

January 2025

**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

**TSI Holdings – Real Estate Sale**

The apparel holding company with a diverse brand portfolio announced the sale of its former HQ building in central Tokyo at a price more than the appraisal value, equal to 30% of the market cap.

[Read more below](#)**Broadmedia – Earnings Rise YoY**

A conglomerate predominantly focused on the operation of online-learning secondary schools, Broadmedia announced its quarterly operating income rose +7% YoY.

[Read more below](#)**Wacom – Earnings Decline YoY**

The global leader in digital pens solutions, such as the "S-Pen", which will be included in the S25 Ultra smartphone launching in February 2025, announced quarterly operating income -24% YoY.

[Read more below](#)

## THE TRUST

(Figures to 31 January 2025)

Share Price (pence)

156.0

NAV (pence)

161.6

Prem./ (Disc.)

(3.5)%

EV/EBIT

9.4x

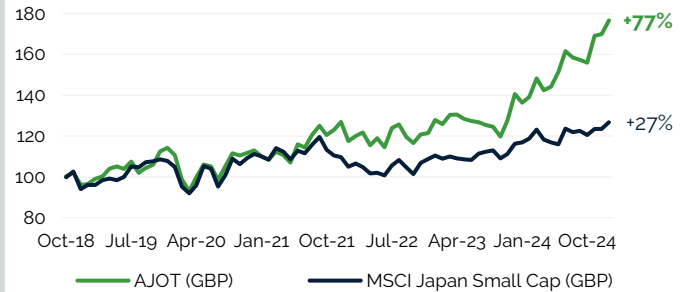
Net Cash/Market Cap<sup>1</sup>

21.8%

NFV/Market Cap<sup>2</sup>

50.0%

## NAV Total Return Since Inception (£)

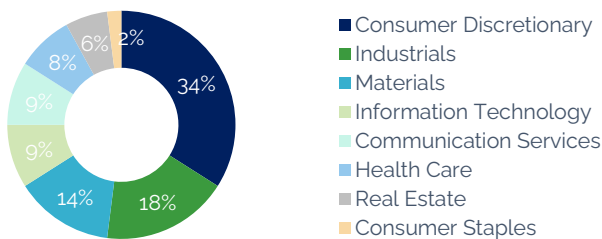


		Month	3 Month	YTD	1Y	3Y	SI*
GBP	AJOT NAV	3.9%	13.2%	3.9%	29.6%	50.3%	76.6%
	MSCI Japan Small Cap	2.7%	5.2%	2.7%	8.4%	20.8%	26.8%
JPY	AJOT NAV	1.6%	11.3%	1.6%	34.0%	87.0%	133.7%
	MSCI Japan Small Cap	0.4%	3.3%	0.4%	12.1%	50.4%	67.7%

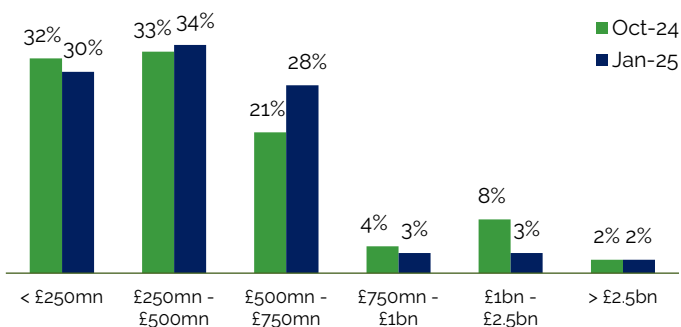
## PORTFOLIO

(Holdings to 31 January 2025)

## Sector Breakdown (% of Portfolio)



## Market Cap Breakdown (% of Portfolio)



## Top Ten Equity Holdings (% of NAV)

Holding	31-Oct-24	Holding	31-Jan-25
TSI Holdings	9.5	TSI Holdings	10.7
Eiken Chemical	9.3	Beenos	10.4
Nihon Kohden	8.2	Kurabo Industries	8.5
Beenos	7.9	Eiken Chemical	7.4
Kurabo Industries	6.7	Aoyama Zaisan Networks	6.2
Konishi	6.0	Atsugi	5.6
Takuma	5.9	SharingTechnology	5.6
Aoyama Zaisan Networks	4.8	Araya Industrial	5.5
Jade Group	4.3	Takuma	5.4
Wacom	4.1	Konishi	4.8
<b>TOTAL</b>	<b>66.7</b>	<b>TOTAL</b>	<b>70.1</b>
% Gearing	3.8	% Gearing	5.9
No. of Holdings	24	No. of Holdings	25

<sup>1</sup> Net cash = Cash – Debt<sup>2</sup> Net Financial Value (NFV) = Net cash + Investment Securities – Minority Interest

## MANGER'S COMMENT

AJOT's NAV increased by +3.9% (in GBP) and +1.6% (in JPY) over the month, while the benchmark returned +2.7% (in GBP) and +0.4% (in JPY).

The two largest contributors to performance in January were **TSI Holdings** (+17% share price), which sold real estate equal in value to 30% of the market cap, and **Broadmedia** (+14%), which saw its Q3 operating income rise +7% YoY. Meanwhile, **Wacom** (-7%) was the most notable detractor, as it announced quarterly operating income down -24% YoY.

During the month, we added three new names to the portfolio from the industrials sector. The lack of research coverage of companies within AJOT's small to mid-cap investment universe continues to present us with abundant opportunities. Nearly half of AJOT's portfolio companies (11/25) have zero sell-side coverage and 72% (18/25) which account for 88% of AJOT's NAV, are covered by two or fewer analysts.

Our engagement continues unabated, focusing on driving operational improvements as well as enhancing capital efficiency, shareholder communication and corporate governance. We believe AVI's unique focus on improving business operations enhances our credibility with management as we seek to unlock long-term value for all stakeholders. In addition to leading to improved operating margins, this aligned relationship with management assists us in driving change across the other engagement areas mentioned above.

We look forward to further deepening our partnerships with management teams as we collectively strive towards this shared objective. Our approach of detailed, constructive engagement continues to drive catalysts to unlock significant upside in a concentrated portfolio of high-quality, under-appreciated and overcapitalised companies.

### **TSI Holdings (3608) – Sold former HQ building in central Tokyo**

TSI Holdings, now the largest position in the portfolio accounting for 10.7% of NAV, was the largest contributor over the month, adding +209bps to performance as its share price rose +17%.

TSI Holdings is an apparel holding company with a diversified collection of brands including Pearly Gates, HUF, and Margaret Howell. AVI have provided several suggestions to management across all engagement areas including enhancing business operations and capital efficiency.

Our investment thesis was predicated on valuation of their net assets exceeding the market cap at the time of investment, as well as their diversified brand portfolio and diminishing founding family influence. Pleasingly, in line with our suggestions, in April 2024 the company announced a mid-term plan focusing on improving EBIT margin as well as optimising non-operating assets to improve capital efficiency.

During this month of January 2025, TSI Holdings disclosed the sale of its former HQ building located in central Tokyo, for a price higher than the company's appraisal value and equivalent to c. 30% of the market cap. Accordingly, this sent the share price +30% higher on the following day of trading. The company also announced its Q3 earnings results, with operating income growing +41% YoY.

As the largest shareholder, owning more than 10% of the voting rights, AVI will continue to engage extensively with management.

TSI Holdings entered the portfolio in July 2022, and the investment has so far generated an ROI of +144% for an IRR of +59% to month-end. We see attractive upside remaining to the current share price, with TSI Holdings 10.7% position in AJOT reflective of our conviction.

## MANGER'S COMMENT

**Broadmedia (4347) – Quarterly operating income +7% YoY**

Broadmedia, mainly engaged in online education and IT service businesses, was the second largest contributor, adding +56bps to performance as its share price increased by +14%.

Broadmedia is a leading player in Japan running online-learning secondary schools with the brand name "Renaissance High School Group," allowing students to learn at their own pace remotely and to focus on their learning interests. Broadmedia's unique education curriculum allows students to earn degrees in e-sports, KPOP and programming schools, on top of the standard arts/science curriculum. In addition to operating online-schools, Broadmedia operates an IT service business, especially for distributing Akamai Technologies' software and solutions to domestic clients. The online education business is the most profitable segment for the conglomerate, with studio contents and other smaller segments a drag on the bottom-line.

In addition to net-cash and off-balance sheet asset-backing, our investment thesis was built on Broadmedia's growing online-education business, which holds the fifth largest market share in Japan, as well as management's openness to engaging in dialogue with shareholders.

In January, Broadmedia announced quarterly operating income that was +7% higher than the same period in the previous financial year.

As the largest shareholder, owning 13% of the voting rights, AVI will continue to engage extensively with management.

Added to the portfolio in April 2024, Broadmedia accounts for 3.8% of AJOT's NAV. We see significant upside to the current share price, and to month-end, our investment has generated an ROI of +24% for an IRR of +49%.

**Wacom (6727) – Quarterly operating income -24% YoY**

Wacom was the largest detractor in January, reducing performance by -19bps as its share price fell -7%.

Wacom is the global leader of digital pen solutions, and our investment is premised on the increased adoption of digital drawing and writing, relative undervaluation, and scope for improvement through engagement. Wacom manufactures its own branded tablets and sells its technology to other electronic device manufacturers, for example the S25 Ultra smartphone which will be launched in February 2025 will have an embedded pen with Wacom's technology called "S-Pen."

At the end of the month, Wacom released its quarterly earnings, with operating income for the period down -24% YoY, with the share price subsequently falling -6%.

We first invested in Wacom in August 2021, and to date our investment has generated an ROI of -4% for an IRR of -1%. As a top ten shareholder owning close to 3% of the shares, AVI continues to engage with management to drive improvements in operations, capital efficiency and shareholder communication.

## STATISTICS

## Contributors / Detractors (in GBP)

Largest Contributors	Monthly Contribution bps	% Weight
TSI Holdings	209	10.7
Broadmedia	56	3.8
Atsugi	44	5.6
Kurabo Industries	29	8.5
Beenos	25	10.4

Largest Detractors	Monthly Contribution bps	% Weight
Wacom	-19	3.0
Jade Group	-17	0.5
Helios Techno Holding	-12	1.4
Rohto Pharmaceutical	-12	1.9
SK Kaken	-10	2.8

## Fund Facts

Launch Date	23 October 2018
Net Assets	£220.3m
Investment Manager	Asset Value Investors Limited
AJOT Shares Owned by the Manager**	3,108,297
Shareholder Services	Link Company Matters Limited
Management Fee***	1.0% of lower of market cap or NAV
Website	www.ajot.co.uk
Ticker Code	AJOT.LN
ISIN	GB00BD6H5D36

Period Net Returns (%)****	1m	1y	3y	SI'
Share Price TR	2.5%	30.4%	40.8%	65.4%
Net Asset Value TR	3.9%	29.6%	50.3%	76.6%
MSCI Japan Small Cap	2.7%	8.4%	20.8%	26.8%
Calendar Year Net Returns (%)	YTD	2024	2023	2022
Share Price TR	2.5%	21.5%	14.8%	-6.0%
Net Asset Value TR	3.9%	20.9%	15.8%	-4.3%
MSCI Japan Small Cap	2.7%	6.2%	6.9%	-1.0%

## Capital Structure

Ordinary Shares	137,198,943
Shares held in Treasury	825,716
TONAR + 1.55% Revolving Credit facility	¥2,930,000,000

## Gross Assets/Gearing

Gross Assets	£235.6m
Debt at fair value (gross)	£15.2m
Gearing (net)*****	5.9%

All performance shown in GBP Total Return

\*23 October 2018 Start Date

\*\* Shares owned by AVI Ltd & AVI employees

\*\*\* 25% of Management Fee is reinvested in shares of AJOT

\*\*\*\* Returns stated net of fees

\*\*\*\*\* Net gearing at fair value

## Investment Manager – Joe Bauernfreund

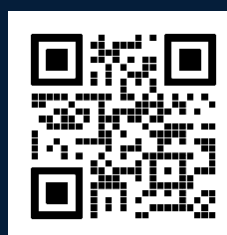
AVI Ltd. +44 20 7659 4800 info@ajot.co.uk

The share price can be found in [The Financial Times](#).  
ISIN: GB00BD6H5D36 Trading as: [AJOT:LN](#)

Information may be found on the following websites:

[www.ajot.co.uk](http://www.ajot.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, nor receives and transmits orders from, investors in the Fund.