



MIGO Opportunities (MIGO)

MIGO is heavily concentrated in discount opportunities with return catalysts on the horizon.

Update
14 May 2026

Overview

MIGO Opportunities (MIGO) is now a leaner and meaner machine following a revamp of the strategy last June. The trust now fills a gap in the market, aimed at exploiting exceptional opportunities in the investment trust sector where quality assets are being valued at deeply discounted prices due to technical or corporate factors. MIGO’s managers, Charlotte Cuthbertson and Tom Treanor, have an all-cap approach to the sector, but their capacity-constrained approach recognises the importance of remaining nimble and able to capitalise on the smaller end of the market where prices may be less efficient and other activists less interested in participating. The managers take an activist approach to engage with boards in order to unlock value.

MIGO owns 33 investments as of the end of March, with c. 65% invested in the top ten. This is a high conviction **Portfolio**, with punchy weights in best ideas like VH Global Energy Infrastructure (ENRG) and Baker Steel Resources (BSRT). Many of the holdings, like ENRG, have implemented asset realisation plans in order to unlock the value in deep discounts, with Charlotte and Tom among the investors pushing this on. Others, like BSRT, have implemented tenders, buybacks, and dividends.

There is evidence of the activist approach increasingly bearing fruit across the investment trust sector over the past year, although markets have been choppy and weak since the outbreak of war in the Gulf. Charlotte and Tom have been using any short-term weakness to add to their highest conviction positions. MIGO’s returns have been good on a one-year view as equity markets have done well, but wide discounts mean the real benefits of the strategy have yet to be felt. Looking forward, asset sales by largest holding, ENRG, could be on the horizon very shortly, as well as news from the sale of Bluefield Solar Income (BSIF), both of which should be positive for MIGO’s NAV and provide evidence of the strategy paying off.

Analyst’s View

Crunch time is rapidly approaching for the alternative assets sectors. The pace of board activity to tackle wide discounts, the ambitiousness of the solutions proposed, and the sense of urgency have all noticeably been increasing. Some major deals have seen portfolios taken out, generating good gains for shareholders – Augustum Fintech being one recent example, which benefitted MIGO’s NAV. In a number of the trusts in MIGO’s new core of 15 holdings, there are catalysts on the horizon which could see meaningful uplifts to the NAV this year. There are also holdings where the timescale looks a little longer, be it BSRT, which has offered relatively modest measures so far whilst the NAV has skyrocketed, or Chrysalis (CHRY), where a change to the management arrangements may have contributed to some short-term uncertainty. But overall, there is strong momentum behind the key real assets and private equity sectors, which we think bodes particularly well once animal spirits return after the war-inspired weakness of the past few weeks.

That said, one of the attractions of MIGO’s approach is that good returns can be achieved even if markets are weak, as so much of the value is in the underlying discounts. There are a number of corporate governance events ongoing in the portfolio, which could see value crystallise over the coming months, whatever the market does. An additional discount of 5% via MIGO’s shares adds to the attractions of investing in discount opportunities via the trust, whilst the managers are able to filter out the value traps in the market from the real opportunities, a difficult task for the non-specialist investor.

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BULL

Exceptionally wide discounts have created a rare opportunity

Specialist team devoted to the sector, with experience in engagement and activism

Multiple liquidity opportunities are expected

BEAR

Concentrated portfolio brings single-stock risk

Corporate activity is unpredictable and may disappoint in significant individual positions

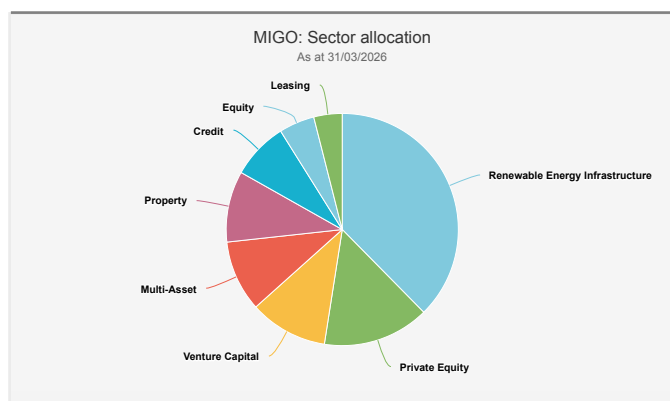
Politics and policy in renewables create risks for some holdings in some key jurisdictions



Portfolio

MIGO Opportunities (MIGO) owns a concentrated portfolio of high conviction ideas, investment companies trading well below the value of their assets, where MIGO’s managers see scope for activism to unlock this value. Following the adoption of this revamped approach in June, managers Charlotte Cuthbertson and Tom Treanor took some time to sell down legacy holdings and reinvest in their best ideas. With 65% in their top-ten positions and c. 85% in the top fifteen, the target shape of the portfolio, built around a core of 15 ideas, has been reached. On an underlying asset basis, equities have been sold and the portfolio heavily invested in alternative assets, most notably renewable energy assets, private equity (PE), and growth capital. The portfolio is now also heavily weighted to the smaller end of the sector, with 41% in trusts with a market cap below £250m, and 40% in those of £250m to £500m. In the smaller trusts, Charlotte and Tom are able to take more meaningful positions, giving them greater influence over boards. Additionally, the smaller trusts are arguably less likely to be efficiently priced, having fallen off the radar of lots of other activist investors. MIGO can, at c. £80m in total assets, be nimble and opportunistic in this segment, and the board has stated it expects to introduce a capital return mechanism if assets rise over £150m, which should allow the trust to keep its edge in this part of the market.

Fig.1: Sector Exposure



Source: MIGO

One of the areas where the managers see the greatest opportunity is the renewable energy space, where they have positions in a number of less mainstream companies with highly diverse underlying assets. As with all sectors, they look for selective exposures with a specific catalyst, which means they are light on UK assets and therefore have little sensitivity to UK subsidies and policy, a source of some uncertainty for the larger trusts in the sector. VH Global Energy Infrastructure (ENRG), for example, has only 13% in the UK, with over half the portfolio in the US and Brazil; it has 27% exposure to hydro power and 29% in terminals. It also owns a UK asset which helps stabilise

the grid in the light of the intermittency of renewable power, recycling the carbon dioxide it captures in the process for use in the food and beverages sector. ENRG’s board has decided to realise the assets and wind up the company, and since the proposal was announced last May, the discount has narrowed from the mid-40s to c. 28% at the time of writing, and the shares are up c. 22%. Charlotte and Tom note that the managers are financially incentivised to sell the assets sooner rather than later, which is promising for distributions to investors like MIGO. They have been adding to their position in recent months, and the company is their largest holding at 12.9% of net assets. Notably, ENRG’s largest asset is a US gas terminal which accepts sulphur fuel from Mexico for reprocessing and purification. This asset should be particularly attractive to acquirers given the current state of energy markets, and highlights the diversity of the exposure MIGO has on a look-through basis.

Top-Ten Holdings, As At 31/03/2026

| Holding | Weight (%) |
|---------------------------------|-------------|
| VH Global Energy Infrastructure | 12.9 |
| Gresham House Energy Storage | 8.2 |
| Baker Steel Resources Trust | 6.8 |
| Chrysalis Investments | 6.5 |
| Pantheon International | 5.9 |
| Bluefield Solar | 5.9 |
| GCP Asset Backed Income Fund | 5 |
| HarbourVest Global PE | 4.7 |
| Georgia Capital | 4 |
| Taylor Maritime Investments | 4 |
| TOTAL | 63.9 |

Source: MIGO

Wind-ups and asset sales are the intended route to value realisation for many of MIGO’s holdings, with the opportunity coming in many cases from attractive assets being in the wrong wrapper for the most likely investors. Bluefield Solar Income Fund (BSIF) has a more conventional asset base of solar farms in the UK, and the board has been conducting a formal sale process. During this process, it has decided to sell the portfolio and manager as a whole, creating an operating business which looks to develop new assets rather than a yieldco which farms dividends. This could appeal to a long-term private owner who sees the strong demand outlook for renewable energy assets over the long term, rather than simply investing for the yield premium over gilts.

There isn’t a current realisation process in play at Gresham House Energy Storage (GRID), the battery-asset owning trust, which is the second-largest holding. However, Charlotte and Tom highlight that its former peer, Harmony



Energy Income Trust (HEIT), was bought out at a price in line with its reported NAV and at a c. 42% premium to the pre-offer period share price, which suggests this might be another case of the assets being in demand to the right investors in the right wrapper. GRID's current strategy is to invest in an augmentation programme to extend the duration of the assets, which could deliver material NAV gains from this programme over the next 12 months. This could increase the attractiveness of the portfolio to an eventual acquirer, if it doesn't succeed in narrowing the discount.

Baker Steel Resources (BRST) has been one of the big winners in the portfolio over the past year, delivering stunning share price returns of 151% in the 12 months to 29/04/2026. The trust has benefitted from surging commodity prices across industrial and precious metals. Particularly strong returns have come from a private holding, Futura Resources, which was written up substantially following a refinancing. The managers have been selling their position down to keep it at a sensible size, but it remains the third-largest position in the portfolio. They continue to engage with the managers to tackle the discount, and BRST announced a new capital allocation policy in response to investor pressure. This will see a 3% of NAV dividend paid along with an additional 2% spent on buybacks and a commitment to using 50% of the profits from asset sales to fund tender offers. The shares responded positively, but the discount remains wide at c. 25%, so we expect shareholder pressure to continue for more action.

A second source of deep discount opportunities is trusts investing in unlisted equity, both the traditional PE sector and the growth capital space. AVI is among a number of activist investors looking to take advantage of the wide discounts in PE trusts, and has had plenty of success in encouraging more and more significant policies. HarbourVest Private Equity (HVPE) recently announced some very robust measures ahead of a continuation vote due this year. The board has committed to distributing 12% of NAV back to shareholders via a tender and buybacks, and 5–10% annually over the next three years. This follows an AVI public letter addressed to the board, managers, and shareholders. Another activist has published an open letter to the board of Pantheon International (PIN), another MIGO top holding, encouraging it to follow suit with similar measures. Both trusts trade on discounts of c. 28%, so there are meaningful gains to be made from the discount narrowing, especially if accompanied by an improved exit market bringing some NAV gains too. AVI's engagement efforts are typically behind closed doors and collaborative, but we understand they remain active in this sector and across the portfolio, with positive results as a swathe of shareholder-friendly announcements suggests.

PE has been a bit weak this year from a NAV perspective, as the concerns about the impact of AI on software have been read across. HVPE has 35% in tech and software, and PIN 34% in information technology. Whilst acknowledging the uncertainty, Charlotte and Tom view this indiscriminate sell-off as an opportunity and have been adding to some names in the sector as a result. HG Capital (HGT) has been hardest hit, yet whilst it remains on their watchlist, they have not yet bought in, flagging the high level of gearing on a look-through basis, meaning that relatively small impacts on portfolio value could be significant in the NAV.

Growth capital, meaning investing as a minority investor in unlisted equity, has also been impacted, with fintech-focussed trusts such as Chrysalis (CHRY) seen as potential losers. Charlotte and Tom think this is a case of sentiment getting ahead of the facts; however, with CHRY's holdings having little in common with the SaaS businesses threatened by AI. Charlotte and Tom were instrumental in steering the company into an orderly realisation, continuing to engage with the board and adding to CHRY on weakness, taking advantage of a discount that has widened to 47% at the time of writing, implying a gain of almost 100% if the whole portfolio is sold at NAV. MIGO benefitted from the sale of former peer Augmentum Fintech (AUGM) early this year, with a sale price agreed well above the share price, of 27% below the NAV.

Another interesting holding in the growth capital space is Seraphim Space (SSIT), at first glance a very different proposition, having been trading on a premium in recent months, which recently reached 44%. However, Charlotte and Tom view the NAV as undervaluing the assets in light of the major deals signed by the largest holding, ICEYE. Whilst they have been selling into the recent strength, they were happy to own it on smaller premiums, which highlights that what they are looking for is undervalued assets rather than simply a high headline discount. It is clear that there are plenty of opportunities in the investment trust sector with discounts wide across the alternative asset space, but what MIGO can do is the detailed research necessary to distinguish the real opportunities from the value traps, and those boards which are likely to respond to shareholder pressure from those with worse governance. Tom and the wider team at AVI bring a lot of experience in precisely this to the management team, making the revamped investment strategy something that only MIGO can really do in this part of the market. MIGO can also invest alongside other AVI funds at times, increasing the managers' influence over boards.



Gearing

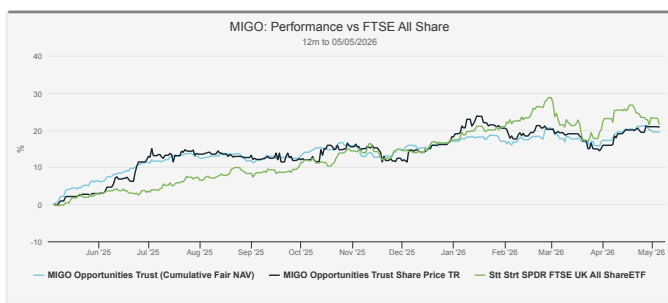
MIGO has recently refinanced its £10m revolving credit facility from RBSI to OakNorth. This is fully drawn down and equates to 14.6% of net assets as of the end of March. Charlotte and Tom’s approach to gearing is to use it as a source of extra cash when they have more ideas they want to buy, rather than as a market timing tool. As they continue to find the opportunity set extremely attractive, Gearing sits around the 7% mark, although this changes depending on market conditions and cash coming in from realised investments.

The investment policy officially restricts gearing at the portfolio level to a maximum of 20% of NAV at the time of borrowing. It’s worth noting that gearing can be high on underlying holdings too, particularly in the alternative assets space, increasing MIGO’s exposure to the value of these assets.

Performance

MIGO has delivered good returns over the past 12 months, with the NAV up 19.4% in the 12 months ending 05/05/2026. It is a little early to comment on the results of the new strategy, which only began to be implemented in June, but we think the returns reflect a buoyant equity market, which should provide impetus to close discounts and could create a helpful backdrop for the strategy. That said, as the strategy is very stock-specific in its approach, with engagement critical to unlocking value, returns will ultimately depend on individual factors. In the short term, the war in the Gulf has seen some weakness in the market and in discounts due, we think, to a rise in general risk aversion and concerns about the economic outlook. Although Tom and Charlotte are buying trusts at wide discounts to NAV, the shares can still be sold off further when investors panic, which should provide opportunities for those looking for value.

Fig.2: One-Year Performance



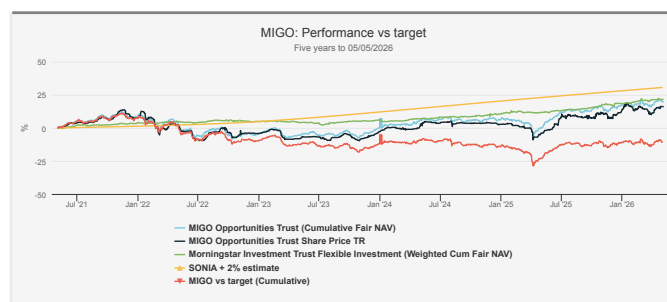
Source: Morningstar

Past performance is not a reliable indicator of future results.

It’s still quite early to analyse performance under the relaunched strategy, but there have been some positive signs already. In Q4 of 2025, MIGO outperformed global equity indices with a NAV total return of 3.9% compared to 3.4% for the MSCI AC World Index. BSRT was one of the key contributors, as was Georgia Capital, a long-standing holding. The PE trusts added to the portfolio in the overhaul were also positive contributors. Whilst Gresham House Energy Storage performed well, returns were more disappointing from some other renewables trusts, which were weak in the short term. MIGO also outperformed global equities in Q1 2026, the NAV down just 0.2% in a falling market, which saw losses of 1.4% for the MSCI ACWI. The move away from equity trusts benefitted from the sell-off, although BSRT continued to perform very strongly over the quarter as a whole. The implications of the war in the Gulf aren’t yet fully clear, but whilst markets have been volatile and, at times, sold off in unison, we think the importance of renewable energy assets has been underlined emphatically, which could boost the prices achieved in divestments and wind-downs, whilst in the shorter term, many of them receive higher revenues if power prices remain higher.

Looking back over a longer time-frame, five years isn’t a friendly period over which to assess MIGO’s performance, as it currently starts close to the beginning of a period of dramatic discount widening as interest rates were hiked fast and far. The chart below shows the cumulative performance relative to the target in red, with a downwards sloping line indicating underperformance and vice versa. The impact of discounts widening over 2022 and 2023 is clear, as is the impact of ‘Liberation Day’ in early 2025. Since then, the trend has been positive, and the outlook for discounts has improved too, but the Iran War has thrown another spanner in the works. Whilst this might be frustrating for those aiming to prosper from narrowing discounts, we think the potential in the strategy and the attractions at this juncture are clear, particularly given so much of the portfolio is in run-off or realisation. As long as assets aren’t sold in a panic (and if the valuations are fair), then high returns are obtainable once the market regains some tolerance for risk.

Fig.3: Five-Year Performance



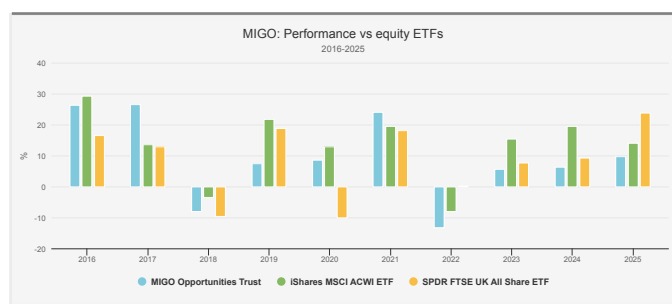
Source: Morningstar, Kepler calculations

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Of course, the returns over five years reflect largely the results from the earlier strategy, with the current focussed, concentrated activist approach to alternatives being adopted in June 2025. Nonetheless, market-wide factors influencing discounts remain important to returns. The year 2021 is now falling out of the five-year numbers, but as the chart below shows, MIGO outperformed in a rising equity market as discounts narrowed. However, since 2022, although equity markets have done well, MIGO has lagged. High interest rates have dampened demand across many investment trust sectors, particularly alternatives, meaning share prices have been weak. This has created opportunities for value-accretive activism, whilst we think any resumption of the rate-cutting cycle after the inflation from the war in the gulf has passed through could provide a tailwind.

Fig.4: Returns



Source: Morningstar

Past performance is not a reliable indicator of future results.

Dividend

MIGO’s objective is to generate capital growth for shareholders, and so income is unlikely to be a significant part of the investment proposition. The board’s policy is to only pay out a dividend if required to in order to retain investment trust status. Regulations require it to pay out 85% of any net income for the year. Investment management fees and other expenses are charged first against the income account, reducing the likelihood of a dividend being paid. No dividend was paid for the year ending 30/04/2025, although a small payout was made in 2024 and with a high proportion of the portfolio in alternative assets, which typically pay high dividends, it may do in future.

Management

Charlotte Cuthbertson and Tom Treanor are co-managers of MIGO. Charlotte has managed the portfolio since 2017, when she joined former co-manager Nick Greenwood, who retired from the team in June 2025. Tom joined at that point in order to help Charlotte implement a new investment

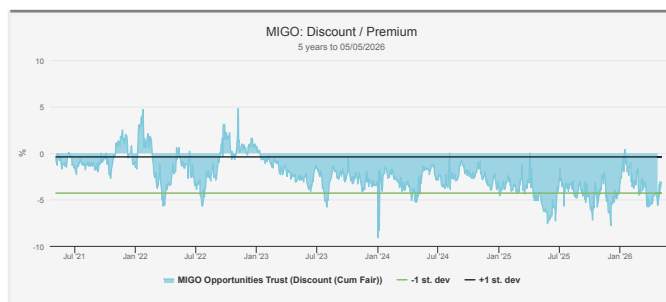
strategy, with a higher conviction portfolio more focussed on the alternative sectors and with activist engagement more central to the investment approach.

Prior to joining AVI in July 2023, Charlotte worked at Tyndall Investment Management and Premier Miton plc, where she assisted Nick Greenwood in managing MIGO. Tom is head of research at AVI, which he joined in 2011, and has over 20 years of experience in the closed-ended funds sector. In particular, he has been heavily involved in AVI’s activist approach to engagement, building relationships with board members and shareholders across the sector, which is a particular advantage when it comes to implementing the new strategy.

Discount

The main discount opportunity in MIGO’s case is in the NAV, with the top-ten holdings trading on a median discount of 31.9% at the end of March (excluding Georgia Capital). A small discount of around 3% offers an additional source of value, although any gains from that narrowing would be dwarfed by successful realisations of the largest holdings at or close to their NAVs. That said, it does provide a nice extra cushion, and in our view, it is preferable by far to buy at 5% below NAV rather than 5% above NAV, even if herd mentality might make this hard to recognise at times. The board aims to maintain a sustainable low discount or premium and has bought back substantial amounts of shares to achieve this. In the 2025 financial year, ending 30/04/2025, c. 9% of the shares were bought back, and in the current financial year, we estimate c. 12% have been repurchased at the time of writing.

Fig.5: Discount



Source: Morningstar

There is also a triennial realisation opportunity provided for in the articles of association, the last one of which was held in September 2024. This should allow shareholders to elect to redeem their investment at NAV, less costs. In 2024, shareholders owning just c. 5% of the shares elected to realise their investments (the buybacks quoted above were in addition to these redemptions). We think



the commitment to buybacks and realisation opportunities adds to the attractions of buying at a discount, as they help provide downside protection.

Under the new strategy, the board expects to keep the NAV below £150m to enable concentrated positions in some of the smaller trusts to move the needle in terms of performance. The board states that if NAV rises above this, it expects to introduce a capital return mechanism to provide a liquidity opportunity to shareholders.

Charges

MIGO's latest ongoing charges figure (OCF) is 1.7%, calculated as of 30/04/2025, but charges may be lower on an ongoing basis following a cut to the management fee last year. A reduced management fee of the lower of 0.35% of market cap or NAV, whichever is lower, is a substantial cut to the 0.65% previously charged. We note that OCFs are incorporated in the published NAVs and are not an additional detractor from the share price.

A performance fee has been introduced, which is 15% of the returns above SONIA plus 3% per annum, with a high watermark, meaning the same performance gain isn't paid for twice. We like performance fees, if coupled with low base management fees, as they increase the incentives for managers to add alpha. We also think that agreeing to this structure is evidence of Tom and Charlotte's enthusiasm for the current opportunity in the closed-ended funds universe, which they describe as a once-in-a-generation chance. Additionally, AVI will reinvest 25% of any performance fee paid into MIGO shares, subject to a 5% cap on their shareholding, with a minimum 3-year hold period for shares acquired under this mechanism.

ESG

ESG matters, including climate change, are frequently discussed in meetings with portfolio companies and are also part of the risk assessment when deciding on whether an investment should be made. In particular, Tom and Charlotte are aware that trusts perceived to be falling behind on ESG and climate change matters could see their shares trade at wider discounts than peers. It is, therefore, an important part of the risk assessment when looking at possible investments. That said, the portfolio is highly diverse, and whilst renewables trusts feature highly, the managers will look for all sorts of ideas, including those in sectors or with special situations which might be considered to have a poor ESG profile. Details on the manager's approach to ESG can be found on their website. The trust does not have a rating from Morningstar for sustainability.



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