COMPANY 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.

BUSINESS MODEL

STRATEGY

Our strategy is to seek out-of-favour companies whose assets are misunderstood by the market or under-researched, and which trade significantly below their intrinsic value. Often, we engage actively with management in order to provide suggestions for improvements that we believe could help narrow the discount or improve operations, thus releasing value for shareholders.

INVESTMENT APPROACH

As an investment trust, the Company's most important relationship is with the Investment Manager.

The Company's assets are managed by Asset Value Investors Limited ('AVI'). 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. No more than 10% of the Company's investments may be in unlisted securities. AVI's investment philosophy is described in more detail on page 17 of the Annual Report and the Company's Investment Policy is set out on page 38.

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 ongoing charges.

KEY PERFORMANCE INDICATORS

DISCOUNT*

30 September 2019	30 September 2018
10.9%	8.5%

NAV TOTAL RETURNS TO 30 SEPTEMBER 2019*

1 Year	10 Years (Annualised)
2.1%	8.4%

ONGOING CHARGES RATIO*

2019	2018
0.85%	0.87%

OTHER KEY STATISTICS

NET ASSET VALUE PER SHARE*

30 September 2019	30 September 2018
852.61p	841.95p

NUMBER OF INVESTMENTS

43

(of which 18 are held in Japanese Special Situations – see pages 14 and 15)

TOP TEN INVESTMENTS REPRESENT

49.0%

of portfolio*

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

2019	2018
0.1%	0.4%

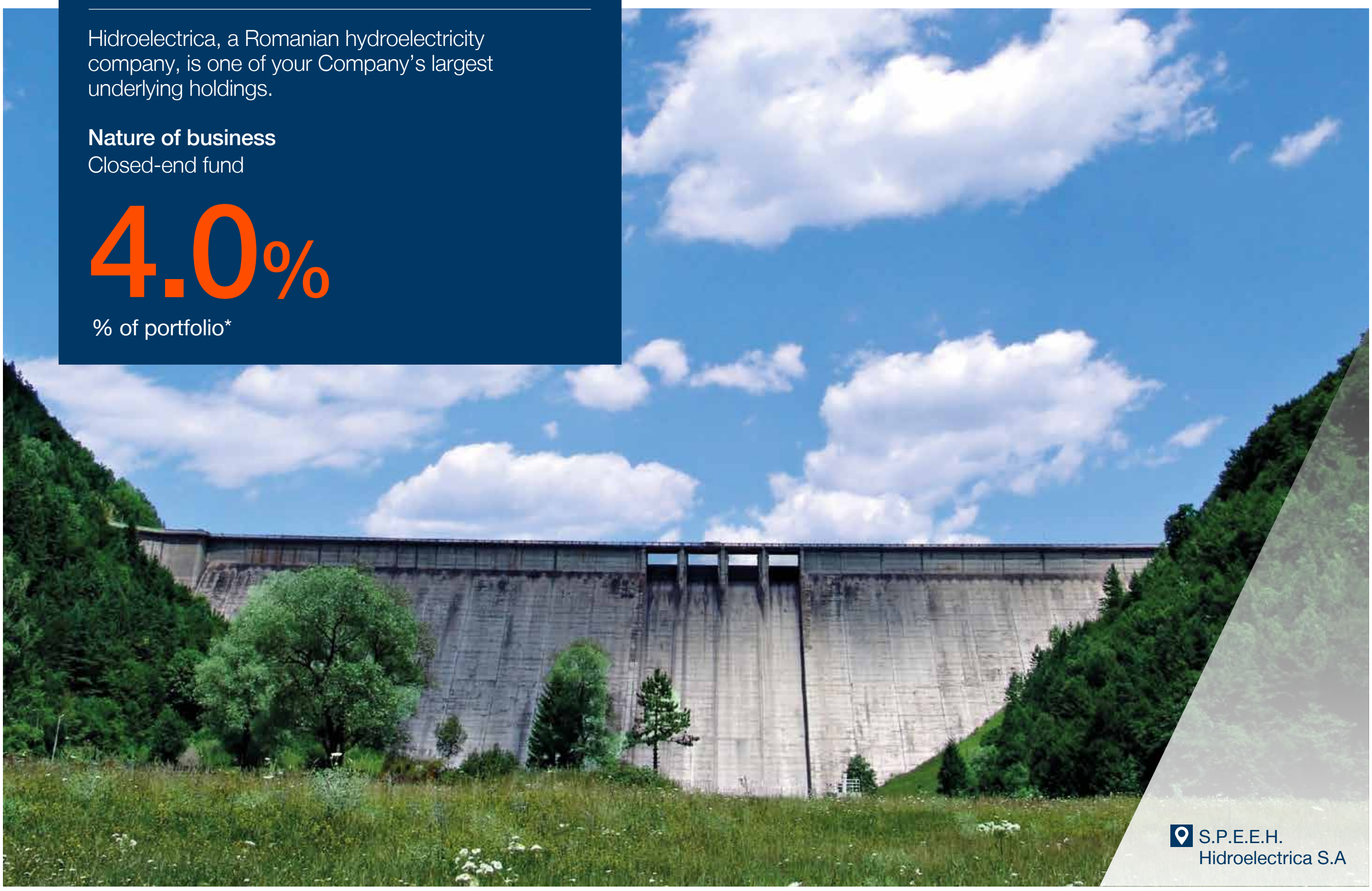
FONDUL PROPRIETATEA

Hidroelectrica, a Romanian hydroelectricity company, is one of your Company's largest underlying holdings.

Nature of business
Closed-end fund

4.0%

% of portfolio*



S.P.E.E.H.
Hidroelectrica S.A

* For definitions, see Glossary on pages 89 to 92.

FINANCIAL HIGHLIGHTS

– Net asset value ('NAV') per share on a total return basis increased by 2.1%
– Final dividend increased to 14.50p and total dividend increased by 26.9% to 16.50p
– Share price total return of -0.4%

PERFORMANCE SUMMARY

	30 September 2019	30 September 2018
Net asset value per share (total return) for the year[1]*	**2.1%**	10.0%
Share price total return for the year*	**-0.4%**	12.0%
Discount* Share Price Discount (difference between share price and net asset value)[2]	**-10.9%**	-8.5%
	Year to 30 September 2019	Year to 30 September 2018
Earnings and Dividends		
Investment income	**£26.21m**	£22.64m
Revenue earnings per share	**19.08p**	14.83p
Capital earnings per share	**2.82p**	58.72p
Total earnings per share	**21.90p**	73.55p
Ordinary dividends per share	**16.50p**	13.00p
Ongoing Charges Ratio* Management, marketing and other expenses (as a percentage of average shareholders' funds)	**0.85%**	0.87%
Comparator Benchmark* MSCI All Country World ex-US Index (£ adjusted total return*)	**4.5%**	4.7%
2019 Year's Highs/Lows	High	Low
Net asset value per share	**878.26p**	**738.71p**
Net asset value per share (debt at fair value)	**867.39p**	**731.27p**
Share price (mid market)	**781.00p**	**660.00p**

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.

Buybacks

During the year, the Company purchased 1,718,823 Ordinary Shares, all of which were placed into treasury, at a cost of £12.6m. On 11 September 2019, the Company cancelled 13,523,032 of the shares held in treasury.

***Alternative Performance Measures**

For all Alternative Performance Measures included in this Strategic Report, please see definitions in the Glossary on pages 89 to 92.

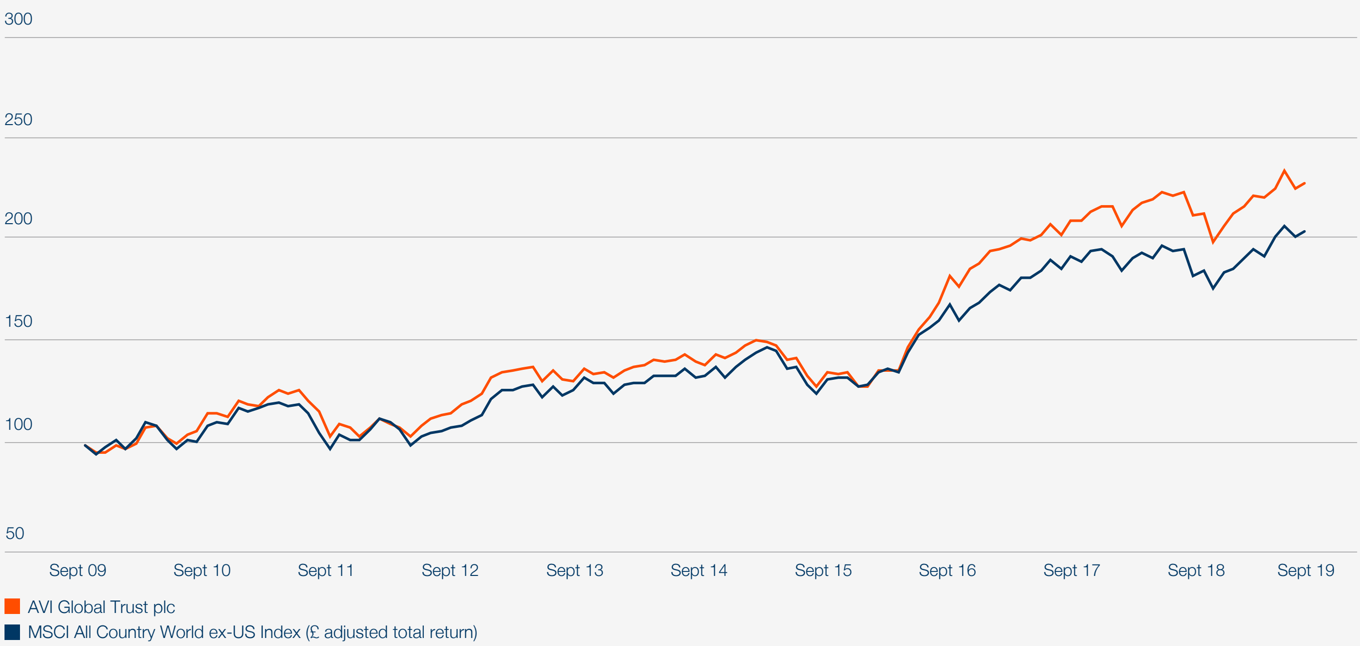
† During the year, your Company switched to the net version of the MSCI All Country World ex-US Index, which accounts for withholding taxes incurred. If the gross version of the Index had been used, the comparative figures for the years ending 30 September 2019 and 30 September 2018 would have been 0.9% and 0.5% higher, respectively. Further detail can be found in the Chairman's Statement on page 6.

Historical record
Year ended 30 September

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenue profit for the year £'000*	**21,169**	16,933	12,603	18,747	16,268	13,827	21,775	24,050	18,405	12,712	12,774
Revenue earnings per share (p)*	**19.08**	14.83	10.44	14.32	11.75	9.29	13.90	15.06	11.50	7.94	7.98
Ordinary dividends per share (p)	**16.50**	13.00	12.00	11.70	11.70	10.50	10.50	9.50	8.50	7.50	6.00
Special dividend per share (p)	–	–	–	2.80	–	–	2.50	3.50	2.00	–	1.25
Net assets £'000	**938,941**	941,680	903,229	843,973	697,542	826,984	844,455	791,225	740,385	829,670	735,188
Basic net asset value per share (p)	**852.61**	841.95	777.62	670.52	519.53	575.92	551.97	500.47	462.51	518.28	459.26

* The profit for the year figures for 2008 to 2014 are Group returns and earnings, those for 2015 to 2019 are the Company return and earnings. These are comparable on a like-for-like basis.

The Company's net asset value relative to the MSCI All Country World ex-US Index (£ adjusted total return)



Susan Noble
Chairman

> Our managers were able to deliver a positive overall return in difficult markets.

Overview of the Year

The financial year to September 2019 was a challenging period and our investments were buffeted by the effects of the US-China trade war, unrest in Hong Kong, slowing global economic growth and the fear of recession. Closer to home, the continuing uncertainty over Brexit has affected the economy and the stock market. The shares hit a low point on Christmas Eve before staging a substantial recovery in the first quarter of 2019. Overall, the recovery continued into the second half of our financial year, albeit again with some volatility, and we ended the financial year with the NAV total return showing a modest gain over 12 months.

Our managers were able to deliver a positive overall return over the year in difficult markets and despite some severe headwinds. The key message, which is described in more detail in the Investment Manager's Review, is that underlying value in the portfolio has increased noticeably while share prices overall have not kept pace. In particular, the strategic move into Japan in recent years has built a store of value, while in other parts of the world we have experienced some notable successes this year. Your Board spends a large part of its time reviewing investments with the Investment Manager and we remain encouraged by the continuing focus on fundamental value.

In this year's Annual Report, recognising that this is an important topic for many investors, we have expanded the description of our approach to Environmental, Social and Governance ('ESG') factors.

As a Board we strive to be transparent and we have decided that henceforth we will report performance compared with the version of our benchmark index which accounts for any tax which cannot be reclaimed. Shareholders should be aware that our Investment Manager's investment process is not influenced by the composition of the benchmark index as they focus on the prospects for individual companies and the value in the share price. The effect of the change is minor, and is explained further on page 4.

Our Investment Manager is obliged under the current regulatory regime to produce a set of statistics and a Key Information Document ('KID'). Others have written extensively on the subject and our trade body, the AIC, issued a document on the subject of KIDs entitled "Burn Before Reading". We have a particular issue in that to the extent that the portfolio is invested in other investment companies, the Investment Manager is obliged to add the running costs of those companies when reporting our own running costs. In our view, this amounts to unequal treatment as, for example, we do not have to report head office costs of conglomerates or property companies. As a Board, we believe that the way costs are restated impacts the marketing of the Company and puts us at a disadvantage compared with many other investment companies. While we are naturally in favour of full transparency of costs, we do not believe that this was the outcome which the regulation was designed to produce.

Income and Dividend

Our revenues were very strong this year, particularly in the second half of the accounting year. As a consequence, we have been able to increase total dividends for the year by 26.9%.

The Board has elected to propose a final dividend of 14.5p per share for the year. If approved by shareholders at the Annual General Meeting, the total dividends for the accounting year including the interim dividend of 2.0p per share already paid will be 16.5p per share. It is the Board's intention to rebalance the dividend payments by increasing the next interim dividend and potentially reducing the next final dividend.

The Company has either maintained or increased its total annual dividends for the past 30 years, and expects to continue to do so in the future. As I have stated previously, the Company's primary objective is to seek returns which may come from any combination of increases in the value of underlying investments, a narrowing of discounts to underlying asset value and distributions by investee companies. We do not set an income target for our Investment Manager as this could unnecessarily constrain their freedom to act.

Debt Structure and Gearing

Your Board regularly reviews the funding structure of the Company and in recent years we introduced long-term Sterling and Euro debt at what we considered to be attractive interest rates. We also consider shorter-term debt to be more flexible and we announced in April 2019 that the Company had entered into an agreement with Scotiabank Europe PLC for a Japanese Yen 4.0bn revolving credit facility for a period of three years. The facility was equivalent to £27.7m on that date.

The facility was drawn down in full and funds were partly used in a refinancing exercise to repay the Company's £15m 8⅛% Debenture Stock, with the balance deployed by the Investment Manager in further investments in Japanese equities. The Debenture Stock was due to mature in 2023 and the total cost of redeeming this debt early was £19.9m including accrued interest. While the cost of redemption initially reduced the NAV per share by 0.1% (or 0.8p per share) with debt at fair value, the refinancing exercise is expected to reduce the total annual interest by approximately £930,000 (or 0.8p per share), based on current short-term interest rates for the revolving credit facility.

Following the refinancing exercise, the Company's weighted average interest on all borrowings reduced to 2.9%, compared with 4.3% before the refinancing. Borrowing in Japanese Yen also provides a natural hedge against exchange rate fluctuations for our Japanese investments, as does borrowing in Euros when matched with European investments.

During the year, we also cancelled 13.5m shares held in treasury.

Discount

Your Board continues to believe that it is in the best interests of shareholders to use share buybacks with the intention of limiting any volatility in the discount. During the accounting year under review, some 1.7m shares were bought back, and this had a small beneficial effect on NAV per share for continuing shareholders. We intervened when the Board believed that the discount was unnaturally wide and intend to continue to follow this approach.

Board

The Board regularly discusses the skills and experience which Directors bring to the Company and we have a long-term plan for orderly succession which naturally evolves over time.

Steven Bates duly retired as a Director following the Annual General Meeting on 19 December 2018, having served for 12 years.

Graham Kitchen was appointed as a Director with effect from 1 January 2019. Graham was Global Head of Equities at Janus Henderson Investors until March 2018, having joined in 2005. Prior to that, he held senior positions in fund management at Threadneedle Investments and Invesco as a UK Fund Manager. Graham is a non-executive director of the Mercantile Investment Trust plc and of Invesco Perpetual Select Trust plc. He also provides investment advice to a small number of charities.

Company Name

The Board regularly reviews feedback both from existing shareholders and those who may buy shares in the future. After lengthy consideration of a number of alternatives, the Board decided to change the name of the Company to AVI Global Trust plc in May 2019.

Over its long history, the Company's name has made reference to the scope of its investment mandate, having launched in July 1889 as the Transvaal Mortgage, Loan & Finance Company Limited, and being renamed on three occasions since then as it has evolved. Over the past 30 years, the Company has developed a global reach and the new name, we believe, more accurately reflects where we invest and how the assets are managed. An investment trust's "customers" are, in effect, its shareholders, and this initiative was driven by a desire both to have a name which more accurately reflects what we do and better to appeal to new investors.

Outlook

The challenges which I set out above continue unabated. The macro-economic situation remains difficult. The trade war between the US and China is affecting economic growth in both countries and, by extension, the rest of the world's economy and equity markets. Political tension remains high, not least in Europe. At the time of writing, the UK is dealing with an uncertain outcome of the Brexit process and now also an unscheduled general election. While most of your Company's assets are located overseas and so the direct effect of political uncertainty in the UK is limited largely to exchange rate volatility, we are acutely aware of the risks of investing in such a difficult environment.

It is important that the Investment Manager looks through the background turbulence and seeks to make money for our shareholders by finding and exploiting good value. As set out in the Investment Manager's Review, we have not been immune to circumstances this year, but the level of value in the portfolio does appear to us exceptional. This value ranges from discounted investments in many well-known companies to the particular opportunity which a changing approach to corporate governance in Japan presents. In addition, the Investment Manager has increased the level of cash in the portfolio, which is being carefully deployed into increasing stakes in existing investments and new opportunities. Your Board believes that the store of value in the portfolio provides both some security in challenging times and the opportunity for attractive returns over the longer term.

Susan Noble
Chairman
11 November 2019

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**

Company	1 Year	10 Years (Annualised)
	2.1%	8.4%

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 is likely to deviate materially from that of any broadly based equity index. The Board considers the most useful comparator to be the MSCI All Country World ex-US Index, As explained on page 6, the Board has decided to use the net version of this Index, which accounts for withholding taxes. Over the past year, the benchmark has increased 4.5% on a total return basis and over ten years it has increased by 7.2% on an annualised total return basis.

A full description of performance and the investment portfolio is contained in the Investment Review, commencing on page 16.

*Discount**

Year end	30 September 2019	30 September 2018
	10.9%	8.5%
High for the year	11.2%	11.7%
Low for the year	7.2%	6.8%

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 new shares were issued and 1.7m shares were bought back and placed into treasury, adding an estimated 0.1% to net asset value per share to the benefit of continuing shareholders. The shares were bought back at a weighted average discount of 9.7%. On 11 September 2019, the Company cancelled 13,523,032 of the shares held in treasury.

*Ongoing charges**

Year ended 30 September 2019	Year ended 30 September 2018
0.85%	0.87%

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 ongoing charges ratio is the cost of the fees paid to the Investment Manager. This fee is reviewed annually and the Board believes that the cost is reasonable, given the Investment Manager's active approach to fund management and the resources required to provide the level of service.

For the year ended 30 September 2019, the ongoing charges ratio was 0.85%, down slightly from the previous year.

Principal 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 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 robust and regular assessments of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity, and did so 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. The Board does not believe that managing risk is solely the job of someone assigned to the task but that 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 and challenging perceptions. 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. A summary of the key risks and mitigating actions are 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.

* For definitions, see Glossary on pages 89 to 92.

Risk Area	Risk Tolerance and Mitigating Actions
Loss of value in the portfolio 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, potentially, when it results in a decline in value. The net asset value will be affected by general market conditions which in turn can be affected by extraneous events such as the US-China trade war, the protests in Hong Kong and Brexit.	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 on page 17. 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 much 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.
Gearing 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 its gearing at a prudent level. 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, 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 value of the Euro tranche of the Loan Notes and the Japanese Yen loan 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 also have assets denominated in Euros and Japanese Yen which will increase in value in Sterling terms if the exchange rates increase and so this should offset ("naturally hedge") the debt position.
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 2019, the Company had EUR50m of borrowing and investments denominated in Euros whose value exceeded that of this borrowing. Furthermore, the Company had JPY4,000m of borrowing and investments denominated in Japanese Yen whose value exceeded that of this borrowing.

Risk Area	Risk Tolerance and Mitigating Actions
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 of holdings is 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.
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 additionally 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. The Investment Manager, supported by the Company, 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.
Failed trades The portfolio has investments in a number of jurisdictions around the world and there is a risk of portfolio trades failing and/or of loss of assets.	The Board has zero tolerance to the loss of assets due to failed trades, theft or fraud. The Investment Manager and Administrator have comprehensive systems in place for executing and settling transactions and for ensuring that the assets are kept safe. The Company uses a leading global custodian bank to safeguard its assets and receives regular, comprehensive reports from the Custodian. In addition, the Depositary provides further independent oversight of the protection of the Company's assets.
Tax reclaims The portfolio has investments in a number of countries where systems for reclaiming tax are prolonged.	The Board has instructed the Company's suppliers to ensure that they take all reasonable steps to ensure that reclaims of tax are expedited. The Investment Manager has a process, overseen by the Audit Committee, to ensure that tax is reclaimed in an efficient and timely manner, working with the Custodian and, where appropriate, other agencies. In recent years, the Investment Manager, working closely with the Custodian, has been successful in substantially reducing the amount of overseas withholding tax which had been claimed but not yet received.
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 and the Administrator) 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.

The principal financial risks are examined in more detail in note 14 to the financial statements on page 65.

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 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 Stewardship Policy 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.

The Company has no employees. The Directors are satisfied that, to the best of their knowledge, the Company's principal suppliers, which are listed on the inside back cover of this report, 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 policy on recruitment of new Directors is contained on page 42.

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:

Susan Noble
Chairman
11 November 2019

AVI'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

Factor	Relevant Aspect	Boundaries or Tools for Implementation
Governance	Good governance has always been at the core of AVI's investment approach. The two areas of focus are: • How managers and directors guide a business. • The set of rules that describe the company's governing mechanisms.	AVI's strategy includes an active approach to governance and accountability which includes the following: • Voting at AGMs. • Letters to boards requesting change. • A dialogue with management and boards about governance issues.
Social	We try to understand the social system that an investee company operates within. The areas of focus are: • How the stakeholder relationships co-exist. • Employment related matters in terms of incentives.	As a minority shareholder, AVI will advise and guide its portfolio companies. Areas of focus include: • Discussions on unequal relationships with different stakeholders. • How employees and management incentives are organised.
Environmental	As a responsible owner, AVI fully supports policies and actions implemented by its portfolio companies to support a sustainable environment.	Our influence is limited as AVI is not involved in the day-to-day activities of its portfolio companies. However, we look to understand a company's stewardship of the environment to ensure that there are no egregious practices.

AVI's engagement in any one of these aspects will vary depending on the type of portfolio company (i.e. family-backed holding company, closed-end fund or asset-backed company).

AVI's full ESG Policy can be found at
www.aviglobal.co.uk

The top ten equity investments make up 49% of the portfolio*, with underlying businesses spread across a diverse range of sectors and regions.

All discounts are estimated by AVI as at 30 September 2019, based on AVI's estimate of each company's net asset value. Refer to Glossary of pages 89 to 92.

* For definitions, see Glossary on pages 89 to 92

1

PERSHING SQUARE HOLDINGS

Nature of business Closed-end Fund	**Valuation** £92.7m
% of portfolio 9.2%	**Discount** -27.3%

A Euronext-listed closed-end fund managed by a high-profile activist manager. The fund owns a concentrated portfolio of quality US companies. Pershing trades on a 27% discount to NAV, which we regard as unsustainably wide for a portfolio of large-cap, liquid securities, particularly given the manager's activist strategy.

2

OAKLEY CAPITAL INVESTMENTS

Nature of business Closed-end Fund	**Valuation** £54.4m
% of portfolio 5.4%	**Discount** -29.3%

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

Source / Time Out Group plc

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doValue

EUROCASTLE INVESTMENT

Nature of business Closed-end Fund	**Valuation** £43.0m
% of portfolio 4.2%	**Discount** -9.7%

A Euronext-listed closed-end fund whose main assets include a portfolio of Italian non-performing loans ('NPLs') and doValue, an Italian third-party servicer of NPLs. We see multiple layers of value in Eurocastle Investment, including a 10% discount to NAV, a cheap valuation for doValue, and a conservative discount rate used to value the portfolio of NPLs.

Source / doValue S.p.A.

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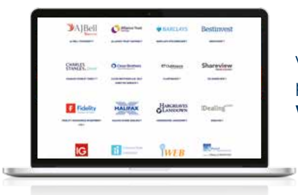
JARDINE STRATEGIC

Nature of business Family-backed Holding Company	**Valuation** £41.4m
% of portfolio 4.1%	**Discount** -39.7%

An Asian holding company which holds interests in Jardine Matheson, Hongkong Land, Jardine Cycle & Carriage, Dairy Farm and Mandarin Oriental by way of a cross shareholding between Jardine Matheson and Jardine Strategic. The group structure, which is controlled by the Keswick family, provides broad exposure to Asian businesses at an attractive discount to the value of their listed underlying holdings.

Source / Exchange Square in Hong Kong



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THIRD POINT OFFSHORE INVESTORS

Nature of business	Valuation
Closed-end Fund	£49.8m
% of portfolio	**Discount**
4.9%	-17.9%

A London-listed closed-end fund run by well-known activist Daniel Loeb. The fund invests in both long and short equity and credit, with a long equity bias. The fund trades on a discount of 18%, which we view as unsustainably wide given Loeb's reputation as an activist investor.

Source / Nana Kofi Acquah / Nestlé

4

SONY CORP

Nature of business	Valuation
Asset-backed Company	£48.9m
% of portfolio	**Discount**
4.8%	-36.3%

A Japanese holding company with four "crown-jewel" businesses: Gaming, Music, Pictures and Images & Sensors. Despite these attractive businesses, Sony trades on a discount of 36% to our estimate of NAV. We believe this reflects the complexity of the conglomerate structure, which obscures the value on offer and creates misconceptions. There are several ways to unlock this value and tighten the discount to NAV.

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EXOR

Nature of business	Valuation
Family-backed Holding Company	£46.1m
% of portfolio	**Discount**
4.5%	-31.4%

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

Source / New Holland Agriculture

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FONDUL PROPRIETATEA

Nature of business	Valuation
Closed-end Fund	£40.9m
% of portfolio	**Discount**
4.0%	-24.5%

A Bucharest- and London-listed closed-end fund originally set up to provide restitution to Romanian citizens whose property was seized by the Romanian Communist government. Fondul provides exposure to some of Romania's most attractive utility and infrastructure assets, including Hidroelectrica, ENEL's Romanian distribution subsidiaries, Bucharest Airport and OMV Petrom. The fund pays an 8% dividend yield and offers the potential for several corporate events to unlock value and help narrow the 24% discount.

Source / OMV Petrom S.A.

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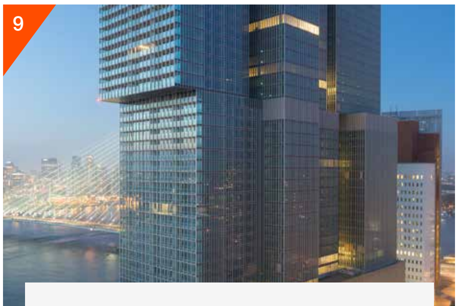

SYMPHONY INTERNATIONAL

Nature of business	Valuation
Closed-end Fund	£39.8m
% of portfolio	**Discount**
3.9%	-40.8%

A London-listed closed-end fund whose main assets include a stake in Minor International, a Thai group focused on hotels, restaurants and retail; a joint venture that owns a valuable bank of land in Bangkok; and a stake in Christian Liaigre, a luxury furniture retailer. The 41% discount is extraordinarily wide for a London-listed closed-end fund and we believe several options exist to tighten it.

Source / nhow Rotterdam

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TETRAGON

TETRAGON FINANCIAL

Nature of business	Valuation
Closed-end Fund	£39.6m
% of portfolio	**Discount**
3.9%	-46.2%

A Euronext- and London-listed closed-end fund investing in a multi-asset portfolio with exposure to CLO equity, hedge funds and real estate. Tetragon wholly owns, or has substantial stakes in, the asset managers that manage its portfolio, and the ultimate IPO of this asset management business is likely to release some of the value found in the company's 46% discount to NAV.

Source / Tetragon Financial Group Ltd

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%
Pershing Square Holdings (equity position)	*Closed-end Fund*	*1.6%*	*n/a*	*27.1%+*	*40,108*	***55,333***	*5.5%*
Pershing Square Holdings (long swap position)#	*Closed-end Fund*	*1.1%*	*n/a*	*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%**

Company	Nature of business	% of investee company[#]	IRR (%, GBP)[1]	ROI (%, GBP)[2]	Cost £'000[3]	**Equity exposure[4] £'000**	Equity exposure % of portfolio[#]
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%**
Mitsuboshi 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°							
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.
° 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.