

May 2024

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

Introduction

AVI Global Trust (AGT)'s NAV increased +2.5% in May.

[Read more below](#)

Entain

We provide a brief update on Entain.

[Read more below](#)

KKR

During the month AGT exited KKR having generated a total return of +217%/IRR of +59%.

[Read more below](#)

THE FUND
(Figures to 31 May 2024)

Share Price (pence)
243.0

NAV (pence)
263.8

Prem./Disc.
-7.9%

Total Return (£)	Month	CYTD	1Y	3Y	5Y	10Y
AGT NAV	2.5%	8.6%	27.2%	32.3%	77.0%	172.2%
MSCI ACWI	2.3%	9.0%	20.3%	29.7%	72.0%	195.1%
MSCI ACWI ex US	1.2%	5.9%	13.6%	12.6%	37.6%	95.5%

NAV Total Return since Strategy Inception (£)

Year	AGT	MSCI ACWI	MSCI ACWI ex US
1985	0	0	0
1990	200	100	100
1995	500	300	300
2000	1000	600	600
2005	2000	1000	1000
2010	3000	1500	1500
2015	4500	2000	1800
2020	6000	2500	2200
2024	8000	3000	2000

PORTFOLIO
(Holdings to 31 May 2024)

Look-Through Geographic Exposure (% of net assets)

Region	Percentage
Europe	33%
North America	25%
Japan	17%
Asia	5%
LATAM, Africa + EE	4%
UK	10%
Other	6%

Portfolio Exposure (% of invested assets)

Category	Percentage
Japan	47%
Closed-end fund	31%
Holding company	18%
Property/Other	4%

Top Ten Equity Holdings

Holding	%
News Corp	8.8
Oakley Capital Investments	6.7
Princess Private Equity	5.6
D'Ieteren	5.5
Bolloré	4.9
Aker	4.9
FEMSA	4.1
Reckitt Benckiser	3.9
Apollo Global Management	3.6
Cordiant Digital Infrastructure	3.6
TOTAL	51.6

MANAGER'S COMMENT

AVI Global Trust (AGT)'s NAV increased +2.5% in May.

News Corp was the top contributor over the month, adding +92bps as the shares rose +14%, benefitting from both NAV growth (+8%) and narrowing of the discount (to 39% from 42%). Schibsted and Oakley were also meaningful contributors adding +51bps and +35bps apiece.

Entain was the weakest performer, shaving -43bps off NAV as the shares have continued to underperform since we wrote it up in the [February newsletter](#). We provide a short update on the position below.

Further to [last month's newsletter](#), during May we completed the sale of our position in Hipgnosis. This generated proceeds of £91m. We have been redeploying this into a number of new positions which we will discuss in future letters. Although discounts have generally narrowed as equity markets have rallied since October 2023, we continue to find a wide variety of interesting opportunities across all parts of our universe. We keep this month's newsletter relatively short (and hopefully sweet) and look forward to updating you on portfolio activity in the near future.

Entain

Entain was the most significant detractor, with the shares declining -14% in May. During the month the company's capital allocation committee provided an update to the market. For investors expecting major asset sales or changes this was something of a damp squib, with Crystal Bet in Georgia the only asset to be sold. We believe patience is needed as steps taken over the last year start to pay off, and that improved fundamentals – both for Entain's wholly owned assets and at BetMGM – will open up numerous paths to unlock and grow value. Other investors are seemingly losing patience, and we have been modestly adding to the position. We note that several board members have been buying shares in the market and like our alignment of interest with several thoughtful and engaged shareholders.

KKR

During the month we exited the position in KKR. Since the position entered the portfolio in 2020, it has been a very strong source of returns for AGT. Our thesis was simple: that the listed alternative asset management sector was systematically undervalued, and that KKR (and Apollo, which we also own) was itself undervalued relative to peers.

The market perception of alternative asset managers was – and to an extent still is – that they are high beta plays on risk assets. While we concede that both KKR and Apollo have more on-balance sheet risk than peers, our contention was that the market underestimates the defensive characteristics of scale-advantaged managers that earn fees on long-dated committed capital, and the powerful tailwinds for structural growth across the industry. Evidence for this has been borne out in results and was clearly articulated at the recent investor day we attended in New York City in April. Over time the market has come closer to our way of thinking and the shares have re-rated significantly to reflect the company's attractive long-term growth prospects.

Over the course of the investment, KKR generated an ROI of +217% and an IRR of +59%, which compares to returns of +40% and +14% for the MSCI AC World Index (all in GBP).

STATISTICS

Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	% Weight
News Corp	93	8.8
Schibsted ASA 'B'	51	2.3
Oakley Capital Investments	36	6.7
Nihon Kohden	26	2.9
Princess Private Equity	25	5.6

Largest Detractors	1-month contribution bps	% Weight
Entain	-43	2.5
Symphony International Holdings	-26	2.0
Hipgnosis Songs	-20	0.0
FEMSA	-18	4.1
Kyocera Corp	-13	1.3

Fund Facts

Net Assets	£1,181.2m
Investment Manager	Asset Value Investors Limited
AGT Shares owned by the Manager**	2,090,449
Company Secretary	Link Company Matters Limited
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	2.5	31.4	31.2	81.8	194.9
Net Asset Value TR ¹	2.5	27.2	32.3	77.0	172.2
MSCI ACWI TR ¹	2.3	20.3	29.7	72.0	195.1
MSCI ACWI ex US TR ³	1.2	13.6	12.6	37.6	95.5
FY* Total Return (£%)	FYTD	2023	2022	2021	2020
Price ¹	21.8	14.7	-10.8	40.2	2.0
Net Asset Value ¹	17.6	15.3	-7.3	36.2	0.0
MSCI ACWI ¹	15.9	10.5	-4.2	22.2	5.3
MSCI ACWI ex US ³	11.3	10.1	-9.6	18.8	-1.8

Capital Structure

Ordinary Shares	49,331,627
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
1.380% Senior Unsecured Note 2032	¥8,000,000,000
LIBOR + 0.75% Revolving Credit Facility	¥4,500,000,000 ⁵
1.440% Unsecured Note 2033	¥4,500,000,000

Gross Assets/Gearing

Gross Assets	£1,301.7m
Debt at fair value (gross)	£120.5m
Gearing (net) ⁴	7.0%

- 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 RCF capacity of ¥4,500,000,000.
* 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 @ 31st March 2024

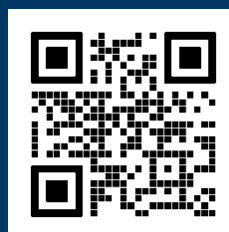
All return figures in GBP.

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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.