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Susan Noble  
Chairman

### Overview of the Year

Having reported at the half year stage a reduction in value of almost a quarter, I am pleased to be able to report that in the second half of our accounting year all of that fall was recovered and we ended the year with a virtually flat NAV total return. The return over the year outperformed our comparator benchmark index, whose total return was -1.8%. It may seem odd to present in such positive terms a year in which no overall gain was made, but in the circumstances the Board believes that the Investment Manager has performed well. As described in the Performance Review, gearing was reduced in the period leading up to the market sell off in reaction to the COVID-19 pandemic and this, along with some well executed portfolio sales, allowed us to buy some attractive companies at depressed prices. The recovery in asset value in the second half of the year is encouraging, as is the quality of the portfolio.

### Income and Dividend

AGT's revenue account was particularly hard hit by the effects of the COVID-19 pandemic. Most of our dividend income is typically received in April and May, a time at which many companies naturally sought to retain cash to deal with the effects of the pandemic. Our net revenue per share was much reduced at 9.36p per share, compared with 19.08p last year.

In last year's Annual Report I noted that it was the Board's intention to rebalance the dividend payments by increasing the interim dividend and potentially decreasing the final dividend and we duly increased the interim dividend, which was paid on 3 July, to 6.0p per share. We have also previously stated an intention either to maintain or to increase the total annual dividend each year.

As we reported at the half year stage in May, the Board discussed the effects of the COVID-19 pandemic in depth, including specifically the effect on our dividend receipts in the current accounting year. We recognise the importance of dividend income for many shareholders and, despite the current challenges, have decided to continue as previously announced. We are therefore proposing a final dividend of 10.5p per share, bringing the total dividends for the year to 16.5p, which is the same as last year.

The combination of the interim dividend already paid and the proposed final dividend for the year will not be covered by net revenue earnings and the Company will use revenue reserves, which have been built up over many years with the intention of providing a buffer in times of stress. The Board continues to monitor the revenue account but I emphasise that we do not set a revenue target for our Investment Manager. Our current intention is to use revenue reserves, and if necessary capital reserves, to maintain the annual dividend at current levels. The Company is operating in an unprecedented environment and therefore our dividend remains under careful and regular review.

### Gearing

On 5 March 2020 we announced that the borrowing limit on the Company's Japanese Yen revolving credit facility with Scotiabank Europe PLC had increased from Yen 4 billion to Yen 9 billion, equivalent to circa £65 million at exchange rates at the time. Further, up to half of the facility may now be drawn down in Pounds Sterling, US Dollars and/or Euros.

This facility allows a flexible approach to part of the Company's gearing. At the time of increasing the facility limit, the COVID-19 outbreak appeared to be under control but events moved quickly thereafter. Gearing was reduced in the period leading up to the COVID-19-related market sell off. Any increase or decrease in cash and gearing levels is driven primarily by views on the prices of shares in our investment universe and not by views on market direction.

### Discount, Share Buybacks and Share Issuance

The shares ended the financial year trading at a discount of 9.3%, which was narrower than the discount at the same time last year.

Your Board continues to believe that it is in the best interests of shareholders to use share buybacks with the intention of limiting any volatility in the discount. During the accounting year under review, some 4.6 million shares were bought back. We intervened when the Board believed that the discount was unnaturally wide and intend to continue to follow this approach.

Shares are bought back when the discount is wide, with the intention of limiting volatility in the discount. Because we only buy back shares at a discount to the prevailing net asset value per share, continuing shareholders benefit from share buybacks due to a marginal increase in the NAV per share.

Each year, we take powers to issue new shares. These powers would only be used if shares could be issued at, or above, the prevailing NAV per share. Again, the primary purpose of the ability to issue new shares is with a view to containing the volatility of the discount and any new issue would only be made if it were demonstrably beneficial to existing shareholders.

We also seek to stimulate demand for the shares. The Company has a marketing budget which is administered by the Investment Manager to promote the Company and its shares. We promote the Company to a variety of investors and potential investors, from private individuals to professional fund managers and through a variety of traditional and modern media. For more information please visit our website [www.aviglobal.co.uk](http://www.aviglobal.co.uk)

### Management Fees

Fees paid to the Investment Manager have been set at 0.7% of net assets for some years. The Board is aware that the Investment Manager's approach requires a lot of resources and that the Investment Manager meets all third party research costs. Nevertheless, with effect from 1 October 2020 the fee rate will reduce to an annual rate of 0.60% for that proportion of net assets in excess of £1 billion.

The notice period for termination of the investment management agreement has been reduced from twelve months to six months. This change was to bring the notice period into line with other comparable investment trusts and does not indicate any change in the Board's level of support for our Investment Manager.

### Management Arrangements

As I reported at the half year stage, when the COVID-19 pandemic developed in the UK our investment Managers implemented their business continuity plan, which had been thoroughly tested in recent years. I am pleased to report that communications by telephone, video and email have remained robust. Communication with investee companies is usually by a mixture of telephone calls and email correspondence, with occasional face to face meetings. While face to face meetings have not been possible in recent months, our investment managers have been able to make full use of video conferencing and this has proven to be efficient and effective.

I am also pleased to report that the service provided by our Company Secretary and fund administrators at Link was, from our perspective, uninterrupted. I would like to record the Board's thanks to all of our third party service suppliers for maintaining business as usual in these difficult times.

The Board has carefully monitored our key service providers and in particular remains alert to any issues as the amount of time spent working remotely extends well beyond the period that we had initially expected.

### Directors

I joined the Board in March 2012 as did Nigel Rich and so March 2021 will be the ninth anniversary of our appointments. The Board has agreed that it would be advisable not to have two Directors retire in the same year and that it would be appropriate to have an orderly succession plan. Nigel Rich will retire from the Board in 2021 and I will retire from the Board in 2022. It is the Company's normal practice that directors retire at an AGM and so Nigel will retire at next year's AGM and I plan to retire at the AGM in 2022. The Nomination Committee will be responsible for the search for suitable replacement Directors.

### Reporting and Section 172 of the Companies Act

Regular readers of our annual reports will note that the structure of the Strategic Report and Directors' Report has changed this year, as we are required to make additional disclosures under Section 172 of the Companies Act. I hope that shareholders find these new reports useful in providing an insight into how the Company is managed. I would like to emphasise that despite the different presentation our approach to managing the Company has not changed. All involved are challenged to perform to the best of their abilities and we believe that this is best achieved by working in a culture which is collegiate and supportive.

### Annual General Meeting

At the time of writing this Annual Report and meetings in the UK are subject to strict regulations, which could potentially change at short notice. The Board would normally welcome the Annual General Meeting (AGM) as an opportunity to present to you on the Company's strategy and performance and listen and respond to your questions in person. However, the health of the Company's shareholders, as well as of staff who would normally attend the meeting, is of paramount importance, as is complying with regulations.

In light of the current situation, the Board has decided that this year's AGM will be a closed meeting, with only essential staff in attendance and all voting by proxy.

Recognising that the AGM is an important forum for shareholders to hear from the Board and the Investment Manager and to ask questions, this year we have made the following arrangements:

- On 27 November 2020 an audio / visual presentation will be made available on our website [www.aviglobal.co.uk](http://www.aviglobal.co.uk)
- 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](mailto:agm@aviglobal.co.uk) or by post to AVI Global Trust PLC, 65 Gresham Street, London, EC2V 7NQ
- We will post on our website on 14 December 2020 a list of questions received and our replies to your questions. Please note that to protect your personal information the parties asking questions will not be identified on the website.

I urge you to submit your proxy votes in good time for the meeting, following the instructions enclosed with the proxy form.

As well as setting up a forum to ask questions that you might normally raise at the AGM I remain available at any time to answer any questions from shareholders and you can write to me via the independent Company Secretary, whose address is on the inside back cover of the Annual Report and Accounts.

We hope to see shareholders in person at next year's AGM.

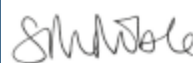
### Articles of Association

In order to provide the Board with greater flexibility going forward and to ensure shareholder participation in future AGMs, the Company is proposing that amended Articles of Association are adopted at the AGM this year. The principal amendments being proposed to the Articles of Association are to enable the Company to hold shareholder meetings using electronic means (as well as physical shareholder meetings or hybrid meetings). Although the new Articles would permit shareholder meetings to be conducted by electronic means, the Directors have no present intention of holding a virtual-only meeting unless Government restrictions require them to do so.

### Outlook

Our investment performance in the second half of the year under review was very strong and our Investment Manager sets out in their report the view that there remains a high level of unrealised value in the portfolio which provides grounds for optimism. On a more cautious note, though, some stock markets have been very strong in recent months, assisted by large amounts of cash in the system as governments around the world seek to stimulate demand to limit the damage caused by the COVID-19 pandemic. While we always emphasise that our investment mandate is to seek total returns with no income target, the fact that many companies are reviewing or have already cut their dividends is a cause for concern and it is obvious that it will take the world some considerable time to recover from the effects of the measures taken to curb the spread of COVID-19.

We remain encouraged by the Investment Manager's continued focus on unrealised value and their ability to continue to find interesting and, we trust, rewarding investments.



**Susan Noble**  
Chairman

12 November 2020