

April 2023

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

HEADLINES

Introduction

AVI Global Trust (AGT)'s NAV increased by +0.2% in April

[Read more below](#)

News Corp

Over the last few months we have built a position in News Corp

[Read more below](#)

VNV Global

During the month we exited VNV Global

[Read more below](#)

THE FUND

(Figures to 30 April 2023)

Share Price (pence)

188.2

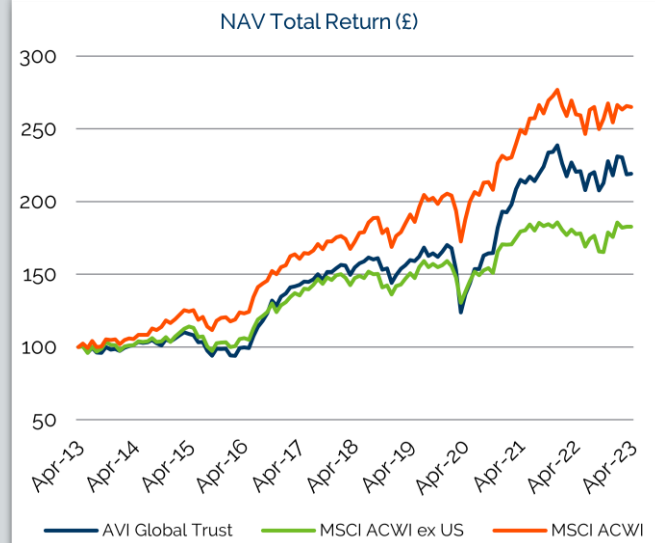
NAV (pence)

208.7

Prem./Disc.

-9.8%

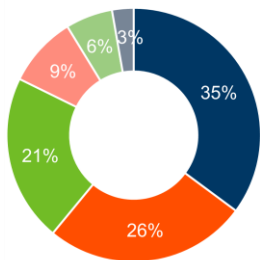
Total Return (£)	Month	CYTD	1Y	3Y	5Y	10Y
AGT NAV	0.2%	0.5%	-0.6%	61.0%	41.6%	119.1%
MSCI ACWI ex US	0.1%	4.1%	2.9%	32.6%	24.0%	82.8%
MSCI ACWI	-0.2%	4.2%	1.9%	41.2%	53.9%	165.1%



PORTFOLIO

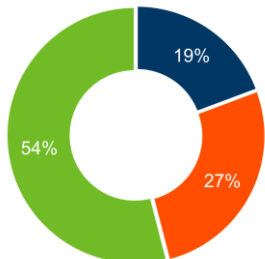
(Holdings to 30 April 2023)

Look-Through Geographic Exposure (% of portfolio)



- Europe
- Japan
- North America
- Asia
- LATAM, Africa & EE
- UK

Portfolio Exposure (% of portfolio)



- Japan
- Closed-end fund
- Holding company

Top Ten Equity Holdings

Holding	%
Oakley Capital Investments	8.8
Schibsted ASA 'B'	6.7
Pershing Square Holdings	6.0
KKR	5.9
Aker ASA	5.9
FEMSA	5.6
EXOR	5.6
Brookfield Corporation	5.3
Christian Dior	5.0
Apollo Global	4.2
TOTAL	59.0

N.B. Brookfield Corporation is held via a long total return swap. A hedge is held against the position via a short total return swap on the SPDR S&P 500 ETF Trust. The weights shown reflect the notional exposure calculated from the shares underlying the swaps.

MANAGER'S COMMENT

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

Oakley Capital Investments (+4%) and Godrej Industries (+11%) were the most significant contributors to returns, whilst Symphony International (-8%) and Aker (-1%) were the largest detractors.

News Corp:

Over the last few months, we have built a position in News Corp – the Murdoch family-controlled holding company.

Whilst the current structure was established in 2013, the relevant history dates back to 1952, when a 21-year-old Rupert Murdoch returned to Australia from Oxford to take over what was left of his father's newspaper business, which had been much diminished by death duties and taxes. From this he built one of the most dominant media empires of the 20th – and indeed 21st – century, amassing vast wealth and notoriety in the process.

Today we believe that News Corp is one of the most misvalued and misunderstood companies in our investment universe, trading at a 52% discount to our estimated NAV. The NAV is principally comprised of the following assets: a 62% listed stake in REA Group (36% of NAV), the Australian real estate classified marketplace, and unlisted assets Dow Jones, HarperCollins and Move accounting for 37%, 13%, and 8%, respectively.

In particular, Dow Jones is a crown jewel asset that has successfully evolved the Wall Street Journal into a thriving digital consumer business, whilst both organically and inorganically building a high-quality Professional Information business that warrants a premium multiple, reflective of its sticky growing revenues, high margins, and minimal capex requirements. The 2021 acquisition of OPIS for \$1.1bn marks a step-change in the importance and materiality of Dow Jones' Professional Information business. The value and quality of this business is misunderstood by the sell side and ignored by the market.

We estimate that Dow Jones alone is worth 2.5x News Corp's stub value. The stub trades at just 3.1x EBITDA, with EBITDA expected to grow at high single-digit to low double-digit rates in the years ahead. This compares to the S&P Communication Services sector median multiple of 10.1x, the New York Times at 16.7x and Information Services peers at 22.3x.

Management is highly aware of, and dissatisfied with, the current valuation. Although not consummated, the recent proposed sale of Move (8% of NAV) indicates a willingness to make structural changes to unlock value, with multiple potential levers. These include the sale of Move, a monetisation of Foxtel, increased disclosure at Dow Jones – or, most tantalisingly, some form of value unlock at REA Group, which accounts for 75% of News Corp's market cap. Whilst timing is uncertain, the attractive underlying nature of the NAV means that we can afford to be patient and makes time our friend. Returns from NAV growth and discount narrowing appear attractive.

VNV Global:

During the month we exited VNV Global.

As way of reminder, we initially built the position in 2020 following the COVID selloff when the company was trading on an excessively wide discount. In turn we exited c.98% of the holding over the course of late 2021 and early 2022 at prices north of 100 SEK per share, when the company was on a narrow discount / premium. We then rebuilt the position in the summer of 2022 when the share price was in the SEK 20s and the discount had blown back out, as part of our PE/VC-basket.

Our decision to sell comes following the announcement of a rights issue at a ~65% discount to NAV, with the intended proceeds being used to buy a secondary stake in BlaBlaCar. Notwithstanding the extent to which they are buying BlaBlaCar on a discount to its reported carrying value, an unforced discounted rights issue alters what we consider to be the fair level of discount and should be penalised. Over the course of our investment, we were impressed by VNV's management team, however the rights issue raises questions of judgement, and we did not feel adequate explanations for their actions were given.

Overall, it was a relatively successful investment for AGT, with a +38% ROI / +61% IRR. This compares to an ROI of +12%/+10% for the MSCI ACWI ex-US and MSCI ACWI respectively (all figures in Sterling).

STATISTICS

Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	% Weight
Oakley Capital Investments	31	8.8
Godrej Industries	25	2.7
Princess Private Equity	17	3.3
Pantheon International	16	2.7
Digital Garage	11	2.1

Largest Detractors	1-month contribution bps	% Weight
Symphony International Holdings	-30	2.8
Aker ASA	-29	5.9
Wacom	-14	3.1
Pershing Square Holdings	-12	6.0
D'leteren	-12	2.4

Fund Facts

Investment Manager Tenure	38 Years
Net Assets	£998.0m
Investment Manager	Asset Value Investors Limited
AGT Shares owned by the Manager**	2,078,576
Shareholder Services	Link Asset Services
Management Fee**	0.7% up to £1bn of assets, 0.6% > £1bn
Website	www.aviglobal.co.uk
Ticker Code	AGT.LN
ISIN	GB00BLH3CY60

Total Return (£%)	1m	1y	3y	5y	10y
Share Price TR ²	0.8	-2.2	55.3	38.6	116.6
Net Asset Value TR ¹	0.2	-0.6	61.0	41.6	119.1
MSCI ACWI ex US TR ³	0.1	2.9	32.6	24.0	82.8
MSCI ACWI TR ¹	-0.2	1.9	41.2	53.9	165.1
FY* Total Return (£%)	FYTD	2022	2021	2020	2019
Price ⁴	6.3	-10.8	40.3	2.0	-0.4
Net Asset Value ⁴	5.5	-7.3	36.2	0.0	2.1
MSCI ACWI ex US ³	10.4	-9.6	18.8	-1.8	4.5
MSCI ACWI ¹	6.1	-4.2	22.2	5.3	7.3

Capital Structure

Ordinary Shares	523,879,412
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
1.38% Senior Unsecured Note 2023	¥8,000,000,000
LIBOR + 0.75% Revolving Credit Facility	¥4,000,000,000 ⁵

Gross Assets/Gearing

Gross Assets	£1,153.6m
Debt at fair value (gross)	£155.6m
Gearing (net) ⁴	7.3%

- 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.
 - 4 Fair value of net debt divided by net assets at fair value.
 - 5 Amount of RCF drawn down. Capacity of ¥8,000,000,000.
- * 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.
 ** Shares owned by AVI Ltd & AVI Employees

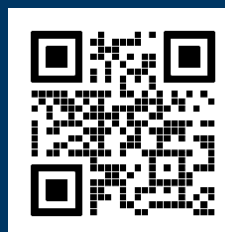
All return figures in GBP.

Investment Manager – Joe Bauernfreund

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

The share price can be found in [The Financial Times](#).
 ISIN: GB00BLH3CY60 Trading as: [AGT:LN](#)

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.