

## Strategic Report / Chairman's Statement



GRAHAM KITCHEN

Independent Non-Executive Chairman



### Overview of the year

The NAV return for the accounting year was +12.4%, whilst the share price total return was +15.4%, both compared with +16.8% for our comparator benchmark.

As I reported at the half year stage, from the end of September last year to mid-February this year the share price and NAV followed a generally upward trend with relatively low volatility, as markets were unusually calm. This was then undone by growing concerns over moves by the United States to become more protectionist and isolationist in its dealings with the rest of the world. It all came to a head just after the end of our interim reporting period when President Trump announced a sweeping range of tariffs on imports to the United States. A period of uncertainty and high volatility in share prices followed before markets stabilised and moved upwards over the summer.

As well as being volatile, market returns, as measured by benchmark indices, continue to be dominated by a small group of largely technology related companies as investors seek to value the potential returns offered by artificial intelligence. While market returns have been heavily affected by a focus on a few companies alongside geopolitics and the potential effect on economic growth, our Investment Manager continues to adhere resolutely to their focus on investing in companies whose assets and future potential are undervalued by their share price. There continues to be no shortage of interesting situations in the portfolio, as set out in their report.



### Over five years, our net asset value total return has been +86.0%.

In particular, having had success in Japan in recent years, AVI are now turning their attention to a growing opportunity in South Korea, which is already manifesting in some holdings in the portfolio.

In assessing the performance of our Investment Manager our view remains that long-term returns are the best measure, and this is particularly true for a manager seeking to produce positive returns without being influenced by market indices and fashion. Over five years, our net asset value total return has been +86.0%, compared with +81.2% for our comparator benchmark index.

### Revenue and dividends

Revenue earnings for the year were 5.07 pence per share. The Company paid an interim dividend of 1.50 pence per share in May 2025, an increase of 0.30 pence per share compared with last year. We are proposing a final dividend of 3.00 pence per share, an increase of 17.6% compared with the 2.55 pence per share paid last year. Assuming that shareholders approve the final dividend at this year's AGM, total dividends for the year will be 4.50 pence, an increase of 20.0% compared with the previous year.

The Board recognises that a dividend which is steady and able to rise over time is attractive to many shareholders and, while we do aim

to grow the dividend over the long term, I will repeat my previous statement that the portfolio is managed primarily for capital growth.

### 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 AGT shares. Each month AVI produces an informative factsheet which is available on our website and I encourage you to register to receive these when they are published. The website contains a wealth of information on the investments in the portfolio and I also encourage you to visit it regularly for up-to-date information. AVI is very active in traditional and social media as we seek to promote our investment proposition to a growing investor base.

The Board is pleased to note that we have continued to experience an increase in the number of shares owned by retail investment platforms, which account for four of our top five shareholders, the other being a large wealth manager.

The investment trust industry came under a lot of pressure during the year under review, as many trusts experienced wide share price discounts to their underlying NAV, leaving them vulnerable to corporate action. We continue to use share buybacks when AGT's share price discount is unnaturally wide and when the Board believes that buying back shares is in the best interests of shareholders. This is also an approach that our Investment Manager encourages for many of our investee companies. There are periods when, working closely with our brokers, we buy back shares on most working days. During the year under review, 28.7 million shares were bought back,

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representing 5.9% of the shares in issue as at the start of the period. Share buybacks benefit 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 the NAV per share, to the benefit of continuing shareholders, of approximately 0.6%. The Board believes that the discount can close steadily over time and it is gratifying to note that over the year under review a narrowing discount contributed to the share price total return of +15.4%.

### The Board

Our policy continues to be that Directors will retire at or before the AGM following the ninth anniversary of their appointment. Accordingly, Calum Thomson, who joined the Board in April 2017, plans to retire at the AGM next year, in December 2026. As part of our succession planning, Anja Balfour has agreed to take over the role of Senior Independent Director from Calum with effect from this year's AGM, which will be held on 19 December. Shareholders' views on best practice will continue to be taken into full consideration when the Board recruits Calum's successor.

### Annual General Meeting

I am pleased to be able to invite all shareholders to attend our AGM at The King's Fund, 11 Cavendish Square in London on Friday 19 December 2025. We do recognise that some shareholders may be unable to attend the AGM, and we are therefore pleased to be able to offer facilities for shareholders to join the AGM virtually. Whilst shareholders joining the AGM virtually will not be able to vote on the day, they will be able to ask questions via a messaging function. If you are unable

to attend in person or via video and 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](mailto:agm@aviglobal.co.uk) or by post to MUFG Corporate Governance Limited, 19th Floor, 51 Lime Street, London EC3M 7DQ. If you are unable to attend the AGM in person, 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

very interested to hear from you so that we can understand the reasons behind any objections.

### Outlook

The geopolitical background is likely to remain unpredictable and this will inevitably lead to periods of volatility in markets, as will economic uncertainty. In this context your Board continues to encourage our Investment Manager to do what they do best in seeking undervalued companies in situations where there is the realistic prospect of improvement.

We are encouraged by the value that AVI perceive in our portfolio and believe that continuing to find and unlock value is the key to extending their successful track record over the long term.

**Graham Kitchen**  
Chairman

11 November 2025

### Dividend track record (£)\*

