

The top ten equity investments make up 50.6% of total assets less current liabilities, with underlying businesses spread across a diverse range of sectors and regions.



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PERSHING SQUARE HOLDINGS

Nature of business Investment Company	Valuation £66.6m
% of total assets less current liabilities 6.5%	Discount -24.4%

A Euronext- and London-listed closed-end fund investing in a highly-concentrated portfolio of listed US equities. The manager's reputation has been damaged by the steep losses experienced in its position in Valeant Pharmaceuticals, but that enabled us to make the investment at a wide discount to NAV. The shares currently trade on a 24% discount to NAV, which we believe is too wide for a portfolio of large-cap US equities run by an activist manager with a track record of outperformance (even including the Valeant losses).

Source / Courtesy of United Technologies



EXOR

Nature of business Investment Holding Company	Valuation £57.3m
% of total assets less current liabilities 5.6%	Discount -33.1%

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.

Source / CNH Industrial

All discounts are estimated by AVI as at 30 September 2018, based on AVI's estimate of each company's net asset value.



RIVERSTONE ENERGY

Nature of business Investment Company	Valuation £51.7m
% of total assets less current liabilities 5.0%	Discount -20.7%

A London-listed closed-end fund investing in oil & gas companies, mainly in the US and Canada with a focus on unconventional (shale) assets. Backed by a management team with a strong track record in the sector, Riverstone Energy was able to capitalise on the distress in the sector following the 2014 oil price crash to assemble an attractive portfolio concentrated in the lowest-cost basins in North America. The company trades on a 21% discount to NAV.

Source / Centennial Resource Development



WENDEL

Nature of business Investment Holding Company	Valuation £49.6m
% of total assets less current liabilities 4.8%	Discount -26.5%

Wendel is a French-listed holding company with exposure to a diverse range of sectors. Major business lines include certification and inspection services, consumer packaging and mobile telephone infrastructure through their investments in Bureau Veritas, Constantia Flexibles, IHS and Stahl.

Source / Regency Agency



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FONDUL PROPRIETATEA

Nature of business Investment Company	Valuation £52.8m
% of total assets less current liabilities 5.1%	Discount -31.8%

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 a 7% dividend yield and offers the potential for several corporate events to unlock value and help narrow the 32% discount.

Source / S.P.E.E.H. Hidroelectrica S.A.



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PARGESA

Nature of business Investment Holding Company	Valuation £52.7m
% of total assets less current liabilities 5.1%	Discount -37.8%

Through Pargesa's stake in GBL it holds interests in a number of listed companies. The portfolio is concentrated on a limited number of major holdings – including well-known companies such as Adidas, Pernod-Ricard and LafargeHolcim – with the aim of creating long-term value through active ownership.

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JARDINE STRATEGIC

Nature of business Investment Holding Company	Valuation £52.5m
% of total assets less current liabilities 5.1%	Discount -35.2%

An Asian holding company which holds significant 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, while providing the base for long-term value creation through the stable stewardship of their investee companies.

Source / Mandarin Oriental Hotel Group
Photography / George Apostolidis



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TETRAGON FINANCIAL

Nature of business Investment Company	Valuation £48.8m
% of total assets less current liabilities 4.7%	Discount -38.7%

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 39% discount to NAV.

Source / Tetragon Financial Group Ltd



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TOKYO BROADCASTING SYSTEM

Nature of business Asset-backed Company	Valuation £45.1m
% of total assets less current liabilities 4.4%	Discount -30.1%

Tokyo Broadcasting System ('TBS') is one of the top five major broadcasters in Japan. However, its broadcasting business is masked by its excessively large securities portfolio, amounting to 80% of market cap, and totalling 91% when including net cash. TBS trades on a 30% discount.

Source / Getty Images



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THIRD POINT OFFSHORE

Nature of business Investment Company	Valuation £44.3m
% of total assets less current liabilities 4.3%	Discount -23.2%

A London-listed closed-end fund run by well-known activist Daniel Loeb. The fund invests in credit and equity and takes long and short positions in both, although it has a bias towards long positions. We first invested in Third Point Offshore in July 2017, and built a position at an average discount of 17%, which we view as unsustainably wide given Loeb's reputation as an activist investor.

Source / Getty Images