



Strategic Report / Ten Largest Equity Investments

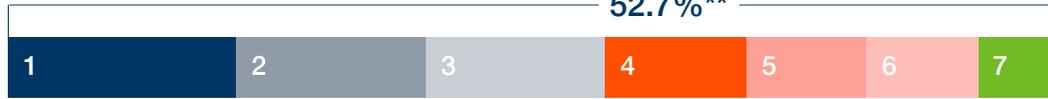
The top ten equity investments make up 52.7% of the net assets*, with underlying businesses spread across a diverse range of sectors and regions.

All discounts are estimated by AVI as at 30 September 2021, based on AVI's estimate of each company's net asset value.

* For definitions, see Glossary on pages 101 to 104.

** % of net assets.

52.7%**



1

PERSHING SQUARE HOLDINGS

Classification Closed-ended Fund	Valuation £79.8m
% of net assets 7.0%	Discount -29%

A Euronext- and London-listed closed-ended fund managed by a high-profile activist manager. The fund owns a concentrated portfolio of quality US companies. Pershing Square trades on a 29% discount to NAV, which we regard as unsustainably wide for a portfolio of large-cap, liquid securities, particularly given the manager's activist strategy.

Source / Domino's Pizza Inc.



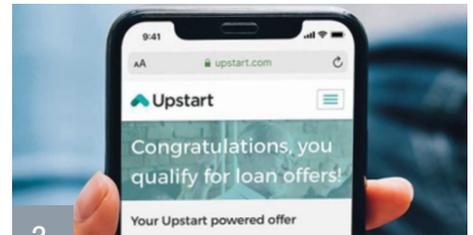
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KKR & CO

Classification Holding Company	Valuation £57.6m
% of net assets 5.1%	Discount -26%

A US-listed alternative asset manager with c. USD430bn of assets under management. KKR is one of the largest companies in an industry with appealing structural characteristics, underpinned by valuable fee-related earnings.

Source / Kohlberg Kravis Roberts & Co. L.P.



2

THIRD POINT INVESTORS

Classification Closed-ended Fund	Valuation £74.4m
% of net assets 6.6%	Discount -14%

A London-listed closed-ended fund run by a high-profile activist manager. The fund invests in both long and short equity and credit, with a long equity bias. The fund trades on a discount of 14%, having come in from 23% this year. A large part of this, we believe, is due to the campaign launched by AVI and three other shareholders to address the fund's structural discount.

Source / Upstart Holdings, Inc.



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FONDUL PROPRIETATEA

Classification Closed-ended Fund	Valuation £51.4m
% of net assets 4.5%	Discount -4%

A Bucharest- and London-listed closed-ended fund originally set up to provide restitution to Romanian citizens whose property was seized by the Romanian Communist government. Fondul provides exposure to some of Romania's most attractive utility and infrastructure assets, including Hidroelectrica, Bucharest Airport and OMV Petrom. The fund's investment policy is to distribute all excess cash and realisation proceeds to shareholders via dividends and buybacks, and offers the potential for several corporate events to unlock further value.

Source / Hidroelectrica

DIVERSIFIED

Our portfolio contains broad diversification to sectors and companies.

LOOK-THROUGH SECTOR BREAKDOWN

- Consumer Discretionary: 26%
- Communication Services: 17%
- Industrials: 13%
- Consumer Staples: 8%
- IT: 8%
- Real Estate: 8%
- Financials: 6%
- Utilities: 4%
- Energy: 4%
- Healthcare: 3%
- Materials: 3%



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56.3%**

8 9 10



3

EXOR

Classification
Holding Company

Valuation
£72.0m

% of net assets
6.4%

Discount
-39%

EXOR is an Italian-listed holding company run by the Agnelli family, which traces its roots back to the formation of FIAT in 1899. It has exposure to four main assets, three of which are listed: Stellantis, Ferrari and CNH Industrial, and one unlisted: PartnerRe. The Agnelli family has a strong history of value creation and, by aligning investors' capital with theirs we believe there is a good prospect of achieving outsized returns.

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SONY CORP

Classification
Asset-backed
Special Situation

Valuation
£63.1m

% of net assets
5.6%

Discount
-26%

A Tokyo-listed company with four "crown jewel" businesses: Gaming, Music, Pictures and Semiconductors. Despite these attractive businesses, Sony trades on a discount of 26% to our estimate of NAV. We believe this reflects the complexity of the conglomerate structure, which obscures the value on offer and creates misconceptions. There are several ways to unlock this value and tighten the discount to NAV.

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OAKLEY CAPITAL INVESTMENTS

Classification
Closed-ended Fund

Valuation
£57.8m

% of net assets
5.1%

Discount
-20%

A London-listed closed-ended fund which invests in the private funds run by Oakley Capital, a UK-based private equity firm. Oakley owns a portfolio of fast-growing businesses in the consumer, education and TMT sectors. Its process focuses on less intermediated markets and complex deals (e.g. carve-outs), which avoids the auction process, sourced by a network of entrepreneurs who believe in the Oakley philosophy. We believe the discount will narrow as Oakley continues to generate NAV outperformance, and adopts improved standards of corporate governance.

Source / IU Group



8

AKER ASA

Classification
Holding Company

Valuation
£48.2m

% of net assets
4.3%

Discount
-28%

Aker is a Norwegian holding company with investments principally in oil & gas, renewables & green tech, marine-related activities and industrial software. It's largest assets are Aker BP, a Norwegian oil exploration and development company, and Aker Horizons, a holding company established to invest in renewable energy and technology. Aker has a history of active portfolio management, deal-making and value creation, with a track record of strong shareholder returns since IPO in 2004.

Source / Aker Solutions



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CHRISTIAN DIOR

Classification
Holding Company

Valuation
£47.9m

% of net assets
4.2%

Discount
-13%

Christian Dior's sole asset is a 41% stake in LVMH, the luxury goods conglomerate. We view LVMH as a highly attractive asset, with diverse exposure across Fashion & Leather, Wine & Spirits, Perfume & Cosmetics, Watches & Jewellery, and Selective Retail. LVMH's collection of brands is unique and the rich cultural heritage underlying them is impossible to replicate. These factors drive strong demand, high pricing power and attractive margins. We see strong earnings upside from LVMH, as well as potential returns from collapse of the holding structure.

Source / Getty Images



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INVESTOR AB 'B'

Classification
Holding Company

Valuation
£44.1m

% of net assets
3.9%

Discount
-19%

Investor AB is the Swedish holding company controlled by the Wallenberg family, which pursues a strategy of very long-term oriented active ownership through board representation. We view Investor's exposure to best-in-class industrial-focused public equities as extremely appealing, with further potential upside from their portfolio of attractive unlisted businesses which are benefitting from secular growth trends.

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