

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)

	30 September 2023	30 September 2022	
Closing NAV per share (p)	226.77	199.76	a
Dividends paid out (p)	45.50	42.20	b
Benefits from re-investing dividends (p)	117.35	96.09	c
Adjusted NAV per share (p)	389.61	338.05	d = a + b + c
Opening NAV per share (p)* – June 1985	5.94	5.94	e
Annualised NAV total return (%)	11.5%	11.4%	((d/e) ^ (1/38.25)) - 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

As described in the Chairman's Statement the Company's Comparator Benchmark is the MSCI All Country World Total Return Index, but performance is also reported compared with the previous comparator benchmark, 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	CAD
Pounds Sterling	Euro	US Dollar	Swedish Krona	Japanese Yen	Norwegian Krone	Swiss Franc	Hong Kong Dollar	Brazilian Real	Romanian Lei	Indian Rupee	Canadian Dollar

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 202.0p (2022: 179.0p) from the NAV per share (with debt at fair value) of 226.8p (2022: 199.8p) and is usually expressed as a percentage of the NAV per share, 10.9% (2022: 10.4%). 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 to assess businesses that do not (yet) generate operating or shareholder profits.

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 13.7% (2022: 12.7%) represents borrowings of £141,549,000 (2022: £122,893,000) expressed as a percentage of shareholders' funds of £1,031,018,000 (2022: £969,508,000). Using debt at fair value, gross gearing is 11.9% (2022: 11.3%).

Net gearing, which accounts for cash balances and uses debt at par value, is 11.0% (2022: 1.7%). Using debt at fair value, net gearing is 7.4% (2022: 0.5%).

* The opening NAV per share is restated for the share split.

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Gearing (APM) continued

The gross and net gearing reconciliation calculations are provided below:

Gross Gearing (Debt at Par)	2023 £'000	2022 £'000	
Debt	-141,549	-122,893	a
NAV	1,031,018	969,508	b
Gross Gearing	13.7%	12.7%	=a/b
Net Gearing (Debt at Par)	2023	2022	
Assets (inc. Cash)	49,905	114,850	c
Liabilities	-3,398	-8,880	d
Net	-95,042	-16,923	e=a+c+d
Net Gearing	9.2%	1.7%	=e/b
Gross Gearing (Debt at Fair)	2023	2022	
Debt	-124,487	-110,649	a
NAV	1,048,080	981,752	b
Gross Gearing	11.9%	11.3%	=a/b
Net Gearing (Debt at Fair)	2023	2022	
Assets (inc. Cash)	49,905	114,850	c
Liabilities	-3,398	-8,880	d
Net	-77,980	-4,679	e=a+c+d
Net Gearing	7.4%	0.5%	=e/b

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

	30 September 2023							30 September 2022					
	2036 GBP loan £'000	2036 EUR loan £'000	2037 EUR loan £'000	2032 JPY 8bn loan £'000	2033 JPY 4.5bn 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	2032 JPY loan £'000	Total £'000
Value of issue	30,000	22,962	17,526	49,516	24,802	-	144,806	30,000	22,962	17,526	-	49,516	120,004
Unamortised issue costs	(80)	(61)	(97)	(162)	(48)	-	(448)	(87)	(66)	(105)	-	(179)	(437)
Exchange movement	-	3,059	(179)	(5,593)	(96)	-	(2,809)	-	3,339	9	-	(22)	3,326
Amortised book cost	29,920	25,960	17,250	43,761	24,658	-	141,549	29,913	26,235	17,430	-	49,315	122,893
Fair value	25,051	22,158	13,936	40,584	22,757	-	124,487	25,127	22,668	14,214	-	48,640	110,649
Redemption costs	3,818	4,802	3,356	(1,007)	3,534	-	14,502	4,899	7,144	5,016	-	(2,124)	14,935
Redemption value	28,869	26,960	17,292	39,577	26,291	-	138,989	30,026	29,812	19,230	-	46,516	125,584

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.

The impact of holding the Loan Notes at fair value would be to increase the Company's net assets with debt at fair value by £17,062,000 (2022: increase by £12,244,000).

The fair value of the Company's Loan Notes at the year-end was £124,487,000 (2022: £110,649,000). The interest rates of the non-current liabilities (Loan Notes) are fixed. A 1% increase in market interest rates would be expected to decrease the fair value of the non-current liabilities, and increase net assets with debt at fair value, by approximately -£10.8m (2022: -£10.3m), all other factors being equal. A 1% decrease would increase the fair value of them non-current liabilities, and decrease net assets with debt at fair value, by £12.0m (2022: £11.6m). The Loan Notes are held in the NAV at amortised cost.

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 Assets

Net assets are the total value of all the Company's assets less all liabilities. Net assets is equivalent to shareholders' funds.

Net Asset Value (NAV) (APM)

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 £1,031,018,000 (2022: £969,508,000) by the number of Ordinary Shares in issue excluding Treasury Shares of 462,173,682 (2022: 491,451,568*) 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, increasing the NAV by £17,062,000 (2022: £12,244,000 increase). This is calculated by the original NAV of £1,031,018,000 (2022: £969,508,000) less the debt at amortised cost £141,549,000 (2022: £122,893,000), adding back the debt at fair value £124,487,000 (2022: £110,649,000). The adjusted NAV (debt at fair value) is £1,048,080,000 (2022: £957,264,000) divided by the number of Ordinary Shares in issue excluding Treasury Shares of 462,173,682 (2022: 491,451,568*) at the year-end provides the adjusted NAV per share (debt at fair value) provides the adjusted NAV per share (debt at fair value) of 226.77p (2022: 199.76p).

Ongoing Charges Ratio / Expense Ratio (APM)

The Company's Ongoing Charges Ratio is the sum of: (a) its Expense Ratio; (b) Costs of gearing; and (c) transaction costs. For a detailed discussion of the Expense Ratio, please see the discussion of Key Performance Indicators on page 12 of the Annual Report.

The Company's Expense Ratio is its annualised expenses (excluding finance costs and certain non-recurring items) of £8,655,000 (2022: £9,577,000) (being investment management fees of £6,891,000 (2022: £7,650,000) and other expenses of £1,782,000 (2022: £2,594,000) less non-recurring expenses of £18,000 (2022: £667,000)) expressed as a percentage of the average month-end net assets of £1,010,898,000 (2022: £1,089,555,000) during the year as disclosed to the London Stock Exchange.

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

		30 September 2023	30 September 2022
Total Expense Ratio	a	0.86%	0.88%
Cost of Gearing	b	0.34%	0.34%
Transaction Costs	c	0.07%	0.07%
Total	= a + b + c	1.27%	1.29%

% 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.

Revenue and Capital Earnings per Share (APM)

Revenue earnings per share is calculated by dividing revenue profit after tax for the year of £20,041,000 (2022: £16,302,000) by the weighted average of Ordinary Shares (excluding shares in issue) during the year 478,739,622 (2022: 503,274,200). Capital earnings per share is calculated by dividing capital profit for the year of £114,096,000 (2022: loss of £127,328,000) by the weighted average of Ordinary Shares (excluding shares in issue) during the year 478,739,622 (2022: 503,274,200).

Shares Bought Back

The Company may repurchase its own shares, 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 0.6% (2022: 0.4%) 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 10.1% (2022: 10.3%).

	30 September 2023	30 September 2022	
Weighted average discount of buybacks	10.1%	10.3%	a
Percentage of shares bought back	6.0%	3.7%	b
NAV accretion from buyback	0.6%	0.4%	(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.

* Restated for share split.

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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 2023	30 September 2022	
Closing NAV per share (p)		226.77	199.76	a
Dividends paid out (p)	75	3.30	3.30	b
Benefits from re-investing dividends (p)		0.19	-0.23	c
Adjusted NAV per share (p)		230.26	202.83	d = a+b+c
Opening NAV per share (p)*		199.76	218.76	e
NAV total return (%)		15.3%	-7.3%	= (d/e)-1

NAV total return over 10 years (annualised)

Closing NAV per share (p)		226.77	199.76	a
Dividends paid out (p)		28.94	28.24	b
Benefits from re-investing dividends (p)		18.34	15.69	c
Adjusted NAV per share (p)		274.05	243.69	d = a + b + c
Opening NAV per share (p)*		109.92	99.64	e
Annualised NAV total return (%)		9.6%	9.4%	((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 2023	30 September 2022	
Closing NAV per share (p)		202.00	179.00	a
Dividends paid out (p)	75	3.30	3.30	b
Benefits from re-investing dividends (p)		0.10	-0.27	c
Adjusted price per share (p)		205.40	182.03	d = a+b+c
Opening price per share (p)		179.00	204.00	e
Share price total return (%)		14.8%	-10.8%	= (d/e)-1

Treasury Share

When a share is bought back it may be cancelled immediately or held (at zero value) as a Treasury Share. Shares that are held in treasury can be reissued for cash at minimal cost. The Company will only reissue shares from treasury at a price at or above the prevailing NAV per share.

Total Return Swap

A total return swap is a financial contract between two parties, whereby each party agrees to “swap” a series of cashflows. On the long positions, AGT receives income but pays floating rate interest and capital movement. Capital movement is based on the notional value (the equity exposure of the underlying security). On short positions, AGT pays income and receives the floating rate interest and capital movement.

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.

Weighted Average Shares (APM)

The weighted average shares outstanding is calculated by multiplying the outstanding number of shares after each share issue and buy back of shares during the year with the time weighted portion. The total of the weighted average of shares in issue excluding Treasury shares during the year is 478,739,622.

* The opening NAV per share is restated for the share split.