

Strategic Report / Investment Portfolio

At 30 September 2019

Company	Nature of business	% of investee company [#]	IRR (%; GBP) ¹	ROI (%; GBP) ²	Cost £'000 ³	Equity exposure ⁴ £'000	Equity exposure % of portfolio [#]
Pershing Square Holdings (total)[^]	Closed-end Fund	2.7%	18.7%	37.8% ⁺	70,667	92,710	9.2%
<i>Pershing Square Holdings (equity position)</i>	<i>Closed-end Fund</i>	1.6%	<i>n/a</i>	27.1% ⁺	40,108	55,333	5.5%
<i>Pershing Square Holdings (long swap position)[#]</i>	<i>Closed-end Fund</i>	1.1%	<i>n/a</i>	10.7% ⁺	30,559	37,377	3.7%
Oakley Capital Investments	Closed-end Fund	11.9%	26.1%	35.3%	41,217	54,410	5.4%
Third Point Offshore Investors	Closed-end Fund	9.2%	6.4%	12.8%	45,523	49,842	4.9%
Sony Corp	Asset-backed Company	0.1%	53.3%	11.6%	43,778	48,897	4.8%
EXOR	Family-backed Holding Company	0.4%	14.3%	35.0%	33,912	46,072	4.6%
Eurocastle Investment	Closed-end Fund	15.1%	25.3%	10.1%	42,156	42,969	4.2%
Jardine Strategic	Family-backed Holding Company	0.2%	-2.0%	-3.6%	47,736	41,446	4.1%
Fondul Proprietatea	Closed-end Fund	2.8%	20.1%	63.4%	28,299	40,878	4.0%
Symphony International Holdings	Closed-end Fund	15.7%	14.1%	64.1%	26,636	39,800	3.9%
Tetragon Financial	Closed-end Fund	2.8%	9.7%	26.2%	35,939	39,551	3.9%
Top ten investments					415,863	496,575	49.0%
JPEL Private Equity	Closed-end Fund	18.4%	23.4%	74.5%	20,472	38,480	3.8%
Swire Pacific 'B'	Family-backed Holding Company	2.1%	1.7%	4.3%	40,329	36,909	3.7%
Kinnevik 'B'	Family-backed Holding Company	0.6%	17.5%	8.6%	31,745	34,181	3.4%
Cosan Ltd	Family-backed Holding Company	2.1%	31.3%	56.2%	18,625	33,734	3.3%
Tokyo Broadcasting System	Asset-backed Company	1.4%	-1.7%	-3.2%	35,560	32,028	3.2%
Pargesa	Family-backed Holding Company	0.6%	12.0%	41.6%	20,418	27,539	2.7%
Wendel	Family-backed Holding Company	0.5%	15.6%	47.0%	20,877	27,488	2.7%
Riverstone Energy	Closed-end Fund	5.1%	-13.7%	-37.0%	38,369	23,988	2.4%
Investor AB 'A'	Family-backed Holding Company	0.1%	13.9%	109.2%	6,663	22,171	2.2%
Pasona Group*	Asset-backed Company	3.6%	18.9%	17.5%	15,476	17,587	1.7%
Top twenty investments					664,397	790,680	78.1%
Fujitec*	Asset-backed Company	1.7%	1.5%	1.6%	16,147	15,937	1.6%
Aker ASA	Family-backed Holding Company	0.5%	18.1%	145.2%	8,290	15,924	1.6%
Vietnam Phoenix Fund 'C'	Closed-end Fund	32.0%	14.3%	37.4%	16,060	15,490	1.5%
Godrej Industries	Family-backed Holding Company	0.9%	-32.4%	-15.6%	17,106	14,378	1.4%
GP Investments	Closed-end Fund	11.2%	-4.0%	-12.6%	16,162	14,185	1.4%
Kato Sangyo*	Asset-backed Company	1.4%	2.1%	3.8%	13,639	13,823	1.4%
Kanaden*	Asset-backed Company	4.8%	3.4%	4.9%	12,901	13,108	1.3%
SK Kaken*	Asset-backed Company	1.2%	-6.5%	-6.3%	13,705	12,705	1.2%
Daiwa Industries*	Asset-backed Company	2.7%	-0.4%	-0.6%	12,126	11,566	1.1%
Toshiba Plant Systems*	Asset-backed Company	0.9%	9.4%	10.0%	10,364	11,280	1.1%
Top thirty investments					800,897	929,076	91.7%

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Teikoku Sen-I*	Asset-backed Company	3.0%	-7.3%	-6.9%	12,040	11,054	1.1%
Toagosei*	Asset-backed Company	0.8%	18.7%	9.7%	9,161	9,907	1.0%
Digital Garage*	Asset-backed Company	0.8%	56.6%	23.7%	8,176	9,845	1.0%
Nishimatsuya Chain*	Asset-backed Company	1.9%	-8.8%	-16.3%	11,609	9,343	0.9%
Nuflare Technology*	Asset-backed Company	1.3%	62.0%	34.3%	6,684	8,847	0.9%
Tachi-S*	Asset-backed Company	2.5%	-13.5%	-22.4%	11,276	8,547	0.8%
Konishi*	Asset-backed Company	1.7%	-6.3%	-3.3%	8,163	7,831	0.8%
Sekisui Jushi*	Asset-backed Company	1.0%	15.4%	13.2%	6,432	7,198	0.7%
Better Capital (2009)	Closed-end Fund	2.1%	24.6%	47.7%	1,962	2,982	0.3%
Nakano Corporation*	Asset-backed Company	2.1%	-8.9%	-16.1%	3,199	2,535	0.2%
Top forty investments					879,599	1,007,165	99.4%
Mitsubishi Belting*	Asset-backed Company	0.3%	-9.9%	-6.7%	1,691	1,230	0.1%
Ashmore Global Opportunities – GBP	Closed-end Fund	12.5%	3.5%	6.9%	846	1,066	0.1%
Nissan Shatai*	Asset-backed Company	0.1%	-2.9%	-4.1%	844	740	0.1%
Total long equity exposure					882,980	1,010,201	99.7%
Pershing Square Holdings Hedges^o							
Total return swap* – long positions							included in ^ above
Total return swap* – short positions			n/a	-26.1%	(21,493)	(29,034)	-2.8%
Total net equity exposure					861,487	981,167	96.9%
Other net assets and liabilities						31,703	3.1%
Total assets less current liabilities						1,012,870	100.0%

* Constituent of Japanese Special Situations basket.

¹ Internal Rate of Return. Calculated from inception of AVI Global's investment. Refer to Glossary on pages 89 to 92.

² Return on investment. Calculated from inception of AVI Global's investment. Refer to Glossary on pages 89 to 92.

³ Cost (refer to Glossary on pages 89 to 92) plus notional cost of long and short swap positions.

⁴ Notional current equity value of investments and swaps.

[^] Pershing Square Holdings' notional equity exposure includes investment in equity shares and long swap position. For further information, refer to page 23.

⁺ The ROI for Pershing Square Holdings does not include any contribution from the associated short total return swap positions.

^o Value of Pershing Square Holdings hedged by shorting a pro rata amount of underlying holdings in Berkshire Hathaway, Chipotle Mexican Grill, Howard Hughes, Hilton Worldwide Holdings, Lowe's Companies, Restaurant Brands International and Starbucks.

[#] For definitions, refer to Glossary on pages 89 to 92.