

February 2023

Investment Objective: To achieve capital growth through investing in a focused portfolio of over-capitalised small cap Japanese equities. Asset Value Investors will leverage its three decades of experience investing in asset-backed companies to engage with company management and help to unlock value in this under-researched area of the market

HEADLINES

Earnings

While margins of our companies generally declined, the pace of the decline was lower than last quarter.

[Read more below](#)

TSI Holdings

TSI, the diversified apparel holding company, had another strong month with a +20% share price gain.

[Read more below](#)

Yen Weakness

Yen weakness weighed on the NAV with a cautious tone from the BoJ on the possibility of ending Yield Curve Control.

[Read more below](#)

THE FUND

(Figures to 28 February 2023)

Unit Price:

98.7

EV/EBIT:

8.5x

Net Cash % Market Cap:

36.4%

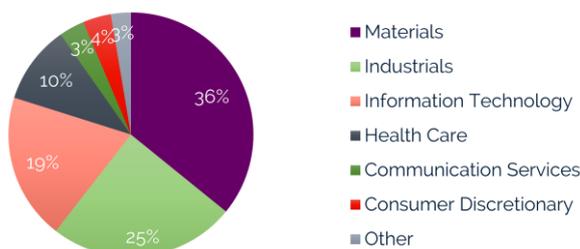
NFV % Market Cap:

52.8%

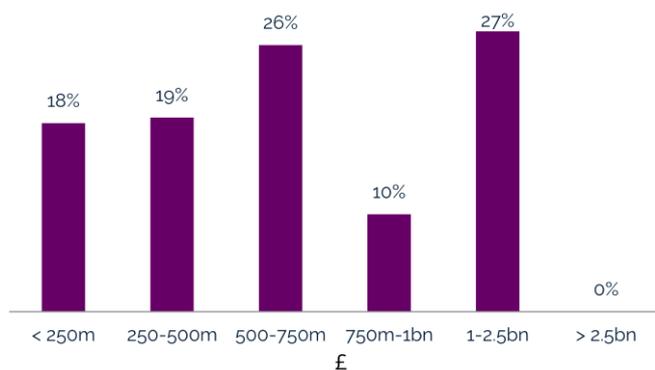
EUR €	Month	Year to Date	Since Inception
AJF NAV:	-0.6%	4.9%	1.7%
MSCI Japan Small Cap:	-0.7%	1.5%	4.3%
JPY ¥	Month	Year to Date	Since Inception
AJF NAV:	1.7%	7.6%	3.6%
MSCI Japan Small Cap:	1.6%	4.1%	6.2%

PORTFOLIO

Sector Breakdown (% of Portfolio)



Market Cap Breakdown (% of Portfolio)



Top Ten Equity Holdings % of NAV

Holding	%
TSI Holdings	9.1
Wacom	8.9
Nihon Kohden	8.4
Shin-Etsu Polymer	7.3
DTS Corp	7.1
Konishi	7.0
T Hasegawa	7.0
Digital Garage	6.8
Fujitec	6.0
NC Holdings	5.6
TOTAL	73.2

MANAGER'S COMMENT

The Fund's NAV fell -0.6% over the month. Share price performance of the underlying companies in Yen was healthy, with TSI Holdings the standout contributor (+20% share price gain adding 132bps to performance). T Hasegawa and NC Holdings detracted with a more difficult cost environment for both weighing on profits.

It was Yen weakness which weighed on the NAV, as the cautious tone from Kazuo Ueda, the newly appointed Bank of Japan (BoJ) governor, disappointed those anticipating an imminent end to the BoJ's Yield Curve Control (YCC) policy. With January CPI coming in at 4.3%, the highest since 1981, we think it isn't a matter of if YCC will end but when, which would be a boon for the Yen.

Our companies finished reporting earnings over the month, with an overall picture of robust sales growth but lagging profits due principally to cost pressures. While margins still declined, the pace of the decline was lower than last quarter, an early indication of easing cost pressures and price increases taking effect.

Over the month we added modestly to several existing holdings and exited a longstanding position (longstanding in the London-listed Fund, AJOT) C Uyemura, which we had been reducing for some time.

TSI Holdings (3608) – strong performance

TSI Holdings, the diversified apparel holding company, had another month of strong share price performance with a +20% gain taking the year-to-date return to +41%. The shares are now almost 90% higher than our first purchases in July 2022. Despite the gain, TSI still has net cash, investment securities and excess real estate worth 116% of its market cap.

We added a small number of shares to our position over the month which took us through a 5% reporting threshold. We plan to engage with management on ways in which to further rectify the undervaluation and see +78% upside from the current share price.

STATISTICS

Contributors / Detractors (in EUR)

Largest Contributors	1-month contribution bps	Percent of NAV
TSI Holdings	132	9.1
A-One Seimitsu	23	4.1
Shin-Etsu Polymer	21	7.3

Largest Detractors	1-month contribution bps	Percent of NAV
T Hasegawa	-71	7.0
NC Holdings	-43	5.6
Digital Garage	-36	6.8

Fund Facts

AVI Japan Fund

Launch Date: 8 September 2022

Net Assets: €3,942.036

Investment Manager: Asset Value Investors Limited

AJF Minimum Investment: €100,000 or currency equivalent

Fund Structure: Irish Qualifying Investor Alternative Investment Fund

Management Fee: 1.0%

Website: www.AJF-fund.com

Ticker Code: AVIJAPY

Class

A	EUR	IE000Y00WKT3
B	USD	IE000NOYN6O8
C	GBP	IE000TWDE6J8
D	JPY	IE000C0STZS6
E	EUR	IE000YS0I7A7
E	GBP	IE000HCG7Z92
E	JPY	IE0004D4HG49
E	USD	IE000EYJWQX3

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The share price can be found in www.AJF-fund.com

Further Information may be found on the following websites:

www.AJF-fund.com

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.