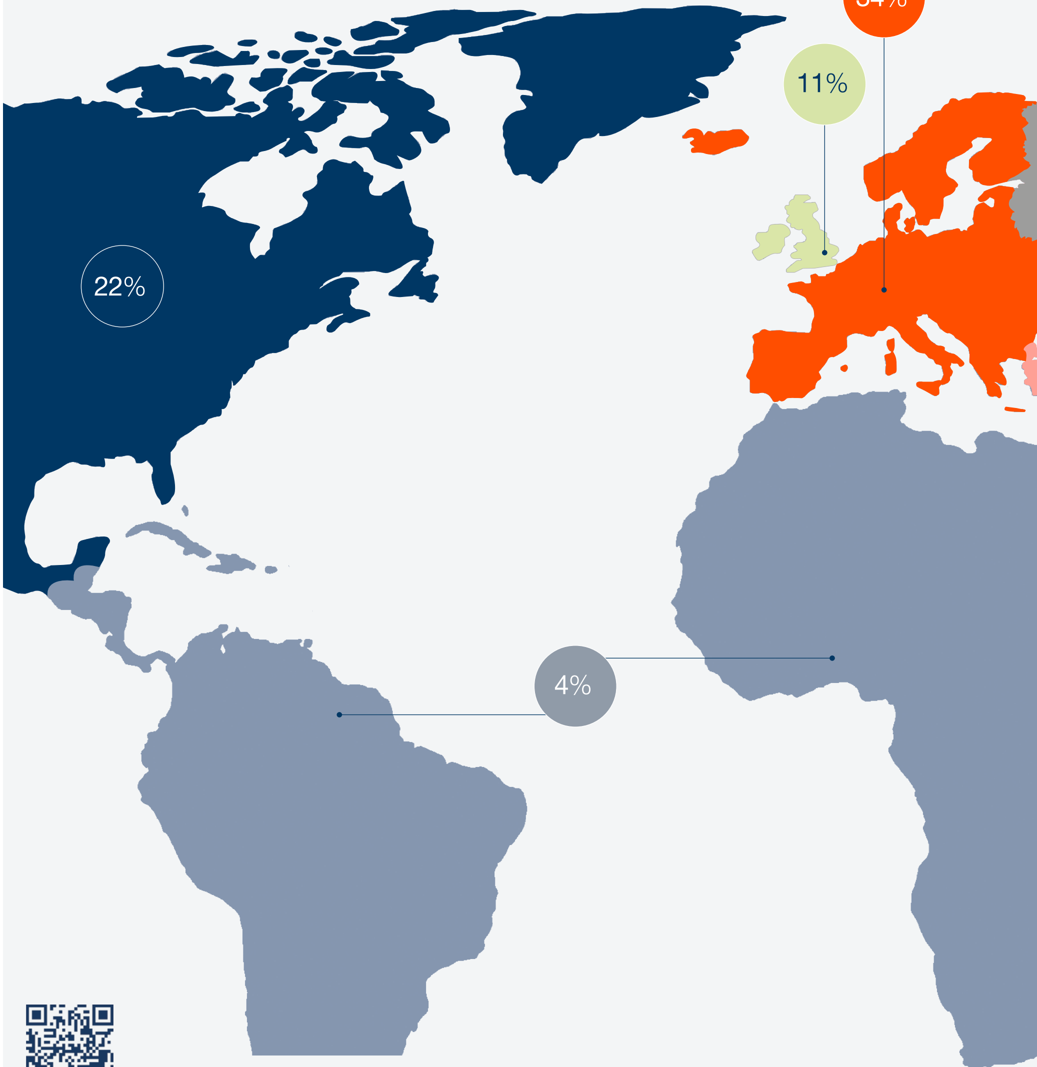
Engaged
Seeking out good quality, misunderstood companies and engaging to improve shareholder value.

Active
Finding complex, inefficient and overlooked investment opportunities.

Global
Bottom-up stock picking, seeking the best investment opportunities across the globe.

OUR INVESTMENTS

Our underlying investments provide global exposure:

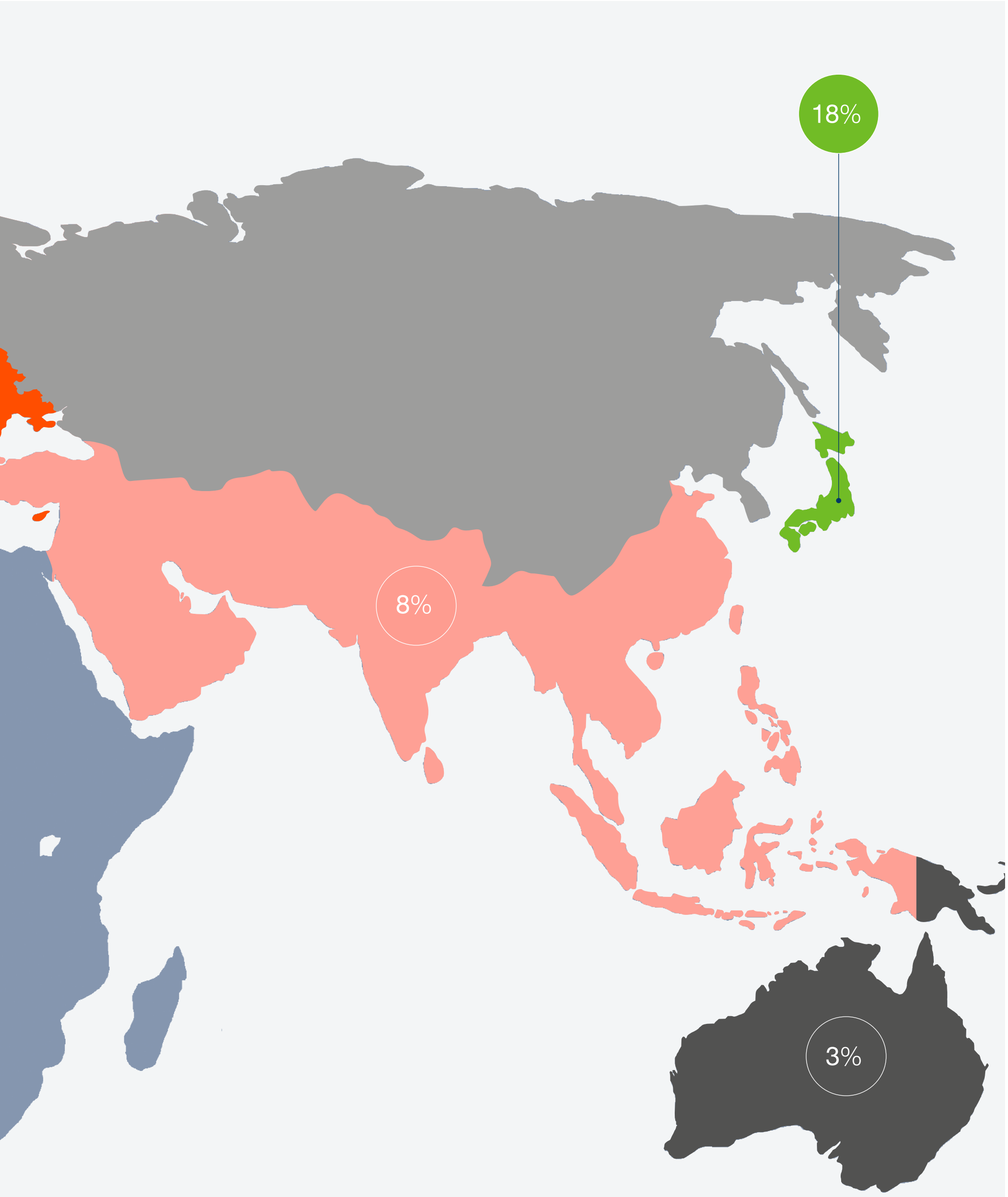


@AVIglobaltrust / What is AVI Global Trust?

Global Exposure

	2024# %	2023# %
United Kingdom	11	3
North America	22	29
Europe	34	33
Asia	8	10
Japan	18	18
Latin America, Africa & Emerging Europe	4	6
Oceania	3	1

Based on location of companies' underlying assets, rather than country of listing



KEY PERFORMANCE INDICATORS (KPIs)

The Company uses KPIs as an effective measurement of the development, performance or position of the Company's business, in order to set and measure performance reliably. These are net asset value total return, share price discount to net asset value and the Ongoing Charges Ratio.

Net asset value total return*:

+13.7% (2023: +15.3%)

3 Years	+21.49%
10 Years	+165.3%

Ongoing Charges Ratio*:

0.87% (2023: 0.86%)

2024	0.87%
2023	0.86%

Discount* (as at Year End):

9.0% (2023: 10.9%)

2024 high	12.3% (2023: 12.9%)
2024 low	6.3% (2023: 7.0%)

Read more about our KPIs and Principal Risks on **pages 16 to 19 of the Annual Report**

Capital Structure

As at 30 September 2024, the Company's issued share capital comprised 487,662,627 Ordinary Shares of 1p each, of which 45,600,956 were held in treasury and therefore the total voting rights attached to Ordinary Shares in issue were 442,061,671. As at 12 November 2024 it comprised 484,637,627 Ordinary Shares, 45,600,956 of which were held in treasury, and therefore the total voting rights attached to Ordinary Shares in issue were 439,036,671.

Annual General Meeting

The Company's Annual General Meeting ("AGM") will be held at 11.00am on Thursday, 19 December 2024 at 11 Cavendish Square, London W1G 0AN. Shareholders will be able to submit questions to the Board and AVI ahead of the AGM and answers to these, as well as AVI's presentation, will be made available on the Company's website. Please refer to the Notice of AGM on pages 96 to 99 for further information and the resolutions which will be proposed at this meeting.

OTHER KEY STATISTICS

Net asset value per share:

253.81p (2023: 226.77p)

Estimated percentage added to net asset value per share from buybacks*:

+0.4% (2023: 0.6%)

Number of investments:

40 (2023: 44)

Top 10 investments†:

57.2% (2023: 60.7%)

* For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 101 to 105.

† Of net assets.

Strategic Report / The Investment Manager at a Glance

At a Glance

INVESTMENT PHILOSOPHY

The investment philosophy employed by Asset Value Investors (AVI), the manager of AVI Global Trust, strives to identify durable businesses that are growing in value, trading at discounted valuations, with catalysts to unlock and grow value.

01.
Investing in companies trading at a discount to their net asset value

02.
Identifying good-quality underlying assets with appreciation potential at compelling values

03.
Focusing on bottom-up stock picking

04.
Looking for catalysts to narrow discounts

05.
Focusing on balance sheet strength

Read more about on our website:
www.aviglobal.co.uk

HOW WE INVEST

AVI aims to achieve long-term capital growth by investing in a diversified portfolio of companies whose shares are trading at a discount to their estimated net asset value.

WHAT DOES AVI INVEST IN?

AVI follows a unique strategy of investing in quality assets typically held through structures that tend to attract discounts; these types of companies are:

- Holding Companies
- Closed-ended Funds
- Asset-backed Special Situations

PORTFOLIO BREAKDOWN BY AVI CLASSIFICATION*

	2024 %	2023 %
Holding Companies	43	58
Closed-ended Funds	31	25
Asset-backed Special Situations	26	17

Source / AVI as at 30 September 2024

* Please refer to page 25 for more information about these classifications.

HOW WE MANAGE PORTFOLIO RISK

AVI's value investment process strives to identify and mitigate downside risks in all market environments.

AVI's risk management approach uses a variety of qualitative and quantitative processes. This includes bottom-up research to establish a company's fundamental value. The portfolio holdings are monitored on an ongoing basis, and AVI's in-house order management system contains an automatic alert system which alerts the Investment Manager to any breaches of built-in risk parameters.

The investment management team holds regular meetings discussing the portfolio, with a view to reassess, sell or buy securities, and to discuss current cash position, as well as sector and geographic weighting.

Stock-specific Risk

- Business risk
- Balance sheet risk
- Shareholder analysis
- Regular meetings with management

Portfolio/Market Risk

- Currency risk
- Geographical concentration risk
- Sector concentration risk
- Stock concentration risk
- Liquidity risk
- Political risk

Daily monitoring of positions

Monthly investment meetings

Reassessment of positions

AVI'S RESPONSIBLE APPROACH

AVI believes that the integration of ESG and sustainability considerations into our investment strategy is not only integral to comprehensively understanding each investment's ability to create long-term value but is aligned with our values as responsible investors.

Aligned with the PRI

AVI is aligned with the UN-supported Principles for Responsible Investment (PRI)'s belief that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term responsible investment, and benefit the environment and society as a whole. AVI became a signatory to the PRI on 9 April 2021.

Active Ownership

AVI's ESG monitoring system helps to identify weaknesses in a company and empowers us to engage effectively where appropriate. Through constructive engagement, we encourage and expect investee companies to take meaningful action in remedying weaknesses in the context of long-term value creation.

STRATEGY

The Company's strategy is to seek out-of-favour companies whose assets are misunderstood by the market or under-researched, and which trade significantly below the estimated value of the underlying assets.

A core part of this strategy is active engagement with management, in order to provide suggestions that could help narrow the discount and improve operations, thus unlocking value for shareholders.

INVESTMENT APPROACH

The Company's assets are managed by AVI. AVI aims to deliver superior returns and specialises in finding companies that, for a number of reasons, may be selling on anomalous valuations.

The Investment Manager has the flexibility to invest around the world and is not constrained by any fixed geographic or sector weightings. There is no income target and no more than 10% of the Company's investments may be in unlisted securities. Over the past five years, there has been an average of 47 stocks held in the AGT portfolio.

Strategic Report / Chairman's Statement

GRAHAM KITCHEN

Independent Non-Executive Chairman

Joined the Board in January 2019

Against this volatile background, the Company's NAV total return for the year to 30 September 2024 was a creditable +13.7%.

Overview of the year

The world continues to be unstable, with conflict in the Middle East and Ukraine. Elsewhere, geopolitical tensions particularly between the United States and China continue to make news headlines. On a more positive note, inflation appears to be better in check and we have seen central banks in the US and Europe begin the process of cutting interest rates, which should be positive for companies and markets.

Against this volatile background, the Company's NAV total return for the year to 30 September 2024 (one of our three KPIs) was a creditable +13.7%, which was above the long-term average annual return and compares with +19.9% for our comparator benchmark index. Over the last five years the return has been +65.5%, compared to +63.3% for the current comparator benchmark (shareholders may recall that we changed the benchmark last year[1]).

Turning to the share price, I said at the half-year stage that having traded in a range of approximately 180p-200p since the beginning of 2022, the share price increased steadily following a dip in October 2023 and by the end of March it was over 230p. It was at a similar level at the end of September, and the NAV per share was also little changed over the second half of our accounting year. For the year as a whole, the share price total return was 16.3%, as the discount closed marginally. The effectively flat return over the second six months does not tell the whole story. The Japanese market, in particular, was very volatile in early August and AVI were able to take advantage of this, as they explain in their report. The Board is encouraged to see that the key driver of returns remains stock selection, demonstrating that the team at AVI remain consistent in their long-term investment style.

1. The current comparator benchmark is the MSCI All Country World Index (£ adjusted net total returns). For periods up to 30 September 2023 it was the MSCI All Country World ex-US Index (£ adjusted net total returns). Over the five years to 30 September 2024, the total return of the previous benchmark was +32.4%.

Revenue and dividends

Revenue earnings for the year under review were 4.2 pence per share. At the half year stage we paid an interim dividend of 1.2 pence per share, which was the same as last year. The proposed final dividend is 2.55 pence per share. The total dividend for the year will therefore be 3.75 pence per share, which I am pleased to report is an increase of 7.1% compared with the previous year's total ordinary dividend of 3.5 pence[2]. The Board recognises that a dividend which is steady and able to rise over time is attractive to many shareholders but, as we have consistently said, the portfolio is managed primarily for capital growth.

Gearing

On 12 September 2024, we completed an agreement to issue further Japanese Yen (JPY) fixed rate unsecured debt. The new debt is JPY5bn, for a term of 15 years and at an annual interest rate of 2.28%. The debt is denominated in JPY and was equivalent to approximately £25.1m when issued. In recent years the Company has issued several tranches of fixed rate debt at attractive interest rates and our Investment Manager uses gearing flexibly to take advantage of investment opportunities. As well as providing funding at an attractive rate of interest, borrowing in Japanese Yen provides a natural hedge against exposure to the currency, as the borrowing offsets some of the exposure to JPY in the portfolio. As at 30 September 2024 net gearing, with debt at fair value, was 7.1%.

AGT previously had a revolving credit facility with Scotiabank but this was terminated at the end of its contracted life in September 2024.

Investment Policy

We are seeking shareholder approval for revisions to our investment policy, which was driven by a review of ways in which AGT can implement gearing.

The Directors have reviewed the Company's Investment Policy and are proposing that shareholders approve a revised policy at this year's AGM. I would like to stress that there will be no change in the overall strategy that AVI takes in managing the investment portfolio.

The proposed changes are designed to align the Investment Policy with current best practice and to clarify the approach to spreading investment risk, investing in derivatives and to gearing. In particular, the level of gearing permitted under the Company's Articles of Association and first adopted several decades ago is much higher than would be considered acceptable in a modern investment policy. The Directors are therefore proposing a limit on total gearing of 20% of net assets. The Company has had both short- and long-term debt for many years and AVI are experienced in managing gearing. In future, gearing will be permitted via the use of derivatives as well as conventional debt, but subject to an overall limit of 20% total market exposure. The proposal to allow gearing via derivatives is intended to provide additional flexibility in the type of gearing used, particularly bearing in mind that interest rates have increased in recent years and the use of derivatives may prove to be more cost effective. Derivatives such as total return swaps or options provide investment exposure to single stocks or groups of stocks where, depending on the derivative structure, movement in the value of the derivative (both up and down) may be higher than the movement in the related stock prices. Long-term shareholders will be aware that the Company has invested in total return swaps on a number of occasions in recent years and the Directors are satisfied that AVI have the necessary experience and controls to invest in derivatives. We encourage all shareholders to vote in favour of this resolution at the AGM. Further details are set out on page 52.

Share price rating and marketing

AGT has a substantial marketing budget and the Board works closely with AVI as it seeks to generate demand for the shares. Each month AVI produces an informative factsheet which is available on our website and I encourage you to register on the site to receive these when they are published. AVI is also active in the media – both traditional and increasingly social media – as we seek to promote our investment proposition to a growing investor base. We were very pleased to hear that AGT had again won "Best Report and Accounts" in its category in the AIC's annual shareholder communications awards in September 2024. We believe that this award reflects our commitment to provide informative and interesting updates to our shareholders and I would like to thank our fund management team for their open and proactive approach to explaining their investment methodology and individual investments in the portfolio. The Board is pleased to note that our marketing efforts have resulted in a substantial increase over time in the number of shares owned via retail investment platforms, and that these platforms make up four of our top five shareholders.

In common with many investment trusts, our shares continued to trade at a persistent discount during the year. We use share buybacks when the discount is unnaturally wide and when the Board believes that buying back shares is in the best interests of shareholders. This is also something that our Investment Manager encourages for many of our investee companies.

The discount is one of the three KPIs and the Board takes a very close interest in this. There is regular interaction between Board and Investment Manager on the subject, with independent advice from AGT's corporate brokers. There are periods when we buy back shares on most working days and, during the year under review, 20.1 million shares were bought back, representing 4.4% of the shares in issue as at the start of the period. As well as benefiting shareholders by limiting the discount at which they could sell shares if they so wish, buying back shares at a discount also produced an uplift in net asset value to the benefit of continuing shareholders, of approximately 0.4%. The average discount over the year under review was 9.2%, compared with 10.0% for the preceding year.

In April 2024 we announced that Panmure Liberum had been appointed as the Company's corporate broker. We have experienced a positive transition to Panmure Liberum who have introduced a more diverse range of potential investors in the last few months and we look forward to working closely with them going forward, particularly in seeking to find new shareholders. I would also like to thank our previous corporate brokers, Jefferies, for their help and support over the last several years.

2. We also paid a special dividend of 0.2 pence per share last year, to distribute elements of revenue that the Directors consider to be one-off.

Strategic Report / Chairman's Statement continued

In the 2023 Annual Report I raised the issue of the unintended consequences on the investment trust industry of recent regulatory pronouncements relating to Consumer Duty in respect of cost disclosures. In particular, the inclusion of costs embedded in our underlying investee funds in the overall cost figures disclosed in relation to your Company was misleading. We were pleased and relieved to hear that the Financial Conduct Authority had issued a "forbearance" notice on managers' disclosure of charges in regulated documents in September 2024, pending a review of the relevant law and regulations. While, at the time of writing, there is some uncertainty as to how costs will be disclosed to investors by the investment trust industry going forward, we have reverted to publishing an Ongoing Charges Ratio which includes all of AGT's own running costs, which are made up principally of its investment management fee and of the other costs of running the Company itself. Not all listed investment companies disclose their gross costs and so it is not possible to produce a comprehensive summary of the running costs of closed end funds in AGT's portfolio of investments.

AGT's running costs are one of our KPIs and the Board carefully manages the Company's costs, seeking to balance a high quality of service with reasonable costs from our suppliers.

The Board

The Company is pleased to have met the target for at least 40% of individuals on the Board to be women but does not currently meet the targets for at least one senior Board position to be held by a woman and at least one individual on the Board to be from a minority ethnic background. The Directors have discussed whether to appoint an additional Director in order to comply with the guidelines on ethnic diversity. The Directors concluded that a Board of five independent non-executive Directors is appropriate for an investment trust of the size and complexity of AGT and therefore that it would not be in shareholders' best interests to incur fees for an additional Director in order to meet a target. Shareholders' views on best practice will continue to be taken into full consideration when the Board next recruits a new Director.

Annual General Meeting

I am pleased to be able to invite all shareholders to attend our AGM at 11 Cavendish Square on Thursday 19 December 2024. We do recognise that some shareholders may be unable to attend the AGM, and if you have any questions about the Annual Report, the investment portfolio or any other matter relevant to the Company, please write to us either via email at agm@aviglobal.co.uk or by post to Link Company Matters Limited, Central Square, 29 Wellington Street, Leeds, LS1 4DL.

If you are unable to attend the AGM, I urge you to submit your proxy votes in good time for the meeting, following the instructions enclosed with the proxy form. If you vote against any of the resolutions, we would be interested to hear from you so that we can understand the reasons behind any objections.

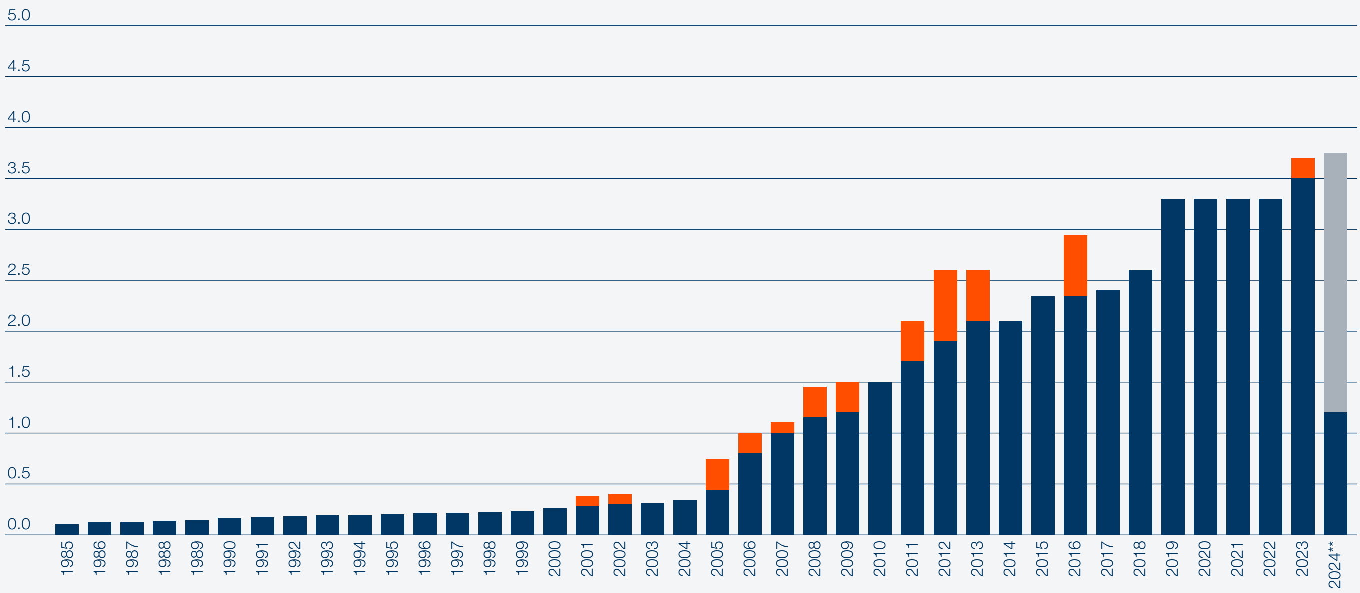
Outlook

This time last year I wrote that "The geopolitical and economic environment are undoubtedly challenging and the world is likely to be unstable for some time" and those words bear repetition this year. The level of geopolitical uncertainty could be exacerbated by the result of the US election. The opportunities that we reported last year have borne fruit in the returns produced over the year to the end of September 2024 but there is clearly more value to unlock. Markets are likely to remain volatile but our Investment Manager reports attractive discounts and an exciting range of prospects. The Board is confident that we have a well-resourced, skilled and experienced manager who should continue to produce attractive returns for AGT's shareholders over the long term.

Graham Kitchen
Chairman

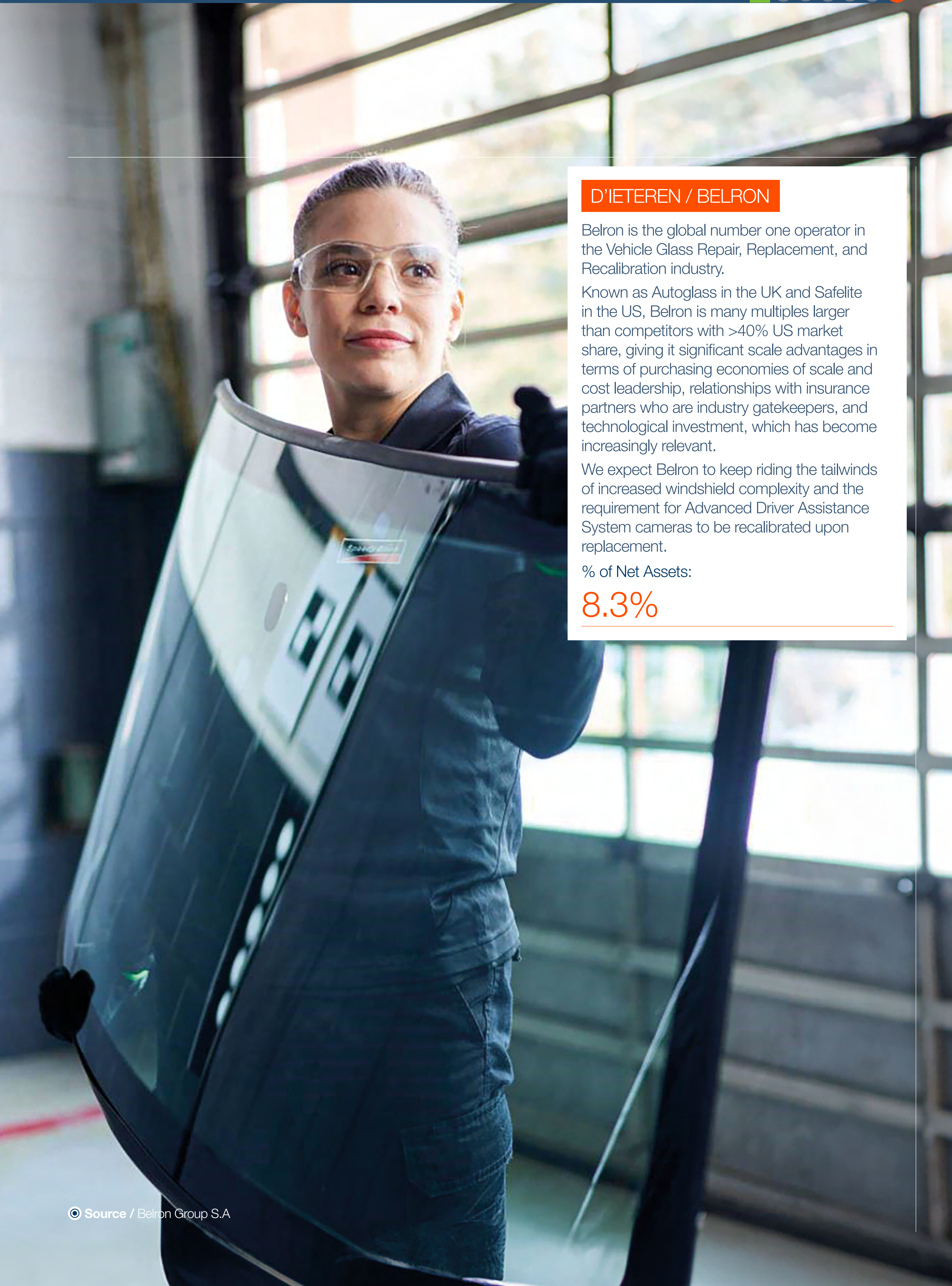
12 November 2024

Dividend track record (£)*



* Restated for Share Split

** Relates to proposed dividends for the current year



D'IETEREN / BELRON

Belron is the global number one operator in the Vehicle Glass Repair, Replacement, and Recalibration industry.

Known as Autoglass in the UK and Safelite in the US, Belron is many multiples larger than competitors with >40% US market share, giving it significant scale advantages in terms of purchasing economies of scale and cost leadership, relationships with insurance partners who are industry gatekeepers, and technological investment, which has become increasingly relevant.

We expect Belron to keep riding the tailwinds of increased windshield complexity and the requirement for Advanced Driver Assistance System cameras to be recalibrated upon replacement.

% of Net Assets:

8.3%

Source / Belron Group S.A

Strategic Report / Ten Largest Equity Investments

57.2%**

1 2 3 4 5 6

The top ten equity investments make up 57.2% of the net assets*, with underlying businesses spread across a diverse range of sectors and regions.

All discounts are estimated by AVI as at 30 September 2024, based on AVI's estimate of each company's net asset value.

* For definitions, see Glossary on pages 101 to 105.

** % of net assets.

01.

D'Ieteren Group
Holding Company

% of net assets
8.3%

Valuation
£91.8m

Discount
-41%

Source / D'Ieteren Group S.A

A seventh-generation Belgian family-controlled holding company whose crown jewel asset is a 50% stake in Belron, the global no.1 operator in the Vehicle Glass Repair, Replacement and Recalibration industry.

02.

News Corp
Holding Company

% of net assets
7.5%

Valuation
£83.5m

Discount
-46%

Source / SOPA Images via Getty Images

The Murdoch family-controlled holding company that was established in current form in 2013. A 62% listed stake in Australian-listed REA Group accounts for the bulk of News Corp's market cap and masks an attractive collection of unlisted assets. In particular Dow Jones, a crown jewel asset that successfully evolved the Wall Street Journal into a thriving digital consumer and Professional Information business.

DIVERSIFIED

Our portfolio contains broad diversification to sectors and companies

Sector breakdown:

- Communication Services: **19%**
- Consumer Discretionary: **28%**
- IT: **11%**
- Financials: **7%**
- Consumer Staples: **14%**
- Energy: **3%**
- Healthcare: **4%**
- Industrials: **4%**
- Materials: **2%**
- Real Estate: **5%**
- Utilities: **1%**
- Other: **2%**

06.

Bollore
Holding Company

% of net assets
5.2%

Valuation
£57.3m

Discount
-40%

Source / VW Pics via Getty Images

French-listed holding company controlled by the mercurial Vincent Bollore. Bollore trades at a 40% discount to our estimated NAV, which is principally comprised of stakes in Universal Music Group, Vivendi, cash and self-ownership loops. We believe there are multiple potential catalysts on the horizon.

07.

Cordiant Digital Infrastructure
Closed-ended Fund

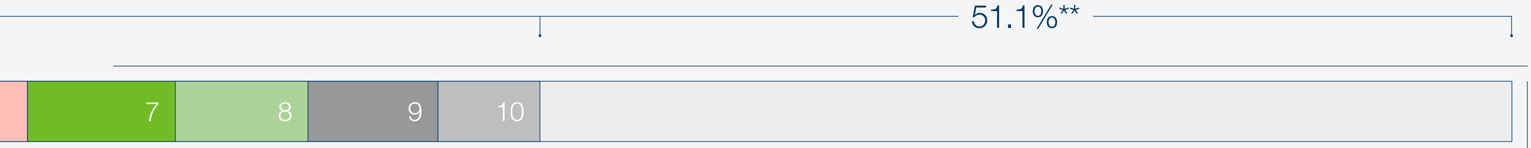
% of net assets
4.9%

Valuation
£54.7m

Discount
-27%

Source / Cordiant Digital Infrastructure Limited

Cordiant Digital Infrastructure is a London-listed closed-ended fund which invests in various infrastructure assets such as data centres, telecom towers, and fibre-optic asset businesses predominantly in Emerging Europe. We invested into Cordiant at an unduly wide 40% discount driven by a rising yield environment and an unfair read-across from problems at its closest peer.



03.

Oakley Capital Investments
Closed-ended Fund

% of net assets
6.6%

Valuation
£73.8m

Discount
-30%

Source / Liberty Dental Group

Oakley Capital Investments (OCI) is a London listed closed-ended fund which invests in the private funds run by Oakley Capital, a UK-based private equity firm. OCI owns a portfolio of fast-growing businesses in the consumer, education, services, and technology sectors.

04.

Chrysalis Investments
Closed-ended Fund

% of net assets
6.0%

Valuation
£66.1m

Discount
-36%

Source / Starling Bank Limited

Chrysalis Investments is a London-listed closed-ended fund which invests in late-stage private companies. Chrysalis' top five companies represent 74% of its NAV, despite being written down significantly below previous funding rounds and being either profitable or funded to profitability. Chrysalis' manager announced a new capital allocation policy in February 2024.

05.

Partners Group Private Equity
Closed-ended Fund

% of net assets
5.5%

Valuation
£61.5m

Discount
-26%

Source / Partners Group

London-listed closed-end fund managed by Swiss private equity manager Partners Group, which invests in global buyouts on a co-investment basis alongside Partners' direct investing programmes. We invested following lethargic returns, concerns over governance, and suspension of the dividend which forced a sell-off. We have since proactively engaged with the board on multiple matters.

08.

Rohto Pharmaceutical
Asset-backed Special Situation

% of net assets
4.9%

Valuation
£54.5m

Discount
-50%

Source / Rohto Pharmaceutical Co., Ltd.

Rohto is a Japan-based manufacturer and marketer of cosmetics products and functional foods. Despite the company's superior operational efficiencies and profit margins versus peers, it trades at a heavy discount due to an unclear equity story, poor shareholder communication and inefficient capital allocation. AVI believes that constructive engagement with management can help drive long-term value creation, in turn leading to a re-rating in the shares.

09.

FEMSA
Holding Company

% of net assets
4.2%

Valuation
£47.2m

Discount
-29%

Source / Comunicación Corporativa FEMSA

FEMSA is a Mexican family-controlled holding company with roots dating back to the establishment of Mexico's first brewery in 1890. The bulk of the value lies in unlisted FEMSA Comercio, which primarily operates Oxxo-branded convenience stores across Mexico and Latin America. In 2023 the company completed a strategic review, simplifying its structure and generating considerable excess capital. Despite these significant strides, the shares still trade at a wide discount.

10.

Reckitt Benckiser Group
Holding Company

% of net assets
4.1%

Valuation
£46.0m

Discount
-38%

Source / Bloomberg via Getty Images

Reckitt Benckiser is a UK-listed consumer goods conglomerate which owns a collection of trusted brands that exhibit meaningful barriers to entry, high margins, and attractive growth prospects. Already trading at a discounted valuation, the company was hit by a litigation shock which has pushed the shares to a decade low multiple and record discount to peers.

Strategic Report / Investment Portfolio

Company	Portfolio classification	% of investee company	IRR (%, £)[1]	ROI (%, £)[2]	Cost £'000[3]	Equity Exposure £'000[4]	% of net assets
D'Ieteren Group	Holding Company	1.1%	11.4%	10.7%	84,420	91,750	8.3%
News Corp	Holding Company	1.1%	10.7%	10.6%	76,395	83,465	7.5%
Oakley Capital Investments	Closed-ended Fund	8.3%	22.2%	129.1%	30,163	73,808	6.6%
Chrysalis Investments	Closed-ended Fund	11.9%	nm	17.8%	56,140	66,119	6.0%
Partners Group Private Equity	Closed-ended Fund	10.0%	10.5%	14.9%	58,183	61,539	5.5%
Bollore	Holding Company	0.4%	0.2%	0.2%	57,764	57,285	5.2%
Cordiant Digital Infrastructure	Closed-ended Fund	8.3%	nm	30.6%	43,156	54,706	4.9%
Rohto Pharmaceutical	Asset-backed Special Situation	1.2%	nm	12.1%	48,846	54,478	4.9%
FEMSA	Holding Company	0.3%	14.9%	40.8%	38,306	47,184	4.2%
Reckitt Benckiser Group	Holding Company	0.1%	nm	2.4%	45,453	45,990	4.1%
Top ten investments					538,826	636,324	57.2%
Entain	Holding Company	0.8%	nm	-10.1%	46,809	41,312	3.7%
Aker ASA	Holding Company	1.4%	15.3%	64.2%	49,864	41,267	3.7%
Apollo Global Management 'A'	Holding Company	0.1%	32.5%	111.6%	19,928	40,899	3.7%
Harbourvest Global Private Equity	Closed-ended Fund	2.2%	nm	7.2%	37,525	39,901	3.6%
Christian Dior	Holding Company	0.0%	20.3%	90.6%	21,120	33,712	3.0%
IAC Inc	Holding Company	1.0%	-19.6%	-40.8%	64,482	33,188	3.0%
Toyota Industries	Asset-backed Special Situation	0.2%	nm	-13.5%	35,289	30,160	2.7%
GCP Infrastructure Investments	Closed-ended Fund	4.4%	nm	22.6%	26,088	29,982	2.7%
Dai Nippon Printing	Asset-backed Special Situation	0.4%	23.3%	23.9%	23,832	29,222	2.6%
Nihon Kohden	Asset-backed Special Situation	1.5%	8.3%	11.7%	25,796	28,907	2.6%
Top twenty investments					889,559	984,874	88.5%
Irish Residential Properties	Asset-backed Special Situation	6.3%	nm	-9.2%	28,020	25,055	2.3%
EXOR	Holding Company	0.1%	11.0%	45.1%	13,574	22,523	2.0%
Third Point Investors	Closed-ended Fund	4.1%	4.6%	22.6%	17,263	21,273	1.9%
Frasers Group	Holding Company	0.5%	nm	-2.5%	20,811	20,301	1.8%
Symphony International Holdings	Closed-ended Fund	15.7%	3.6%	20.2%	26,636	18,836	1.7%
Abrdn European Logistics Income	Closed-ended Fund	6.5%	nm	7.6%	15,619	16,272	1.5%
Kyocera	Asset-backed Special Situation	0.1%	nm	-21.3%	18,602	14,534	1.3%
Wacom	Asset-backed Special Situation	2.7%	-9.8%	-23.2%	19,356	13,824	1.2%
SK Kaken	Asset-backed Special Situation	1.8%	-6.9%	-32.4%	19,056	12,130	1.1%
Net Lease Office Properties	Holding Company	3.6%	nm	1.9%	11,823	12,021	1.1%
Top thirty investments					1,080,319	1,161,643	104.4%

Company	Portfolio classification	% of investee company	IRR (%, £)[1]	ROI (%, £)[2]	Cost £'000[3]	Equity Exposure £'000[4]	% of net assets
TSI Holdings	Asset-backed Special Situation	3.3%	22.4%	27.1%	9,652	11,981	1.1%
Toyo Suisan Kaisha	Asset-backed Special Situation	0.2%	nm	0.0%	11,531	11,509	1.0%
Konishi	Asset-backed Special Situation	2.0%	5.2%	26.5%	8,107	8,985	0.8%
VEF	Holding Company	2.3%	2.5%	4.2%	4,525	4,489	0.4%
Seraphim Space Investment	Closed-ended Fund	2.6%	9.0%	16.4%	2,950	3,370	0.3%
JPEL Private Equity	Closed-ended Fund	18.4%	19.6%	97.4%	1,219	2,180	0.2%
Better Capital (2009)	Closed-ended Fund	17.4%	22.0%	41.1%	1,962	903	0.1%
Third Point Investors Private Investments	Closed-ended Fund	0.0%	–	–	563	475	0.0%
Ashmore Global Opportunities – GBP	Closed-ended Fund	0.0%	4.0%	8.4%	22	140	0.0%
Equity investments at fair value					1,120,850	1,205,675	108.3%

Fair value and gross market exposure of investments[4]		Equity exposure £'000	Fair value £'000	% of net assets
Equity Investments		1,205,675	1,205,675	108.3%
Total return swap long positions				
Softbank Group***	Asset-backed Special Situation	58,296	(2,877)	-0.3%
		58,296	(2,877)	-0.3%
Softbank Group total return swap short positions***				
Arm Holdings	Operating Company	(37,666)	606	0.1%
Coupang	Operating Company	(1,374)	(181)	0.0%
Deutsche Telekom	Operating Company	(1,885)	(317)	0.0%
Softbank Corp	Operating Company	(7,164)	(382)	0.0%
T-Mobile	Operating Company	(5,011)	(657)	-0.1%
		(53,100)	(931)	0.0%
		5,196	(3,808)	-0.3%
Investments and total return swaps		1,210,871	1,201,867	108.0%
Other net current assets less current liabilities			73,229	6.6%
Non-current liabilities			(162,371)	-14.6%
Net assets			1,112,725	100.0%

1 Internal Rate of Return. Calculated from inception of AGT's investment. Refer to Glossary on pages 101 to 105. Where it is not possible to report a meaningful figure for the IRR, due to the investment having been held less than 12 months, this is indicated as "nm".

2 Return on investment. Calculated from inception of AGT's investment. Refer to Glossary on pages 101 to 105.

3 Cost. Refer to Glossary on pages 101 to 105.

4 The fair value column of the total return swaps is determined based on the difference between the notional transaction price and market value of the underlying shares in the contracts (in effect the unrealised gains/(losses) on the exposed long and short total return swap positions). The equity exposure is the cost of purchasing the securities held through long total return swap positions directly in the market and at the Balance Sheet date would be a cost of £58,296,000. If the long positions were closed at 30 September 2024, this would result in a loss of £2,877,000. The notional price of selling the securities to which exposure was gained through the short total return swaps at the Balance Sheet date would be £53,100,000. If the short positions were closed on 30 September 2024, this would result in a loss of £931,000. In the case of long and short total return swaps it is the market value of the underlying shares to which the portfolio is exposed via the contract.

† Level 3 investment (see note 15).

* The total fair value of total return swap assets of long and short positions is £606,000.

** The total fair value of total return swap liabilities of long and short positions is £4,414,000.

*** Softbank Group is held via a long total return swap. Hedges are held against the position via short total return swaps on five of its listed underlying holdings: Arm Holdings, Coupang, Deutsche Telekom, Softbank Corp & T-Mobile (accounting for 86% of Softbank Group's NAV at 30 September 2024). For further explanation on our position in Softbank Group, please refer to page 33.

Strategic Report / KPIs and Principal Risks

Key Performance Indicators

The Company's Board of Directors meets regularly and at each meeting reviews performance against a number of key measures.

In selecting these measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

NAV total return*

The Directors regard the Company's NAV total return as being the overall measure of value delivered to shareholders over the long term. Total return reflects both the net asset value growth of the Company and also dividends paid to shareholders. The Investment Manager's investment style is such that performance may deviate materially from that of any broad-based equity index. The Board considers the most useful comparator to be the MSCI All Country World Index. Over the year under review, the benchmark increased by +19.9% on a total return basis and over ten years it has increased by +11.5% on an annualised total return basis.

A full description of performance and the investment portfolio is contained in the Investment Review, commencing on page 24.

Discount*

The Board believes that an important driver of an investment trust's discount or premium over the long term is investment performance. However, there can be volatility in the discount or premium. Therefore, the Board seeks shareholder approval each year to buy back and issue shares, with a view to limiting the volatility of the share price discount or premium.

During the year under review, no shares were issued and 20.1m shares were bought back, adding an estimated 0.4% to net asset value per share to the benefit of continuing shareholders. The shares were bought back at a weighted average discount of 9.6%.

Ongoing Charges Ratio*

The Board continues to be conscious of expenses and aims to maintain a sensible balance between good service and costs.

In reviewing charges, the Board's Management Engagement Committee reviews in detail each year the costs incurred and ongoing commercial arrangements with each of the Company's key suppliers. The majority of the Ongoing Charges Ratio is the cost of the fees paid to the Investment Manager. This fee is reviewed annually.

For the year ended 30 September 2024, the Ongoing Charges Ratio was 0.87%, up very slightly from 0.86% in the year to 30 September 2023. These running costs in monetary terms amounted to £9.6m in 2024 (2023: £8.7m).

The Board notes that the UK investment management industry uses various metrics to analyse the ratios of expenses to assets. In analysing the Company's performance, the Board considers an Ongoing Charges Ratio which compares the Company's own running costs with its assets. In this analysis the costs of servicing debt and certain non-recurring costs are excluded. These are accounted for in NAV total return and so form part of that KPI. Further, in calculating a KPI the Board does not consider it relevant to consider the management fees of any investment company which the Company invests in, as the Company is not a fund of funds and to include management costs of some investee companies but not of others may create a perverse incentive for the Investment Manager to favour those companies which do not have explicit management fees.

NAV total return*:

+13.7%

Discount, Year-End*:

9.0%

Ongoing Charges Ratio* (year ended 30 Sept):

0.87%

* For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 101 to 105.

Principal and Emerging Risks

When considering the total return of the investments, the Board must also take account of the risk which has been taken in order to achieve that return.

There are many ways of measuring investment risk, and the Board takes the view that understanding and managing risk is much more important than setting any numerical target.

In running an investment trust we face different types of risk and some are more acceptable than others. The Board believes that shareholders should understand that, by investing in a portfolio of equity investments invested internationally and with some gearing, they accept that there may be some loss in value, particularly in the short term. That loss in value may come from market movements and/or from movements in the value of the particular investments in our portfolio. We aim to keep the risk of loss under this particular heading within sensible limits, as described below. On the contrary, we have no tolerance for the risk of loss due to, for example, theft or fraud.

The Board looks at risk from many different angles, an overview of which is set out on the following pages. The Directors carry out regular reviews of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. The Board confirms that a robust assessment of these risks has been carried out during the year under review.

The approach to monitoring and controlling risk is not rigid. The Board aims to think not only about the risks that it is aware of and has documented, but also of emerging and evolving risks.

The Board believes that managing risk is the task of everyone involved in the management of the Company: the Board, the Investment Manager, the Administrators and other service providers all have a role in thinking about risk, challenging perceptions and being alert to emerging risks. The objective of these assessments is not to be prescriptive, but to understand levels of risk and how they have changed over time. The purpose of this focus is to ensure that the returns earned are commensurate with the risks assumed.

During the year, the Audit Committee carried out a detailed review of the risk matrix which is used as a tool to monitor risks and agreed to modify its approach to enable the Board to better focus on key risks. The Board has assessed the risks which the Company faces under a number of headings. Pressure on the discount, a previously identified principal risk, remained high during the year. This was partly due to heightened geopolitical and macroeconomic risk, along with the effects of interpretations of the new UK Consumer Duty regulations, as set out in last year's Annual Report. The Board regularly reviewed developments in the UK cost disclosure regime. In particular, the Board and Investment Manager focused on the availability of the Company's shares on online share dealing platforms and the resulting effects on demand for the shares. While the forbearance notice issued by the Financial Conduct Authority in September 2024 alleviated some issues, the approach to cost disclosure which the investment trust industry will ultimately adopt remains uncertain. A summary of the key risks and mitigating actions is set out in the table on the following pages. Shareholders should be aware that no assessment of this nature can be guaranteed to predict all possible risks; the objective is to assess the risks and determine mitigating actions.

Risk Level Key: High · Medium · Low

Movement Key: Increased · Medium · Low

Principal and Emerging Risks	Risk Tolerance and Mitigating Actions	Risk Level / Movement
Loss of value – portfolio performance The market or the Company's portfolio could suffer a prolonged downturn in performance. There will be periods when the investment strategy underperforms in comparison to its benchmark and its peer group, and when it results in a decline in value.	The Board accepts that there is a risk of loss of value by investing in listed equities, particularly in the short term. The Board monitors performance at each Board meeting, and reviews the investment process thoroughly at least annually. The Investment Manager has a clear investment strategy, as set out in the Investment Review. Conventional wisdom holds that the most effective way of reducing risk is to hold a diversified portfolio of assets. The Company typically holds 25-35 core positions. It is important to note that, in line with its investment objective, the Company's holdings are mostly in stocks which are themselves owners of multiple underlying businesses. Thus, the portfolio is more diversified on a look-through basis than if it were invested in companies with a single line of business. This diversification is evident at country, sector and currency levels. A key element of the Investment Manager's approach is to consider the way in which the portfolio is balanced and to ensure that it does not become overly dependent on one business area, country or investment theme. The Company, through the Investment Manager's compliance function and the Administrator's independent checks, has a robust system for ensuring compliance with the investment mandate.	Medium / Medium

Strategic Report / KPIs and Principal Risks continued

Principal and Emerging Risks continued

Principal and Emerging Risks	Risk Tolerance and Mitigating Actions	Risk Level / Movement
Geopolitical and macroeconomic The net asset value will be affected by general market conditions which in turn can be affected by extraneous events such as the Russian invasion of Ukraine in 2022, or the escalating conflict in the Middle East. Macroeconomic uncertainty, such as the potential for increased US-China trade disputes following the US election or the continued impact of Brexit, can heighten the previously identified risk of higher levels of inflation, cause supply chain disruption and impact interest rate movements. The Directors' assessment under this heading was already classified as high and it has increased further during the year.	Geopolitical tensions have significantly impacted global trade since the Russian invasion of Ukraine in 2022. The impact of continued conflict is likely to create environments which have not been experienced in developed economies for many years. Given that markets do not operate in a vacuum, this can in turn affect asset valuations. The Investment Manager carries out thorough, regular and detailed analyses of investee companies, and takes full account of the likely effects of the macroeconomic environment, the ongoing conflicts in Ukraine and the Middle East and tension over international trade when reviewing the investment portfolio and potential investments. The Company has no investments in Russia, Ukraine, Palestine or Israel. While the valuation of the portfolio is likely to be affected by general market movements, the underlying assets are well diversified by geography and type of company.	
Gearing While potentially enhancing returns over the long term, the use of gearing makes investment returns more volatile and exacerbates the effect of any fall in portfolio value. There are covenants attached to the Loan Notes; in extreme market conditions, these could be breached and require early repayment, which could be expensive.	The Board decided to take on borrowing because it believes that the Investment Manager will produce investment returns which are higher than the cost of debt over the medium to long term and, therefore, that shareholders will benefit from gearing. In taking on debt, we recognise that higher levels of gearing produce higher risk. While gearing should enhance investment performance over the long term, it will exacerbate any decline in asset value in the short term. It is possible (but, on the basis of past returns, it is considered unlikely) that the investment returns will not match the borrowing cost over time, and therefore the gearing will be dilutive. The Board manages this risk by setting the Company's gearing at a prudent level, and the covenants are set at levels with substantial headroom. In common with other investment trusts, we also mark the value of debt to its estimated fair value for the purposes of measuring investment performance as part of the Key Performance Indicators*, which makes the value ascribed to the debt subject to changes in interest rates and so makes our published NAV per share more volatile than would otherwise be the case. However, if we continue with the debt to maturity, it will be repaid at its par value, notwithstanding any changes in fair value over its life. The values of loans denominated in currencies other than Sterling will fluctuate with currency movements and, if the exchange rate of those currencies relative to Sterling increases, then in isolation this will have the effect of reducing NAV per share. However, we have certain assets denominated in the same overseas currencies as these tranches of debt, which would increase in value in Sterling terms if the exchange rates increase, enabling us to offset the debt position by creating a natural hedge.	
Foreign exchange The portfolio has investments in a number of countries, and there is a risk that the value of local currencies may decline in value relative to Sterling.	Foreign exchange risk is an integral part of a portfolio which is invested across a range of currencies. This risk is managed by the Investment Manager mainly by way of portfolio diversification, but the Investment Manager may, with Board approval, hedge currency risk. The Company did not engage in any currency hedging during the year under review and has not done so in recent years. However, as described above, borrowing in foreign currencies provides a natural hedge against currency risk in situations where the Company holds investments denominated in the borrowed currency. As at 30 September 2024, the Company had €50m (£41m) of borrowing and investments denominated in Euros whose value exceeded that of this borrowing. Furthermore, the Company had JPY17.5bn (£91m) of borrowing and investments denominated in Japanese Yen whose value exceeded that of this borrowing. In addition the Company had a loan of £30m, the primary currency of the Company, and holds investments denominated in GBP of a greater value.	

* The value of long debt is marked to its fair value for the purpose of measuring investment performance but, as required by the relevant accounting standards, all debt is recognised on the balance sheet at amortised cost.

Principal and Emerging Risks	Risk Tolerance and Mitigating Actions	Risk Level / Movement
Liquidity of investments While the investment portfolio is made up predominantly of liquid investments, there is a possibility that individual investments may prove difficult to sell at short notice.	The Investment Manager takes account of liquidity when making investments and monitors the liquidity of holdings as part of its continuing management of the portfolio. The liquidity and concentration of AVI's holdings across all of its managed portfolios are monitored and reported at regular Board meetings. It is important to note that the potential for the return of capital from investee companies by means of special dividends and the partial or full redemption of shares is a key element of the Investment Manager's strategy, and so trading on a stock exchange is not the only source of liquidity in the portfolio.	
Key staff Management of the Company's investment portfolio and other support functions rely on a small number of key staff.	The Investment Manager and key suppliers have staff retention policies and contingency plans. The Board's Management Engagement Committee reviews all of its key suppliers at least once per year.	
Discount rating The shares of investment trusts frequently trade at a discount to their published net asset value. The value of the Company's shares will be subject to the interaction of supply and demand, prevailing net asset values and the general perceptions of investors. The share price will accordingly be subject to unpredictable fluctuations, and the Company cannot guarantee that the share price will appreciate in value. The Company may become unattractive to investors, leading to pressure on the share price and discount. This may be due to any of a variety of factors, including investment performance or regulatory change.	Any company's share price is affected by supply and demand for its shares and fluctuations in share price are a risk inherent in investing in the Company. In seeking to mitigate the discount, the Board looks at both supply and demand for the Company's shares. The Board seeks to manage the risk of any widening of the discount by regularly reviewing the level of discount at which the Company's shares trade. If necessary and appropriate, the Board may seek to limit any significant widening through measured buybacks of shares. During the year under review, in common with most of the investment trust sector, the Company's shares traded at a persistent discount and share buybacks were continued to mitigate the pressure on the share price rating. The Investment Manager has a comprehensive marketing, investor relations and public relations programme which seeks to inform both existing and potential investors of the attractions of the Company and the investment approach. We have a marketing budget to meet third-party costs in marketing our shares.	
Outsourcing The Company outsources all of its key functions to third parties, in particular the Investment Manager, and any control failures or gaps in the systems and services provided by third parties could result in a financial loss or damage to the Company.	The Board insists that all of its suppliers (and, in particular, the Investment Manager, the Custodian, the Depositary, the Company Secretary, the Administrator and the Registrar) have effective control systems which are regularly reviewed. The Board assesses thoroughly the risks inherent in any change of supplier, including the internal controls of any new supplier.	
ESG There is increasing focus on investment companies' role in influencing investee companies' approach to climate change and broader ESG issues.	The Board maintains a strategic overview of the portfolio, including ESG criteria. Management of the portfolio, including the integration of ESG considerations into portfolio construction, is delegated to AVI, the Investment Manager. As a responsible steward of assets, AVI fully supports policies and actions implemented by its portfolio companies to support a sustainable environment. AVI engages actively with its portfolio companies, and looks to understand how each company approaches stewardship of the environment, as well as seeking to identify any unacceptable practices that are detrimental to the environment or climate.	

The principal financial risks are examined in more detail in note 15 to the financial statements on pages 78 to 82.

Strategic Report / Responsible Business

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) ISSUES

Both the Board and AVI recognise that social, human rights, community, governance and environmental issues have an effect on its investee companies.

The Board firmly supports AVI in its belief that good corporate governance will help to deliver sustainable long-term shareholder value. AVI is an investment management firm that invests on behalf of its clients and its primary duty is to produce returns for its clients. AVI seeks to exercise the rights and responsibilities attached to owning equity securities in line with its investment strategy. A key component of AVI's investment strategy is to understand and engage with the management of public companies. AVI's Environmental, Social and Governance Policy, which is summarised on pages 26 to 28, recognises that shareholder value can be enhanced and sustained through the good stewardship of executives and boards. It therefore follows that in pursuing shareholder value AVI will implement its investment strategy through proxy voting and active engagement with management and boards.

The Company is an investment trust and so its own direct environmental impact is minimal. The Company has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions-producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. As discussed on page 60, as an investment trust without employees, the Company is not required to report against the TCFD framework.

The Company has no employees. The Company's principal suppliers, which are listed opposite the inside back cover of this report, have confirmed that they comply with the provisions of the UK Modern Slavery Act 2015.

The Directors do not have service contracts. There are five Directors, three male and two female. Further information on the Board's Diversity policy and the policy on recruitment of new Directors is contained on pages 55 to 56.

FUTURE STRATEGY

The Board and the Investment Manager have long believed in their focus on investment in high-quality undervalued assets and that, over time, this style of investment has been well rewarded.

The Company's overall future performance will, inter alia, be affected by: the Investment Manager's decisions; investee companies' earnings, corporate activity, dividends and asset values; and by stock market movements globally. Stock markets are themselves affected by a number of factors, including: economic conditions; central bank and other policymakers' decisions; political and regulatory issues; and currency movements.

The Company's performance relative to its peer group and benchmark will depend on the Investment Manager's ability to allocate the Company's assets effectively, and manage its liquidity or gearing appropriately. More specifically, the Company's performance will be affected by the movements in the share prices of its investee companies in comparison to their own net asset values. The overall strategy remains unchanged.

Approval of Strategic Report

The Strategic Report has been approved by the Board and is signed on its behalf by:

Graham Kitchen
Chairman

12 November 2024

Strategic Report / Section 172 Statement

Section 172 of the Companies Act 2006 (Companies Act) states that: A Director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to the following six items.

Further, the Companies (Miscellaneous Reporting) Regulations 2018 require Directors to explain how they have discharged their duties under section 172(1) of the Companies Act 2006 in promoting the success of their companies for the benefit of "members as a whole". The Board's approach is described under "Stakeholders" on the next page. Its views are set out in the table:

Matters for the Board to consider	Approach taken by the Board
(a) the likely consequences of any decision in the long term	In managing the Company, the aim of the Board and of the Investment Manager is always to ensure the long-term sustainable success of the Company and, therefore, the likely long-term consequences of any decision are a key consideration. In managing the Company during the year under review, we acted in the way which we considered, in good faith, would be most likely to promote the Company's long-term sustainable success and to achieve its wider objectives for the benefit of our shareholders as a whole, having had regard to our wider stakeholders and the other matters set out in section 172 of the Companies Act.
(b) the interests of the company's employees	The Company does not have any employees.
(c) the need to foster the company's business relationships with suppliers, customers and others	The Board's approach is described under "Stakeholders" on the next page.
(d) the impact of the company's operations on the community and the environment	The Board takes a close interest in ESG issues and sets the overall strategy. As management of the portfolio is delegated to the Investment Manager, the practical implementation of policy rests with AVI. A description of AVI's ESG policy is set out on pages 26 to 28.
(e) the desirability of the company maintaining a reputation for high standards of business conduct	The Board's approach is described under "Culture and Values" below.
(f) the need to act fairly as between members of the company	The Board's approach is described under "Stakeholders" on the next page.

Culture and Values

The Directors' overarching duty is to promote the success of the Company for the benefit of investors, with due consideration of other stakeholders' interests. The Company's approach to investment is explained in the Investment Manager's Review. The Directors aim to achieve a supportive business culture combined with constructive challenge and to provide a regular flow of information to shareholders and other stakeholders.

The Company has a number of policies and procedures in place to assist with maintaining a culture of good governance, including those relating to diversity, bribery (including the acceptance of gifts and hospitality), tax evasion, conflicts of interest, and dealings in the Company's shares.

The Board assesses and monitors compliance with these policies regularly through Board meetings and the annual evaluation process. The Board seeks to appoint the most appropriate service providers for the Company's needs and evaluates the services on a regular basis. The Board considers the culture of the Investment Manager and other service providers through regular reporting and by receiving regular presentations, as well as through ad hoc interaction.

The Board also seeks to control the Company's costs, thereby enhancing performance and returns for the Company's shareholders. The Directors consider the impact on the community and environment. The Board and Investment Manager work closely together in developing and monitoring the Company's approach to environmental, social and governance matters.

Strategic Report / Stakeholders

In line with the Companies (Miscellaneous Reporting) Regulations 2018, during the year under review the Board considered in detail which individuals and organisations should be regarded as stakeholders.

Its views are set out in the table below:

Stakeholders	Why they are important	Board Engagement
Shareholders	As the Company is an investment trust, its shareholders are, in effect, also its customers. Continued shareholder support and engagement are critical to the existence of the Company and to the delivery of the long-term strategy.	The Company has a large number of shareholders, including professional and private investors. Over the years, the Company has developed various ways of engaging with its shareholders, in order to gain an understanding of their views. These include: **Annual General Meeting** The Company welcomes attendance from shareholders at AGMs. At the AGM, the Investment Manager always delivers a presentation and all shareholders have an opportunity to meet the Directors and ask questions; **Information from the Investment Manager** The Investment Manager provides written reports with the annual and interim results, as well as monthly Factsheets which are available on the Company's website. Their availability is announced via the stock exchange; **Investor Relations updates** At every Board meeting, the Directors receive updates on the share trading activity, share price performance and any shareholders' feedback, as well as any publications or comments in the press; **Working with external partners** The Board receives regular updates from the Corporate Broker and also engages some external providers, such as communications advisers, to obtain a detailed view on specific aspects of shareholder communications; **Feedback from shareholders** The Board values the feedback and questions that it receives from shareholders and takes note of individual shareholders' views in arriving at decisions which are taken in the best interests of the Company and of shareholders as a whole. The Chairman welcomes meetings with major shareholders, as well as enquiries and feedback from all shareholders. The Chairman can also be contacted via email at chair@aviglobal.co.uk or by letter to the Company's registered office. The Chairman, the Senior Independent Director or any other member of the Board can be contacted via either the Company Secretary or the Corporate Broker, both of which are independent of the Investment Manager. Recent examples of decisions resulting from feedback from shareholders and discussions of proposals to enhance shareholders' best interests were: • the change of the Company's name in May 2019; • rebalancing of the proportion of the dividend paid as an interim dividend in the 2019/2020 accounting year; • the Share Split which was completed in January 2022; • cancellation of some of the shares held in treasury in February 2022; • the change of comparator benchmark in 2023; and • the proposal to change the Company's stated Investment Policy at this year's AGM.
Lenders	The Company has raised capital in the form of debt from a small group of lenders. Although the Company is not dependent on debt funding to maintain its operations, continued support from lenders is important to maintain the financial stability of the Company and flexibility in the investment portfolio.	All of the Company's debt is subject to contractual terms and restrictions. We have an established procedure to report regularly to our lenders on compliance with debt terms. It is our policy that all interest and repayments of principal will continue to be made in full and on time. In line with these considerations and to take advantage of attractive rates of interest, the decision was made to take out a further JPY5.0bn fixed rate unsecured debt (as discussed on page 9) during the year.

<table>
<tr><th>Stakeholders</th><th>Why they are important</th><th>Board Engagement</th></tr>
<tr><td colspan="3">Service Providers</td></tr>
<tr><td>The Investment Manager</td><td>The Investment Manager's performance is critical for the Company to deliver its investment strategy and meet its objective.</td><td rowspan="3">Maintaining a close and constructive working relationship with the Investment Manager is crucial as the Board and the Investment Manager aim to continue to achieve long-term returns in line with the Company's investment objective. The Board seeks to:
- Encourage open discussion with the Investment Manager;
- Ensure that the interests of shareholders and of the Investment Manager are aligned and adopt a tone of constructive challenge;
- Draw on Board members' individual experience to support the Investment Manager in the sound, long-term development of investment strategy and, where relevant, the Investment Manager's business and resources.
The Board recognises that the Company is the largest client of the Investment Manager, and so the long-term success of the Investment Manager is closely aligned to that of the Company.
The Company Secretary attends all Board and Committee meetings.
The Management Engagement Committee undertakes an annual review of the key service providers, encompassing performance, level of service and cost. Each provider is an established business and each is required to have in place suitable policies to ensure that they maintain high standards of business conduct, treat customers fairly and employ corporate governance best practice.
Our policy is that all bills and expense claims from suppliers are paid in full, on time and in full compliance with the relevant contracts.</td></tr>
<tr><td>The Administrator and Company Secretary</td><td>The Administrator and Company Secretary are key to the effective running of the Company.</td></tr>
<tr><td>Other key service providers</td><td>The Company has a number of other key service providers, each of which provides a vital service to the Company and ultimately to its shareholders. While all service providers are important to the operations of the Company, in this context the other key service providers are the Custodian, Depositary and Registrar.</td></tr>
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