

May 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

Aker's NAV continues to benefit from a rising oil price.

[Read more below](#)

Oakley Capital Investments

During the month Oakley Capital Investments held an investor day, highlighting the strengths and attractions of the strategy and portfolio companies.

[Read more below](#)

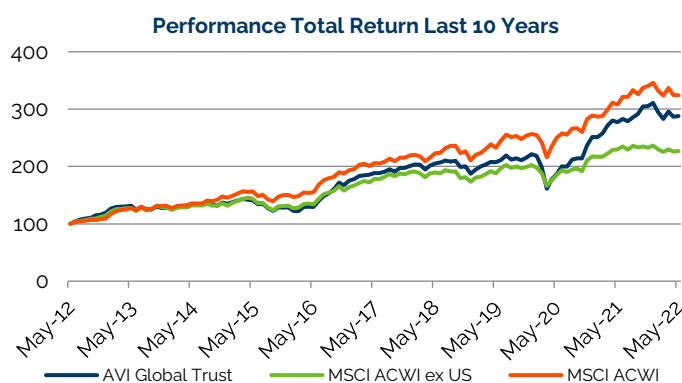
FEMSA

We added to our position in FEMSA as management announced a strategic review to unlock value.

[Read more below](#)

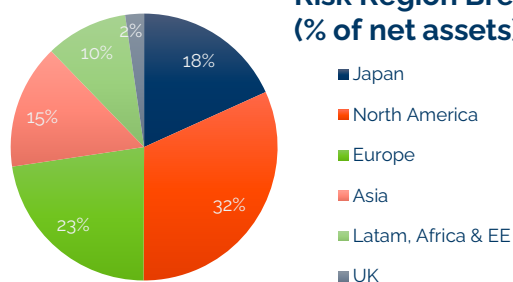
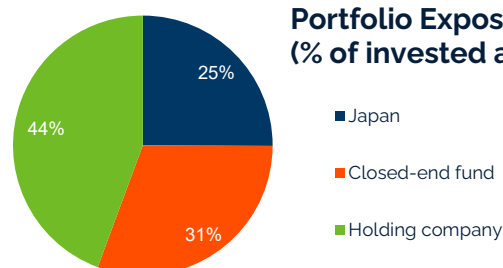
PERFORMANCE
(Figures to 31 May 2022)

Share Price (pence)	192.8
NAV (pence)	213.7
Premium / (Discount)	-9.8%



	Month	Fiscal Yr* to date	Calendar Yr to date
AGT NAV ¹	0.2%	-1.4%	-7.5%
MSCI ACWI Ex US ³	0.3%	-2.8%	-4.1%
MSCI ACWI ¹	-0.3%	-0.5%	-6.3%

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	8.0
Aker ASA	6.9
EXOR	6.8
Third Point*	6.4
Oakley Capital Investments	5.8
KKR	5.6
Fondul Proprietatea	5.4
Sony	5.3
Christian Dior	4.1
Wacom	3.7
TOTAL	58.0

*Third Point includes combined holdings of Third Point Investors (3.5%) and Third Point Master Fund (3.1%)

MANAGER'S COMMENT

AVI Global Trust (AGT)'s NAV increased +0.2% in May.

Markets remain choppy: a number of the laggards from the prior month (Apollo Global Management, KKR, Sony) rallied and were significant positive contributors this month, whilst last month's stronger performers (Symphony, Godrej Industries) detracted this month. We don't expect (or try!) to predict such short term moves, but remain excited about the long-term prospects for the companies in which we have invested, and the 32.3% weighted average discount at which they trade.

Aker

Aker was the most significant contributor to returns over the month, as the shares moved +16% higher on account of strong NAV growth (+18%). The key here was Aker BP, whose shares returned +21% as the oil price continued to rise (with Brent now \$120 per barrel at the time of writing). Continued OPEC production misses, declining US Strategic Petroleum Reserves, and further steps toward the re-opening of the Chinese economy have all supported this last leg up. More fundamentally however it comes down to years of underinvestment and a structural imbalance between supply and demand. Earlier this year we wrote 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"*. We believe this remains true and that Aker BP and fossil fuels will continue to play an important and extended role in the energy transition. Meanwhile, as is typical of the best run family-controlled companies, Aker continues to focus on the even longer term, with initiatives at Aker Horizons, the renewable energy-focused holding company, positioning Aker to play an important role in renewable energy in the years ahead.

Oakley

Oakley Capital Investments ("OCI") detracted -76bps from returns over the month as the shares declined -11%. This should be seen in the context of weakness across the London-listed private equity sector rather than anything company-specific. Indeed, during the month OCI provided an impressive update at their investor day.

The day involved an update on OCI, as well as presentations on each of the portfolio's three segments: education, technology, and consumer. We were also given talks by four of the portfolio companies' CEOs, namely IU Group (13% of NAV), Grupo Primavera (4%), TechInsights (6%), and Seedtag (1%). The day served to highlight the attractions of the strategy, with Oakley's unique origination network and comfort in complexity allowing for uncontested acquisitions, as well as the evolution and quality of OCI's portfolio companies. Moreover, it is worth noting the maturity of the portfolio – over 42% of the portfolio is now >3 years old – and the prospect for NAV uplifts upon realisation, given the average multiple uplift of +60% upon exit. On top of this we see ample room for discount narrowing, with continued strong NAV performance and improved standards of corporate governance ameliorating past sins.

FEMSA

Portfolio trading activity remained low, however, we added to FEMSA over the month. As way of reminder FEMSA is a Mexican family-controlled holding company, the bulk of whose value lies in Oxxo-branded convenience stores in Mexico and other parts of South America. Oxxo are master operators, with significant scale advantages, strong unit economics and a long growth runway. In recent years Oxxo have layered high incremental margin services across their physical store network, culminating in the launch of Spin by Oxxo, a digital wallet, last year. The investment thesis is predicated on the prospect for strong earnings growth at Oxxo, the lowly valuation at which the stub assets trade, optionality around digital value creation at Spin, and the potential for the family to unlock value by simplifying the group structure.

We have owned the shares for a little over a year and all parts of our thesis are moving in the right direction. First quarter results – released in May – showed continued strong performance at Oxxo, where sales and operating profits are now +21% and +41% above their pre-pandemic (1Q19) level. Meanwhile in less than a year Spin has scaled to 2m users, with Oxxo store network acting as a funnel to acquire customers at a very low cost. On top of this, alongside results, management announced a *"comprehensive strategic review"* of the group structure with a focus on unlocking the sum-of-the-parts discount at which it trades. The stub currently trades at 7.5x forward EBITDA, half of its historical average and that of peer Walmex. We do not believe the market is pricing in strong fundamental performance, let alone the potential for structural simplification

STATISTICS

Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	% of NAV
Aker ASA	86	6.9
Apollo Global Mgmt.	46	3.3
Sony Group	41	5.3
KKR	39	5.6
EXOR	27	6.8

Largest Detractors	1-month contribution bps	% of NAV
Oakley Capital Investments	-70	5.8
Pershing Square Holdings	-54	8.1
Symphony International Holdings	-50	2.9
Godrej Industries	-15	3.2
Third Point Investors Master Fund	-13	2.9

	% 1 mo	% 1 yr	% 3 yr	% 5 yr	% 10 yr
Share Price TR ²	-0.2	2.3	38.1	51.9	192.5
Net Asset Value TR ¹	0.2	3.7	38.8	52.4	187.6
MSCI ACWI ex US TR ³	0.3	-1.2	20.8	27.2	126.8
MSCI ACWI TR ¹	-0.3	5.1	39.4	57.6	224.1
Fiscal Yr Net Returns (%)	FYTD	2021	2020	2019	2018
Price ¹	-4.6	40.3	2.0	-0.4	12.0
Net Asset Value ¹	-1.4	36.2	0.0	2.1	10.0
MSCI ACWI ex US ³	-2.8	18.8	-1.8	4.5	4.7
MSCI ACWI ¹	-0.5	22.2	5.3	7.3	12.9

Capital Structure	
Ordinary Shares	546,285,117
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
Gross Assets/Gearing	
Gross Assets	£1,145m
Debt at fair value (gross)	£75m
Gearing (net) ⁴	-0.5%

- 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 net debt divided by net assets at fair value.

All return figures in GBP. 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.

Investment Manager – Joe Bauernfreund

AVI Ltd. +44 20 7659 4800 info@assetvalueinvestors.com

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.