November 2020

Investment Objective: To achieve capital growth through a focused portfolio of investments, particularly in companies whose share prices stand at a discount to estimated underlying net asset value.

HEADLINES

Pershing Square Holdings

PSH was this month's largest contributor to returns, driven by a strong NAV and tightening discount. It was announced just after the month end that PSH will be included in the FTSE 100 index.

Read more below

Exor

EXOR continues to trade on a large discount to NAV, reflecting, in our view, a legacy misconception that EXOR is a European cyclical industrial holding company.

Read more below

Aker

The CEO recently laid out Aker's three-pronged plan for growth and adapting to the world's need for more and cleaner energy.

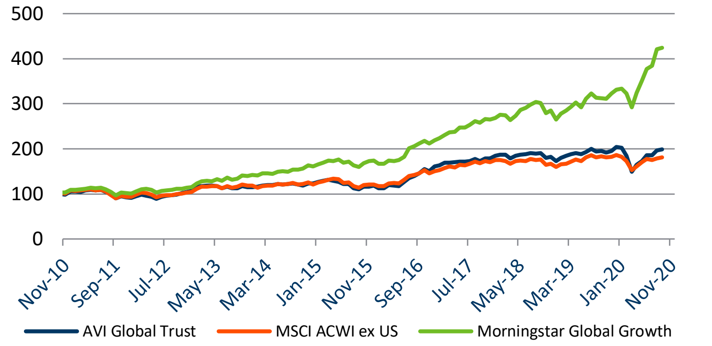
Read more below

PERFORMANCE

(Figures to 30 November 2020)

Share Price (pence)	822.0
NAV (pence)	904.1
Premium / (Discount)	-9.1%

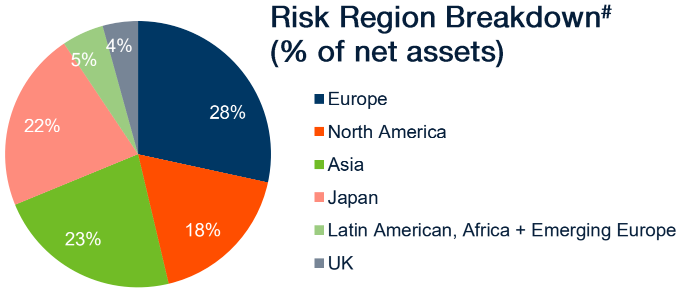
Performance Total Return NOV 2010 - NOV 2020



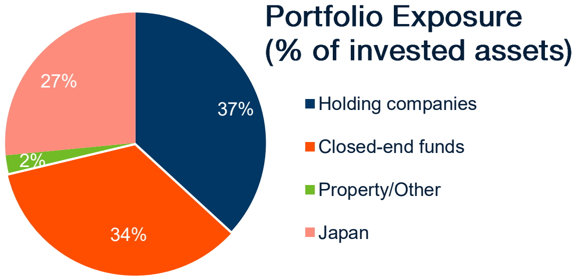
	Month	Financial Yr* to date	Calendar Yr to date
AGTNAV[1]	10.6%	10.7%	7.0%
MSCI ACWI Ex US[3]	9.9%	7.5%	4.2%
MSCI ACWI Ex US Value[1]	13.4%	10.5%	-6.7%
MSCI ACWI[1]	8.8%	6.1%	10.2%
Morningstar Global[1]	8.2%	6.6%	14.8%

THE FUND

Risk Region Breakdown# (% of net assets)



Portfolio Exposure (% of invested assets)



#AVI estimate. Previously, this breakdown was calculated by assigning one region to each portfolio company held by AGT. From the 31-Dec-16 newsletter onwards, this is calculated using the estimated multi-regional exposure for each portfolio company. For listed underlying holdings, the country of listing is used; for unlisted underlying holdings, the exposure is typically assigned according to the country where a majority of sales are made.

Top Ten Equity Holdings

Holding	%
Japan Special Situations**	15.9
Pershing Square Holdings	8.5
Oakley Capital Investments	6.6
SoftBank Group	6.5
Sony	5.5
Third Point Investors	4.8
Fondul Proprietatea	4.6
EXOR	4.5
Naspers	4.0
KKR	3.9
TOTAL	64.8

MANAGER'S COMMENT

AVI Global Trust (AGT)'s NAV rose by +10.6% in November, as positive news from the vaccine trials fuelled a broad-based rally in equity markets during the month. AGT's returns were driven by a combination of underlying NAV gains and a tightening of the portfolio discount (from 34% to 31%), although dampened slightly by GBP strength. Major contributors included Pershing Square Holdings, EXOR, Aker and VNV Global.

Pershing Square Holdings (PSH) was the largest contributor to returns, adding 146 basis points (bps), with returns driven by a strong NAV (+14%) and a 5% tightening of the discount to 25%. Many of PSH's holdings, particularly ones affected by lockdown measures, bounced strongly during the month. Fannie Mae and Freddie Mac (together, 5% of NAV) rose +60% in November on the back of speculation that their regulator, the Federal Housing Finance Agency, would push forward plans to privatise the companies before the change in presidential administration. Meanwhile, Pershing Square Tontine Holdings (PSTH), the US-listed SPAC sponsored by the manager, saw its share price increase +17% to place the cash shell on a 30% premium. We see PSH's option to invest its share of an additional $2bn investment on top of its existing near-$1bn commitment as a source of potentially valuable upside.

Just following the end of November, we learned that PSH would be included in the FTSE 100. PSH's discount tightened substantially in the days prior to the announcement on the back of buying by arbitrage funds anticipating PSH's entry into the index. While PSH has given up some – but not all – of its discount tightening in the days following the announcement, we note that buying from FTSE 100 tracker funds has not yet commenced and is expected to provide a significant source of demand for PSH in the near future.

EXOR, which we had added to earlier in the autumn, was the second-largest contributor to returns over the month, adding 114bps. Its NAV rose +18% which, together with a tighter discount, resulted in a share price total return of +31%. Particularly strong performances were generated by FCA (27% of NAV) and CNH Industrial (15%), whose share prices rose +24% and +38% respectively as they participated in the strong rally in cyclical stocks sparked by the vaccine news. CNH's performance was further boosted by its quarterly results, posting sales and earnings figure strongly ahead of consensus estimates.

Despite the strong NAV growth, the shares continue to trade on an estimated 38% discount to NAV, which we believe reflects a legacy misconception that EXOR is a cyclical industrial holding company. This impression is contradicted by holdings in Ferrari and Partner Re (collectively, 64% of NAV), which certainly do not fit the classification of 'cyclical industrials'. Furthermore, we see significant merit in owning high-quality cyclical companies (such as FCA and CNH) as the global economy begins its recovery from the shock of the pandemic. We believe that EXOR's management agrees with our prognosis and are keen to correct this misperception. At the current valuation level, and with significant potential for further NAV growth, we continue to view EXOR as a highly attractive investment opportunity.

Aker added 87bps to returns over the month, making it the third-largest contributor. Returns were driven by NAV growth (+41%), tempered by a widening of the discount, leading to a share price total return of +36%. Aker's listed holdings, comprising over 100% of NAV, returned a weighted average share price return of almost +40% as oil prices rallied +27% over the month.

We have long viewed investing in family-controlled holding companies as an attractive proposition, as it gives us the chance to align shareholders' capital with a family that has a long-term focus and an active approach to value creation. The CEO's comments in the third quarter results reinforced this perception of Aker, as he addressed the challenges facing the energy sector and outlined Aker's three-pronged plan for growth and adapting to the need for more and cleaner energy.

Aker's portfolio is dominated by oil & gas producer Aker BP (54% of NAV), and this investment forms the first prong of Aker's strategy. Aker BP is one of the cleanest oil majors in operation, producing less than 5kg of CO_2 per barrel of oil, compared to a global average of 18kg, helping to reduce the pollution associated with oil and gas production. It also has a production cost of $7 per barrel (compared to oil prices of close to $50 per barrel). As a cleaner, low-cost producer, Aker BP is a highly attractive investment proposition in its own right, with the ability to pay large dividends, which Aker can re-invest elsewhere in the portfolio. A large portion of this new investment will likely go towards funding Aker's second prong: increased emphasis on renewable energies and low-carbon solutions. Over the past several months, Aker has founded a new company – Aker Horizons, which at present is principally composed of Aker Offshore Wind and Aker Carbon Capture, both of which were spun off from Aker Solutions. The group has other offshore wind interests, as well as ambitions in hydrogen. These new and spun-out companies will absorb the cash flows that Aker BP provides, and help create a new growth platform for Aker. The third and final prong is an investment in Cognite, an industrial application software company that helps asset-heavy industries optimise their use of data.

MANAGER'S COMMENT

While of course nothing is guaranteed as the world transitions to cleaner energy sources, we are encouraged by Aker's proactive attitude to change, and remain happy to invest shareholders' capital alongside a management team and family with a long-term focus, thinking in terms of generations rather than quarters.

Trading activity was relatively limited in November, with the only change of note being a reduction of the stake in Kinnevik, which currently trades on an estimated premium of 3-4%.

STATISTICS

Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	Percent of NAV
PERSHING SQUARE HOLDINGS	146	8.5
EXOR	114	4.5

Largest Detractors	1-month contribution bps	Percent of NAV
MITSUBISHI ESTATE	-4	1.1
NASPERS	-1	4.0

	Value	% 1 mo	% 1 yr	% 3 yr	% 5 yr
Share Price (pence) TR[2]	822.0	12.8	8.5	20.3	96.9
Net Asset Value TR[1]	904.1	10.6	10.0	20.1	84.7
MSCI ACWI ex US TR[3]		9.9	6.1	13.5	60.9
MSCI ACWI ex US Value[1]		13.4	-4.8	-2.9	37.5
MSCI ACWI TR[1]		8.8	11.4	31.3	88.6
Morningstar Global Growth TR[3]		8.2	13.2	28.8	82.0
Fiscal Yr Net Returns (%)	**2020**	**2019**	**2018**	**2017**	**2016**
Price[1]	2.0	-0.4	12.0	18.7	34.3
Net Asset Value[1]	0.0	2.1	10.0	18.8	31.0
MSCI ACWI ex US (£)[3]	-1.8	4.5	4.7	15.8	27.4
MSCI ACWI ex US Value[1]	-15.0	1.1	3.3	17.7	24.7
MSCI ACWI[1]	5.3	7.3	12.9	14.9	30.6
Morningstar Global Growth[3]	7.3	2.9	13.8	20.1	22.9

Capital Structure	
Ordinary Shares	116,003,133
Shares held in Treasury	10,854,751
4.184% Series A Sterling Unsecured Note 2036	£30,000,000
3.249% Series B Euro Unsecured Note 2036	€30,000,000
2.930% Unsecured Note 2037	€20,000,000
0.992%# JPY Revolving Credit Facility	¥4,000,000,000
Gross Assets/Gearing	
Gross Assets	£1.1bn.
Debt @ fair value	£103.2m.
Gearing[4]	11.3%

1 Source: Morningstar. All NAV figures are cum-fair values.
2 Source: Morningstar. Share price total return is on a mid-to-mid basis, with net income re-invested.
3 From 1st October 2013 the lead benchmark was changed to the MSCI ACWI ex US (£) Index. The investment management fee was changed to 0.7% of net assets and the performance related fee eliminated.
4 Fair value of debt divided by net assets at fair value.
* AVI Global Trust financial year commences on the 1st October. All figures published before the fiscal results announcement are AVI estimates and subject to change.
** A basket of 14 stocks: Daiwa Industries, Fujitec, Kanaden, Kato Sangyo, Konishi, NS Solutions, Pasona Group, Sekisui Jushi, SK Kaken, Teikoku Sen-I, Toagosei, Digital Garage, DTS Corp, Bank of Kyoto.
# Libor +102bps. Capacity ¥9,000,000,000

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The share price can be found in The Times.

Information may be found on the following websites:
www.aviglobal.co.uk
www.assetvalueinvestors.com