July 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 increased +5.8% in July.

Read more below

Vivendi

Vivendi shares rose +14% as the AMF declared that Bollore is obligated to make an offer for the company.

Read more below

Korea

We continued to add to new and existing holdings in Korea, such that they now make up +5.8% of NAV.

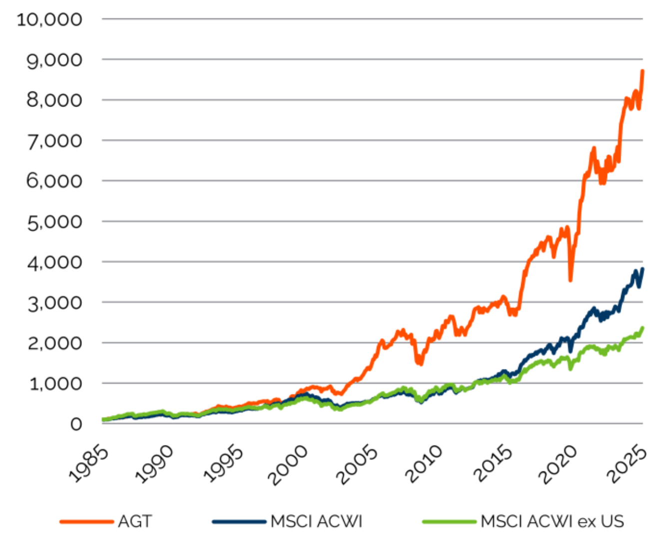
Read more below

THE FUND

Share Price (pence)	NAV (pence)	Prem./Disc.
259.0	280.2	-7.6%

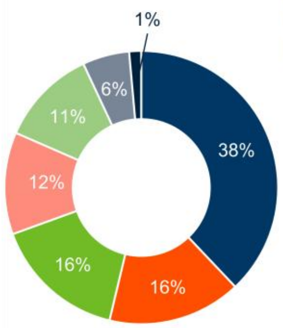
Total Return (£)	1M	CYTD	1Y	3Y	5Y	10Y
AGT NAV	5.8%	6.7%	8.7%	39.6%	98.8%	194.7%
MSCI ACWI	5.0%	5.6%	12.5%	40.8%	81.0%	207.2%
MSCI ACWI ex US	3.3%	11.3%	11.4%	31.3%	53.4%	113.6%

NAV Total Return since Strategy Inception (£)

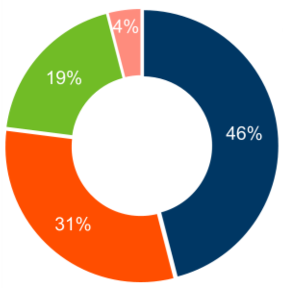


PORTFOLIO

Look-Through Geographic Exposure (% of net assets)



Portfolio Exposure (% of invested assets)



Top Ten Equity Holdings

Holdings	%
Chrysalis Investments	8.2
Vivendi	7.3
News Corp - USD 'A'	6.9
D'Ieteren	6.7
Oakley Capital Investments	5.3
Harbourvest Global PE	5.0
Aker	4.8
Gerresheimer	4.6
Partners Group PE	4.5
Cordiant Digital Infrastructure	4.4
TOTAL	57.7

MANAGER'S COMMENT

AVI Global Trust's (AGT) NAV increased +5.8% in July.

Vivendi (+100bps) was the top contributor over the month as the French financial markets authority, the AMF, declared that Bollore is obligated to make an offer for the company at a "fair price". This helped push the shares up +14% over the month and we discuss the situation further below. Other strong performers over the month included Chrysalis (+83ps) which reported a quarterly NAV update showing +13% growth in Q2 led by Starling (42% of NAV); and Entain (+54bps), where BetMGM (32% of NAV) raised guidance for the second time this year.

On the other side of the ledger, Gerresheimer (-43bps) was the most significant detractor as it was announced that talks with potential private equity bidders have ceased. Post month-end, the company announced the conclusion of the strategic review of its Moulded Glass business, with a stated intention to sell the asset. We are pleased to see management take accelerated steps to unlock value (indeed, this was one of the central suggestions in our public letter). We continue to engage privately with both management and the Supervisory Board. D'Ieteren (-27bps) was the other notable detractor.

Vivendi:

In December 2024 we introduced a new position in Vivendi. At the time, Vivendi had just emerged from a process in which the historic sprawling media conglomerate had just split itself into four separately listed business: Canal+, Havas, Louis Hachette and Vivendi.

The last piece – Vivendi – remained home to a 10% listed stake in Universal Music Group ("UMG"), which accounted for c.90% of NAV, as well as a small collection of other (almost entirely) listed assets, and net debt.

We started to build a position in December 2024 on the day of the split and continued to add to the position throughout 2025 such that at the start of July, Vivendi was our fourth largest position and a 6.6% weight.

In many ways, Vivendi can be thought of as a quintessential AVI stock: 1) through UMG it offered exposure to a high quality and growing business, where we thought the prospects for NAV growth were appealing; 2) it traded at an inordinately wide discount of close to 50%; 3) although uncertain, there were potential catalysts for the discount to narrow.

In July 2025 the AMF ruled that Bollore is deemed to have effective control of Vivendi and as such is obligated to make a mandatory offer within 6 months. This follows an April 2025 court ruling that asked the AMF to revisit the case and the circumstances of the Vivendi split in 2024. In turn Vivendi and Bollore are currently appealing the Court of Cassation, and Bollore has also appealed the AMF ruling itself. It is our understanding that the appeals processes should run until December 2025 and that a dual-track process of cooperation with the AMF will occur in the interim.

The AMF ruling states that, in the event of an offer, Bollore must offer a "fair price". Since December 2024 Vivendi has published its own NAV - although – rather comically – we note no such figure was reported in their half year results published at the end of July 2025. The asset value is fairly indisputable, with the NAV being nearly entirely listed, and Gameloft being the only unlisted asset, for which they report(ed) a carrying value of €234m / 5% of NAV).

There are, however, two areas of uncertainty: **1)** how to treat the central corporate costs (which run at ~€85m annually), **2)** whether or not a "fair price" should incorporate a fair/holding company discount.

We do not intend to profess any great precision into exactly how these two issues will be treated, but instead highlight the 2017 at-NAV offer from the Arnault family for Christian Dior SE as a case study for the AMF ensuring fair value is offered.

Nonetheless, the prospects for a buyout offer are meaningfully higher than they were a month ago. This has been in part at least reflected in the narrowing of the discount – with the shares now trading at an a low 30s - discount to our pre-corp cost NAV. At this level we continue to see meaningful upside in the discount.

Turning to the NAV side of the equation, UMG shares have been weak of late following the publication of results at the end of July and the announcement that Cyrille Bollore is to step down from the board. This has pushed the stock -14% since from a recent late July peak to the time of writing (4th August).

In terms of Q2 results these were something of a mixed bag. On the positive side, UMG has demonstrated 8.9% Subscription growth in H1, with only a modest tailwind from price rises. We continue to believe that the market is underestimating the extent to which this will further accelerate in 2026 under so-called Streaming 2.0 – with a guaranteed step-up in minimum per subscriber fees, and increased tiering of pricing allowing for greater stratification in spending between average consumers and those with propensity to spend more. All told, we believe UMG is well positioned to benefit from the continued (re) monetisation of music supporting strong long-term topline growth.

On the other hand, how this translates into margins and free cash flow is causing more debate. Margins have not expanded as much as one would have expected with 2025 adjusted EBITDA margins likely to be ~22.8% vs. consensus expectations of ~25.0% at the time of the IPO. As demonstrated in the most recent results, incremental margins have remained subdued in the high 20s and operational leverage has been held back. Part of this is mix effect, but there is also some investor scepticism as to how creative and capitalist traditions of UMG and financial markets meld, and the extent to which management are disciplined on cost and focus on the share price (which wasn't helped by Lucien Grainge's post prospectus compensation package).

MANAGER'S COMMENT

The free cash flow picture also remains muddied, both in terms of Royalty Advances and Catalogue Investments. In H1 we with an exceptionally large (€377m) Royalty Advance Net of Recoupments outflow in H1 and guidance that this will not normalise to a lower FY figure (as was the case last year). The bears would argue that this is indicative of the pendulum of power swinging in the favour of artists, who are negotiating a harder and better settlement in what is a relatively zero-sum game. The more bullish interpretation is that UMG is simply fuelling future growth and higher advances today result in higher recoupments / earnings / free cash flow in the future. The truth probably lies somewhere between the two and we believe management can do a better job explaining this, as well as more generally improving communication and disclosure with the market. Indeed, we some analogies between UMG - still earlier in its life as a listed company, leading in a nascent asset class - and how the Alternative Asset Managers were misunderstood a decade ago.

UMG shares are currently only a little above where they closed following the September 2021 IPO (whilst the MSCI Europe has returned >50% and Spotify >200%). Indeed, the current enterprise value (€44bn) is only ~25% higher than the one (€35bn) at which Pershing Square invested in 2021, despite sales and EBITDA being ~44% and ~77% higher. Net of its €4.5bn in Spotify and other listed equities, UMG has a core equity value of just €22 per share, or a just under 20x 2026 earnings. We believe this to be good value for approximately a 30% share of global music, at a time when the industry is being transformed, with better monetisation and improving earnings quality.

The combination of UMG's attractiveness, and the near-term potential catalyst in Vivendi's discount, make us optimistic for prospective returns.

Korea

In last month's newsletter we wrote about Korea, the changing corporate governance landscape, and the excitement we have for this "theme" in the portfolio.

In July we continued to add to new and existing holdings in Korea, such that they now make up +5.8% of NAV spread across 7 names. We would expect this exposure to keep rising in the coming months and see it as indicative of AGT's agile and bold approach to capturing opportunities. Sometimes this can be reflected by taking large positions in single names, or alternatively, as is the case with Korea and before that Japan, by spreading our exposure across several names but in such size that they collectively move the needle.

The governance reform agenda is continuing with rapid pace. During the month, a second set of amendments to South Korea's Commercial Act passed the National Assembly's Legislation and Judiciary Committee subcommittee overnight, this time mandating cumulative voting and expanding separate election of audit committee members for large, listed companies with assets over KRW2tn (c. $1.5bn). If this amendment passes the full National Assembly plenary session and is brought into law, at least two audit committee members will need to be separately elected and cumulative voting would be mandated to strengthen minority shareholder influence.

As we have learnt from Japan, progress is never linear. In this sense, poorly received news on the Securities Transaction Tax is not entirely surprising given the government's on-going fiscal challenges and trade-offs that must be made. We continue to focus on the broader picture and the potential for further legislation, such as rules on mandatory treasury stock cancellation and corporate governance protections, which remain under review at this time.

In order to fund our growing Korea exposure, we have continued to raise capital from other parts of the portfolio. Beady eyed readers will note that our exposure to Japan decreased from 18% to 16% over the month. This was largely on account of two exits, TSI Holding and Konishi – where in both cases we exited into company buybacks, allowing us to free up capital from less liquid parts of the portfolio. TSI – the apparel holding company – was initiated as a position in 2023 and generated a local currency ROI/IRR of +84% and +41%. We had held Konishi since 2018 and returns were more pedestrian (+73%/+11%). We remain deeply enamoured by the opportunity set in Japan, as is indicated by our considerable overweight.

STATISTICS

Contributors / Detractors (in GBP)[5]

Largest Contributors	1-month contribution bps	% Weight
Vivendi	100	7.3
Chrysalis Investments	83	8.2
Entain	54	4.3
Aker	48	4.8
Oakley Capital Investments	42	5.3

Largest Detractors	1-month contribution bps	% Weight
Gerresheimer AG	-43	4.6
Dieteren	-27	6.7
Wacom	-8	1.5
Amorepacific Holdings	-5	1.5
Irish Residential	-5	1.7

Fund Facts

Net Assets	£1,155.4m
Investment Manager	Asset Value Investors Limited
AGT Shares owned by the Manager**	2,059,820
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[2]	8.1	8.6	42.5	104.0	216.4
Net Asset Value[1]	5.8	8.7	39.6	98.8	194.7
MSCI ACWI[1]	5.0	12.5	40.8	81.0	207.2
MSCI ACWI ex US[3]	3.3	11.4	31.3	53.4	113.6
FY* Total Return (£%)	**2025**	**2024**	**2023**	**2022**	**2021**
Price[1]	14.0	16.3	14.7	-10.8	40.2
Net Asset Value[1]	12.1	13.7	15.3	-7.3	36.2
MSCI ACWI[1]	11.9	19.9	10.5	-4.2	22.2
MSCI ACWI ex US[3]	10.1	14.1	10.1	-9.6	18.8

Capital Structure	
Ordinary Shares	439,499,755
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	£1,316.1m
Debt at fair value (gross)	£146.1m
Gearing (net)[4]	8.9%

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 @ 31 July 2025
All return figures in GBP
All data is as of 31 July 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