

Shareholder Information / Glossary

AIFM

The AIFM, or Alternative Investment Fund Manager, is Asset Value Investors, which manages the portfolio on behalf of AGT shareholders. The current approach to investment used by Asset Value Investors was adopted in June 1985.

NAV total return since inception of strategy in June 1985 (annualised)

Closing NAV per share (p) 30 September 2021	1,093.81	a
Dividends paid out (p)	194.48	b
Benefits from re-investing dividends (p)	534.87	c
Adjusted NAV per share (p)	1,823.16	d = a + b + c
Opening NAV per share (p) – June 1985	29.72	e
Annualised NAV total return (%)	12.0%	((d/e) ^ (1/36.25)) - 1

Alternative Performance Measure ('APM')

An APM is a numerical measure of the Company's current, historical or future financial performance, financial position or cash flows, other than a financial measure defined or specified in the applicable financial framework. In selecting these Alternative Performance Measures, the Directors considered the key objectives and expectations of typical investors in an investment trust such as the Company.

Comparator Benchmark

The Company's Comparator Benchmark is the MSCI All Country World ex-US Total Return Index, expressed in Sterling terms. The benchmark is an index which measures the performance of global equity markets, both developed and emerging. The weighting of index constituents is based on their market capitalisation.

Dividends paid by index constituents are assumed to be reinvested in the relevant securities at the prevailing market price. The Investment Manager's investment decisions are not influenced by whether a particular company's shares are, or are not, included in the benchmark. The benchmark is used only as a yard stick to compare investment performance.

Cost

The book cost of each investment is the total acquisition value, including transaction costs, less the value of any disposals or capitalised distributions allocated on a weighted average cost basis.

Currency

GBP	EUR	USD	SEK	JPY	NOK	CHF	HKD	BRL	RON	INR
Pounds Sterling	Euro	US Dollar	Swedish Krona	Japanese Yen	Norwegian Krone	Swiss Franc	Hong Kong Dollar	Brazilian Real	Romanian Lei	Indian Rupee

Discount/Premium (APM)

If the share price is lower than the NAV per share, it is said to be trading at a discount. The size of the Company's discount is calculated by subtracting the share price of 1,020.00p (2020: 741.00p) from the NAV per share (with debt at fair value) of 1,093.81p (2020: 817.03p) and is usually expressed as a percentage of the NAV per share, 6.7% (2020: 9.3%). If the share price is higher than the NAV per share, this situation is called a premium.

Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA')

A proxy for the cash flow generated by a business – it is most commonly used for businesses that do not (yet) generate operating or shareholder profits.



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Gearing (APM)

Gearing refers to the ratio of the Company's debt to its equity capital. The Company may borrow money to invest in additional investments for its portfolio. If the Company's assets grow, the shareholders' assets grow proportionately more because the debt remains the same. But if the value of the Company's assets falls, the situation is reversed. Gearing can therefore enhance performance in rising markets but can adversely impact performance in falling markets.

Using debt at par value, the gross gearing of 11.7% (2020: 12.9%) represents borrowings of £132,520,000 (2020: £114,378,000) expressed as a percentage of shareholders' funds of £1,133,222,000 (2020: £883,605,000). Using debt at fair value, gross gearing is 13.3% (2020: 15.7%).

Net gearing, which accounts for cash balances and uses debt at par value, is 5.5% (2020: 8.6%). Using debt at fair value, net gearing is 7.0% (2020: 11.3%).

The current values of the Loan Notes and revolving credit facility consist of the following:

	30 September 2021					30 September 2020				
	2036 GBP loan £'000	2036 EUR loan £'000	2037 EUR loan £'000	JPY revolving credit facility £'000	Total £'000	2036 GBP loan £'000	2036 EUR loan £'000	2037 EUR loan £'000	JPY revolving credit facility £'000	Total £'000
Value of issue	30,000	22,962	17,526	61,201	131,689	30,000	22,962	17,526	37,775	108,263
Unamortised issue costs	(94)	(71)	(113)	–	(278)	(101)	(77)	(119)	–	(297)
Exchange movement	–	2,824	(335)	(1,380)	1,109	–	4,255	618	1,539	6,412
Amortised book cost	29,906	25,715	17,078	59,821	132,520	29,899	27,140	18,025	39,314	114,378
Fair value	36,519	31,779	20,700	59,821	148,819	38,677	34,826	22,779	39,314	135,596
Redemption costs	5,167	6,547	4,804	–	16,518	7,336	8,124	5,911	–	21,371
Redemption value	41,686	38,326	25,504	59,821	165,337	46,013	42,950	28,690	39,314	156,967

The fair values of the Loan Notes are calculated using net present values of future cash flows and the yields, taking account of exchange rates. The redemption value includes the penalty payable on early redemption.

Internal Rate of Return ('IRR')

The IRR is the annualised rate of return earned by an investment, adjusted for dividends, purchases and sales, since the holding was first purchased.

Net Asset Value ('NAV')

The NAV is shareholders' funds expressed as an amount per individual share. Shareholders' funds are the total value of all the Company's assets, at current market value, having deducted all liabilities including debt at amortised cost revalued for exchange rate movements. The total NAV per share is calculated by dividing shareholders' funds of £1,133,222,000 (2020: £883,605,000) by the number of Ordinary Shares in issue excluding Treasury Shares of 102,113,325 (2020: 105,551,730) at the year end.

Net Asset Value (debt at fair value) (APM)

The adjusted NAV per share (debt at fair value) incorporates the debt at fair value instead of at amortised cost, reducing the NAV by £16,298,000 (2020: £21,218,000). This is calculated by the original NAV of £1,133,222,000 (2020: £883,605,000) less the debt at amortised cost £72,699,000 (2020: £75,064,000), adding back the debt at fair value £88,998,000 (2020: £96,282,000). The adjusted NAV (debt at fair value) is £1,116,924,000 (2020: £862,387,000) divided by the number of Ordinary Shares in issue excluding Treasury Shares of 102,113,325 (2020: 105,551,730) at the year end provides the adjusted NAV per share (debt at fair value).

Ongoing Charges Ratio / Expense Ratio (APM)

As recommended by the AIC in its current guidance, the Company's Ongoing Charges Ratio is the sum of: (a) its Expense Ratio; and (b) the Ongoing Charges Ratios incurred at the underlying funds in which the Company has investments, weighted for the value of the investment in each underlying fund as a percentage of the Company's NAV. For a detailed discussion of the Expense Ratio, please see the discussion of Key Performance Indicators on page 10 of the Annual Report.

The Company's Expense Ratio is its annualised expenses (excluding finance costs and certain non-recurring items) of £8,820,000 (2020: £7,592,000) (being investment management fees of £7,126,000 (2020: £5,962,000) and other expenses of £1,735,000 (2020: 1,630,000) less non-recurring expenses of £41,000 (2020: nil)) expressed as a percentage of the average month-end net assets of £1,058,575,000 (2020: £853,625,000) during the year as disclosed to the London Stock Exchange.

A reconciliation of the Ongoing Charges to the Expense Ratio is provided below:

		2021	2020
Expense Ratio (a Key Performance Indicator)	a	0.83%	0.89%
Underlying Charges Ratio	b	1.27%	1.42%
Ongoing Charges Ratio	= a + b	2.10%	2.31%

% of investee company

AGT's economic exposure to each investee company, as estimated by AVI.

Return on Investment ('ROI')

The ROI is the total profits earned to date on an investment divided by the total cost of the investment.

Shares Bought Back and Held in Treasury

The Company may repurchase its own shares and these are then held in treasury, reducing the freely traded shares ranking for dividends and enhancing returns and earnings per Ordinary Share to the remaining shareholders. When the Company repurchases its shares, it does so at a total cost below the prevailing NAV per share.

The estimated percentage added to NAV per share from buybacks of 0.3% (2020: 0.5%) is derived from the repurchase of shares in the market at a discount to the prevailing NAV at the point of repurchase. The shares were bought back at a weighted average discount of 8.2% (2020: 10.5%).

	30 September 2021	30 September 2020	
Weighted average discount of buybacks	8.2%	10.5%	a
Percentage of shares bought back	3.3%	4.2%	b
NAV accretion from buyback	0.3%	0.5%	(a * b) / (1 - b)

Total Assets

Total assets include investments, cash, current assets and all other assets. An asset is an economic resource, being anything tangible or intangible that can be owned or controlled to produce positive economic value. The total assets less all liabilities is equivalent to total shareholders' funds.

Total Return (APM)

Total return statistics enable the investor to make performance comparisons between investment trusts with different dividend policies. The total return measures the combined effect of any dividends paid, together with the rise or fall in the share price or NAV. This is calculated by the movement in the NAV or share price plus dividend income reinvested by the Company at the prevailing NAV or share price.



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NAV Total Return (APM)

NAV total return is calculated by assuming that dividends paid out are re-invested into the NAV on the ex-dividend date. This is accounted for in the “benefits from re-investing dividends” line. The NAV used here includes debt marked to fair value and is inclusive of accumulated income.

Where an “annualised” figure is quoted, this means that the performance figure quoted is not a standard one-year figure, and therefore has been converted into an annual return figure in order to ease comparability. For example, if AGT’s NAV increased by +100% over a ten-year period, this would become an annualised NAV return of 7.2%.

NAV total return over 1 year

	Page	30 September 2021	30 September 2020	
Closing NAV per share (p)		1,093.81	817.03	a
Dividends paid out (p)	73	16.50	20.50	b
Benefits from re-investing dividends (p)		2.49	0.80	c
Adjusted NAV per share (p)		1,112.80	838.33	d = a+b+c
Opening NAV per share (p)		817.03	838.29	e
NAV total return (%)		36.2%	0.0%	= (d/e)-1

NAV total return over 10 years (annualised)

Closing NAV per share (p) – September 2021		1,093.81	817.03	a
Dividends paid out (p)		135.20	126.40	b
Benefits from re-investing dividends (p)		114.62	57.73	c
Adjusted NAV per share (p)		1,343.63		d = a + b + c
Opening NAV per share (p) – 30 September 2011		460.35		e
Annualised NAV total return (%)		11.3%		$((d/e) ^ (1/10)) - 1$

Share Price Total Return (APM)

Share price total return is calculated by assuming that dividends paid out are re-invested into new shares on the ex-dividend date. This is accounted for in the “benefits from re-investing dividends” line.

Share price total return over 1 year

	Page	30 September 2021	30 September 2020	
Closing price per share (p)		1,020.00	741.00	a
Dividends paid out (p)	73	16.50	20.50	b
Benefits from re-investing dividends (p)		2.64	0.55	c
Adjusted price per share (p)		1,039.14	762.05	d = a+b+c
Opening price per share (p)		741.00	747.00	e
Share price total return (%)		40.2%	2.0%	= (d/e)-1

Total Return Swap

A total return swap is a financial contract between two parties, whereby each party agrees to “swap” a series of payments. AGT has entered into a swap on Pershing Square Tontine Holdings ‘PSTH’ with a well-known investment bank. Effectively, AGT gets paid the total return on PSTH, and in return agrees to pay a series of floating-rate interest payments to the investment bank. The gross equity exposure is disclosed in the investment portfolio. The swap requires 30% margin on the position.

Weight

Weight is defined as being each position’s value as a percentage of net assets.

Weighted-average Discount (APM)

The weighted-average discount is calculated as being the sum of the products of each holding’s weight in AGT’s portfolio times its discount. AVI calculates an estimated sum-of-the-parts NAV per share for each holding in AGT’s portfolio. This NAV is compared with the share price of the holding in order to calculate a discount.