

AVI

Asset Value Investors

2022 Assessment Of Value Report

For the assessment period of 1 January to 31 December 2022

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Introduction

AVI employs a bottom-up, deep research-led approach to investing, finding quality assets that are misunderstood by the market due to the structures they are held in. These types of companies can include holding companies, closed-end funds, and asset-backed Japanese small caps. Employing this strategy provides value for investors in a multitude of ways.

Firstly, a core facet of our strategy is active engagement with management to provide suggestions that could help narrow the discount and improve operations. By engaging on a number of factors, including shareholder returns, we are increasing the likelihood that the discount at which a company's shares trade will narrow.

Secondly, as firm believers in good capital allocation, both of our managed investment trusts have active buyback programs. The benefit of these programs are two-fold, firstly, they are NAV-accretive, and secondly, they help to control share price discount.

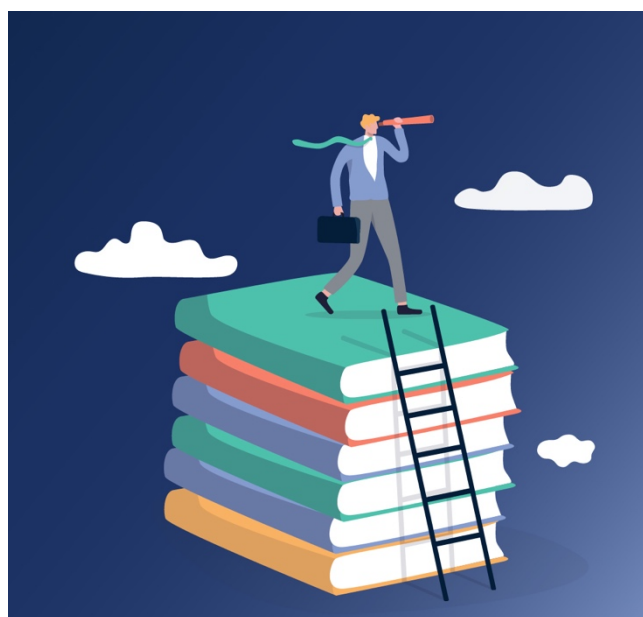
The Board of Asset Value Investors ("AVI") believes that, as a Manager, AVI is able to deliver value to both of our managed investment trusts (the/our "Trusts"), in turn delivering value to shareholders during the year ended 31 December 2022.

Although we consider the two benefits outlined above, we assess the value delivered by our trusts using five standardised criteria which are outlined in detail below. While our assessment across all the criteria we used was generally positive, we are not 'resting on our laurels' and continue to be driven by a process of continual improvement. This is testament to the values-based culture embedded within AVI and we firmly believe that doing the right thing for shareholders will deliver better outcomes in the long term.

In preparing this year's assessment, we have sourced data from Morningstar to ensure that cost comparisons against competitor trusts are appropriate and impartial. Comparison data reflects the official Morningstar Global peer group i.e. competitor trusts that are broadly similar in terms of investment objective and approach.

Responsible Investing

The AVI Board recognises the important role of environmental, social and governance (ESG) considerations to investors when choosing an investment manager. AVI is a signatory to the UN Principles for Responsible Investment. Furthermore, AVI has developed its own bespoke database HUB which enables it to actively engage with investee companies to improve ESG standards. In January 2022, AVI hired Esme Morter as a full-time ESG analyst to help drive the development of the firm's ESG activities.



We are committed to investing responsibly. The investment team is increasingly focused on integrating environmental, social and governance (ESG) factors into our investment processes.

We actively engage with companies to improve our knowledge of their operations and where possible to become a positive influence. This includes ongoing dialogue with company management on ESG as well as commercial matters AVI believes strongly in exercising our proxy voting to reinforce our engagement efforts with the companies. An important tenet of our engagement is to increase transparency at the portfolio companies.

How We Assess Value Delivered

The Assessment of Value Report evaluates whether the fees paid by shareholders in our respective Trusts and the other costs incurred are justified in the context of the value earned. As part of this annual assessment, the Board of AVI has set out five criteria against which to measure and report on the value achieved by each of our Trusts.

These are performance, costs, quality of service, comparable market rates, and comparable services. Each of these is described in the following sections, along with a summary of our findings.

1. Performance

We looked at how each Trust has performed relative to its investment objective, after all costs and charges have been deducted. This includes cumulative performance figures for each Trust over 1, 3 and 5-year time periods (where available, depending on when the Trust first came into existence).

The performance has also been assessed against the Trust's benchmark and against its appropriate MSCI peer set, (a group of trusts with broadly similar investment strategies/mandates). We did this by looking at rolling 3 and/or 5-year time periods, corresponding generally to the 3 to 5-year investment horizon stated in our Trusts' respective investment objectives.

We also considered the stated investment policy and strategy of the Trusts, to determine if there are any circumstances that help in understanding performance and also the level of risk taken to achieve that performance.

We are pleased to confirm that, for the majority of the time periods over which performance has been assessed, the Trusts have each delivered value.

2. Product Costs

We compared the ongoing charges figure ("OCF") of the Trusts against the relevant Morningstar Global peer group. The following services are included within the OCF: investment management, marketing, advisory & professional fees, custodian fees, depositary

fees, registrar fees, Directors' emoluments, audit fees, regulatory fees, insurances and printing and postage. We do not include ongoing costs of any of the trusts' investments.

We then looked at the transaction costs (the costs incurred when buying and selling investments) for the Trusts and assessed whether they were reasonable compared to peers with similar investment objectives.

We believe the OCF costs and transaction costs are reasonable and competitive and represent good value to shareholders.



3. Quality of Service

For each Trust, we assessed whether the costs of each Trust are for the benefit of investors and whether the costs for those services represent value for money.

We considered a number of factors. This included looking across fund management, operations, client service and marketing and the levels of service provided to investors. The review included looking at the quantity of complaints and whether complaints were made about any particular aspects of our service, as well as the number of breaches of mandates or rules and errors and any recurring trends in these areas. We also considered the level of service when handling telephone and email-based contact from investors.

With respect to the quality of the investment team managing each Trust, we considered a number of factors, including relevant experience. We concluded that overall, AVI's investment team is properly resourced, with investment professionals with the relevant expertise and experience necessary to run the Trusts effectively for investors. On average, members of the investment team have worked for AVI for 7 years and have an average of 12 years of total industry experience.

The Board observed that our staff have access to relevant and extensive resources to do their jobs effectively, including investment team access to a very broad range of sophisticated investment and financial analysis. We concluded that these relevant resources generate quality, bottom-up research and achieve fund performance in line with expectations.

We also considered whether the materials made available to investors present fair, clear and easy to access information on the Trusts. This included assessing whether investors are offered clear strategy outlines and other information that allowed them to understand what they are buying and invested in, what the Trust's risk profile is, and what services are received in relation to the associated costs of investing. Detailed annual reports are published for the investment trusts that AVI manage. The annual reports clearly define and illustrate what the company invests in and how the investment strategy is executed. In addition, monthly and/or quarterly communications are made available by email and on the websites to help investors understand changes in the portfolio throughout the year. The website also includes videos, podcasts and insight articles which are all designed to help educate the investor and aid them in understanding the investment strategy. In 2022, we began a review of the website to introduce a better navigation system to enable shareholders to more easily access relevant information. The review of services provided in relation to offering value to investors included evaluating the level and value of our trading (i.e. buying and selling securities in the funds' portfolios), risk management, compliance, technology and other operations capabilities and services, which are all key parts of the investment management process and services provided to investors.

We concluded that the range and quality of our services is consistent with investors' expectations, and that services paid for by the Trusts were not only delivered but were justified when considering the overall value each Trust provides to its investors.

4. Comparable Market Rates

We compared the charges of our Trusts against our Morningstar peer sets to assess whether our Trusts' charges are in-line with similar, competitor trusts. We compared the difference in costs and evaluated whether these costs can be associated with implementing our differentiated, engagement-led investment approach. The comparison we include in the individual Trust pages show the Ongoing Charges Figure or "OCF".

We concluded that while our Trusts' charges are slightly higher than competitor trusts, these are reasonable and fairly priced given that active engagement is a key focus of our Trusts, and this type of strategy incurs higher management costs as a result. This is evidenced by the high active share of both trusts, 99.9% and 98.1% for AGT and AJOT respectively. Subject to our approach, we believe that the charges for each Trust are set at a competitive level.

5. Comparable Services

Where applicable, we have compared the annual management charge of each Trust against other AVI products which have the same investment management team, similar objectives and policies. We are satisfied that the Trusts are fairly priced compared to the other comparable products that we have reviewed.

In Conclusion

In summary, we have carefully reviewed all the AVI funds against the five criteria outlined above, to assess the value we deliver to investors. The five criteria cover performance, quality of service, costs, comparable market rates, and comparable services.

Our overall conclusion is all of our funds have delivered value.

Fund Pages



We will be happy to help with any general questions about your investments. You can contact us using the details below. However, if you need advice about your investments please speak to an authorised financial adviser.

Email:

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AVI Global Trust Plc

LSE Ticker AGT.LN
ISIN GB00BLH3CY60



AVI BOARD ASSESSMENT

We believe that AVI Global Trust plc (“AGT”) has delivered appropriate value to its shareholders. We have concluded that value has been delivered when assessed against each criterion and we set out our key findings below. We have assessed value for the period commencing 30th September 2015, as this is the date from which Joe Bauernfreund became sole Portfolio Manager for AGT.

For the periods ended 31 December 2022, AGT has delivered performance above the median on both a 1, 3 and 5-year basis.

AGT has outperformed its benchmark, the MSCI ACWI ex USA, in 100% of the rolling 3-year and 5-year time periods we reviewed. It has outperformed the benchmark over the 5-year period ended 31 December 2022.

Compared to its peers in the AIC Global Investment Trust sector, AGT delivered above median performance in 48% of the rolling 3-year periods and 47% of the rolling 5-year periods we reviewed.

The OCF for AGT was higher than the average OCF for the Global Investment trust peer comparison group, but this is expected given that active engagement forms a core part of our strategy.

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.

How we Invest

To AVI’s investment strategy is to seek out-of-favour companies whose assets are misunderstood or under-researched by the market, and which trade significantly below the estimated value of their underlying assets. AVI then constructs a diverse, concentrated portfolio of global equities. A core part management, in order to provide suggestions that could help narrow the discount and improve operations, thus releasing value for shareholders.

Statistics

Fund Launch	6 February 1889	Peer Group	MSCI Global Investment Trust
Benchmark	MSCI ACWI ex USA	AUM*	£1,214m

**as at 31 December 2022*

AVI Global Trust Plc

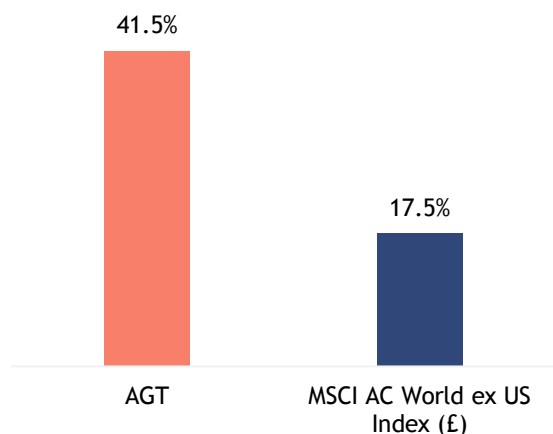
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Performance

Performance against the Benchmark and compared to Trusts in the AIC Global sector. Please note that performance is shown at one point in time, 31 December 2022. Performance before and after that date will differ. More up-to-date performance can be found on our website.

AGT vs. the Benchmark

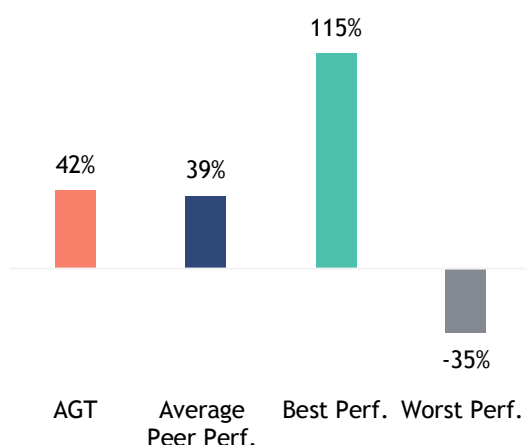
Cumulative performance after fees over 5 years to 31 Dec 2022



Source: Asset Value Investors & Morningstar. Performance includes reinvested dividends and is net of management fees.

AGT vs. AIC Global Trusts

Cumulative performance after fees over 5 years to 31 Dec 2022



Source: Asset Value Investors & Morningstar. AIC Global Trust peer group. Performance includes reinvested dividends and is net of management fees.

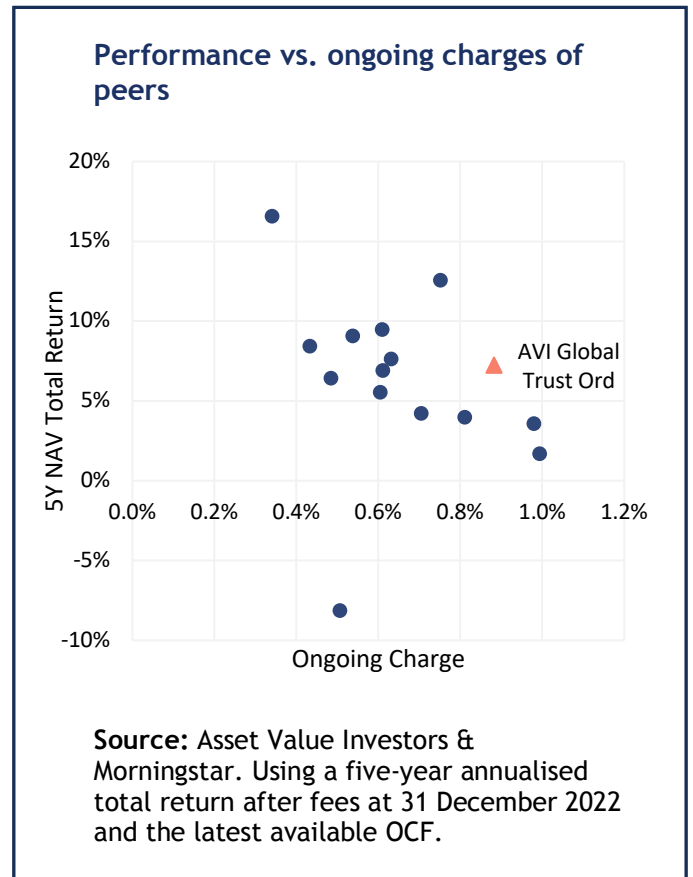
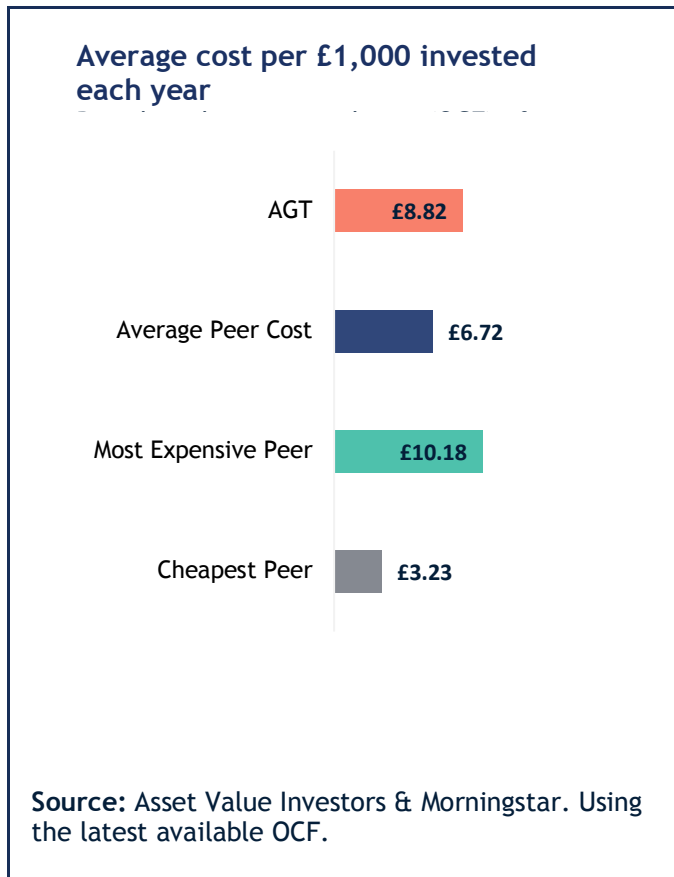
Performance Track Record

NAV Total Return (£)	1 Year	3 Year	5 Year
AVI Global Trust	-8.6%	28.2%	41.5%
MSCI AC World ex US Index	-5.4%	10.4%	17.5%
Average Trust in Peer Group	-14.9%	11.3%	34.1%

AVI Global Trust Plc (Cont'd)

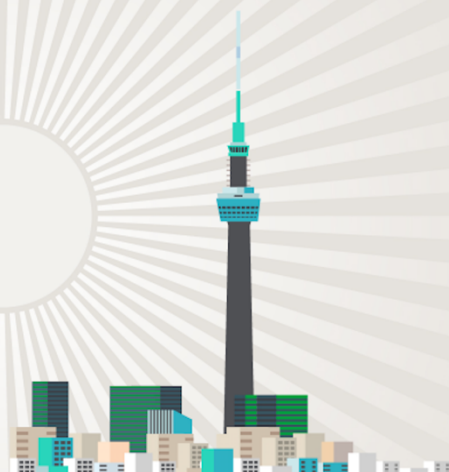
Comparable Market Rates

Fees and charges compared to the AIC Global Investment Trust peer set.



AVI Japan Opportunity Trust Plc

LSE Ticker [AJOT.LN](#)
ISIN [GB00BD6H5D36](#)



AVI BOARD'S ASSESSMENT

AJOT has outperformed its benchmark, the MSCI Japan Small Cap, in 98% of the rolling 3-year time periods we reviewed. It has outperformed its benchmark over the period since inception period ended 31 December 2022.

For the periods ended 31 December 2022, AJOT has delivered performance above the median on both a 1 and 3-year basis.

Compared to its peers in the Japan Small Cap Trust sector, AJOT delivered above median performance in 80% of the rolling 3-year periods we reviewed.

The OCF was higher than the average OCF for the peer comparison group, but this is expected given that active engagement forms a core part of our strategy. The closest peer's OCF in terms of strategy had an OCF above AJOT's.

Investment Objective

AVI Japan Opportunity Trust plc invests in a focused portfolio of quality small and mid-cap listed companies in Japan that have a large portion of their market capitalisation in cash or realisable assets.

How We Invest

AVI's Japan investment strategy aims to generate returns in excess of the MSCI Japan Small Cap Index in GBP, through the active management of a focussed portfolio of Japanese equity investments which have been identified by Asset Value Investors Limited as being undervalued and having a significant proportion of their market capitalisation held in cash, listed securities and/or other realisable assets. AVI seeks to unlock this value through proactive engagement with management, thus taking advantage of the increased focus in Japan on corporate governance, balance sheet efficiency, and returns to shareholders.

Statistics

Fund Launch	23 October 2018	Peer Group	MSCI Japan Small Cap Trusts
Benchmark	MSCI Japan Small Cap	AUM*	£166m

*as at 31 December 2022

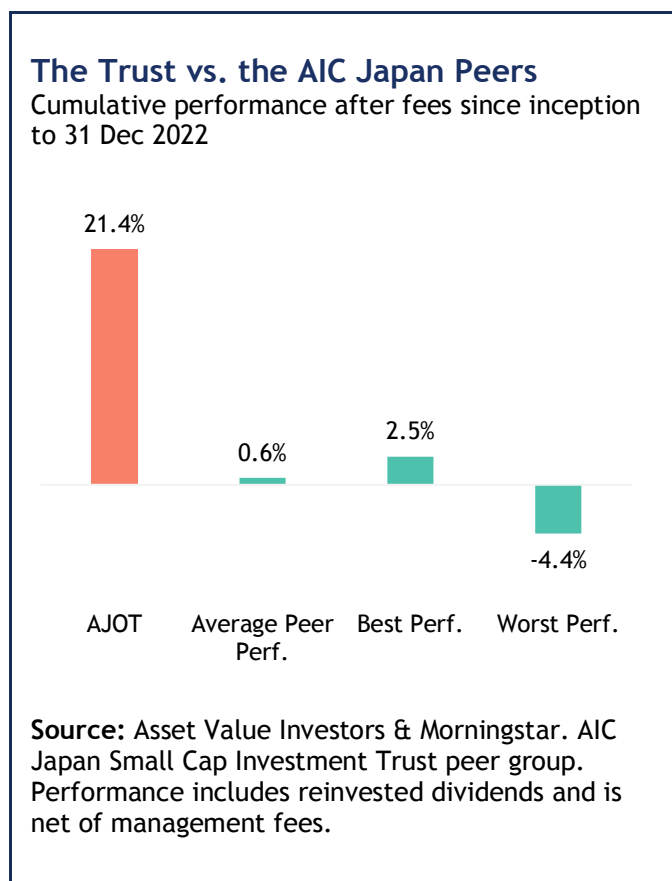
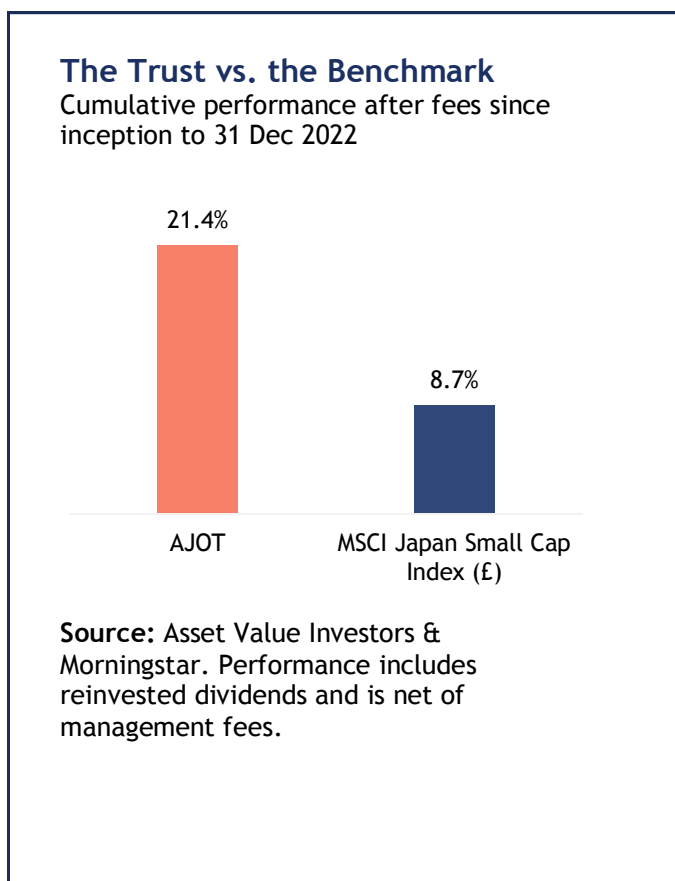
Assessment of Value Report 2022

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AVI Japan Opportunity Trust Plc (Cont'd)

Performance

Performance against the Benchmark and compared to Trusts in the AIC Japan sector. Please note that performance is shown at one point in time, 31 December 2022. Performance before and after that date will differ. More up-to-date performance can be found on our website.



Performance Track Record

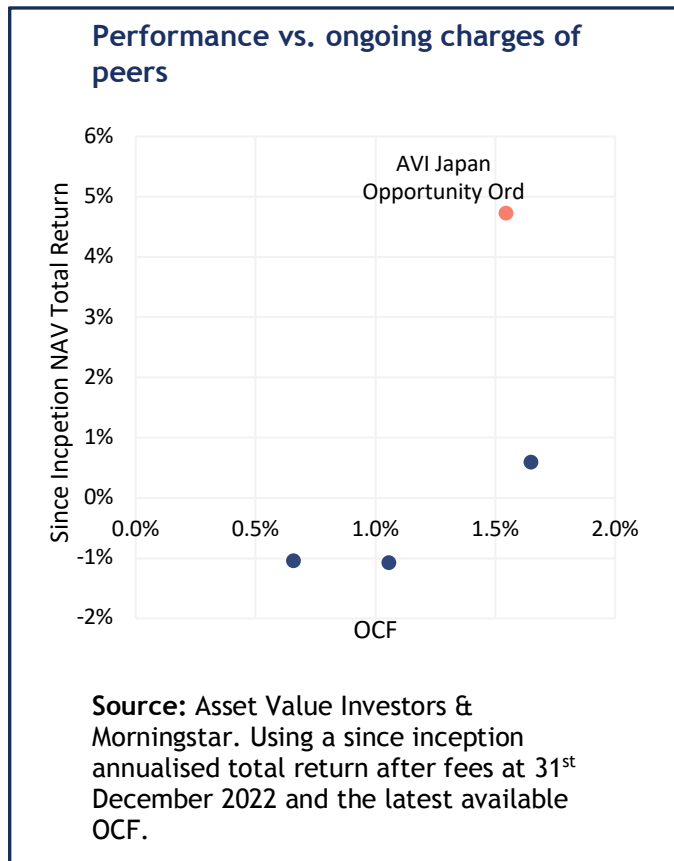
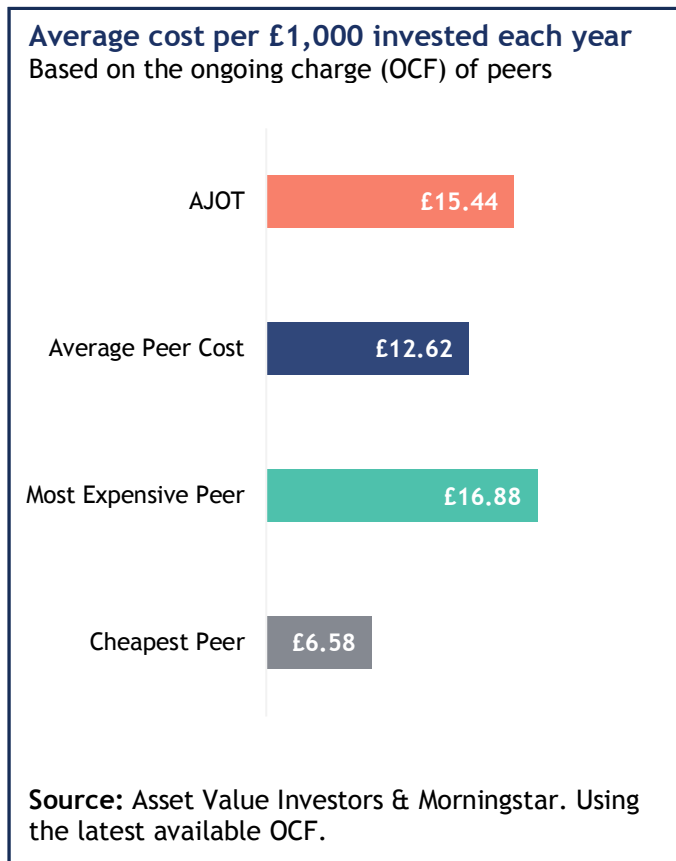
NAV Total Return (£)	1 Year	3 Year	Since Inception
AJOT	-4.3%	6.2%	21.4%
MSCI Japan Small Cap Index (£)	-1.0%	0.8%	8.7%
Average Trust in Peer Group	-16.8%	-11.8%	-2.1%

AVI Japan Opportunity Trust Plc

(Cont'd)

Comparable Market Rates

Fees and charges compared to the AIC Japan Investment Trust peer set.





AVI

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ASSET VALUE INVESTORS

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