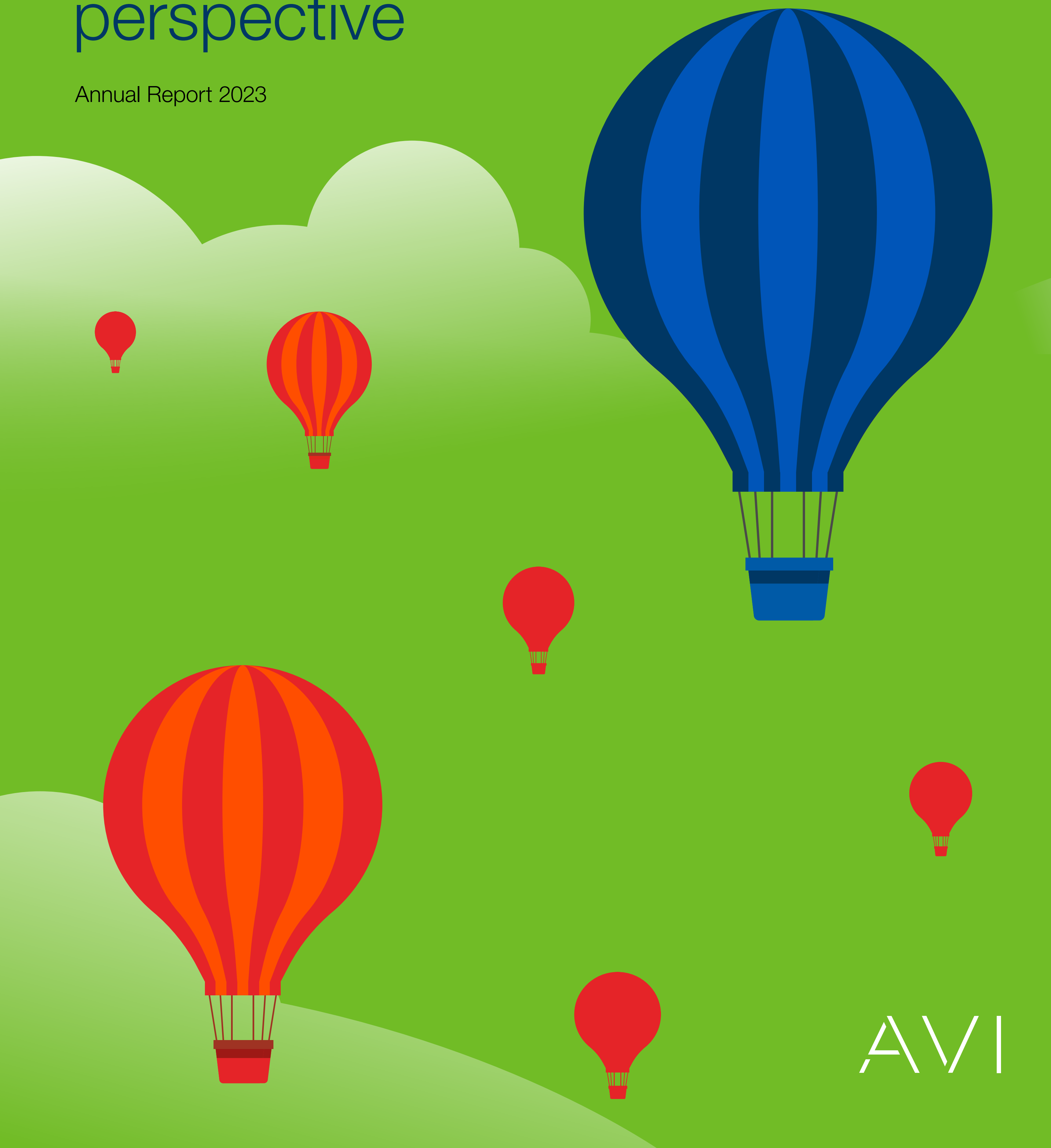
AGT

AVI GLOBAL TRUST

Offering a unique perspective

Annual Report 2023



AVI

Welcome to our 2023 Annual Report

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†
£1.0 billion*

LAUNCH DATE
1 July 1889

ANNUALISED NAV TOTAL RETURN SINCE 1985†
11.5%**

EXPENSE RATIO†#
0.86%***

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. Further disclosures required under the AIFMD can be found on the Company's website: www.aviglobal.co.uk.

* As at 30 September 2023.

** Source: Morningstar, performance period 30 June 1985 to 30 September 2023, total return net of fees, GBP. The current approach to investment was adopted in 1985.

*** As at 30 September 2023, includes: management fee, marketing and administration costs.

† For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 103 to 106.

\# For a detailed discussion of the Expense Ratio, please see Key Performance Indicators on page 12.

ISA Status

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

Awards

Shareholder Communication Awards 2023
Winner
Best Report and Accounts (Generalist)

Investment Trust Awards 2023
Winner
Global Equities

Investment Company of the Year Awards 2023
Winner
Global

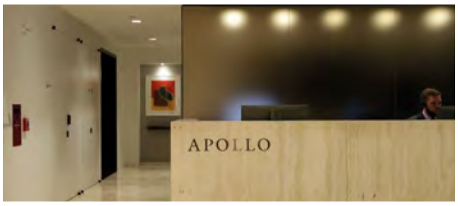
SEEKING OPPORTUNITIES GLOBALLY

08.
Overview of the year

Graham Kitchen, AGT's new Chairman, provides an overview for the year.

Read more **on Page 8.**

37.
Generating significant value



Portfolio companies such as Apollo Global generated significant value in FY23.

Read more **on Page 37.**

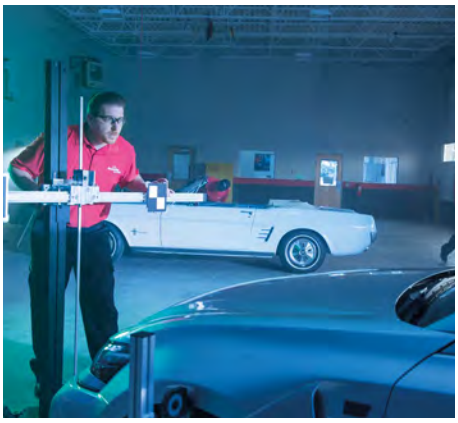
50.
Catalysts to unlock & grow value

Corporate activity at FEMSA helped to unlock value.

Read more **on Page 50.**

UNIQUE INVESTMENTS

33.
Finding undiscovered value among high-quality assets



Through our research we discovered D'Ieteren's crown jewel, a 50% unlisted stake in Belron.

Read more **on Page 33.**

INVESTING RESPONSIBLY

26.
AVI's responsible approach

AVI takes a responsible approach and promotes sustainable attitudes.

Read more **on Page 26.**

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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**

@AVIGlobalTrust
AVIGlobalTrust
AVIGlobalTrust
AVI-Global-Trust

Strategic Report / Company Overview

Seeking opportunities globally

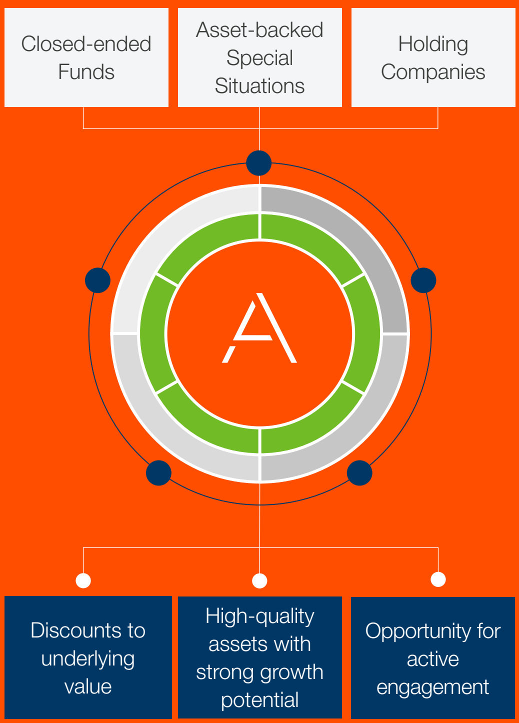
OUR PURPOSE

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 BUSINESS MODEL

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 Asset Value Investors Limited (AVI, or the Investment Manager). 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 45 stocks held in the AGT portfolio.

Read more about the Portfolio **on pages 22 and 23 of the Annual Report**

OUR INVESTMENTS

Our underlying investments provide global exposure:

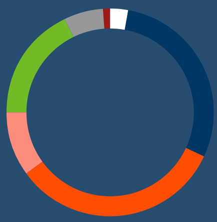
KEY PERFORMANCE INDICATORS (KPIs)

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, discount to net asset value and the expense ratio.

Read more about our KPIs and Principal Risks on **page 12 to 15 of the Annual Report**

@AVIglobaltrust / What is AVI Global Trust?

Global Exposure



	2023# %	2022# %
United Kingdom	**3**	2
North America	**29**	28
Europe	**33**	35
Asia	**10**	10
Japan	**18**	20
Latin America, Africa & Emerging Europe	**6**	5
Oceania	**1**	–

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

NAV TOTAL RETURNS TO 30 SEPTEMBER 2023*

+15.3%

3 Years	+45.6%
10 Years	+149.3%

DISCOUNT*

10.9%

2023 discount high	12.9%
2023 discount low	7.0%

EXPENSE RATIO*

0.86%

2023	0.86%
2022	0.88%

OTHER KEY STATISTICS

NET ASSET VALUE PER SHARE*

226.77p** (2022: 199.76p**)

NUMBER OF INVESTMENTS

44 (2022: 46)

TOP TEN INVESTMENTS†

60.7% (2022: 54.6%)

ESTIMATED PERCENTAGE ADDED TO NET ASSET VALUE PER SHARE FROM BUYBACKS*

0.6% (2022: 0.4%)

* For definitions, see Glossary on pages 103 to 106.

** Net asset value per share with debt at fair value.

† Of net assets.

Strategic Report / Company Performance

Financial Highlights

PERFORMANCE SUMMARY

– Net asset value (NAV) per share total return was +15.3%
– Final ordinary dividend of 2.3p, and total dividend increased to 3.7p, which includes a special dividend of 0.2p
– Share price total return of +14.8%

	30 September 2023	30 September 2022
Net asset value per share (total return) for the year[1]*	**+15.3%**	-7.3%
Share price total return for the year*	**+14.8%**	-10.8%
Comparator Benchmarks		
MSCI All Country World Index (£ adjusted total return[†])	**+10.5%**	-4.2%
MSCI All Country World ex-US Index (£ adjusted total return[†])	**+10.1%**	-9.6%
Discount*		
Share Price Discount (difference between share price and net asset value)[2]*	**10.9%**	10.4%
Share price discount:		
High	**12.9%**	14.1%
Low	**7.0%**	4.8%
	Year to 30 September 2023	Year to 30 September 2022
Earnings and Dividends		
Investment income	**£24.45m**	£23.10m
Revenue earnings per share*	**4.19p**	3.24p
Capital earnings per share*	**23.83p**	(25.30)p
Total earnings per share	**28.02p**	(22.06)p
Ordinary dividends per share	**3.50p**	3.30p
Special dividends per share	**0.20p**	–
Expense Ratio*		
Management, marketing and other expenses (as a percentage of average shareholders' funds)	**0.86%**	0.88%
2023 Year's Highs/Lows	**High**	Low
Net asset value per share*	**225.53p**	**195.03p**
Net asset value per share (debt at fair value)*	**227.99p**	**197.80p**
Share price* (mid market)	**205.50p**	**174.60p**

Buybacks
During the year, the Company purchased and cancelled 29,277,886 Ordinary Shares (2022: 19,115,057 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 two indices, 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 2023 and 30 September 2022 would have been 11.0% and 10.7%, respectively.

*** Alternative Performance Measures**
For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 103 to 106.

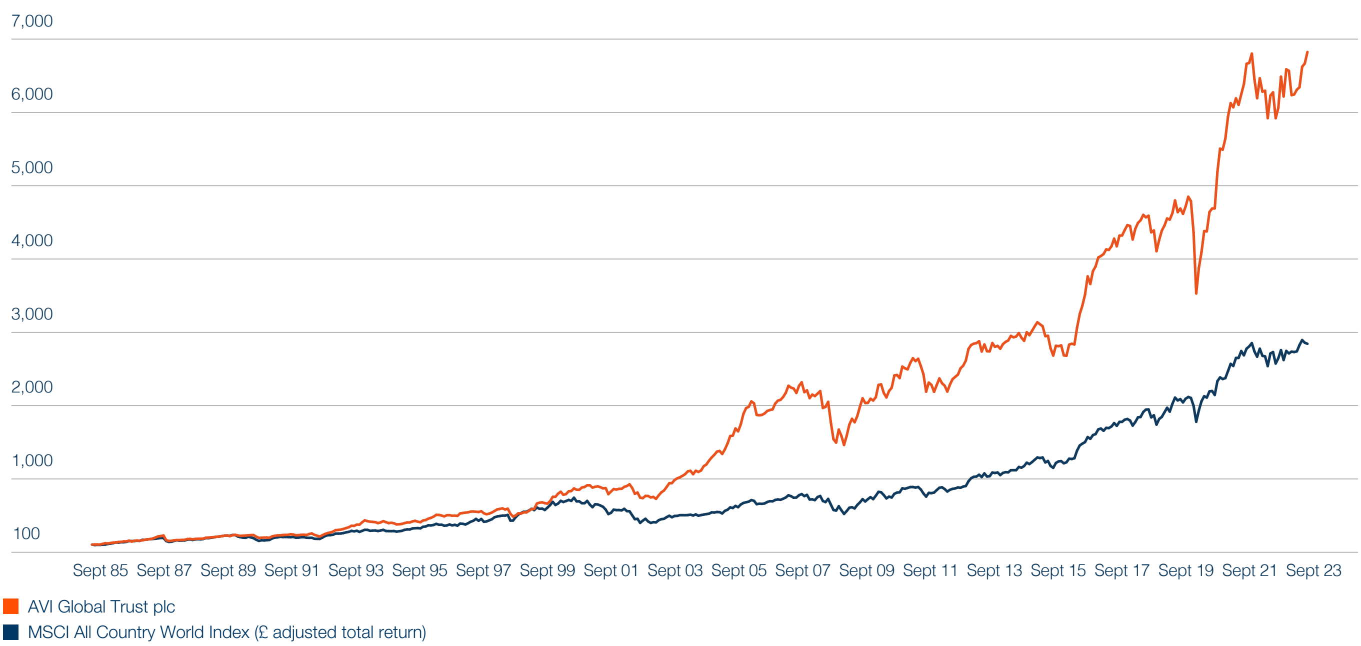
Historical record

Year ended 30 September	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Revenue profit for the year £'000*	**20,041**	16,302	14,289	10,134	21,169	16,933	12,603	18,747	16,268	13,827
Revenue earnings per share (p)†	**4.19**	3.24	2.74	1.87	3.82	2.97	2.09	2.86	2.35	1.86
Ordinary dividends per share (p)†	**3.50**	3.30	3.30	3.30	3.30	2.60	2.40	2.34	2.34	2.10
Special dividend per share (p)†	**0.20**	–	–	–	–	–	–	0.56	–	–
Net assets £'000	**1,031,018**	969,508	1,133,222	883,605	938,941	941,680	903,229	843,973	697,542	826,984
Basic net asset value per share (p)†	**223.08**	197.27	221.95	167.43	170.52	168.39	155.52	134.10	103.91	115.18

* The profits for 2011 to 2014 are Group returns and earnings, those for 2015 to 2023 are the Company returns and earnings. These are comparable on a like-for-like basis.

† The figures for 2011 to 2021 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, to be comparable on a like-for-like basis.

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



* The current approach to investment was adopted in 1985.

Strategic Report / The Investment Manager at a Glance

INVESTMENT PHILOSOPHY

The investment philosophy employed by Asset Value Investors, 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.

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

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

3. Focusing on bottom-up stock picking

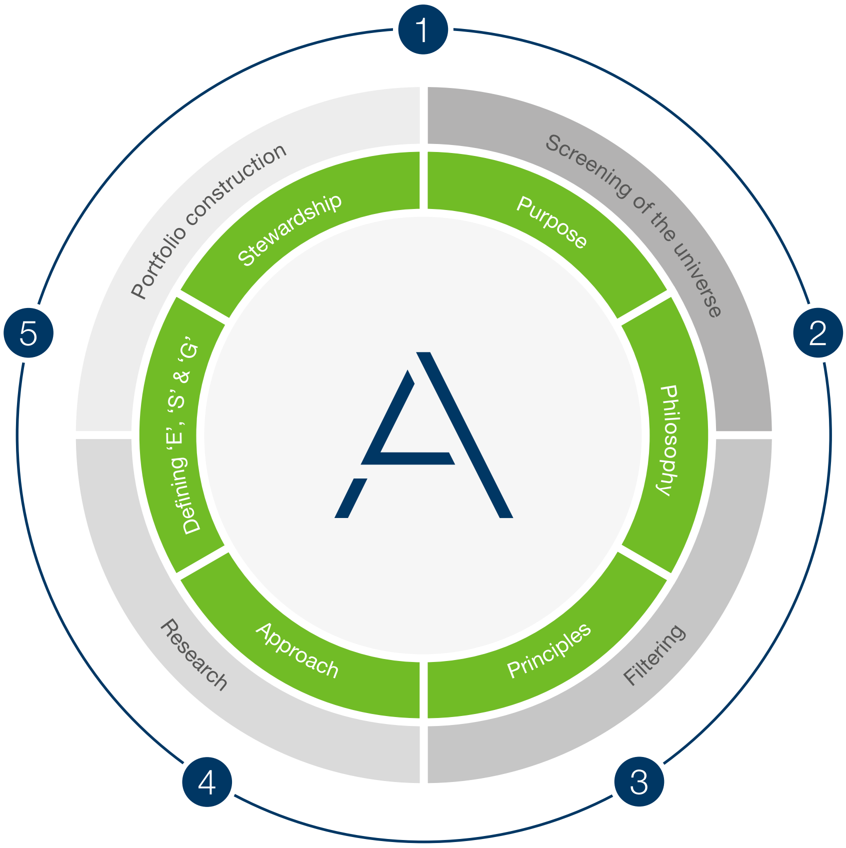
4. Looking for catalysts to narrow discounts

5. Focusing on balance sheet strength

Read more about our investment philosophy on **page 25 of the Annual Report**

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*

	2023 %	2022 %
Holding Companies	**58**	47
Closed-ended Funds	**25**	32
Asset-backed Special Situations	**17**	21

Source / AVI as at 30 September 2023

* 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 SUSTAINABLE APPROACH

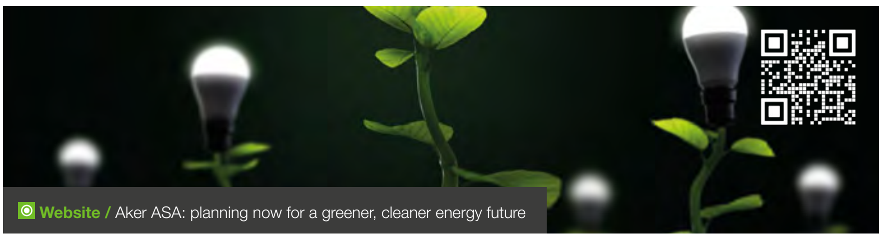
AVI believes that the integration of ESG and sustainability considerations into our investment strategy is not only integral to comprehensively understanding each investment's ability to create long-term value but is aligned with our values as responsible investors.

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.



Website / Aker ASA: planning now for a greener, cleaner energy future

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 44 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.

Please visit our website for more information on our values and mission:
www.aviglobal.co.uk

Strategic Report / Chairman's Statement

"It is pleasing to report a NAV total return of 15.3%, which was both a strong absolute return and notably higher than our benchmark index... We look forward to the future with optimism and continue to believe that, over the long term, AVI will deliver attractive returns to AGT's shareholders.

Graham Kitchen
Chairman

Overview of the year

Having emerged from restrictions intended to minimise the effects of the Covid-19 pandemic in 2022, the world entered a period of heightened geopolitical tensions. The two combined led to higher levels of inflation and, as a result, interest rates not seen for over a decade, albeit arguably more "normal". Central bankers continue to try to walk a fine line in attempts to control inflation while not raising interest rates to a level which stifles economic growth. As our Investment Manager mentions in their report, the developed world in particular has been forced to move on from a period when the cost of capital was kept artificially low.

I said at the half-year stage that our Investment Manager was seeing a range of investment opportunities and over the year many of those opportunities bore fruit. Against a difficult economic and political background, it is pleasing to report a NAV total return[1] of 15.3%, which was both a strong absolute return and notably higher than our benchmark index.

Comparator benchmark index

There is no benchmark index which closely matches our Investment Manager's approach and investment philosophy. Nevertheless, we are aware that some (but by no means all) shareholders measure returns compared with an index. For the past several years our benchmark has been the MSCI AC World ex-US Index, reflecting the fact that when we adopted that benchmark AGT had no direct exposure to the USA and relatively little indirect exposure. Over the last few years our exposure to the USA, especially considering our underlying exposure, has increased. How we measure AVI's performance has been a regular subject of discussion by the Board and we have now concluded that the MSCI AC World Index (that is, the version of the index including the USA) is the most appropriate comparator benchmark.

In making this change, it is important for shareholders to recognise that we are still unlikely, nor is the investment manager targeting, to have similar weightings in the Company's portfolio to those in the index and that this change of benchmark will not affect in any way the approach to investing or the investments in the portfolio. I set out below our performance versus the new and previous comparator benchmarks. We will continue to report performance against both for historic reference. Having taken the considered decision to make this benchmark change, we expect this to remain our benchmark going forward.

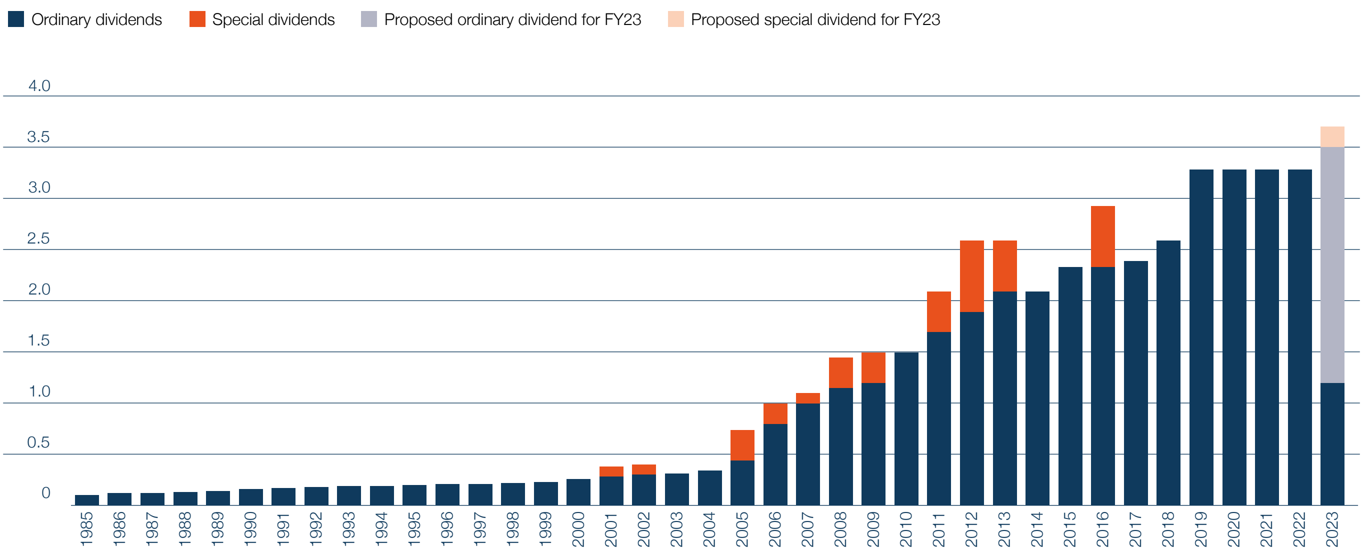
Total return (£)	1 year	5 years
AVI Global Trust NAV	+15.3%	+48.7%
MSCI AC World Index	+10.5%	+41.1%
MSCI AC World ex-US Index	+10.1%	+21.3%

Revenue and dividend

Revenue earnings for the year under review were 4.19 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 2.3 pence per share. This year's income includes elements of revenue that the Directors consider to be one off and we have therefore decided to pay a special dividend of 0.2 pence per share. The one off increase in revenue includes refunds of previously charged taxes and interest on cash. The total ordinary dividend for the year will therefore be 3.5 pence per share, an increase of 6% compared with the previous year's total of 3.3 pence and the total including the special dividend will be 3.7 pence. 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.

[1] See Glossary.

Dividend track-record (£)*



* Restated for Share Split.

Strategic Report / Chairman's Statement continued

GENERATING SIGNIFICANT SHAREHOLDER VALUE

Through equity market cycles, AGT has encountered many challenges and risen above them each time, generating significant shareholder value along the way.

Why should I include AVI Global Trust into my portfolio?

Unconstrained
AGT's index agnostic approach allows for investments to be made in areas of the market that are often overlooked by other funds, typically due to their unconventional structures, size, or liquidity. These areas can include listed family holding companies and listed private equity, which over time have been shown to deliver excess returns.

Unique & Diversified
AVI's unique approach of investing in holding companies, closed-ended funds and asset-backed special situations differentiates us from other funds, with portfolio holdings unlikely to be found elsewhere. Through these unconventional structures, AGT gains exposure to multiple underlying companies, providing both sector and geographic diversification benefits.

Track Record of Outperformance
Through an unconstrained and unique investment philosophy, AGT has been able to outperform its comparator benchmark over the long run. Since 1985, AGT's average annual performance has been +11.5% vs +9.1% for the comparator benchmark*.

Dividend Payments
Over the past ten years, the ordinary dividends paid by AGT to shareholders have grown by +74%. The level of income may vary and AGT has occasionally paid special dividends, as it is proposing this year.

* Official comparator benchmark is the MSCI ACWI (£).

Read more about our history on our website: **www.assetvalueinvestors.com/agt/about-the-trust/history/**

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Gearing

On 25 July 2023, we completed an agreement to issue Japanese Yen (JPY) 4.5bn fixed rate unsecured debt, for a term of ten years. The annual interest rate on the debt is 1.44%. The debt is denominated in JPY and was equivalent to approximately £25m when issued. In recent years the Company has issued several tranches of 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 2023 net gearing, with debt at fair value, was 7.4%.

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 fact sheet 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 pleased that our team's efforts were rewarded with the accolade of "Best Report and Accounts" in its category in the AIC's annual shareholder communications awards in September 2023.

Our shares traded at a persistent discount which, at the end of September 2023, stood at 10.9%. We continue to 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 an approach that our Investment Manager encourages for many of our investee companies. At times when the market was volatile this has meant buying back shares on most days and, during the 12 months under review, 29 million shares were bought back, representing 6% 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 value to the benefit of continuing shareholders, by approximately 0.6%.

Read more about our history on our website

Despite the impact of our share buybacks and the excellent investment performance by your Company we are caught by the unintended consequences on the investment trust industry of recent regulatory pronouncements relating to Consumer Duty. You will no doubt have read in the press that a number of online investment platforms are assessing the cost of investing in companies such as ours by seeking to include the underlying charges of any funds held in our portfolio of investments in their assessment of the costs of investing in your Company. This in our view is a misleading approach as we believe that the costs included within our underlying investments are already factored into the assessment of the fair value of those investments. The performance of the underlying assets is then fairly reflected in the performance of your Company which is shown net of costs within the control of your Board (i.e., the expense ratio which we set out under Key Performance Indicators on page 12). Your Board and AVI are actively involved in discussions with the Treasury, the regulators and the AIC to ensure that investment trusts are considered on an equal basis to other forms of investments and so that investors are able to make a fair and balanced decision in deciding on which type of investment to make. It would also seem completely illogical that the interpretation of the new Consumer Duty regulations and the assessment of value should lead to a restriction in investors ability to invest in some investment trusts.

The Board

My predecessor Susan Noble retired at the Annual General Meeting in December 2022 and this is my first annual report as Chairman. The Company thrived under Susan's leadership and the Board would like to record our thanks to her. We have enjoyed working with her and wish her well in her future endeavours.

Following Susan's retirement, June Jessop was appointed as a non-executive Director with effect from 1 January 2023. June was previously Senior Business Manager at Stewart Investors and a member of the EMEA Management Committee of First Sentier Investors (of which Stewart Investors is a sub-brand). June has spent her entire career in financial services, gaining broad experience in portfolio management, client relationship, business development and, latterly, general management roles. She has been an investment manager for institutions, charities and private clients, including managing assets of an investment trust and investing in closed-end funds on behalf of clients. My colleagues and I are delighted to welcome June to the Board. She brings a wealth of experience in both managing assets and in the management of investment businesses. Her skills complement those of the other Board members and we look forward to working with her.

Annual General Meeting

I am pleased to be able to invite all shareholders to attend our AGM at 11 Cavendish Square on Wednesday 20 December 2023. 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 The Company Secretary, AVI Global Trust PLC, 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

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

The geopolitical and economic environment are undoubtedly challenging and the world is likely to be unstable for some time. This provides excellent investment opportunities and in their report AVI speak of valuations last seen at the time of the global financial crisis. While progress is unlikely to be straightforward, given the resources at our Investment Manager's disposal and the opportunities that they perceive, we look forward to the future with optimism and continue to believe that, over the long term, AVI will deliver attractive returns to AGT's shareholders.

Graham Kitchen
Chairman

9 November 2023

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 broadly-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 +10.5% on a total return basis and over ten years it has increased by +10.6% 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 29.3m shares were bought back, adding an estimated 0.6% to net asset value per share to the benefit of continuing shareholders. The shares were bought back at a weighted average discount of 10.3%.

Expense 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 expense ratio is the cost of the fees paid to the Investment Manager. This fee is reviewed annually.

For the year ended 30 September 2023, the expense ratio was 0.86%, down slightly from the previous year. These running costs in monetary terms amounted to £8.7m in 2023 (£9.6m 2022).

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 Expense 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. The Board has therefore chosen not to quote an Ongoing Charges Ratio per the AIC's guidance as part of its KPIs but has disclosed an Ongoing Charges Ratio – Glossary on pages 103 to 106.

* For definitions, see Glossary on pages 103 to 106.

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.

Key Performance Indicators

NAV TOTAL RETURN*

+15.3%

1 year	+15.3%
10 Years (Annualised)	+9.6%

DISCOUNT, YEAR-END*

10.9%

2023	10.9%
2022	10.4%

EXPENSE RATIO* (YEAR ENDED 30 SEPTEMBER)

0.86%

2023	0.86%
2022	0.88%

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.

The Board has assessed the risks which the Company faces under a number of headings. Pressure on the discount, a previously identified principal risk, increased during the year. This was partly due to heightened geopolitical and macroeconomic risk. In addition, the effects of interpretations of the new UK Consumer Duty regulations, as discussed in the Chairman's Statement, emerged as a further source of pressure on the discount. Shortly after the financial year-end, the attack by Hamas on Israel presented a further source of geopolitical risk, increasing our assessed level of risk under this heading. 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.

Principal and Emerging Risks	Risk Tolerance and Mitigating Actions	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.	◀▶
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, macroeconomic uncertainty, US-China trade disputes, and the continued impact of Brexit. In particular, the Russian invasion of Ukraine has heightened the previously identified risk of higher levels of inflation and interest rate hikes, with its impact particularly felt across Western Europe and the US. Shortly after the financial year-end the attack by Hamas on Israel further heightened the level of geopolitical risk, which could in turn affect inflation and global trade. The Directors' assessment under this heading was already classified as high following the Russian invasion of Ukraine but the level of risk has further increased.	The Russian invasion of Ukraine has had a global impact, catalysing both increased levels of inflation and heightened turbulence in asset values. The conflict between Israel and Hamas along with increased tension between nations in various places has made the world a more unsettled place. Developed economies now face the risk of entrenched inflation, or a potential recession due to high interest rates intended to combat it. Further geopolitical tension is likely to affect global trade. The knock-on impact of all of these factors 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 would 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 and the ongoing conflict in Ukraine 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.	▲

Strategic Report / KPIs and Principal Risks continued

Principal and Emerging Risks	Risk Tolerance and Mitigating Actions	Movement
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 and bank debt; 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 2023, the Company had €50m (£43m) of borrowing and investments denominated in Euros whose value exceeded that of this borrowing. Furthermore, the Company had JPY12.5bn (£68m) 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.	◀▶
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.	◀▶

* 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	Movement
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 the frequency of share buybacks and the total number of shares bought was increased 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 79 to 84.

Strategic Report / Section 172 Statement

Section 172

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.

(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 29.
(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

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 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; and • the change of comparator benchmark described in this Annual Report.

Strategic Report / Stakeholders continued

<table>
<tr><th>Stakeholders</th><th>Why they are important</th><th>Board Engagement</th></tr>
<tr><td>Lenders</td><td>The Company has raised capital in the form of both short-term and long-term 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.</td><td>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 JPY4.5bn fixed rate unsecured debt (as discussed on page 10) during the year.</td></tr>
<tr><td>Service Providers</td><td></td><td></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.

A recent example of taking the interests of key service providers in account was the decision to directly contract the previously sub-contracted services of the Administrator as discussed on page 58.</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>
</table>

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 29, 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 62, 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 on 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 57 to 58.

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

9 November 2023

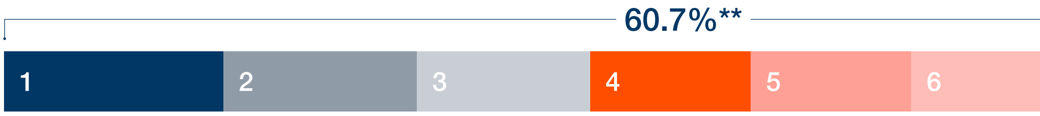
Strategic Report / Ten Largest Equity Investments

The top ten equity investments make up 60.7% 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 2023, based on AVI's estimate of each company's net asset value.

* For definitions, see Glossary on pages 103 to 106.
** % of net assets.

View our investment platforms at:
www.aviglobal.co.uk

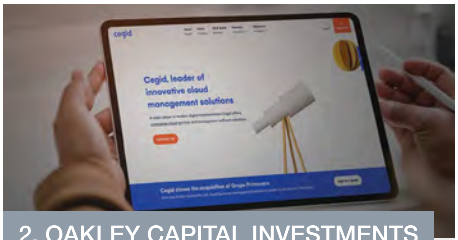


1. SCHIBSTED B

Classification Holding Company	**Valuation** £88.6m
% of net assets 8.6%	**Discount** -34%

A Norwegian-listed holding company offering exposure to high-quality online classified businesses. This is split between unlisted Nordic assets and a listed stake in Adevinta, a company that was spun-out from Schibsted to pursue international growth and consolidation. The market applies an inordinately low implied valuation on the unlisted assets due to the structure. With potential for an upcoming corporate event, combined with prospects for significant improvements in monetisation and margins, we see considerable upside.

Source / Adevinta



2. OAKLEY CAPITAL INVESTMENTS

Classification Closed-ended Fund	**Valuation** £78.7m
% of net assets 7.6%	**Discount** -32%

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. 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 that OCI's significant discount will narrow from continued NAV outperformance arising from realised exits, and the continued earnings growth of its portfolio.

Source / Cegid

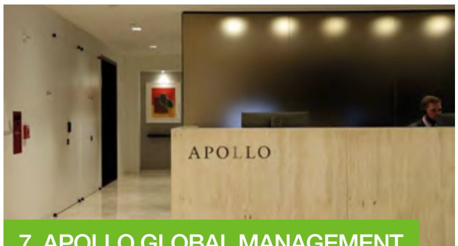
Princess

6. PRINCESS PRIVATE EQUITY

Classification Closed-ended Fund	**Valuation** £64.2m
% of net assets 6.2%	**Discount** -29%

London-listed closed-end fund managed by Swiss private equity manager Partners Group. Princess 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.

Source / Partners Group AG



7. APOLLO GLOBAL MANAGEMENT

Classification Holding Company	**Valuation** £59.7m
% of net assets 5.8%	**Discount** -30%

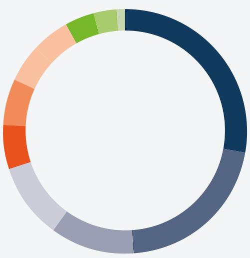
A value-orientated US-listed alternative asset manager with c. USD617bn of assets under management. Following its merger with Athene Insurance, Apollo has ambitious plans to grow its "Fixed Income Replacement Opportunity" offering within a USD40 trillion market.

Source / Apollo

DIVERSIFIED

Our portfolio contains broad diversification to sectors and companies.

Look-through Sector breakdown



- Communication Services: **28%**
- Consumer Discretionary: **21%**
- IT: **11%**
- Financials: **10%**
- Consumer Staples: **6%**
- Energy: **6%**
- Healthcare: **5%**
- Industrials: **5%**
- Materials: **4%**
- Real Estate: **3%**
- Utilities: **1%**

50.3%**

7 8 9 10

3. KKR & CO

Classification
Holding Company

Valuation
£69.7m

% of net assets
6.8%

Discount
-27%

A US-listed alternative asset manager with c. USD519bn 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.

4. AKER ASA

Classification
Holding Company

Valuation
£65.0m

% of net assets
6.3%

Discount
-24%

Aker is a Norwegian holding company with investments principally in oil & gas, renewables & green tech, marine-related activities and industrial software. Its largest asset is Aker BP, a Norwegian oil company. Aker has a history of active portfolio management, dealmaking and value creation, with a track record of strong shareholder returns since Initial Public Offering (IPO) in 2004.

Source / Aker Solutions

5. FEMSA

Classification
Holding Company

Valuation
£64.5m

% of net assets
6.3%

Discount
-28%

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. We believe this will lead to a re-rating of the shares.

Source / Comunicación Corporativa FEMSA

8. PANTHEON INTERNATIONAL

Classification
Closed-ended Fund

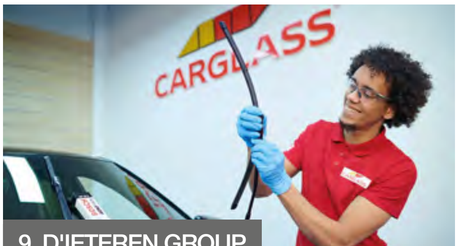
Valuation
£53.7m

% of net assets
5.2%

Discount
-38%

Pantheon International is one of the oldest listed private equity vehicles and has built up a strong NAV performance track-record over several decades, thanks to its diversified portfolio of private equity funds owning high-quality companies with robust earnings growth. In August, the company announced a revised capital allocation policy, equating to 15% of shares outstanding, baking a substantial degree of NAV accretion into future returns.

Source / Pantheon International Plc.



9. D'IETEREN GROUP

Classification
Holding Company

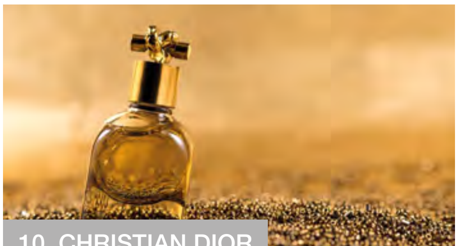
Valuation
£41.5m

% of net assets
4.0%

Discount
-41%

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. Belron boasts numerous scale advantages and benefits from tailwinds. Combined with the durable growth prospects for D'Ieteren's other assets, and the wide discount at which the company trades, we are excited about prospective returns.

Source / Belron



10. CHRISTIAN DIOR

Classification
Holding Company

Valuation
£40.3m

% of net assets
3.9%

Discount
-15%

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 the collapse of the holding structure.

Source / Getty images

Strategic Report / Investment Portfolio
As at 30 September 2023

Company	Portfolio classification	% of investee company	IRR (%, £)[1]	ROI (%, £)[2]	Cost £'000[3]	Fair value £'000	% of net assets
Schibsted 'B'	Holding Company	2.2%	25.6%	24.8%	71,238	**88,593**	8.6%
Oakley Capital Investments	Closed-ended Fund	10.0%	23.1%	111.5%	36,560	**78,677**	7.6%
KKR & Co	Holding Company	0.2%	32.3%	135.1%	30,305	**69,725**	6.8%
Aker ASA	Holding Company	1.7%	16.5%	75.4%	59,967	**64,952**	6.3%
FEMSA	Holding Company	0.3%	26.9%	68.8%	39,314	**64,510**	6.3%
Princess Private Equity	Closed-ended Fund	10.0%	29.1%	12.0%	58,183	**64,160**	6.2%
Apollo Global Management 'A'	Holding Company	0.1%	32.3%	84.2%	33,528	**59,712**	5.8%
Pantheon International	Closed-ended Fund	3.5%	22.7%	14.0%	47,042	**53,743**	5.2%
D'Ieteren Group	Holding Company	0.6%	14.7%	12.0%	37,699	**41,458**	4.0%
Christian Dior	Holding Company	0.0%	26.3%	97.1%	22,498	**40,272**	3.9%
Top ten investments					**436,334**	**625,802**	**60.7%**
Pershing Square Holdings	Closed-ended Fund	0.4%	18.6%	46.6%	25,972	**39,968**	3.9%
Nihon Kohden	Asset-backed Special Situation	2.1%	3.4%	2.9%	36,247	**36,807**	3.7%
News Corp	Holding Company	0.6%	2.8%	1.7%	35,674	**36,095**	3.5%
IAC	Holding Company	1.0%	-31.1%	-41.9%	64,482	**34,150**	3.3%
Godrej Industries	Holding Company	1.8%	2.3%	9.0%	30,288	**34,097**	3.2%
Hipgnosis Songs Fund	Closed-ended Fund	3.4%	-3.3%	-2.5%	38,607	**33,142**	3.2%
Symphony International Holdings	Closed-ended Fund	15.7%	7.9%	52.0%	26,636	**31,807**	3.1%
Third Point Investors	Closed-ended Fund	4.1%	6.5%	33.2%	23,728	**26,961**	2.6%
Wacom	Asset-backed Special Situation	4.7%	-17.6%	-30.5%	37,086	**24,215**	2.3%
EXOR	Holding Company	0.1%	11.0%	42.5%	13,574	**20,506**	2.0%
Top twenty investments					**768,628**	**943,550**	**91.5%**
Bollore	Holding Company	0.1%	nm	-11.0%	20,087	**17,799**	1.7%
Molten Ventures	Closed-ended Fund	5.0%	-39.9%	-31.4%	25,430	**17,452**	1.7%
DTS	Asset-backed Special Situation	2.0%	8.3%	21.6%	15,795	**16,628**	1.6%
Digital Garage	Asset-backed Special Situation	1.8%	-10.7%	-15.2%	21,871	**16,115**	1.6%
Hachijuni Bank	Asset-backed Special Situation	0.5%	nm	25.2%	10,114	**12,508**	1.2%
Kyoto Financial Group	Asset-backed Special Situation	0.3%	nm	17.4%	10,315	**11,937**	1.2%
Dai Nippon Printing	Asset-backed Special Situation	0.2%	nm	7.9%	10,840	**11,646**	1.1%
Konishi	Asset-backed Special Situation	2.3%	4.8%	19.8%	10,522	**11,630**	1.1%
Shiga Bank	Asset-backed Special Situation	1.1%	nm	8.4%	10,577	**11,334**	1.1%
Haw Par Corporation	Holding Company	0.8%	nm	-0.1%	11,360	**10,957**	1.1%
Top thirty investments					**915,539**	**1,081,556**	**104.9%**

Company	Portfolio classification	% of investee company	IRR (%, £)[1]	ROI (%, £)[2]	Cost £'000[3]	Fair value £'000	% of net assets
SK Kaken	Asset-backed Special Situation	1.8%	-11.6%	-42.8%	19,056	**10,303**	1.0%
TSI Holdings	Asset-backed Special Situation	2.5%	nm	22.2%	8,182	**9,954**	1.0%
Fuji Soft	Asset-backed Special Situation	0.5%	nm	4.7%	9,047	**9,431**	0.9%
Iyogin Holdings	Asset-backed Special Situation	0.4%	nm	28.4%	6,496	**8,276**	0.8%
Pasona Group	Asset-backed Special Situation	2.0%	6.9%	21.2%	8,551	**7,497**	0.7%
Shin Etsu Polymer	Asset-backed Special Situation	0.8%	1.2%	1.2%	5,111	**5,021**	0.5%
VEF	Holding Company	2.3%	-5.8%	-5.2%	4,525	**3,989**	0.4%
JPEL Private Equity	Closed-ended Fund	18.4%	19.9%	100.1%	1,554	**3,954**	0.4%
Seraphim Space Investment	Closed-ended Fund	2.9%	-10.0%	-8.0%	3,213	**2,955**	0.3%
Better Capital (2009)†	Closed-ended Fund	17.4%	22.1%	41.1%	1,962	**903**	0.0%
Top forty investments					**983,236**	**1,143,839**	**110.9%**
Third Point Investors Private Investments†	Closed-ended Fund	0.0%	nm	nm	582	**602**	0.1%
Ashmore Global Opportunities – GBP*	Closed-ended Fund	0.0%	4.2%	7.8%	31	**318**	0.0%
Equity investments at fair value					**983,849**	**1,144,759**	**111.0%**

Fair value and gross market exposure of investments[4]	Equity exposure £'000	Fair value £'000	% of net assets
Equity investments	**1,144,759**	**1,144,759**	**111.0%**
Total return swap long positions			
Brookfield Class A	52,097	**(16,067)****	-1.6%
SK Square	18,837	**(1,437)****	-0.1%
	70,934	**(17,504)**	**-1.7%**
Total return swap short positions			
Brookfield Infrastructure Partners Units	(3,744)	**714***	0.1%
Brookfield Asset Management Class A	(24,501)	**168***	0.0%
Brookfield Renewable Partners Units	(4,077)	**1,292***	0.1%
SK Hynix Inc	(14,664)	**(3,369)****	-0.3%
	(46,986)	**(1,195)**	**-0.1%**
	23,948	**(18,699)**	**-1.8%**
Investments and total return swaps	**1,168,707**	**1,126,060**	**109.2%**
Other net current assets less current liabilities		**46,507**	4.5%
Non-current liabilities		**(141,549)**	-13.7%
Net assets		**1,031,018**	**100.0%**

1 Internal Rate of Return. Calculated from inception of AGT's investment. Refer to Glossary on pages 103 to 106. 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 103 to 106.
3 Cost. Refer to Glossary on pages 103 to 106
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 £70,934,000. If the long positions were closed at 30 September 2023, this would result in a loss of £17,504,000. 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 £46,986,000. If the short positions were closed on 30 September 2023, this would result in a loss of £1,195,000. 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 £2,174,000.
** The total fair value of total return swap liabilities of long and short positions is £20,873,000.