March 2025

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 declined -4.3% in March.

Read more below

Entain

Entain was the most significant detractor over the month declining -21% without any material company-specific news flow.

Read more below

FEMSA

During the month we exited our investment in FEMSA.

Read more below

THE FUND

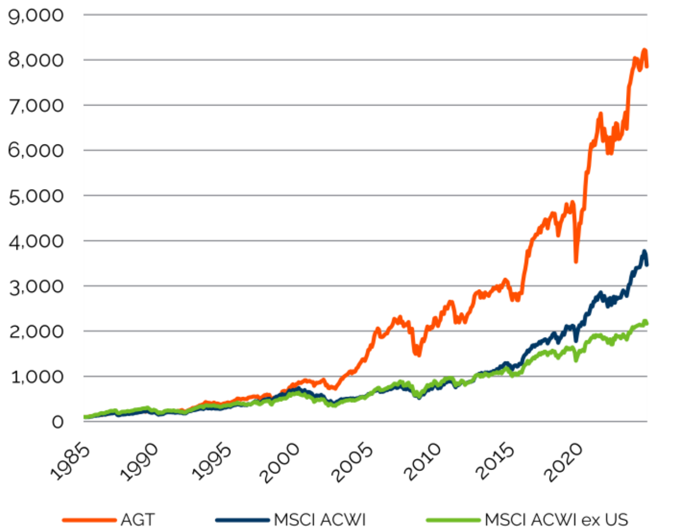
Share Price (pence)
230.5

NAV (pence)
253.9

Prem./Disc.
-9.2%

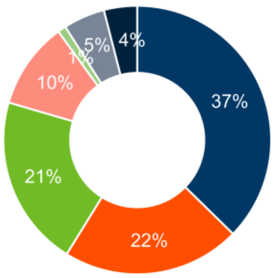
Total Return (£)	Month	CYTD	1Y	3Y	5Y	10Y
AGT NAV	-4.3%	-3.9%	0.9%	21.2%	122.2%	150.0%
MSCI ACWI	-6.3%	-4.3%	4.9%	24.7%	94.7%	168.3%
MSCI ACWI ex US	-2.7%	2.1%	3.8%	16.4%	61.3%	86.9%

NAV Total Return since Strategy Inception (£)

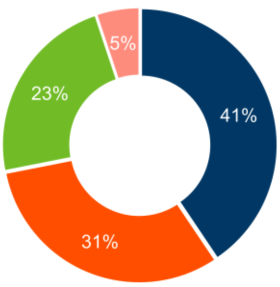


PORTFOLIO

Look-Through Geographic Exposure (% of net assets)



Portfolio Exposure (% of invested assets)



Top Ten Equity Holdings

Holding	%
News Corp A	7.1
Dieteren	7.0
Chrysalis Investments	6.8
Gerresheimer AG	6.1
Oakley Capital Investments	5.4
Harbourvest Global PE	5.3
Partners Group PE	5.1
Vivendi	4.9
Aker	4.5
Cordiant Digital Infrastructure	4.3
TOTAL	56.5

MANAGER'S COMMENT

AVI Global Trust's (AGT) NAV declined -4.3% in March.

Aker (+28bps) was a rare positive performer over the month. Entain (-89bps), Gerresheimer (-76bps) and Chrysalis (-63bps) were the largest detractors.

The old idiom "*When America sneezes, the world catches a cold*" doesn't quite capture the current environment of increased tariffs and increasingly antagonistic trade policy. A more suitable summation might be: "*When America punches, the world reels*".

Exactly how this plays out remains to be seen, but risk assets are currently united in a downward movement and fears of some form of economic shock and stagflationary malaise are rising.

Discounts remain historically wide, as indicated by the -39% portfolio weighted average discount. Aside from a handful of days during the COVID-2020 sell-off, this is the widest level on record.

Whilst we do not expect this to provide protection in the event of near-term market weakness, it makes us optimistic for prospective returns over the medium term. We continue to believe that hard work, activism and events will be crucial to unlocking value from the concentrated-yet-diverse portfolio of durable growing businesses we have assembled. As such, whilst the near-term is hazy, we are confident that we have the right ingredients to deliver strong returns into the future.

Entain:

Entain was the most significant detractor over the month declining -21% without any material company-specific news flow. The shares have now declined some -30% from the Dec-2024 high.

The treaty (or tightrope?) that active fund managers traverse with the market is one of sufficient efficiency. Markets must be inefficient enough to misprice stocks; but efficient enough in the long run for fair values to be recognised. We are always mindful that the market is *often* right, not every discount is an inefficiency to be exploited, and that many investors are too loose-lipped in decrying the market as being wrong.

With this caveat in place, we find the recent share price performance of Entain to be in stark contrast to the fundamentals and have added to the position during the first quarter of the year.

As we see it, there are two reasons behind the weakness.

Firstly, in December 2024, it was announced that the Australian anti-money laundering regulator (AUSTRAC) had commenced civil proceedings against Entain's Australian subsidiary. The investigation began in 2022 and relates to 17 accounts, out of over 1 million, and alleges that Entain did not have the right systems in place. As our industry is fond of saying, *past performance is not indicative of future results*, however we note AUSTRAC's largest ever fine equates to c.£225m, equivalent to c.4% of Entain's pre- announcement market cap. We don't claim any great insight beyond this, but that is the ballpark we are in.

Secondly, in February it was announced that Entain's CEO, Gavin Isaacs, would step down with immediate effect. Here we have more sympathy with the market's despondence. A CEO departing after only five months in the job announced via a vague press release is hardly confidence inspiring. With that said, with a competent and experienced (temporary) replacement waiting in the wings in the form of Stella David (who had previously been interim CEO before Mr. Isaacs appointment) there is no great disruption. Moreover, our investment case is (largely) centred on the potential to unlock value from the BetMGM JV, and we believe a strong board (and capital allocation committee) is of central importance from a governance perspective.

Turning to the fundamentals, during February, both Entain and BetMGM reported FY results. For the first time in our ownership period (which began in December 2023), both engines are performing well.

Starting with Entain's wholly-owned operations, the recovery (which we described in the August newsletter) has continued. Q4 marked the first time in almost three years that the online business saw double-digit organic sales growth, slightly aided by favourable results in the UK. Importantly, playing retention is back above the ~85% level which sits at the heart of the growth algorithm, as a levelling of the regulatory environment through the Voluntary Code took effect. It is our expectation that from here, growth should at least match that of the underlying markets (c.5% on a weighted average basis) with potential upside to this as share shifts back away from third-tier operators. As we look further ahead, we see a long runway for continued growth, as well as margin expansion from the online operations.

Moving to BetMGM, it was around this time last year, that management outlined 2024 was to be a *"year of investment"*, after a difficult 2023. It was pleasing to see that these investments were not in vain, as BetMGM exited 2024 as a fundamentally stronger business. Almost every KPI saw significant improvement, gaining momentum over the course of the year, which has continued into 2025.

In 2025, management expects EBITDA to be positive. This is materially ahead of consensus which was expecting another negative year. We believe that this earlier than anticipated inflection point adds credence to management's medium-term aspiration of $500m in annual EBITDA.

Taking a step back, the acquisition of Angstrom has significantly improved the business's product offering, and the Nevada single wallet acts as a key differentiator. As such, we believe BetMGM holds a credible and durable #3 position in the largest and fastest-growing online gaming market in the world.

However, in the current structure, the value is being entirely discounted, with BetMGM trading at a negative implied valuation to our estimated valuation.

MANAGER'S COMMENT

Alternatively, stripping out our (conservative) carrying value for BetMGM, the stub of Entain trades at 5x NTM EBITDA, versus peers closer to 10x and historic M&A transactions north of this level.

We believe this to be an unduly low valuation, for a company operating in a structurally growing industry with significant barriers to entry.

FEMSA:

During the month we exited our investment in FEMSA – the Mexican family-controlled holding company in which we first invested in February 2021. The proceeds have been redeployed into new ideas on wider discounts and more compelling catalysts, with a high level of competition for capital in the portfolio.

Over the course of the investment, we generated a +40% ROI (+14% IRR), which compared to ROIs / IRRs of +30%/+10% for the MSCI ACWI and +26%/+9% for the MSCI Mexico (all figures in GBP). Returns were principally driven by NAV growth, as well as discount narrowing and a tailwind from FX.

The original investment thesis (see May 2021 newsletter) was predicated on **1)** the attractive nature of Oxxo and the prospect of strong earnings growth; **2)** the deeply discounted valuation, with the stub trading at c.9x EV/EBITDA; and **3)** the prospect for structural simplification to unlock value.

All three parts of this thesis came to fruition, culminating in the strategic review which saw the divestment of Heineken and other non-core assets (totalling $11bn / ~34% pre-announcement market cap). This simplified corporate structure and equity story, shone a light on Oxxo, its consistent high return-on-capital long-growth runway business. As well as this, the proceeds allowed the company to launch the first buyback in the company's history, as well as extraordinary dividends.

Hindsight is a beautiful thing, but FEMSA *could* have been a much more successful investment: in February 2024 we were sitting returns of more than +100%.

Whilst we trimmed a portion, we should have been more aggressive in this. In emerging markets, business quality and strong fundamental performance *should not* lull one into a false sense of security vis-à-vis risk. The political, economic and FX risks in such markets are commensurably higher than in developed market and this shouldn't be forgotten in sizing. As ever, lessons seem obvious with hindsight but this is one that we don't intend to learn again.

FEMSA remains an intriguing company with an exceptional quality asset in Oxxo and optionality around digital initiatives. With c.30% of its market cap accounted for by the stake in KOF, there are still steps the company can take to further unlock value. Combined with the attractive NAV growth potential, it is a company we will continue to follow closely and could well revisit in the future.

STATISTICS

Contributors / Detractors (in GBP)[5]

Largest Contributors	1-month contribution bps	% Weight
Aker	28	4.5
Symphony	12	2.1
Partners Group PE	9	5.1
Rohto Pharmaceutical	6	4.1
Dieteren	5	7.0

Largest Detractors	1-month contribution bps	% Weight
Entain	-89	3.5
Gerresheimer AG	-76	6.1
Chrysalis Investments	-63	6.8
News Corp A	-48	7.1
Christian Dior SE	-44	2.1

Fund Facts

Net Assets	£1,075.2m
Investment Manager	Asset Value Investors Limited
AGT Shares owned by the Manager**	1,962,608
Company Secretary	MUFG Corporate Markets
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]	-4.4	1.1	21.6	126.9	158.1
Net Asset Value TR[1]	-4.3	0.9	21.2	122.2	150.0
MSCI ACWI TR[1]	-6.3	4.9	24.7	94.7	168.3
MSCI ACWI ex US TR[3]	-2.7	3.8	16.3	61.3	86.9
FY* Total Return (£%)	**2025**	**2024**	**2023**	**2022**	**2021**
Price[1]	0.8	16.3	14.7	-10.8	40.2
Net Asset Value[1]	1.0	13.7	15.3	-7.3	36.2
MSCI ACWI[1]	1.5	19.9	10.5	-4.2	22.2
MSCI ACWI ex US[3]	1.0	14.1	10.1	-9.6	18.8

Capital Structure	
Ordinary Shares	451,234,755
Shares held in Treasury	21,873,084
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	£1,237.5m
Debt at fair value (gross)	£147.2m
Gearing (net)[4]	9.5%

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 2023 the comparator benchmark was changed to the MSCI ACWI (£) Index. Prior to this, from 1st October 2013, the comparator benchmark was the MSCI ACWI ex US (£) Index.
4 Fair value of net debt divided by net assets at fair value.
5 Source: Factset
* 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 @ 30th September 2024
All return figures in GBP
All data is as of 31 March 2025 unless otherwise stated

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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