

December 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 +1.7% in December.

[Read more below](#)

## D'leteren

D'leteren was the most significant contributor to performance over the month.

[Read more below](#)

## Bolloré / Vivendi

We provide an update on Bolloré and introduce a new position in Vivendi.

[Read more below](#)

## THE FUND

(Figures to 31 December 2024)

Share Price (pence)

245.0

NAV (pence)

264.1

Prem./Disc.

-7.2%

Total Return (£)	Month	CY 2024	1Y	3Y	5Y	10Y
AGT NAV	1.7%	10.4%	10.4%	19.8%	68.2%	175.6%
MSCI ACWI	-0.9%	19.6%	19.6%	26.8%	70.8%	201.1%
MSCI ACWI ex US	-0.5%	7.4%	7.4%	10.8%	29.3%	99.0%

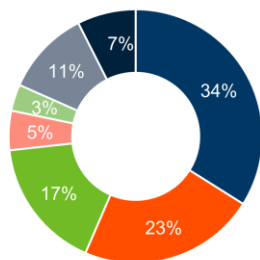
## NAV Total Return since Strategy Inception (£)



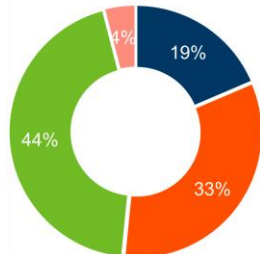
## PORTFOLIO

(Holdings to 31 December 2024)

## Look-Through Geographic Exposure (% of net assets)



## Portfolio Exposure (% of invested assets)



## Top Ten Equity Holdings

Holding	%
News Corp	8.3
D'leteren	7.4
Chrysalis Investments	7.0
Harbourvest Global PE	5.5
Softbank Group	5.4
Oakley Capital Investments	5.4
Partners Group PE	5.1
Bolloré	4.9
Reckitt Benckiser	4.4
Cordiant Digital Infrastructure	4.3
<b>TOTAL</b>	<b>57.7</b>

N.B. Softbank Group is held via a long total return swap. Hedges are held against the position via short total return swaps on five of its listed underlying holdings: Arm Holdings, Coupang, Deutsche Telekom, Softbank Corp & T-Mobile (accounting for 87% of NAV). The weight shown above for Softbank Group reflects the gross notional exposure to that single entity calculated from the shares underlying the long swap.

## MANAGER'S COMMENT

**AVI Global Trust's (AGT) NAV increased +1.7% in December.**

D'leteren, Chrysalis and Harbourvest were the top contributors, adding +113bps, +76bps and +37bps to returns, respectively.

Entain detracted -57bps following the announcement of legal proceedings against the company in Australia, whilst News Corp and Frasers shaved off -43bps and -30bps. In the case of Frasers, this followed a relatively modest (-4% at the mid-point) cut to full year guidance which has pushed the shares down -17% over the month. We added to the position.

**D'leteren**

D'leteren was the most significant contributor to performance over the month, adding +113bps to NAV as the position returned +13%.

As highlighted in [September's](#) letter, last Autumn the company announced an extraordinary €74 per share special dividend, equivalent to 39% of the company's market cap at the time. Selling pressure from tax-sensitive investors – who faced Belgian Withholding Tax rates of up to 30% vs. AGT's 10% net rate – pushed the shares down from €226 to a low of €188. During this period, we increased our position by more than 70% at an average price just shy of €200 per share.

This made D'leteren our largest position at a 9.3% weight on the 9<sup>th</sup> December when the shares closed at €200 per share. On the 10<sup>th</sup> December the company traded ex-dividend of the €74 per share special dividend yet closed the day at €160 i.e. some +27% above the implied ex-dividend price of €126. Net of 10% tax, AGT received proceeds of £35m, equivalent to 3.1% of NAV.

As we look ahead, we expect investors to retune their focus on D'leteren's fundamentals. The last year has seen a relatively difficult operating environment for Belron, the crown jewel asset that repairs and replaces vehicle glass, which accounts for 68% of NAV. As higher insurance premiums have seen customer propensity to repair decline, and the insured market (to which Belron are more exposed than peers) cede share to the cash market. During Q3 we saw a number of US auto service peers cut guidance, however D'leteren re-affirmed Belron's guidance, which, in our view, speaks to the continued and considerable self-help measures the company can utilise. In 2025 we expect D'leteren to hold a Capital Markets Day – the first since Carlos Brito was appointed Belron CEO. We view this and new Belron long-term margin guidance as key catalysts, which should help re-focus investor attention on the attractive long-term outlook for the company and its structural tailwinds.

D'leteren shares currently trade at €162, which represents an 50% discount to our estimated NAV. The October 2024 transaction between Belron minority shareholders at a €32.2bn enterprise value ("EV") pegs D'leteren's 50% equity stake at €221 per D'leteren share. This valuation was higher than we had modelled – having previously estimated Belron to be worth €24.5bn EV, or 17x our estimate for 2024 EBIT. It does however put a line in the sand for future, more meaningfully sized transactions in Belron's equity, such as an IPO or further private equity sales. As and when these occur, we expect this to be a positive catalyst for D'leteren's very wide discount to narrow. As such, despite strong recent performance, D'leteren is our second largest position at 7.4% weight.

**Bolloré / Vivendi:**

In mid-2023 we (re)initiated a position in Bolloré (4.9% weight) – the French holding company controlled by Vincent Bolloré. The investment case was predicated on the attractive NAV growth potential from Universal Music Group ("UMG"); the potential value creation from Vivendi, the French media conglomerate; and with €6bn of net cash at the holding company level, the prospect for simplifications across the notoriously complex and deeply discounted Bolloré group structure. To date returns have been all but zero (+1.0% ROI).

During the month, Vivendi, of which Bolloré owns just shy of 30%, was split into four separate companies – Canal+, Havas, Louis Hachette and Vivendi – with the stated intention to unlock the conglomerate discount at which it traded. Prima facie this has been ineffective: the four sum of the parts now trade collectively at €8.2 per share, versus €8.3 the day prior to the split and €8.0 a little over a year ago when the intention to split up the group was first announced.

However, from a Bolloré perspective we wonder whether this is not such a bad thing after all. Having passively moved through 30% in each operating company, and with more lax shareholder protections, Vincent Bolloré may well exploit one or more of these undervaluations. Eighteen months ago, it was a consensus view that Vincent Bolloré would pay a control premium to take over the entire Vivendi conglomerate. As is often the case, he has dumbfounded fund managers and avoided putting his hand in his pocket. Ultimately Vincent Bolloré is motivated by long-term capital gains, not near-term market movements and we have long been of the view that it makes most sense to be aligned with him at the Bolloré level, and hence we did not hold a direct position in Vivendi.

## MANAGER'S COMMENT

With that said, when surveying the post-split state of play, the valuation of the remaining Vivendi holding company appears highly attractive, something that has been compounded by non-fundamental selling from passive investors in the days following the split. We took advantage of this and built a direct position such that Vivendi is now an 2.5% weight.

Vivendi's market cap stands at €2.5bn, and its 10% stake in UMG is worth €4.4bn. Adding in another €2.3bn of listed equity stakes and netting off €2.1bn of debt brings us to a NAV of €4.7bn and a discount of 46%. To us it is interesting that this level of discount is wider than the

c.40% Vivendi has averaged in recent years *despite* Vivendi now being a much simpler beast, with an entirely listed NAV. Such a level of discount stands out against liquid European holding companies with listed, hedgeable NAVs, and even more dramatically so when compared with mono-holding companies – which is now in essence what Vivendi is. It seems likely to us that Vincent Bollore will want to monetise and close this discount. In the meantime, this gives us additional exposure to UMG which underpins an attractive NAV growth outlook.

## STATISTICS

## Contributors / Detractors (in GBP)

Largest Contributors	1-month contribution bps	% Weight
D'leteren	113	7.4
Chrysalis Investments	76	7.0
Harbourvest Global	37	5.5
Toyota Industries	32	3.0
Christian Dior	25	2.7

Largest Detractors	1-month contribution bps	% Weight
Entain	-57	3.3
News Corp	-43	8.3
Frasers Group	-30	1.7
Rohto Pharmaceutical	-26	4.0
Aker ASA	-22	3.6

## Fund Facts

Net Assets	£1,142.9m
Investment Manager	Asset Value Investors Limited
AGT Shares owned by the Manager**	1,962,608
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 <sup>2</sup>	2.9	13.1	19.2	72.1	189.2
Net Asset Value TR <sup>1</sup>	1.7	10.4	19.8	68.2	175.6
MSCI ACWI TR <sup>1</sup>	-0.9	19.6	26.8	70.8	201.1
MSCI ACWI ex US TR <sup>3</sup>	-0.5	7.4	10.8	29.3	99.0
FY* Total Return (£%)	2025	2024	2023	2022	2021
Price <sup>1</sup>	7.2	16.3	14.7	-10.8	40.2
Net Asset Value <sup>1</sup>	5.1	13.7	15.3	-7.3	36.2
MSCI ACWI <sup>1</sup>	6.0	19.9	10.5	-4.2	22.2
MSCI ACWI ex US <sup>3</sup>	-1.0	14.1	10.1	-9.6	18.8

## Capital Structure

Ordinary Shares	482,662,627
Shares held in Treasury	45,600,956
4.18% Series A Senior Unsecured Note 2036	£30,000,000
3.25% Series B Senior Unsecured Note 2036	€30,000,000
2.93% Senior Unsecured Note 2037	€20,000,000
1.38% Senior Unsecured Note 2032	¥8,000,000,000
1.44% Senior Unsecured Note 2033	¥4,500,000,000
2.28% Senior Unsecured Note 2039	¥5,000,000,000

## Gross Assets/Gearing

Gross Assets	£1,302.6m
Debt at fair value (gross)	£148.2m
Gearing (net) <sup>4</sup>	6.6%

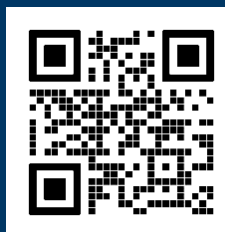
- Source: Morningstar. All NAV figures are cum-fair values.
  - Source: Morningstar. Share price total return is on a mid-to-mid basis, with net income re-invested.
  - From 1<sup>st</sup> October 2023 the comparator benchmark was changed to the MSCI ACWI (€) Index. Prior to this, from 1<sup>st</sup> October 2013, the comparator benchmark was the MSCI ACWI ex US (€) Index.
  - Fair value of net debt divided by net assets at fair value.
- \* AVI Global Trust financial year commences on the 1<sup>st</sup> October. All figures published before the fiscal results announcement are AVI estimates and subject to change.  
 \*\* Shares owned by AVI Ltd & AVI Employees @ 30<sup>th</sup> September 2024  
 All return figures in GBP.

## Investment Manager – Joe Bauernfreund

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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](http://www.aviglobal.co.uk)  
[www.assetvalueinvestors.com](http://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.