

February 2022

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

Aker

Norwegian holding company Aker is benefiting from oil prices.

[Read more below](#)

Japan

We continue to allocate significant capital to small cap Japanese companies with attractive potential returns from engagement and changes in corporate control.

[Read more below](#)

Third Point Investors

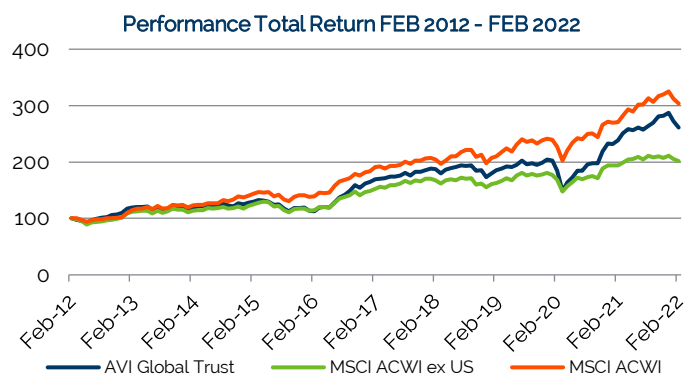
Third Point Investors' discount narrowed as our public activist campaign came to a close.

[Read more below](#)

PERFORMANCE

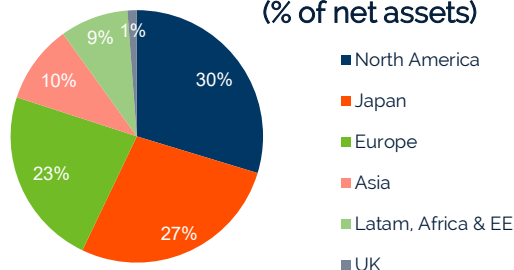
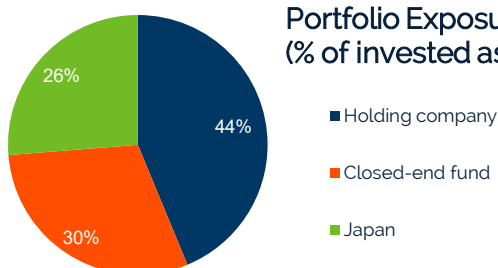
(Figures to 28 February 2022)

Share Price (pence)	191.0
NAV (pence)	210.2
Premium / (Discount)	-9.1%



	Month	Fiscal Yr* to date	Calendar Yr to date
AGT NAV ¹	-4.0%	-3.0%	-9.0%
MSCI ACWI Ex US ³	-2.0%	-3.4%	-4.7%
MSCI ACWI ¹	-2.6%	-0.7%	-6.5%

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	%
Pershing Square Holdings	8.5
EXOR	6.6
Third Point Investors	6.0
Oakley Capital Investments	5.9
Aker ASA	5.6
KKR	5.5
Sony	5.4
Fondul Proprietatea	5.1
Christian Dior	4.4
IAC/InterActiveCorp	4.3
TOTAL	57.3

MANAGER'S COMMENT

AGT's NAV declined -4.0% in February. The greatest contributors were Third Point Investors, DTS and FEMSA, whilst KKR, IAC and Godrej Industries were the most significant detractors.

Russia's invasion of Ukraine is first and foremost a humanitarian tragedy, and we hope for a safe and peaceful resolution – albeit recognising that seems increasingly unlikely.

AGT's focus on strong corporate governance has led us to steer clear of Russia, with no direct exposure to Russian listed assets. Our underlying companies however operate in an inter-linked global economy, and there may be spill over effects from the abrupt de-linking that we are witnessing.

From a market perspective the current situation is challenging. Markets were already grappling with higher inflation and monetary tightening, and now the unfolding geo-political situation has spiked commodity prices, dampened the outlook for global growth, and elevated tail risks.

The portfolio has behaved in line with how we would expect during times of market stress. Discounts have widened – at the end of February the portfolio weighted average discount stood at 29.3% compared to 25.6% at the start of the year. This double whammy of NAV declines and discount widening is a headwind to performance.

Having effectively eliminated our gearing late last year we have capital to deploy and are free to take advantage of mispriced opportunities – both in new and existing names. We are approaching this cautiously and waiting for the fat pitch. In the meantime, we sit close to 100% invested being “actively inactive”.

Aker:

The recent rally in oil prices has been a positive for Aker, the Norwegian holding company. At the time of writing the share price and NAV are up +13% and +16% in a little more than two weeks, led by Aker BP, the Norwegian E&P company which accounts for 63% of NAV, which has returned +25%.

We added to the position last Autumn with a view that a pure play, low-cost low-emission producer, controlled by a thoughtful long-term orientated shareholder, would prosper in a world starved of oil capex and production growth. Clearly, this latest leg up in the oil price was not something we could have (or would want to have) predicted, but it does serve to highlight how dependent the world still is on fossil fuels. Whilst we believe the energy transition is a one-way street over the coming decades, it seems clear that oil will play an important and elongated role in this. Aker BP appear likely to benefit from this given their long-dated production growth schedule.

The current crisis has also exposed the importance of energy sovereignty and flaws in Europe's energy policies. In turn this will likely lead to significant increased investment in renewables. Aker are well placed to benefit here too, having established Aker Horizons, a renewable energy-focussed holding company in 2020. By creating a separate holding company – as opposed to conducting such activities via Aker BP which remains pure play – Aker were able to take advantage of investor enthusiasm and build Aker Horizon's foundations with a very low cost of capital.

That said, investor sentiment toward the sector has swung from euphoria to pessimism in recent months, and Aker Horizons share price now sits some -53% below its 52-week high (at the time of writing). Such booms and busts are painful, but they are not uncommon in new and emerging technologies where investors become overly optimistic, only to have their dreams crushed.

Aker have a history of going against the grain and investing through the down-cycle to create value in the long-run. We believe they will adopt a similar strategy, and that their industrial know-how and partnership model stands them in good stead to create value in the years ahead.

Japan:

In a risk-off environment nothing is entirely insulated in the short-term, but, as an asset class, cash-laden Japanese small caps are relatively unaffected by events in Eastern Europe.

In this vein it is worth noting that a number of the strongest performers in February came from our small cap Japanese holdings. Most notably shares in DTS Corp, Wacom and NS Solutions rose +13%, +5% and +12% respectively, adding +27bps, +16bps and +15bps to returns.

MANAGER'S COMMENT

The possible returns from successful engagement and change in corporate control events are largely idiosyncratic, and we expect will continue to drive outperformance. Valuations remain compelling, and with COVID in the rear-view mirror and Japanese companies laden with more cash, the backdrop for our shareholder activism looks as promising as ever. As such we expect to continue allocating a significant portion of our capital to such ideas.

Associated British Foods:

During the period we exited our holding in Associated British Foods ("ABF").

We started to build the position in the Autumn of 2020, at a time when we increased our exposure to economically sensitive assets likely to benefit from a re-opening of the UK economy. Whilst our other UK re-opening plays performed well, ABF was an unsuccessful investment. Social restrictions continued to disrupt trading, and not unfounded worries about the deterioration of Primark's competitive positioning stopped the company from re-rating. Cognisant of thesis creep, and with Primark's thin margins likely to be tested by higher rates of inflation, we took the decision to exit the position. Over the life of the investment ABF generated an IRR of -11% vs. +6% for the MSCI ACWI ex-US (£).

Third Point Investors:

Our position in Third Point Investors Limited (TPIL) was the largest contributor to performance as our public activist campaign came to an end with the appointment of an independent director we had proposed to the Board:

<https://www.investegate.co.uk/third-point-investors-ltd--tpou-/prn/board-and-shareholder-update/20220218123552PDE52/>. Despite a decline in TPIL's NAV over February, its discount narrowed materially with a move in to 11% from the 18% at which it began the month.

STATISTICS

Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	% of NAV
Third Point Investors	32	6.0
DTS Corp	27	2.5
FEMSA	20	3.2
Wacom	16	3.5
NS Solutions	15	1.5

Largest Detractors	1-month contribution bps	% of NAV
KKR	-93	5.5
IAC/InterActiveCorp	-78	4.3
Godrej Industries	-59	3.2
EXOR	-55	6.6
Oakley Capital Investments	-48	5.9

	% 1 mo	% 1 yr	% 3 yr	% 5 yr	% 10 yr
Share Price TR ²	-4.3	9.0	40.7	53.8	163.9
Net Asset Value TR ¹	-4.0	9.8	41.2	54.1	161.5
MSCI ACWI ex US TR ³	-2.0	3.8	23.7	31.7	101.3
MSCI ACWI TR ¹	-2.6	12.3	44.6	59.4	204.1
Fiscal Yr Net Returns (%)	FYTD	2021	2020	2019	2018
Price ¹	-5.4	40.3	2.0	-0.4	12.0
Net Asset Value ¹	-3.0	36.2	0.0	2.1	10.0
MSCI ACWI ex US ³	-3.4	18.8	-1.8	4.5	4.7
MSCI ACWI ¹	-0.7	22.2	5.3	7.3	12.9

Capital Structure	
Ordinary Shares	551,286,912
Shares held in Treasury	45,600,956
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
JPY Revolving Credit Facility [#]	¥9,000,000,000
Gross Assets/Gearing	
Gross Assets	£1,204m
Debt at fair value (gross)	£141m
Gearing (net) ⁴	-0.3%

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 (E) Index. The investment management fee was changed to 0.7% of net assets and the performance related fee eliminated.

4 Fair value of net 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.

Libor + 1.025%. Capacity ¥9,000,000,000.

All return figures in GBP.

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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

IMPORTANT INFORMATION

All figures are as at the period under review unless otherwise stated. All sources Asset Value Investors Ltd ("AVI") unless otherwise stated. AVI is authorised and regulated by the Financial Conduct Authority of the United Kingdom (the "FCA") and is a registered investment adviser with the Securities and Exchange Commission of the United States. While AVI is registered with the SEC as an investment adviser, it does not comply with the Advisers Act with regard to its non-U.S. clients. This document does not constitute an offer to buy or sell shares in AVI Global Trust plc (the "Trust"). The contents of this message are not intended to constitute, and should not be construed as, investment advice. Potential investors in the Trust should seek their own independent financial advice. AVI neither provides investment advice to, nor receives and transmits orders from, investors in the Fund.